

# Annual Report 2026

Virgin Australia Holdings Limited  
ABN 54 100 686 226





## Acknowledgement of Country

Virgin Australia acknowledges the Traditional Custodians of the lands, seas and waterways on which we fly and work. We recognise their spiritual, ongoing connection to Country and Community and extend our deepest respects to Elders past and present.

## AGM details

The 2026 Annual General Meeting (AGM) of Virgin Australia Holdings Limited (Virgin Australia) will be held on Friday, 20 November 2026, commencing at 10am AEST at Room P6/P7, Plaza Level, Brisbane Convention and Exhibition Centre, Grey Street, South Brisbane Queensland, or online.

Shareholders will be provided further details regarding the AGM in the 2026 Notice of Meeting. The Notice of Meeting will be available on the ASX Market Announcements Platform and Virgin Australia's Investor website at [www.virginaustralia.com/investors](http://www.virginaustralia.com/investors).

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# 2026 Snapshot

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## \$6,353m

Statutory Revenue and income  
up 9% on FY25

## \$501m

Statutory net profit after tax up 5%  
on FY25

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## \$753m

Underlying EBIT<sup>1</sup> up 13% on FY25

## 12.0%

Underlying EBIT margin (%)<sup>1</sup>  
up 60 basis points on FY25

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## 0.9x

Net Debt to Underlying EBITDA<sup>1</sup>  
Below 1-2x target range

## >\$450m

FY26 gross benefits of Transformation  
Program

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## 20.1%

Return on Invested Capital<sup>1</sup>

## 7.6cps

Fully franked dividend declared

<sup>1</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).



# 77.1%

On time performance  
(OTP) (+30 basis points on FY25)



# 98.7%

Completion rate  
(+30 basis points on FY25)



# +1.8%

Available Seat Kilometres (ASK)  
growth (on FY25)



# 21.3m

Passengers carried  
(+3.2% passenger growth on FY25)

# +9%

growth in Active  
Velocity members  
(on FY25)

# +12%

Velocity external billings  
growth (on FY25)

# 30

Strategic Net  
Promoter Score  
(NPS) (+3 on FY25)



# Explore Our Network

Domestic

56

Routes

30 Ports

Served

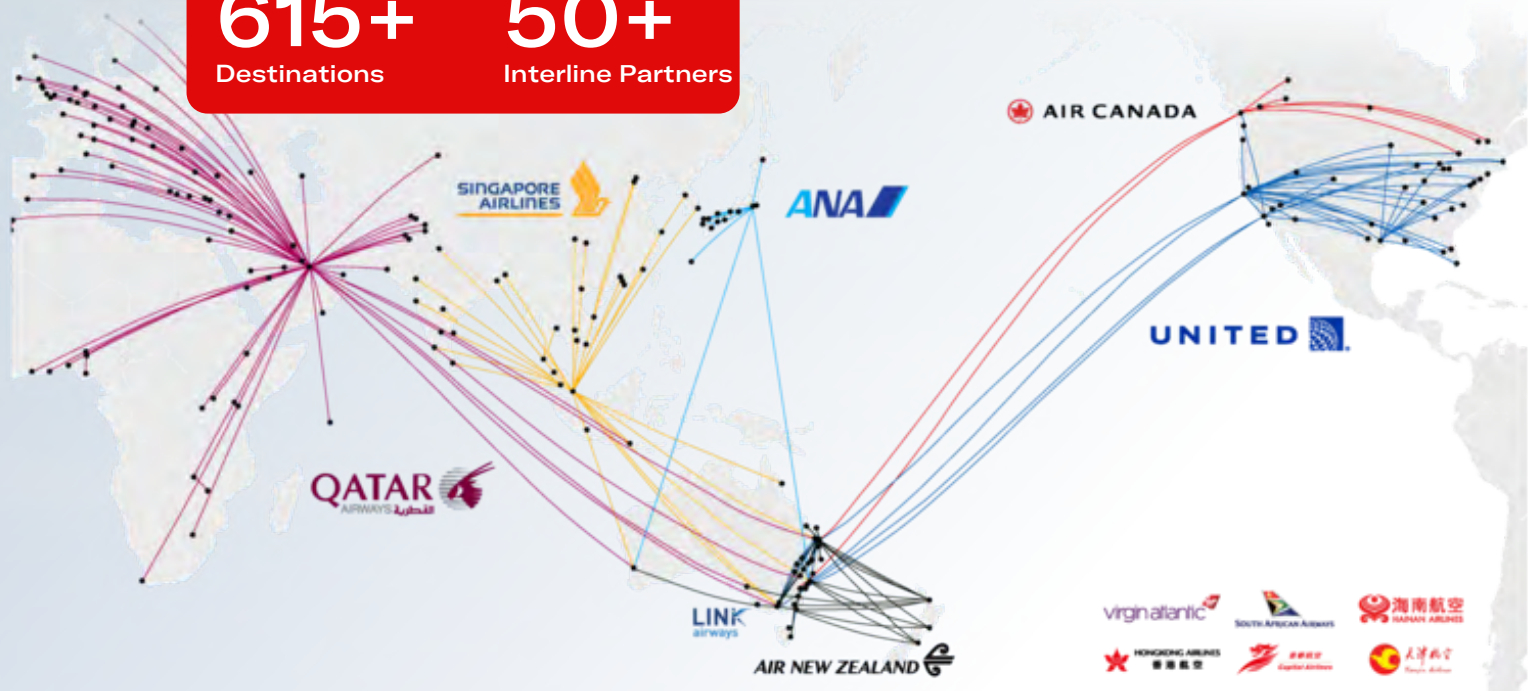




### International Partners<sup>1</sup>

**615+**  
Destinations

**50+**  
Interline Partners



1. Destinations available on international partners as Virgin Australia codeshare flights on [virginaustralia.com](http://virginaustralia.com); or as Velocity redemptions on [virginaustralia.com](http://virginaustralia.com) or via the Member Contact Centre. Based on partner scheduled correct at time of publication and subject to change.

# Chair and CEO message

## The 2026 financial year showed how much stronger and more resilient Virgin Australia has become.

Following our successful Initial Public Offering, we entered the financial year with strong momentum and delivered a strong first-half performance. Conditions became more challenging in the second half as aviation continued to face inflationary pressures, while conflict in the Middle East added further volatility to fuel markets and the broader operating environment.

Despite those challenges, the Virgin Australia team delivered on the commitments made at the time of our listing with confidence in the strength of our strategy and having made a clear commitment to our people, customers and investors that we were well positioned for the future.

This demonstrates our strategy is working. Today, Virgin Australia is a simpler and more focused business, operating in a highly attractive domestic market<sup>1</sup>, with targeted short-haul international services and global connectivity through leading airline partners. Our partnership with Qatar Airways remains an important strategic relationship, broadening the reach available to Virgin Australia guests and Velocity members while supporting our capital-light approach to international connectivity.

The quality of our earnings continued to improve, supported by strong commercial performance and the benefits of our Transformation Program. Our balance sheet remained conservatively positioned, and our careful capacity management and disciplined approach to costs helped us respond to changing conditions while continuing to invest in the business.

Our fuel hedging strategy supported our performance during FY26, and we continue to monitor market conditions every day. We have continued to add small, disciplined tranches of hedging as market conditions create opportunities.

Transformation continues to be central to how we improve our business. It is improving the way we operate, lifting productivity, strengthening revenue performance, and reducing structural costs. Increasingly, transformation is evolving from a program of work to an enduring capability across Virgin Australia.

Importantly, the Board's decision to declare our first dividend as a relisted company reflects the confidence we have in the strength of the business and its long-term outlook. It is consistent with our capital allocation framework, which enables us to continue investing for future growth while maintaining the financial strength needed to deliver sustainable shareholder returns over time.

**“Our people continued to care for our guests, support each other, and, most importantly, uphold an unwavering commitment to safety.”**

Financial performance is only part of the story. We also continued to improve the experience for our guests through investment in our digital platforms, product innovation, and a more reliable operation. We know that reliability matters to our guests. Whether it's a family holiday, an important business meeting or simply getting home, our guests expect their flight to operate as planned. So we were proud to maintain the lowest cancellation rate of the major Australian airlines this year<sup>2</sup>. We also expanded choice and value through initiatives such as Pets in Cabin services and continued to build momentum with corporate and Small and Medium Enterprise (SME) customers.

Velocity continues to be a powerful driver of growth for the Group. Membership and engagement continued to grow, supported by new and expanded partnerships that give members more opportunities to earn and redeem points. We will continue investing in Velocity to build a stronger loyalty business over time.

<sup>1</sup> Attractive due to vast geography, long distances between capital cities and limited fast transport alternatives.

<sup>2</sup> Based on data from the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Bureau of Infrastructure and Transport Research Economics (BITRE), Statistical Report, Aviation – Domestic airline on time performance July 2025 - June 2026.



## **“We continued investing in the capabilities that will strengthen Virgin Australia’s long-term competitive position.”**

We continued investing in the capabilities that will strengthen Virgin Australia’s long-term competitive position. We are delivering a significant fleet renewal program, with additional Boeing 737-8 (MAX) and Embraer E190-E2 aircraft supporting a better guest experience, improved fuel efficiency, lower emissions intensity, and greater reliability.

We are also investing in technology and AI as practical productivity levers that will help our teams work more efficiently.

Above all, we would like to thank our people. FY26 brought plenty of challenges, particularly as conditions became more complex in the second half, and our team rose to every one of them. They continued to care for our guests, support each other, and, most importantly, uphold an unwavering commitment to safety. The arrival of Lake Centenary, our 150th Boeing 737 delivery and 100th 737 in the current fleet carrying the names of more than 8,000 team members on its overhead lockers, was a reminder that Virgin Australia’s success is built by our team.

Thanks to the dedication and commitment of our people, Virgin Australia is currently Australia’s most trusted airline according to Roy Morgan<sup>3</sup> and maintains a strong corporate reputation score<sup>4</sup>. Our Cabin Crew have been recognised as the world’s best for eight consecutive years<sup>5</sup>. These achievements support our ambition to be Australia’s most loved airline by our people, guests and owners.

We are optimistic about the future, while recognising cost pressures will continue. We will stay focused on running a safe and reliable operation, offering value and choice for guests, continuing to transform the business, managing costs, and investing for future growth.

We are confident Virgin Australia is well positioned to continue delivering for our people, guests and owners in FY27 and beyond.

**Peter Warne**  
Independent Non-Executive Chair

**Dave Emerson**  
Chief Executive Officer and Managing Director

<sup>3</sup> <https://www.roymorgan.com/findings/10017-roy-morgan-trusted-brand-annual-awards-2025>

<sup>4</sup> According to RepTrak data June 2025 to July 2026.

<sup>5</sup> <https://www.airlineratings.com/articles/worlds-best-airline-cabin-awards-2026->

# Directors' Report





The Directors present their report, together with the financial statements, on the consolidated entity (the Group or Virgin Australia) consisting of Virgin Australia Holdings Limited (the Company or VAH) and the entities it controlled at the end of, or during, the year ended 30 June 2026.

## Directors

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

| Name               | Period of Directorship              |
|--------------------|-------------------------------------|
| Peter Warne        | Current, appointed 12 March 2025    |
| Ryan Cotton        | Current, appointed 17 November 2020 |
| Melinda Conrad     | Current, appointed 6 June 2025      |
| Dimitri Courtelis  | Current, appointed 1 May 2025       |
| Pippa Downes       | Current, appointed 12 March 2025    |
| Dave Emerson       | Current, appointed 6 June 2025      |
| Charles Lawson     | Current, appointed 14 March 2025    |
| Michael Murphy OAM | Current, appointed 17 November 2020 |
| Warwick Negus AM   | Current, appointed 3 January 2017   |

Except where otherwise indicated, each Director named above held office for the whole year ended 30 June 2026.

## Principal activities

Virgin Australia's primary business is operating a passenger airline focusing on domestic and short-haul international regular public transport (RPT) services as well as providing charter services (Airlines). Additionally, Virgin Australia operates the Velocity Frequent Flyer loyalty program (Velocity). Its range of aviation products and services caters to various segments of the Australian aviation market, serving corporate, government, leisure, regional, and charter travellers.

## Dividends

In August 2026, the Board declared a fully franked dividend of 7.60 cents per ordinary share for the year ended 30 June 2026. The record date for determining entitlements to the dividend is 15 September 2026 and the dividend will be paid on 15 October 2026.

For the year ended 30 June 2025, as detailed in the Directors' report for that financial year, an interim unfranked dividend of 13.67 cents per share was paid to the holders of fully paid ordinary shares on 16 December 2024. No final dividend was paid.

# Operating & financial review



## Operating and Financial Review

Details of Virgin Australia's strategies and prospects for future financial years have been included in the Operating and Financial Review only to the extent that their inclusion is not likely to result in unreasonable prejudice to Virgin Australia. In the opinion of the Directors, details that could be unreasonably prejudicial include, but are not limited to, information that is commercially sensitive, confidential or could give a third party a commercial advantage. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in the Financial Report are due to rounding.

### Group result highlights

#### Underlying EBIT<sup>1</sup> of

## \$753 million

increased by 13.4% with Underlying EBIT margin<sup>1</sup> 60bps higher at 12.0% due to strong revenue growth and delivery of benefits from the Transformation Program.

#### Statutory net profit after tax of

## \$501 million

increased by 4.7% reflecting the growth in Underlying EBIT<sup>1</sup>, a reduction in Significant Items<sup>1</sup> and a lower benefit from deferred tax asset recognition.

Virgin Australia has become a structurally stronger business, delivering sustainable earnings growth and building a platform for long-term value creation

Virgin Australia's Underlying EBIT<sup>1</sup> increased by 13.4% to \$753.2 million in FY26, with the Underlying EBIT margin<sup>1</sup> improving 60bps to 12.0%. The results were consistent with the trading update from April 2026 and reflect that the strategy to be simpler and more focused with Transformation at the core is working. Virgin Australia has become structurally stronger, delivering sustainable earnings and margin growth. The conflict in the Middle East created challenges in the second half of FY26, but the Group demonstrated resilience, managed capacity with discipline and continued to perform strongly for its target customer segments of premium leisure, SMEs and value-conscious corporates. This performance enabled the Group to declare its first dividend since its re-listing in 2025, with a FY26 dividend of 7.60 cents per ordinary share.

Underlying revenue and income<sup>1</sup> increased 8.1% to \$6,277.9 million with resilient passenger demand and 5.9% RASK growth for Airlines and continued double-digit external billings growth for Velocity. The Transformation Program, together with disciplined cost management, partially mitigated other operating cost increases in a highly inflationary environment including airport charges. The Group was protected from a volatile fuel price environment in the second half through its effective hedging program. The Transformation Program delivered more than \$450 million in gross benefits during FY26 through revenue initiatives, cost optimisation, and Velocity enhancements. Virgin Australia has continued to apply its Capital Allocation Framework in FY26 and invest in fleet renewal and growth with the delivery of 13 Boeing 737-8 (MAX) and four Embraer E190-E2 aircraft, which provides operational efficiencies including reduced fuel burn and maintenance. The Group's ROIC<sup>1</sup> increased 140bps to 20.1%.

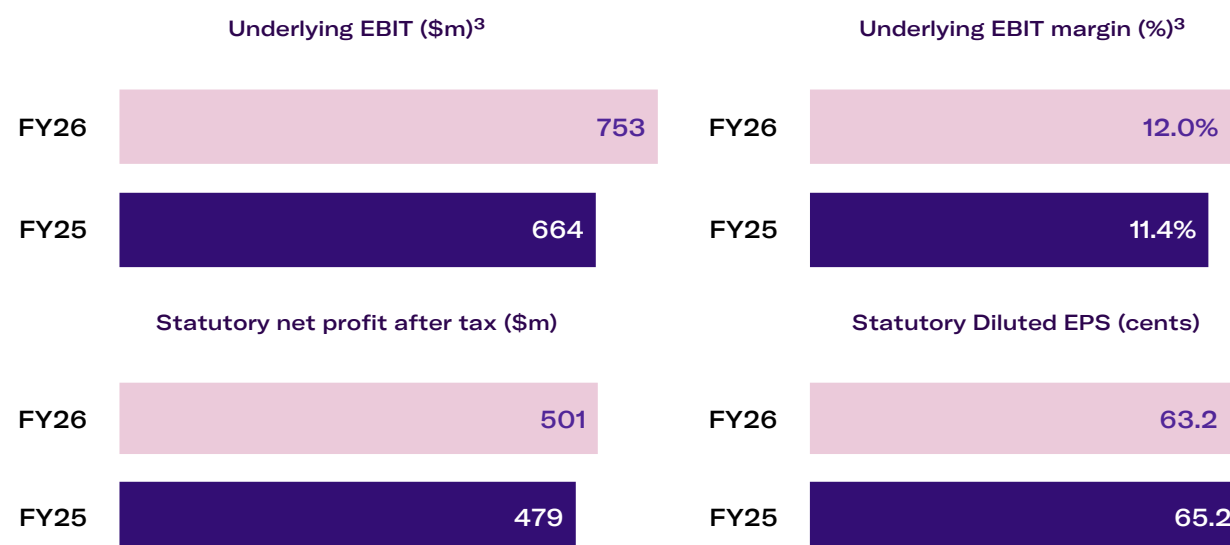
Statutory net profit after tax increased by 4.7% to \$501.2 million in FY26, driven by the increase in Underlying EBIT<sup>1</sup> and a material reduction in Significant Items. This was partly offset by an increase in income tax expense as the Group has now utilised all previous carried forward tax losses and has commenced paying income tax.

<sup>1</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

Virgin Australia carried 21.3 million passengers across the airline's domestic and short-haul international networks, an increase of 3.2% on FY25. Customer engagement remained strong, with continued momentum in Strategic Net Promoter Score (NPS) up from 27 to 30 during FY26, reflecting continued progress towards our ambition of becoming Australia's most loved airline – by our people, our guests, and our owners.

Virgin Australia delivered strong operational performance in FY26, achieving a domestic average on time performance (OTP)<sup>2</sup> rate of 77.1% and a completion rate of 98.7% in FY26, with both metrics improving 30 basis points on FY25. Virgin Australia's completion rate was the highest of the major Australian domestic airlines<sup>2</sup>.

Velocity continued to build momentum in FY26 with higher member engagement from the annualised impact of relaunched financial services products and new strategic partnerships, which contributed to external billings growth of 12.4%. Financial services remained a key driver of growth for Velocity, supported by continued growth in the member base. Approximately 800,000 new members joined the program during FY26 while active members grew by 9% compared to FY25.



## Review of operations and results

|                                               | FY26    | FY25    | Change | Change % |
|-----------------------------------------------|---------|---------|--------|----------|
| <b>Statutory</b>                              |         |         |        |          |
| Revenue and income (\$m)                      | 6,352.9 | 5,809.7 | 543.2  | 9.3%     |
| Profit before net finance costs and tax (\$m) | 777.3   | 424.5   | 352.8  | 83.1%    |
| Net profit after tax (\$m)                    | 501.2   | 478.5   | 22.7   | 4.7%     |
| Diluted earnings per share (cents)            | 63.2    | 65.2    | (2.0)  | (3.1%)   |
| <b>Underlying<sup>3</sup></b>                 |         |         |        |          |
| Revenue and income (\$m)                      | 6,277.9 | 5,809.7 | 468.2  | 8.1%     |
| EBITDA (\$m)                                  | 1,239.7 | 1,078.9 | 160.8  | 14.9%    |
| EBIT (\$m)                                    | 753.2   | 664.4   | 88.8   | 13.4%    |
| Net profit after tax (\$m) <sup>4</sup>       | 403.6   | 331.2   | 72.4   | 21.9%    |
| Diluted earnings per share (cents)            | 50.9    | 45.1    | 5.8    | 12.9%    |
| Net Debt to Underlying EBITDA <sup>3</sup>    | 0.9x    | 1.1x    | 0.2x   | n/a      |

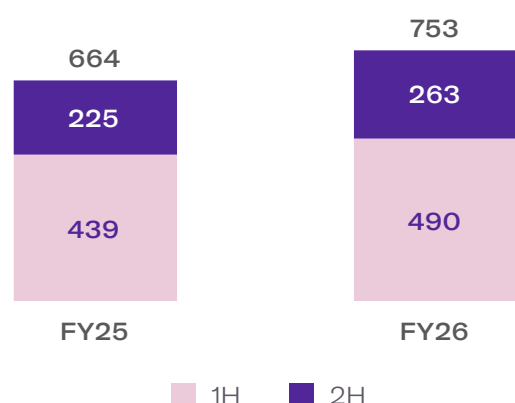
<sup>2</sup> Based on data from the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Bureau of Infrastructure and Transport Research Economics, Statistical Report, Aviation – Domestic airline on time performance July 2025 - June 2026.

<sup>3</sup> These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

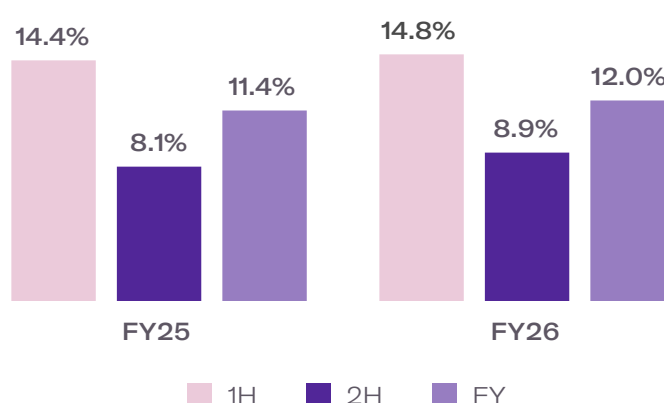
<sup>4</sup> The prior period Underlying NPAT has been restated to reflect the recognition of the deferred tax asset as a Significant Item.

## Group performance<sup>5</sup>

Underlying EBIT<sup>5</sup> (\$m)



Underlying EBIT margin<sup>5</sup> (%)



|                                                    | FY26<br>\$m | FY25<br>\$m | Change<br>\$m | Change<br>% |
|----------------------------------------------------|-------------|-------------|---------------|-------------|
| Underlying revenue and income                      | 6,277.9     | 5,809.7     | 468.2         | 8.1%        |
| Labour and staff related                           | (1,393.8)   | (1,286.5)   | (107.3)       | (8.3%)      |
| Airport charges, navigation and station operations | (1,238.3)   | (1,072.9)   | (165.4)       | (15.4%)     |
| Fuel and oil                                       | (1,090.8)   | (1,091.4)   | 0.6           | 0.1%        |
| Commissions, other marketing and reservations      | (448.7)     | (417.1)     | (31.6)        | (7.6%)      |
| Contract and other maintenance                     | (379.6)     | (393.8)     | 14.2          | 3.6%        |
| Communications and technology                      | (159.5)     | (138.3)     | (21.2)        | (15.3%)     |
| Aircraft variable leases                           | (68.2)      | (84.6)      | 16.4          | 19.4%       |
| Other                                              | (259.3)     | (246.2)     | (13.1)        | (5.3%)      |
| Underlying operating expenditure                   | (5,038.2)   | (4,730.8)   | (307.4)       | (6.5%)      |
| Underlying EBITDA                                  | 1,239.7     | 1,078.9     | 160.8         | 14.9%       |
| Underlying depreciation and amortisation           | (486.5)     | (414.5)     | (72.0)        | (17.4%)     |
| Underlying EBIT                                    | 753.2       | 664.4       | 88.8          | 13.4%       |
| Net finance costs                                  | (174.3)     | (171.7)     | (2.6)         | (1.5%)      |
| Underlying profit before tax                       | 578.9       | 492.7       | 86.2          | 17.5%       |
| Underlying income tax expense/(benefit)            | (175.3)     | (161.5)     | (13.8)        | (8.5%)      |
| Underlying net profit after tax <sup>6</sup>       | 403.6       | 331.2       | 72.4          | 21.9%       |
| Significant Items benefit/(expense)                | 97.6        | 147.3       | (49.7)        | n/a         |
| Statutory net profit after tax                     | 501.2       | 478.5       | 22.7          | 4.7%        |

| Financial metrics            | FY26  | FY25  | Change | Change |
|------------------------------|-------|-------|--------|--------|
| Underlying EBITDA margin (%) | 19.7% | 18.6% | 110bps | n/a    |
| Underlying EBIT margin (%)   | 12.0% | 11.4% | 60bps  | n/a    |

<sup>5</sup> These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

<sup>6</sup> The prior period Underlying NPAT has been restated to reflect the recognition of the deferred tax asset as a Significant Item.

## Transformation (TX)

After coming out of voluntary administration, and as part of its Enterprise-wide strategy reset, Virgin Australia has been uplifting the business through a focused, multi-year Transformation Program. This is intended to improve and uplift the customer experience, simplify the fleet, deliver improvements in resilience and reliability, evolve the loyalty program, and improve overall efficiency of the business. The impact of the Transformation Program to date has been significant, as evidenced by the improvement in Virgin Australia's Underlying EBIT margin and operational performance indicators.

The Transformation Program delivered gross benefits<sup>7</sup> to the Group of more than \$450 million in FY26 and more than \$1.15 billion since FY24, including initiatives driving improvements in commercial revenue, cost optimisation and our loyalty program Velocity. The Group is committed to continuing the Transformation Program and delivering future value in FY27 and beyond.

Investments in the Transformation Program are subject to disciplined financial approval processes to ensure alignment to the Capital Allocation Framework, strategic ambition and business model, and have appropriate payback periods.

Key TX initiatives delivered through FY26 are summarised below:

### 1. Revenue initiatives: ~50% of gross benefits<sup>7</sup>

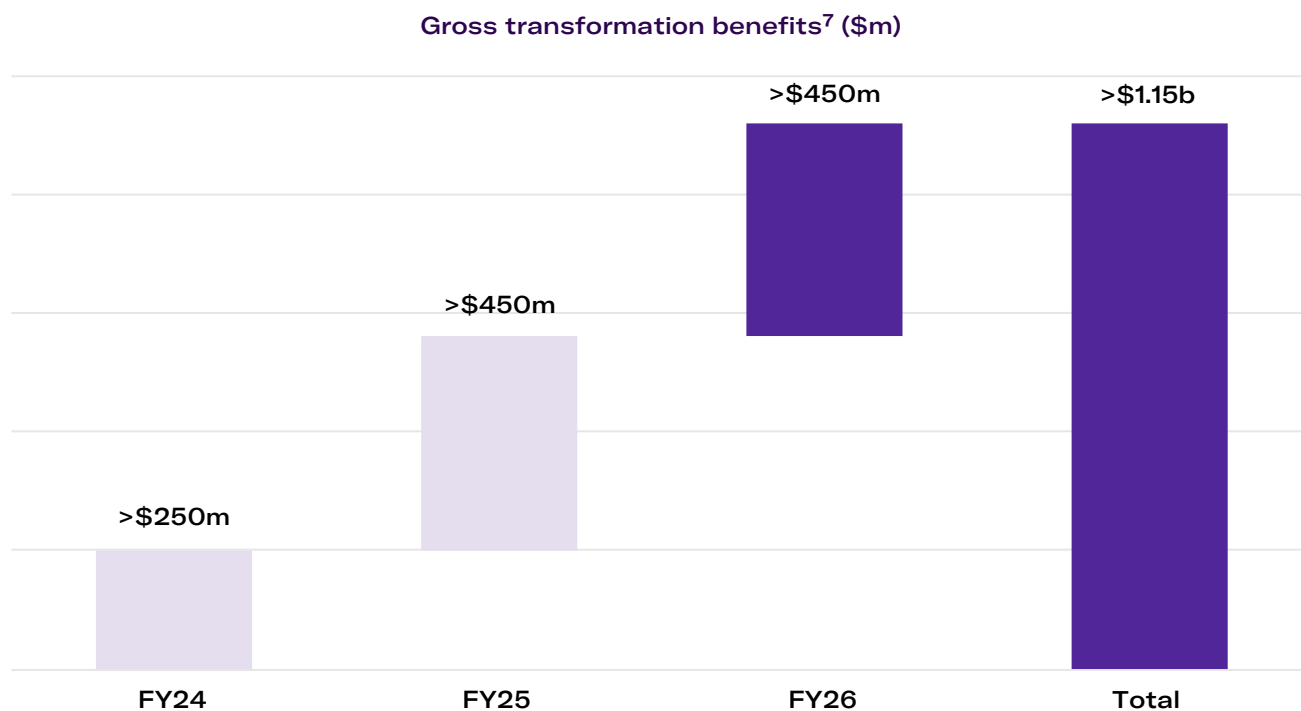
Increasing Virgin Australia's B2B (business to business) share, proportion of direct sales and improving combinations of fare and ancillary products offering to deliver more options for guests;

### 2. Cost initiatives: ~40% of gross benefits<sup>7</sup>

FY26 has focused on delivering operational and cost excellence with improvements in fuel efficiency, crew productivity, and improved fleet utilisation through on-going initiatives to deliver a simpler and more modern fleet; and

### 3. Velocity: ~10% of gross benefits<sup>7</sup>

Driving deeper member loyalty with program enhancements and new redemption options and pathways; growing active members and improving member journeys through greater personalisation; expanding the partner network by extending partnership reach (including financial services) and strengthening Velocity's core travel proposition.



<sup>7</sup> Gross transformation benefits are defined as annual recurring EBIT benefits before one-time implementation costs and impact of inflation and competition. Costs classified as Significant Items are decreasing.

## Segment Performance

### Airlines



**Strong passenger demand, disciplined capacity management and transformation delivering resilient earnings, with Underlying EBIT<sup>8</sup> up 15.2%**

| Airlines segment                                                        | FY26    | FY25    | Change | Change % |
|-------------------------------------------------------------------------|---------|---------|--------|----------|
| <b>Financial metrics<sup>8</sup></b>                                    |         |         |        |          |
| Underlying revenue and income (\$m)                                     | 6,023.9 | 5,576.1 | 447.8  | 8.0%     |
| Underlying EBIT (\$m)                                                   | 615.9   | 534.7   | 81.2   | 15.2%    |
| Underlying EBIT margin (%)                                              | 10.2    | 9.6     | 60bps  | n/a      |
| <b>Operating metrics</b>                                                |         |         |        |          |
| Passengers carried (m) <sup>9</sup>                                     | 21.3    | 20.7    | 0.7    | 3.2%     |
| Available Seat Kilometres (m)                                           | 34,318  | 33,725  | 593    | 1.8%     |
| Load factor (%)                                                         | 84.9    | 84.9    | –bps   | n/a      |
| Revenue per Available Seat Kilometre (RASK, cents per ASK)              | 17.50   | 16.53   | 0.97   | 5.9%     |
| Cost per Available Seat Kilometre (CASK, cents per ASK)                 | (15.71) | (14.95) | (0.76) | (5.1%)   |
| Cost per Available Seat Kilometre ex Fuel (CASK ex fuel, cents per ASK) | (12.53) | (11.71) | (0.82) | (7.0%)   |

<sup>8</sup> These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

<sup>9</sup> Percentage increase based on actual passenger numbers.



Airline Underlying EBIT<sup>10</sup> increased by 15.2% to \$616 million in FY26 with strong passenger demand, disciplined capacity management and benefits from the Transformation Program helping to offset industry-wide cost pressures and impacts from the Middle East conflict in the second half of the year. Virgin Australia's response to the conflict was supported by an effective hedging program which helped offset significant increases in jet fuel refining margins, and it continued to adapt capacity and pricing to respond to the changing operational environment. Importantly operational performance was maintained throughout the year with OTP of 77.1% and a completion rate of 98.7%, which was the highest of the major Australian domestic airlines (per BITRE).

Underlying revenue and income<sup>10</sup> increased 8.0% with a 3.2% increase in passengers carried reflecting strong demand growth which remained in line with expectations through the year. RASK increased 5.9% with strong passenger yields which was strengthened by event demand for leisure customers. This was also supported by benefits from the Transformation Program including pricing optimisation and improved mix through corporate and SME customers. RASK increased 5.3% and 6.4% for the second half and fourth quarter of FY26 respectively which was consistent with guidance provided in April 2026. Load factors were in line with FY25 at 84.9%.

Capacity was managed with discipline throughout the year, reflecting the Group's focus on sustainable earnings growth, operational resilience and long-term value creation. ASKs increased 1.8% with a 2.9% increase in Domestic ASKs and a 4.5% decrease in Short Haul International ASKs following the exit from Japan in February 2025. For the June quarter, domestic ASKs were flat.

Industry-wide cost pressures persisted during the period, including above-inflation airport charges as airports continued to advance their capital programs, and elevated maintenance cost rates driven by sustained global demand on maintenance, repair and overhaul (MRO) services. Labour costs increased above inflation as the Group accelerated investment in the Transformation Program, the insourcing of some of the Information Technology team and inflationary increases from previously agreed Enterprise Bargaining Agreements.

These increases were partly offset by benefits from the Transformation Program and lower heavy maintenance costs, notwithstanding higher unit cost rates, as the airline extended leases which defers end-of-lease return costs. Consequently, this resulted in CASK ex fuel increasing 7.0%. Fuel costs were flat with hedging gains, a stronger A\$ and lower fuel burn from the renewal of the fleet to more fuel efficient Boeing 737-8 (MAX) aircraft offsetting higher refining margins. Inclusive of fuel costs, total CASK increased 5.1%.

Notwithstanding these pressures, with strong underlying demand and revenue growth, the Airline delivered an increase in Underlying EBIT margin<sup>10</sup> of 60 basis points to 10.2%.

<sup>10</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

## Velocity



**Double-digit external billings  
growth delivered 12.3%**  
**Underlying EBIT<sup>11</sup> growth on FY25**

| Velocity segment                           | FY26  | FY25  | Change | Change % |
|--------------------------------------------|-------|-------|--------|----------|
| <b>Financial metrics<sup>11</sup></b>      |       |       |        |          |
| Underlying revenue and income (\$m)        | 486.6 | 450.0 | 36.6   | 8.1%     |
| Underlying EBIT (\$m)                      | 142.9 | 127.3 | 15.6   | 12.3%    |
| Underlying EBIT margin (%)                 | 29.4  | 28.3  | 110bps | n/a      |
| <b>Operating metrics</b>                   |       |       |        |          |
| Velocity Points earned (b) <sup>12</sup>   | 57.2  | 54.1  | 3.1    | 5.7%     |
| Velocity Points redeemed (b) <sup>12</sup> | 38.6  | 36.9  | 1.7    | 4.6%     |

<sup>11</sup> These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

<sup>12</sup> Excludes family pooling transactions where members transfer Velocity Points to other member accounts.



Velocity continued to be a key contributor to Virgin Australia's earnings growth in FY26, reporting Underlying EBIT<sup>13</sup> of \$142.9 million, an increase of 12.3% compared to FY25. Velocity's underlying revenue and income<sup>13</sup> increased by 8.1% to \$486.6 million in FY26, with external billings growth of 12.4% compared to FY25. The result was supported by continued growth of active members, expansion of the lifestyle partner ecosystem, and increased billings from the financial services portfolio.

Member engagement remained strong throughout the year, underpinned by expanded opportunities for members to earn and redeem Velocity Points through new and existing partnerships and member initiatives, including the 1 Point Rewards pop-up stores. Existing lifestyle partnerships continue to deliver value to members, with Flybuys reaching record engagement levels and strong points earn growth at, for example, DoorDash. Active members increased by 9.0% compared to FY25 and approximately 800,000 new members joined the program in FY26.

Momentum from initiatives introduced in FY25, including new and relaunched Financial Services products and strategic partnerships, contributed to external billings growth of 12.4% compared to FY25. New partnerships, including QBE in insurance and Event Cinemas and Village Cinemas in entertainment, further expanded opportunities for members to engage with the program and are expected to support future growth.

These results reflect:

- a 5.7% increase in Velocity Points earned supported by continued growth in active members, expansion of the member base through targeted brand investment and ongoing development of the partner ecosystem. This included new partnerships across both existing and emerging sectors. Strength in external partner points earn was offset by reduced earn on Virgin Australia flights following the April 2025 Velocity program changes; and
- a 4.6% increase in Velocity Points redeemed reflecting sustained member engagement and continued investment in enhancing the program's value proposition through an expanded range of redemption opportunities. Growth in Velocity Points redeemed was moderated by temporary disruptions in the Middle East, which resulted in elevated redemption booking cancellations on partner airlines during the second half of FY26.

Velocity's Underlying EBIT margin<sup>13</sup> increased by 110 basis points to 29.4% compared to FY25. The improvement reflected continued expansion of the partner ecosystem, operating leverage from higher program activity and disciplined reinvestment in strategic initiatives. The margin also benefited from growth in Velocity Points earned exceeding growth in points redeemed and a temporary upside from the Middle East disruptions, with redemption levels expected to normalise over the medium term with a return of partner airline redemptions to prior levels.

<sup>13</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

## Cash Flow

|                                                                           | FY26<br>\$m | FY25<br>\$m | Change<br>\$m | Change<br>% |
|---------------------------------------------------------------------------|-------------|-------------|---------------|-------------|
| Cash flow summary                                                         |             |             |               |             |
| Operating cash flows                                                      | 1,300.3     | 1,144.7     | 155.6         | 13.6%       |
| Investing cash flows                                                      | (777.0)     | (402.1)     | (374.9)       | (93.2%)     |
| Financing cash flows                                                      | (147.3)     | (589.6)     | 442.3         | 75.0%       |
| Cash and cash equivalents at the beginning of the period                  | 1,035.2     | 875.6       | 159.6         | 18.2%       |
| Effect of foreign exchange                                                | (35.8)      | 6.6         | (42.4)        | (642.4%)    |
| Cash and cash equivalents at the end of the period                        | 1,375.4     | 1,035.2     | 340.2         | 32.9%       |
| Term deposits at bank                                                     | 468.1       | 83.0        | 385.1         | 464.0%      |
| Cash, cash equivalents and term deposits at bank at the end of the period | 1,843.5     | 1,118.2     | 725.3         | 64.9%       |

The year's strong financial performance translated into strong cash generation, which resulted in additional liquidity for the Group and leverage remaining conservative at 0.9x Net Debt<sup>14</sup> to Underlying EBITDA<sup>14</sup>. Total cash, cash equivalents and term deposits of \$1,843.5 million was also boosted by the drawdown of the revolving cash facility as a precautionary measure to provide additional liquidity in response to uncertainty arising from the Middle East conflict.

The Group generated operating cash flow of \$1,300.3 million, which reflects the strong underlying earnings growth for the year, improved operational performance and is inclusive of payments of income tax which commenced in FY26.

During the year, the Group continued to invest in the transformation of the fleet, the ongoing maintenance of existing aircraft and other transformation initiatives with total capital expenditure of \$884.0 million. The investing cash outflows of \$777.0 million reflects this capital expenditure partly offset by the sale (and then leaseback) of six Boeing 737-8 (MAX) aircraft.

Financing cash outflows of \$147.3 million included the debt financing of four Boeing 737-8 (MAX) aircraft and three spare engines as the strong balance sheet and cash flow generated enabled debt financing for new aircraft for the first time since Virgin Australia's post-administration recovery. It also included the drawdown of the revolving cash facility with a portion of the proceeds used to repay A\$146 million of unsecured debt. The Group also repaid US\$150 million in pre-delivery financing, funded by the sale proceeds of three Boeing 737-8 (MAX) aircraft. In addition, payments of lease liabilities increased with the delivery of 13 leased aircraft and two leased spare engines. No dividends were paid during the year.

## Balance Sheet

|                                          | FY26<br>\$m      | FY25<br>\$m      | Change<br>\$m  | Change<br>%    |
|------------------------------------------|------------------|------------------|----------------|----------------|
| Cash, cash equivalents and term deposits | 1,843.5          | 1,118.2          | 725.3          | 64.9%          |
| Property, plant and equipment            | 3,376.0          | 2,712.6          | 663.4          | 24.5%          |
| Other assets                             | 1,021.5          | 1,041.3          | (19.8)         | (1.9%)         |
| <b>Total assets</b>                      | <b>6,241.0</b>   | <b>4,872.1</b>   | <b>1,368.9</b> | <b>28.1%</b>   |
| Unearned revenue and income              | (1,660.3)        | (1,663.4)        | 3.1            | 0.2%           |
| Lease liabilities                        | (1,408.8)        | (984.3)          | (424.5)        | (43.1%)        |
| Interest-bearing liabilities             | (1,588.8)        | (1,311.4)        | (277.4)        | (21.2%)        |
| Other liabilities                        | (1,810.3)        | (1,727.6)        | (82.7)         | (4.8%)         |
| <b>Total liabilities</b>                 | <b>(6,468.2)</b> | <b>(5,686.7)</b> | <b>(781.5)</b> | <b>(13.7%)</b> |
| <b>Net liabilities</b>                   | <b>(227.2)</b>   | <b>(814.6)</b>   | <b>587.4</b>   | <b>72.1%</b>   |

Virgin Australia is in an improved net liability position at 30 June 2026 of \$227.2 million (2025: \$814.6 million). The balance sheet continues to strengthen, with strong financial results and cash flow, allowing the Group to invest in new fleet and value-accretive growth opportunities.

Total assets were \$6,241.0 million at 30 June 2026, representing an increase of \$1,368.9 million. This was driven by strong cash generation and an increase in property, plant and equipment (including right-of-use assets) which included the delivery of 17 aircraft and five spare engines as well as spend in relation to the interior refresh program.

The \$781.5 million increase in total liabilities to \$6,468.2 million is primarily driven by a \$424.5 million increase in lease liabilities with the delivery of 13 leased aircraft and two leased spare engines during the year. There was also a \$277.4 million increase in interest-bearing liabilities with the financing of four Boeing 737-8 (MAX) aircraft along with three spare engines. These four aircraft represent the first debt financed new aircraft purchases since Virgin Australia's post-administration recovery and reflects the Group's sustained financial performance improvement and strengthening balance sheet. The revolving corporate facility was fully drawn in the year to repay unsecured debt and provide additional liquidity in response to uncertainty arising from the Middle East conflict. The pre-delivery financing facility was also repaid during the year using the sales proceeds of three Boeing 737-8 (MAX) aircraft that were sold and subsequently leased back.

At 30 June 2025 the Group held unrecognised deferred tax assets of \$130.9 million, which were contingent on the provision of information from the administrators and a detailed assessment of the availability of carried forward tax losses from Virgin Australia's activities prior to entering voluntary administration. During FY26 the Group completed its assessment of the expected quantum of tax losses available to offset the income tax liability for the year ended 30 June 2025. As a result of this assessment, \$87.5 million of carried forward tax losses were recognised and applied against the Group's 30 June 2025 income tax liability. Following this utilisation, all carried forward tax losses have been fully exhausted, and no related deferred tax asset, either recognised or unrecognised, remains as at 30 June 2026. Refer to note 6 of the financial statements for further details.

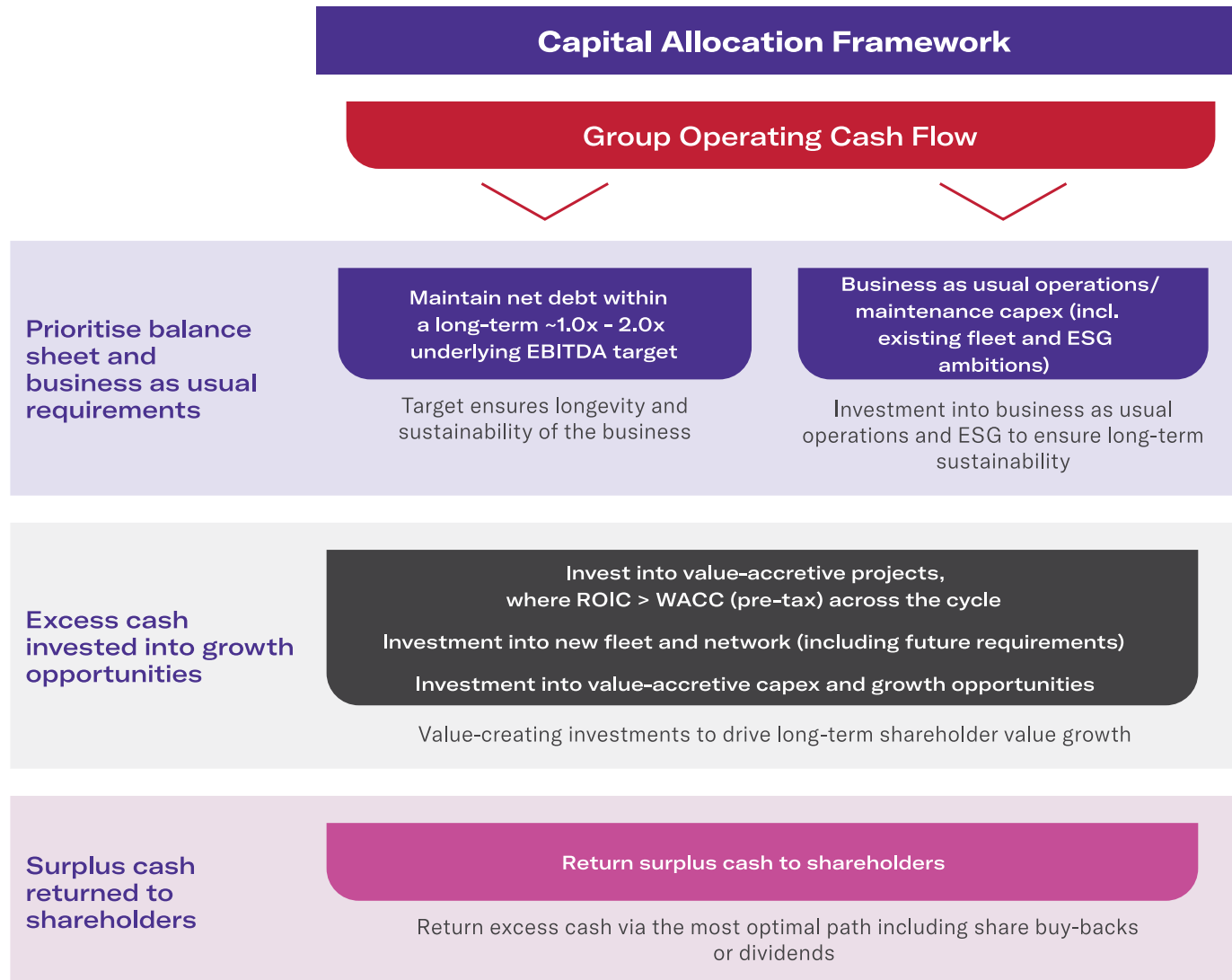
|                                             | FY26<br>\$m    | FY25<br>\$m    | Change<br>\$m | Change<br>% |
|---------------------------------------------|----------------|----------------|---------------|-------------|
| <b>Debt analysis</b>                        |                |                |               |             |
| Lease liabilities                           | 1,408.8        | 984.3          | (424.5)       | (43.1%)     |
| Interest-bearing liabilities                | 1,588.8        | 1,311.4        | (277.4)       | (21.2%)     |
| Less                                        |                |                |               |             |
| Cash, cash equivalents and term deposits    | 1,843.5        | 1,118.2        | 725.3         | 64.9%       |
| <b>Net Debt<sup>14</sup></b>                | <b>1,154.1</b> | <b>1,177.5</b> | <b>23.4</b>   | <b>2.0%</b> |
| Net Debt to Underlying EBITDA <sup>14</sup> | 0.9x           | 1.1x           | 0.2x          | n/a         |

<sup>14</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

## Capital Allocation Framework

Virgin Australia applies a disciplined Capital Allocation Framework designed to help ensure the resilience of the business for the long term, whilst maintaining the flexibility to allow it to invest in value-accretive growth opportunities (including the Transformation Program) and to provide distributions to shareholders where appropriate.

Virgin Australia's Capital Allocation Framework comprises the following three components:



In addition, Virgin Australia includes a shadow carbon price in business cases where appropriate, to enable the decarbonisation impact to be included in the assessment process.<sup>15</sup>

<sup>15</sup> A shadow carbon price is a type of internal carbon price that is a theoretical cost that is used to understand the economic implications or trade-offs for things such as risk impacts, new investments, the net present value of projects, and the cost and benefit of various initiatives.

### 1. Prioritising balance sheet and 'business as usual requirements'

- Ensuring Virgin Australia's leverage stays within a target range of 1-2x of Net Debt to Underlying EBITDA<sup>16</sup> over the long term. When leverage is expected to be below or above this target range for an extended period of time, the business will consider proactive capital management to bring this back into range, unless otherwise explained.
- Prioritising capital expenditure investment into Virgin Australia's existing asset base and fleet to ensure continuity of operations of the existing business ('business as usual requirements'). This also includes investments into Virgin Australia's ESG and sustainability initiatives that helps ensure the long-term sustainability of the airline.
- At 30 June 2026, Net Debt<sup>16</sup> was \$1,154.1 million and 0.9x Underlying EBITDA<sup>16</sup> which is marginally below the target range. Despite all aircraft acquisitions occurring as planned, the strengthening Australian dollar has contributed to a reduction in Net Debt held on balance sheet. With additional aircraft acquisitions planned, Net Debt to Underlying EBITDA<sup>16</sup> is expected to return to within the target range in FY27.

### 2. Excess cash investment into growth opportunities

- Excess cash and cash flow available after prioritising the balance sheet and 'business as usual requirements' to invest into value-accretive projects, including new fleet, network routes, transformation and other opportunities where the expected return on invested capital (ROIC) is expected to be greater than Virgin Australia's weighted average cost of capital (WACC) through the cycle.
- During FY26, the Group took delivery of 13 new Boeing 737-8 (MAX) and four new Embraer E190-E2 aircraft as it progressed its fleet transition plans. This was funded through a combination of debt and lease financing and also included the sale (and leaseback) of six aircraft during the year. Total capital expenditure for the Group was \$884.0 million which includes the purchase of new fleet, ongoing maintenance of existing assets and investment in transformation initiatives.

### 3. Surplus cash returned to shareholders

- Any surplus cash after prioritising the balance sheet, 'business as usual requirements' and investing excess capital into growth and value-accretive opportunities should be appropriately returned to shareholders via the most optimal path (which could include dividends, share buy-backs or other forms of shareholder returns).
- There were no dividends paid during FY26, however subsequent to the end of the financial year, the Board has declared a dividend for FY26 of 7.60 cents per ordinary share. The dividend will be fully franked and payable on 15 October 2026.
- As at 30 June 2026, the Group has \$90.7 million in franking credits, providing capacity to frank the declared FY26 dividend and potential future dividends.



<sup>16</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

## Fleet

Virgin Australia operates a simplified narrowbody fleet, with two aircraft types at its core; Boeing 737 family and the Embraer E190-E2. At June 2026, a total of 111 aircraft (excluding wet lease) were held across the Group. Excluding three Airbus A320 aircraft that remain under lease but are no longer operational, the fleet totals 108 aircraft. During FY26, 17 additional aircraft were welcomed into the fleet and 10 were retired from service.

Virgin Australia is undergoing a fleet renewal program and by the end of FY26 had already introduced 21 Boeing 737-8 (MAX) aircraft into its fleet, with a further five to be delivered in FY27. Firm orders and option rights have been retained for a number of Boeing 737-10 (MAX) aircraft in the future. The Boeing 737-8 (MAX) is 20 per cent more fuel efficient and 50 per cent quieter than Boeing 737-800s<sup>17</sup>, offering a more comfortable flying experience while materially reducing fuel burn.

Virgin Australia Regional Airlines (VARA) completed a significant fleet transformation in FY26 to better serve its resources customers and support the future needs of the business. The transformation simplified VARA's fleet through the retirement of the Fokker F100, the withdrawal of the Airbus A320 from service, and the introduction of new Embraer E190-E2 aircraft, which operate alongside Virgin Australia's core Boeing 737 fleet. VARA took delivery of the first four Embraer E190-E2 aircraft in FY26, with a further two scheduled to be delivered in FY27. The Embraer E190-E2 is the most fuel-efficient aircraft in its segment and is expected to reduce emissions by approximately 30 per cent<sup>18</sup> compared to the Fokker F100. The aircraft also features a significantly lower noise profile than the Fokker F100. The introduction of the Embraer E190-E2 supports Virgin Australia's objective of delivering a simpler, more efficient and customer-focused fleet.

Virgin Australia has completed an extensive cabin refurbishment program across its Boeing 737 fleet, with the core refurbishment works finalised in FY26. The program has delivered new business class seats, refreshed seats in economy class, in-seat power for every guest, and Wi-Fi and in-flight entertainment enhancements. This program also increased and standardised the seat count and configuration across the Boeing 737-800 and Boeing 737-8 (MAX) aircraft to 182, providing a capital-light means of increasing capacity in Virgin Australia's fleet. In FY26, 41 aircraft were refurbished, bringing the number of aircraft with refreshed interiors to 102. Wi-Fi connectivity is now equipped on 88 per cent of the Boeing 737 fleet, with planned installations complete across the Boeing 737-800 and Boeing 737-8 (MAX) fleet.

Of Virgin Australia's current 108 aircraft, 74 (or 69 per cent) are under lease arrangements, 34 (or 31 per cent) aircraft are owned by Virgin Australia and are encumbered and subject to financing arrangements. Consistent with the Capital Allocation Framework, Virgin Australia intends to progressively increase aircraft ownership where supported by market conditions and balance sheet capacity. This approach is expected to strengthen long-term earnings, diversify funding sources and enhance financial flexibility through a larger base of owned aircraft.

## Virgin Australia narrowbody fleet<sup>19</sup>

| AOC                                                                      | Aircraft           | Narrowbody fleet profile |           |       |           |
|--------------------------------------------------------------------------|--------------------|--------------------------|-----------|-------|-----------|
|                                                                          |                    | June 2025                | Additions | Exits | June 2026 |
| VA Airlines <sup>20</sup>                                                | Boeing 737-800     | 79                       | –         | (5)   | 74        |
|                                                                          | Boeing 737-700     | 9                        | –         | –     | 9         |
|                                                                          | Boeing 737-8 (MAX) | 8                        | 13        | –     | 21        |
| VARA                                                                     | Fokker F100        | 3                        | –         | (3)   | –         |
|                                                                          | Airbus A320        | 5                        | –         | (2)   | 3         |
|                                                                          | Embraer E190-E2    | –                        | 4         | –     | 4         |
| Total (excl. wet lease)                                                  |                    | 104                      | 17        | (10)  | 111       |
| A320 leased aircraft held for return                                     |                    |                          |           |       | (3)       |
| Total (excl. wet lease & leased aircraft held for return)                |                    |                          |           |       | 108       |
| Domestic wet lease lines <sup>21</sup>                                   |                    | 11                       |           |       | 8         |
| Total (incl. Domestic wet lease & excl. leased aircraft held for return) |                    | 115                      |           |       | 116       |
| Average fleet age                                                        |                    | 13.4                     |           |       | 11.5      |

<sup>17</sup> See 737 Max (<https://www.boeing.com/commercial/737max>). The emissions and noise reductions are based on the difference in fuel consumption between the Virgin Australia operated new generation Boeing 737-8 (MAX) aircraft and the Virgin Australia operated previous generation Boeing 737-800 aircraft.

<sup>18</sup> See Wonderful People Fly E2 (<https://www.embraer.com/wonderful-people-fly-e2/en/>). Based on comparison of Fokker F100 ([https://fokkerservicesgroup.com/media/emccsdnm/fsg\\_fokker-100.pdf](https://fokkerservicesgroup.com/media/emccsdnm/fsg_fokker-100.pdf)) and Embraer E190-E2 fuel burn on same sector length using the same assumptions.

<sup>19</sup> As at 30 June 2026. Reflects contractual positions and does not include wide body aircraft for the wet lease arrangement with Qatar Airways. Contracted fleet position aligns with the accounting treatment for recognition of aircraft leases to the financial statements.

<sup>20</sup> VA Airlines Air Operators Certificate (AOC) are held by Virgin Australia Airlines Pty Ltd and Virgin Australia International Airlines Pty Ltd.

<sup>21</sup> Wet lease lines include Fokker F70, Fokker F100, Embraer E190 and Saab 340 aircraft.

## Directors' profile

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

The below sets out details of Directors holding office at the date of this report, their qualifications, experience and special responsibilities.

| Director                                                                                                                                                                 | Experience and background                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Peter Warne</b><br/>Independent Non-Executive Chair</p>                          | <p>Peter joined the Board on 12 March 2025 as an Independent Non-Executive Director, and became Chair on 6 June 2025. Peter is a member of the Audit, Risk, Sustainability, and Compliance Committee; Safety Committee; and Remuneration, Nomination, People, and Culture Committee.</p> <p>Peter has over 40 years' experience across executive and board leadership across the financial and investment banking sectors, including an executive career at Bankers Trust Australia Limited, where he headed the Global Financial Markets Group.</p> <p>Peter has over 20 years' experience as a director and currently serves on the board of ASX-listed companies IPH Limited, Argo Investments Limited and Argo Global Listed Infrastructure Limited as chairman. He is a member of the UniSuper board and chair of the UniSuper investment committee. Peter also serves as Chair of St Andrews Cathedral School Foundation, and is a Non-Executive Director of law firm Allens and Financial Markets Standards Board Limited.</p> <p>Peter's previous experience includes chair roles at Macquarie Group, ALE Property Group, OFX and T Corp as well as director roles at ASX Limited and the Securities Exchange Guarantee Corporation. Peter was also a board member of NSW Net Zero Emissions and Clean Economy Board from its inception in 2022 until its disbandment in 2024.</p> <p>Peter has a Bachelor of Arts (Actuarial Studies) from Macquarie University.</p> <p>Listed directorships held at the date of this report or during the three year period ended 30 June 2026:</p> <ul style="list-style-type: none"> <li>• Chair of IPH Limited (current, appointed 25 February 2022)</li> <li>• Chair of Argo Investments Limited (current, appointed 1 January 2025)</li> <li>• Chair of Argo Global Listed Infrastructure Limited (current, appointed 1 January 2025)</li> </ul> |
|  <p><b>David (Dave) Emerson</b><br/>Chief Executive Officer and Managing Director</p> | <p>Dave was appointed Chief Executive Officer on 14 March 2025 and joined the Board as Managing Director on 6 June 2025. Dave is a member of the Safety Committee.</p> <p>Dave has over 25 years' of experience in the aviation sector. Prior to his appointment, Dave was Virgin Australia's Chief Commercial Officer where he played a key role in the airline's commercial transformation and growth.</p> <p>Prior to Dave's positions at Virgin Australia, he led the Global Airline Practice at consulting firm Bain &amp; Company based in Dallas, Texas. In this role with Bain, he advised dozens of major airlines (across all major geographies) undergoing substantial commercial and operational transformation.</p> <p>Dave has a Bachelor of Arts in Communication and Media from Stanford University, and a Masters of Business Administration from the University of Chicago Booth School of Business.</p> <p>Listed directorships held at the date of this report or during the three year period ended 30 June 2026: Nil</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## Director

## Experience and background

**Phillipa (Pippa) Downes**

Independent Non-Executive Director

Pippa joined the Board on 12 March 2025 as an Independent Non-Executive Director. Pippa is the Chair of the Audit, Risk, Sustainability and Compliance Committee, and member of the Safety Committee; and Remuneration, Nomination, People and Culture Committee.

Pippa has over 25 years' of experience across global financial services organisations, including executive roles as Managing Director and equity partner at Goldman Sachs JBWere.

Pippa also currently serves as a Director of ASX listed Ingenia Communities. She is also a member of AustralianSuper's investment committee, ASIC Consultative Panel and Chief Executive Women.

Pippa's previous experience includes Director roles at ASX Clearing and Settlement companies, Zip Co, ALE Property Group, Australian Technology Innovators (InfoTrack and LEAP Software) and Windlab. Pippa has also served as a Director of The Pinnacle Foundation, Swimming Australia and was a commissioner of Sport Australia.

Pippa is a Certified Practising Accountant (CPA) and has a Bachelor of Science in Business Administration (Accounting/Finance) from the University of California, Berkeley and a Masters of Applied Finance from Macquarie University.

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026:

- Director of Ingenia Communities Group Limited (current, appointed 24 December 2019)

**Melinda Conrad**

Independent Non-Executive Director

Melinda joined the Board on 6 June 2025 as an Independent Non-Executive Director. Melinda is the Chair of the Remuneration, Nomination, People and Culture Committee; and member of the Audit, Risk, Sustainability and Compliance Committee.

Melinda has over 25 years' of experience in business strategy and marketing, bringing expertise from various industries including retail, financial services, energy, and technology. She has served as a strategy and marketing adviser, held executive roles at Colgate-Palmolive, and founded and managed a retail business.

An experienced company Director, Melinda is currently on the board of Stockland Corporation Limited, Thales Australia Group and PentenAmio Ltd (UK). Her previous directorships include roles at Ampol Limited, ASX Limited, OFX Group Limited, The Reject Shop Limited, and David Jones Limited.

Melinda is also a Director of the Centre for Independent Studies, a member of the Australian Institute of Company Directors (AICD) Corporate Governance Committee, and a former Advisory Board Member of Five V Capital. She is a Fellow of the Australian Institute of Company Directors and a Member of Chief Executive Women.

Melinda holds a Bachelor of Arts from Wellesley College and a Masters of Business Administration from Harvard Business School.

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026:

- Director of Stockland Corporation Limited (current, appointed 18 May 2018)
- Director of Ampol Limited (1 March 2017 to 14 May 2026)
- Director of ASX Limited (1 August 2016 to 15 August 2025)

## Director

## Experience and background

**Ryan Cotton**

Non-Executive Director,  
Bain Capital Nominee  
Director

Ryan joined the Virgin Australia Board on 17 November 2020 as a Non-Executive Director and served as its Chair from 17 November 2020 to 6 June 2025. Ryan is the Chair of the Safety Committee.

Ryan is a Partner at Bain Capital which he joined in 2003. He has served as the Global Head of Consumer Private Equity; he is currently the Head of Bain Capital Real Estate, a role he assumed in 2023. Throughout his tenure at Bain Capital, Ryan has helped steer a number of significant investments including Apple Leisure Group, Sundial Brands, International Market Centers, Varsity Brands and others. Before joining Bain Capital, Ryan was a consultant at Bain & Company, and prior to that, he worked in baseball operations at the Boston Red Sox. He is also a Director of Canada Goose Holdings Inc.

Ryan has a Masters of Business Administration from The Stanford Graduate School of Business and a Bachelor of Arts in Philosophy from Princeton University.

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026:

- Canada Goose Holdings Inc. (TSE: GOOS) (current, appointed 9 December 2013).

**Michael Murphy OAM**

Non-Executive Director,  
Bain Capital Nominee  
Director

Michael joined the Virgin Australia Board on 17 November 2020 as a Non-Executive Director. Michael is a member of the Remuneration, Nomination, People and Culture Committee.

Michael joined Bain Capital in 2015 and is a Partner on the Asia Pacific Private Equity team at Bain Capital. He played a leading role in opening and building the Australian business.

Michael has served on several of Bain Capital's investee company boards and is currently also the Chair of Estia Health. Previously he was an investment professional at Wolseley Private Equity and a consultant at Bain & Company.

Michael has an MBA from Harvard Business School and a Bachelor of Laws (Honours) and Bachelor of Commerce from Bond University.

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026: Nil.

**Charles Lawson**

Non-Executive Director,  
Bain Capital Nominee  
Director

Charles joined the Virgin Australia Board on 17 November 2020 as a Non-Executive Director (alternate), and was appointed as a Non-Executive Director on 14 March 2025. Charles is a member of the Audit, Risk, Sustainability and Compliance Committee.

Charles joined Bain Capital in 2016 and is a Partner on the Asia Pacific Private Equity team, based in Sydney. Charles has served on a number of Bain Capital's investee company boards and is currently a Non-Executive Director of Estia Health.

Previously, Charles was an investment professional at Advent International in New York. Prior to that, he was a management consultant with Bain & Company, and a lawyer.

Charles has an MBA from The Wharton School of the University of Pennsylvania and holds a Bachelor of Laws (Honours) and Bachelor of Commerce (Finance) from the University of Sydney.

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026: Nil.

## Director

## Experience and background

**Warwick Negus AM**

Non-Executive Director,  
Virgin Group Nominee  
Director<sup>1</sup>

Warwick joined the Virgin Australia Board on 3 January 2017 as a Non-Executive Director. He is a member of the Remuneration, Nomination, People and Culture Committee.

Warwick is Chair of ASX-listed Dexu Funds Management and Chancellor of the University of New South Wales. With more than four decades of experience in financial services, he has held a number of senior leadership roles, including Chief Executive Officer of Colonial First State Global Asset Management, Chief Executive Officer of 452 Capital, and Managing Director of Goldman Sachs, with responsibilities across Australia, London and Singapore.

Warwick has extensive board experience, having served as a director of ASX-listed Washington H. Soul Pattinson & Co. Ltd and Century Investments Ltd, and as Chair of Bank of Queensland Limited, Pengana Capital and URB Investments Ltd.

Warwick has a Bachelor of Business from the University of Technology Sydney and a Masters of Commerce from the University of New South Wales. Warwick is a Fellow of the Australian Institute of Company Directors (FAICD).

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026:

- Chair of Dexu Funds Management Limited (current, appointed 1 February 2021)
- Chair of Bank of Queensland Limited (22 September 2016 to 24 October 2025)

**Dimitri Courtelis**

Non-Executive Director,  
Qatar Airways Group  
Nominee Director

Dimitri joined the Virgin Australia Board on 1 May 2025 as a Non-Executive Director. Dimitri is a member of the Audit, Risk, Sustainability and Compliance Committee; and Safety Committee.

Dimitri has extensive experience spanning over 25 years in the finance function in both professional services and corporate roles across several global jurisdictions.

He is currently the group CFO of the ASX-listed SunRice Group, has previously worked in senior finance roles at Etihad Airways and held group CFO positions with Air Serbia and Air Berlin.

Earlier in his career, Dimitri worked for EY and Deloitte. Dimitri has a Bachelor of Accounting Science from the University of South Africa.

He is a qualified chartered accountant (ICAA), certified fraud examiner (ACFE) and a Graduate of the Australian Institute of Company Directors.

Listed directorships held at the date of this report or during the three-year period ended 30 June 2026: Nil

<sup>1</sup> Virgin Group is entitled to appoint a Director pursuant to the terms of the Trade Mark Licence Agreements.

## Directors' meetings

Details of the number of meetings held by the Board and its Committees during FY26 and each Director's attendance at those meetings are set out below:

| Director           | Committee             |                   |                                                       |                   |                                                         |                   |                       |                   |
|--------------------|-----------------------|-------------------|-------------------------------------------------------|-------------------|---------------------------------------------------------|-------------------|-----------------------|-------------------|
|                    | Board                 |                   | Audit, Risk, Sustainability, and Compliance Committee |                   | Remuneration, Nomination, People, and Culture Committee |                   | Safety Committee      |                   |
|                    | Attended <sup>2</sup> | Held <sup>3</sup> | Attended <sup>2</sup>                                 | Held <sup>3</sup> | Attended <sup>2</sup>                                   | Held <sup>3</sup> | Attended <sup>2</sup> | Held <sup>3</sup> |
| Peter Warne        | 14                    | 14                | 5                                                     | 5                 | 6                                                       | 6                 | 4                     | 4                 |
| Ryan Cotton        | 11                    | 14                | 1                                                     | 5                 | –                                                       | 6                 | 3                     | 4                 |
| Melinda Conrad     | 14                    | 14                | 4                                                     | 5                 | 6                                                       | 6                 | 3                     | 4                 |
| Dimitri Courtelis  | 14                    | 14                | 4                                                     | 5                 | 3                                                       | 6                 | 3                     | 4                 |
| Pippa Downes       | 14                    | 14                | 5                                                     | 5                 | 6                                                       | 6                 | 4                     | 4                 |
| Dave Emerson       | 14                    | 14                | 5                                                     | 5                 | 6                                                       | 6                 | 4                     | 4                 |
| Charles Lawson     | 14                    | 14                | 5                                                     | 5                 | 2                                                       | 6                 | 3                     | 4                 |
| Michael Murphy OAM | 12                    | 14                | 2                                                     | 5                 | 5                                                       | 6                 | 2                     | 4                 |
| Warwick Negus AM   | 14                    | 14                | 3                                                     | 5                 | 5                                                       | 6                 | 3                     | 4                 |

**Key**  Member  Invitee

<sup>2</sup> Number of scheduled Board or Committee meetings that the Director attended as a member. All Directors are invited to, and regularly attend, Committee meetings in an ex officio capacity (attendance noted as Invitee).

<sup>3</sup> Number of scheduled meetings held during the time the Director was a member of the Board or Board Committee.

## Directors' interests

The table below sets out the relevant interests in securities of the Company held, as at the date of this report, by the Directors. These include any interests held by them directly, indirectly or beneficially (including shares held in the name of a trustee, nominee or superannuation fund). Details of these relevant interests have been disclosed to the Australian Securities Exchange (ASX) in accordance with section 205G(1) of the *Corporations Act 2001* (Cth) (Corporations Act) and the ASX Listing Rules.

| Director                  | No. of relevant interests<br>in ordinary shares | No. of relevant<br>interests in rights |
|---------------------------|-------------------------------------------------|----------------------------------------|
| Peter Warne               | 100,000                                         | –                                      |
| Ryan Cotton               | –                                               | –                                      |
| Melinda Conrad            | 35,000                                          | –                                      |
| Dimitri Courtelis         | 10,000                                          | –                                      |
| Pippa Downes              | 35,000                                          | –                                      |
| Dave Emerson <sup>4</sup> | 5,165,372                                       | 300,360                                |
| Charles Lawson            | –                                               | –                                      |
| Michael Murphy OAM        | –                                               | –                                      |
| Warwick Negus AM          | 100,000                                         | –                                      |

## Company Secretary

Susan Schneider was appointed Company Secretary on 31 August 2020. Susan's experience and background is set out in the Senior Executives section on page [33](#) of this Annual Report.

## Corporate Governance Statement

The Corporate governance statement for the Company is located on Virgin Australia's corporate website: <https://www.virginaustralia.com/au/en/about-us/corporate-governance/>

<sup>4</sup> Dave Emerson's interests in ordinary shares includes shares issued and held beneficially for him under the Legacy Incentive Schemes of which some are held in voluntary escrow until certain conditions are met.

## Senior Executives

Profiles of the key members of the Company's executive management team are set out in the table below:

| Executive                                                                                                                                                                             | Experience and background                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>David (Dave) Emerson</b><br/>Chief Executive Officer and<br/>Managing Director</p>            | <p>Refer to Directors' Profile above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|  <p><b>Race Strauss</b><br/>Chief Financial Officer</p>                                             | <p>Race was appointed as Chief Financial Officer in March 2023.</p> <p>Race brings over 30 years of Australian and international experience across finance and technology in the airline and consumer sectors.</p> <p>Prior to his appointment, Race was Chief Financial Officer of The a2 Milk Company and held various financial leadership roles at Qantas Group, including Chief Financial Officer of Qantas Airlines and Group CFO of Jetstar Airways. He also held a number of senior international leadership roles at Unilever, including as Vice President of Finance South-East Asia and Australasia. Race is a Board Member of G100, a Fellow Certified Practising Accountant (FCPA) and a Graduate of the Australian Institute of Company Directors (GAICD). Race has a Bachelor of Business (Double Major in Accounting and Hotel Management) from Griffith University.</p> |
|  <p><b>Andrew Cleary</b><br/>Chief Customer Officer<br/>Chief Executive Officer –<br/>Velocity</p> | <p>Andrew joined Virgin Australia in March 2026.</p> <p>Andrew is a customer experience and loyalty specialist who has a track record of delivering large-scale, customer-focused business transformation programs across the aviation, hospitality and retail industries.</p> <p>Andrew previously held senior executive positions at major Australian and international companies, most recently at Mandarin Oriental in Hong Kong, where he led the global Customer Experience team.</p> <p>Previously, Andrew spent over seven years in diverse senior management roles at Qantas Airways and has worked as a financial journalist specialising in aviation and listed consumer brands.</p> <p>Andrew holds a Bachelor of Laws and Bachelor of Arts from Macquarie University, and a Graduate Diploma in Journalism from the University of Technology Sydney.</p>                    |

## Executive

## Experience and background

**Libby Minogue**

Chief Marketing and  
Sustainability Officer

Libby joined Virgin Australia as Chief Marketing Officer in April 2021. Libby's portfolio expanded to include Sustainability and travel in 2026.

Libby has more than 25 years of extensive marketing and commercial experience spanning media, content, digital and technology businesses across Australian and United States markets. Prior to joining Virgin Australia, Libby held senior executive roles at various media and technology companies including REA Group, Foxtel Media and FOX Cable Networks in the United States.

Libby has a Bachelor of Business from Charles Sturt University.

**Stuart Aggs**

Chief Risk Officer

Stuart joined Virgin Australia in 2004 and was appointed Chief Risk Officer in March 2025.

From 2004 to 2019, Stuart held a wide range of operational roles at Virgin Australia across compliance and regulation, safety, and flight operations including serving as Director of Group Flight Operations.

In 2019, Stuart was appointed Chief Operations Officer and led the operations group through the COVID-19 pandemic, the recovery, and relaunch of the airline post administration. Prior to joining Virgin Australia, he held roles at Rex and Hazleton Airlines, focused on flight operations, safety, compliance, quality assurance and regulatory affairs.

Stuart has a Bachelor of Arts from the University of New England and a Master of Science & Technology in Aviation from the University of New South Wales.

**Chris Snook**

Chief Operations Officer

Chris joined Virgin Australia in 2021 to lead engineering and was appointed Chief Operating Officer in February 2025.

A veteran in aviation and airlines, Chris has over 39 years' experience having held senior executive operational and engineering roles at Qantas and Jetstar, domestically and internationally.

His comprehensive operational and safety management background is backed by numerous regulatory approvals through the Civil Aviation Safety Authority and International Airworthiness Authorities, covering all aspects of airline operations.

Chris is a licensed Aircraft Engineer with technical expertise in Boeing and Airbus aircraft, complemented by specialised Aviation training in safety management systems, accident investigation, human factors and aircraft design.

**Executive****Experience and background**

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**Susan Schneider**

Chief Legal Officer and  
Company Secretary

Susan joined Virgin Australia in 2012 and was appointed Company Secretary in August 2020 and Chief Legal Officer in March 2021. Susan has more than 20 years of legal and risk experience in Australia and overseas.

Prior to joining Virgin Australia, Susan worked in the London office of international law firm Clifford Chance and in the Brisbane office of McCullough Robertson, advising on corporate governance, mergers and acquisitions and corporations law.

Susan has a Bachelor of Laws and Bachelor of Arts (Justice Studies) from the Queensland University of Technology.

**Paul Jones**

Chief Commercial Officer

Paul joined Virgin Australia in 2021 and was appointed Chief Commercial Officer in March 2025.

Paul has extensive experience in aviation, fast moving consumer goods and technology businesses in Australia, the United Kingdom and the United States.

Before joining Virgin Australia, Paul worked at Qantas in a variety of customer, operations and technology roles including, as Chief Operating Officer. Prior to Qantas, Paul was Chief Information Officer and Vice President of Integration at Mars, based in the United States. In his current role, Paul oversees the commercial, fleet, network, alliances and digital functions for Virgin Australia.

Paul has a Master of Business Administration from the Melbourne Business School.

**Lisa Burquest**

Chief People Officer

Lisa joined Virgin Australia as Chief People Officer in February 2021.

Lisa has over 30 years of experience as a people and culture specialist working for ASX-listed companies including BHP, Origin Energy, Jetstar/Qantas Airways and The a2 Milk Company.

Lisa is equipped with strong practical expertise in developing and executing successful 'people and culture' strategies in organisations undergoing significant transformation and growth.

Lisa has a Bachelor of Business in Logistics, Materials and Supply Chain Management from RMIT University.

## Significant risks and uncertainties

Virgin Australia operates in a fast moving and rapidly evolving environment across multiple geographies. Risk is part of how we do business. This reporting period, external events such as geopolitical conflicts have created ongoing uncertainty. We have tested a range of downside scenarios to help protect liquidity and maintain a capital structure that can respond to changes in the aviation business cycle.

Virgin Australia aims to ensure that all activities it undertakes are within the Board approved risk appetite. Virgin Australia's approach to risk management includes the identification and management of significant and material risks, in accordance with the Risk Management Framework, which is aligned to the ISO 31000:2018 Risk Management – Guidelines. Material risks are those risks that could adversely affect Virgin Australia's operations, performance and the delivery of its business strategy.

Virgin Australia actively manages a range of financial and non-financial material risks. However, not all material risks may be within the control of the Group. Accordingly, unknown risks, in addition to those outlined below, could adversely affect Virgin Australia.

Further, each of the following risks, individually or in combination, could have the potential to materially disrupt Virgin Australia's business.



| Key risk                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Our response                                                                                                                                                                                                                                                                            |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Competitive landscape</b>                      | Virgin Australia operates in a dynamic and competitive aviation and loyalty market, competing directly and indirectly against other airlines and loyalty products.                                                                                                                                                                                                                                                                                                                           | The Group continues to focus on building strategic alliance partnerships, improving its customer value proposition, optimising its network, enhancing its loyalty program and undertaking disciplined cost management to support long-term competitiveness and operational performance. |
|                                                   | Competitive pressures may arise from existing or new market participants making moves through pricing behaviour, changing market capacity, expanding their network, improving guest offerings and/or loyalty initiatives, growing strategic partnerships and other broader industry developments. The Velocity Frequent Flyer business is also exposed to competition from airline and non-airline loyalty programs offering alternative rewards, partnerships and redemption opportunities. | Virgin Australia actively monitors the market, pricing, network, capacity movements, potential new entrants and customer trends to support timely commercial and operational responses to competitive developments.                                                                     |
|                                                   | Sustained competitive pressure, or failure to respond effectively to competitive pressures, could impact our passenger volumes, yields, market share, guest retention, loyalty program profitability, financial performance and growth prospects.                                                                                                                                                                                                                                            | Management and the Board regularly review strategic, commercial and fleet initiatives in response to evolving market conditions.                                                                                                                                                        |
| <b>Transformation program</b>                     | Revenue, cost and Velocity transformation initiatives may be subject to unexpected delays, interruptions, additional costs or changes in underlying assumptions.                                                                                                                                                                                                                                                                                                                             | Material transformation initiatives are subject to governance, oversight and reporting processes, including monitoring of delivery milestones, revenue, costs, risks and expected benefits.                                                                                             |
|                                                   | The delivery of expected benefits may also be affected by operational challenges, guest responses and adoption of changes, technology implementation, adoption by our employees, regulatory developments, actions of competitors or broader economic conditions. The scale and complexity of transformation and interrelated programs may create an execution risk and dependency issues, including competing priorities, capacity constraints and dependencies on third parties.            | Progress against key transformation initiatives and benefits realisation outcomes are regularly reviewed by management and the Board. Major transformation initiatives requiring investments are subject to business casing including articulation of benefits, costs and risks.        |
|                                                   | Failure to successfully deliver transformation initiatives or realise anticipated benefits could impact operational performance, cost efficiency, financial performance and the achievement of strategic objectives.                                                                                                                                                                                                                                                                         | The Transformation Program and key delivery teams use prioritisation and escalation processes to support timely and value-driven decision making, manage capacity trade-offs and to adjust to changes in operating conditions.                                                          |
| <b>Fuel price volatility and foreign exchange</b> | Jet fuel is one of Virgin Australia's largest operating costs and is subject to significant price volatility driven by global market conditions, geopolitical events, supply and refining constraints and prices, transportation costs, and broader economic conditions.                                                                                                                                                                                                                     | Fuel price and foreign exchange exposures are managed under a Board-approved Treasury Risk Management Policy.                                                                                                                                                                           |
|                                                   | Virgin Australia is also exposed to movements in the AUD/USD exchange rate, as jet fuel and other operating costs including aircraft leases, maintenance, debt servicing and supplier payments, are largely denominated in US dollars.                                                                                                                                                                                                                                                       | Hedging activities, liquidity positions and market exposures are regularly monitored and reported to management and the Board, with foreign exchange exposures also managed through currency management and funding strategies.                                                         |
|                                                   | Significant increases in fuel prices, adverse foreign exchange movements or an inability to effectively mitigate these exposures could increase operating costs and impact margins, cash flows and financial performance.                                                                                                                                                                                                                                                                    | Sustained external events, such as geopolitical conflicts, may result in sustained fuel price volatility or adverse foreign exchange movements that cannot be fully mitigated through these strategies.                                                                                 |

| Key risk                         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                      | Our response                                                                                                                                                                                                                                                |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Macro-economic conditions</b> | Customer demand for Virgin Australia's air travel and loyalty products may be affected by adverse macro-economic conditions, including inflation, interest rates, consumer confidence, employment levels and broader economic uncertainty.                                                                                                                                                                                                       | Management and the Board regularly monitor macro-economic conditions, financial performance and liquidity metrics.                                                                                                                                          |
|                                  | Several factors influencing macro-economic conditions have included geopolitical conflict, central bank monetary policies, inflationary pressures and supply chain disruption.                                                                                                                                                                                                                                                                   | Downside stress testing is used to assess resilience under adverse scenarios and supports the maintenance of liquidity and a capital structure designed to allow us to withstand unexpected changes in the aviation business cycle.                         |
|                                  | Sustained deterioration in economic conditions or reduced affordability of travel could impact passenger volumes, corporate travel demand, revenue, loyalty engagement, profitability and growth prospects.                                                                                                                                                                                                                                      | The Group also retains flexibility to adjust capacity, pricing and operating costs in response to changing market conditions.                                                                                                                               |
| <b>Cost escalation</b>           | Virgin Australia may experience cost escalation above inflation from both internal and external sources.                                                                                                                                                                                                                                                                                                                                         | The Group maintains cost discipline and transformation initiatives designed to improve operational efficiency and help offset increases in operating costs.                                                                                                 |
|                                  | External costs may increase due to higher airport and aviation service provider charges, supply chain disruption, and/or constrained aircraft and maintenance capacity. Internal costs may increase through higher labour and wage expectations (non-enterprise agreements teams), or increased expenditure associated with regulatory reforms.                                                                                                  | Procurement and contract management frameworks support supplier oversight, commercial discipline, and cost visibility across key expenditure categories.                                                                                                    |
|                                  | The current inflationary environment, exacerbated by ongoing geopolitical conflicts, is contributing to broad-based supplier price increases and pass-through pricing pressures and higher wage expectations. If not managed effectively, sustained cost escalation could reduce margins, profitability and competitiveness, and may affect customer demand where higher costs cannot be absorbed or recovered through pricing.                  | The Group also engages with Government and industry stakeholders to support policy certainty and monitor regulatory and industry developments that may contribute to increased compliance or transition costs.                                              |
| <b>Liquidity</b>                 | Liquidity risk may arise if operating cash flows, existing financing facilities or access to capital are insufficient to meet Virgin Australia's operating, investing and financing obligations, including the cost of servicing our debts and other contractual commitments.                                                                                                                                                                    | Liquidity and funding requirements are managed by our Treasury team through a Board approved Capital Allocation Framework and Treasury Risk Management Policy. This policy sets out the Group's minimum liquidity thresholds and available funding sources. |
|                                  | Liquidity pressure may arise from a range of factors including reduced customer demand, economic shocks, pandemics, elevated working capital requirements, increased operating costs, restrictive debt covenants and increasing cash collateral requirements. Adverse capital market conditions may also reduce the availability of funding and/or increase refinancing costs.                                                                   | The Group draws down on syndicated facilities to increase liquidity when required, such as during times of elevated global tensions.                                                                                                                        |
|                                  | The current inflationary environment, compounded by geopolitical conflicts, may intensify pressure on Virgin Australia and our cash flows through reduced revenues, higher input and fuel costs and faster supplier pass-throughs, increasing the risk of liquidity strain. Insufficient liquidity or reduced access to funding could impact on Virgin Australia's operations, financial performance, growth initiatives and financial position. | Liquidity reporting is produced and reported to the Board on a regular basis.                                                                                                                                                                               |

| Key risk                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Major safety or security incident</b>  | <p>As a major participant in the aviation industry, Virgin Australia is inherently exposed to safety and security risks affecting our people, guests, assets and the broader community.</p> <p>Safety incidents may arise from operational, technical, weather, environmental and natural hazards or human factors. Security incidents may arise from terrorism, sabotage, disruptive behaviour, geopolitical instability or failures in airport or other aviation third-party arrangements.</p> <p>The occurrence of, or failure to respond effectively to, a major safety or security incident across our network (including flights operated by strategic alliance partners under Virgin Australia flight numbers) could impact our people, guests and communities, cause operational disruption, regulatory intervention, litigation, reputational and brand damage and adverse financial impacts.</p>                                                                                                                                                                                            | <p>Virgin Australia maintains safety and security management systems aligned to applicable aviation regulatory requirements and industry standards, including a CASA-approved Safety Management System, applicable Air Operator Certificates and a Department of Home Affairs approved Transport Security Program.</p> <p>These frameworks are supported by operational assurance activities, on-going training, incident response capabilities and monitoring processes.</p> <p>Safety and security risks, operational performance and compliance obligations are regularly reviewed by management and the Safety Committee. The Group also proactively engages with safety and security regulators on new and emerging threats.</p> |
| <b>Significant operational disruption</b> | <p>Virgin Australia's operations are dependent on the availability and reliability of airport infrastructure, airspace access, operational facilities and broader aviation network infrastructure and services.</p> <p>Adverse weather events, natural disasters, airport incidents, air traffic management disruptions, infrastructure outages, emergency events, third-party supply chain disruptions (such as the unavailability of goods, services, personnel or resources) or other events such as pandemics may affect the availability or capacity of airports and aviation infrastructure across the Group's network. Increasing frequency and severity of weather events may increase the likelihood and duration of operational disruption.</p> <p>Disruptions to airport or network operations may result in delays, cancellations, reduced operational efficiency, increased costs and adverse customer outcomes. Significant or prolonged network disruption events could impact operational performance, customer demand, reputation, revenue generation and financial performance.</p> | <p>Operational disruption risks are managed through operational resilience, business continuity and emergency management frameworks designed to support coordinated response and recovery activities during operational disruption events.</p> <p>Operational contingency planning, network monitoring and coordination processes support the management of weather-related, infrastructure and emergency disruptions across the Group's operations.</p> <p>The Group also works closely with airports, air navigation service providers, regulators, meteorological authorities and other industry stakeholders to support operational continuity and network resilience.</p>                                                        |

| Key risk                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supply chain constraints</b> | <p>Virgin Australia is exposed to supply chain constraints across the aviation sector as it relies on third-party suppliers and service providers for critical goods and services, including fuel supply, aircraft and engine manufacturers, maintenance providers, airport and ground handling services, technology services, catering, logistics and strategic alliance arrangements.</p> <p>Supply chain disruptions (including fuel supply), supplier performance issues, aircraft or engine availability constraints, certification delays, industrial action, geopolitical instability, trade restrictions or tariff-related impacts may adversely affect operational performance, increase costs, impact margins, competitiveness and reduce operational flexibility.</p> | <p>Virgin Australia maintains procurement, contract management and supplier governance processes designed to support cost management, third-party risk oversight and operational resilience.</p> <p>The Group actively engages with key suppliers, alliance partners, industry stakeholders, and regulatory forums to support policy certainty, monitor supply chain risks, operational constraints and market developments.</p> <p>Business continuity arrangements are maintained for critical operational areas where practicable.</p> <p>Management and the Board regularly review cost performance, operational impacts and supply chain risks.</p> |
| <b>Workplace relations</b>      | <p>Over 70% of Virgin Australia's workforce are covered by enterprise bargaining arrangements and the Group also relies on third-party suppliers and service providers with unionised workforces.</p> <p>Protracted enterprise bargaining, industrial disputes or industrial action with Virgin Australia or its supply chain or adverse variations to underpinning awards or industrial legislation could increase labour costs, disrupt operations and impact guest experience, operational performance, reputation, financial performance and the delivery of business initiatives.</p>                                                                                                                                                                                       | <p>Virgin Australia seeks to maintain constructive relationships with its team members and unions through regular engagement, consultation and enterprise bargaining processes.</p> <p>Consultation committees, dispute resolution mechanisms, interest-based bargaining and where appropriate, Fair Work Commission processes support the timely resolution of workplace matters.</p> <p>Workforce risks, industrial relations developments and operational continuity arrangements are regularly monitored by management to support operational resilience.</p>                                                                                        |

| Key risk                                                                      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Talent attraction and retention</b>                                        | <p>The tight labour market conditions in Australia, high level of demand for specialised aviation skills globally, and wage expectations across the industry due to inflationary pressures, could affect Virgin Australia's ability to attract and/or retain the right talent, including for critical frontline roles (e.g. pilots, licensed aircraft maintenance engineers), specialised capabilities and senior leadership.</p> <p>If Virgin Australia is unable to attract, retain or develop key employees at reasonable costs, or maintain continuity in critical leadership and specialist roles, this could impact our ability to deliver our strategy, resulting in adverse outcomes to our revenue and/or cost base.</p>                                                                                                                                                                                                                                                                                                                                                                                  | <p>Our people and belonging policies help to build a safe and inclusive culture. Our people strategy focuses on upskilling, leadership and development opportunities. We are also focusing on succession planning for critical roles across the business.</p> <p>Our Virgin Flair program helps our people feel valued and recognised, fostering a culture of celebration and camaraderie. Regular employee culture and engagement surveys include targeted action plans to address concerns and emphasise what our teams love about working with us.</p> <p>Senior leaders represent Virgin Australia in advocacy groups such as the Industry Skills Australia Strategic Workforce Planning Board Committee. This Board Committee provides an opportunity to contribute to national workforce planning, shape industry skills priorities and stay connected to emerging capability needs, helping us respond proactively to talent risks across the aviation sector.</p> |
| <b>Dependence on information technology systems and changes in technology</b> | <p>Virgin Australia relies heavily on information technology and operational technology systems to support guest operations, flight operations, revenue generation, operational efficiency and business continuity. The Group also relies on third-party providers for the provision of certain critical technology services and infrastructure.</p> <p>Failure, disruption, degradation or obsolescence of critical systems, including those operated by third parties, may result in operational disruption, guest impacts, data loss, reduced operational efficiency, increased costs, financial loss and reputational damage.</p> <p>The Group is also exposed to risks associated with technology transformation, evolving customer expectations and the increasing use of emerging technologies, including artificial intelligence (AI), which may disrupt existing business and distribution models.</p> <p>Failure to anticipate, effectively implement, integrate or govern technology change may adversely affect operational performance, guest experience, competitiveness and strategic delivery.</p> | <p>Virgin Australia's investment prioritisation and approval process, informed by our technology wellness roadmap, is designed to support management of ageing infrastructure, critical system resilience, operational continuity and technology modernisation.</p> <p>Critical systems are supported by monitoring, redundancy, backup and recovery processes, with restoration and business continuity testing undertaken periodically.</p> <p>Emerging technologies, technology risks, investment priorities and major technology initiatives are regularly reviewed by management and the Board.</p>                                                                                                                                                                                                                                                                                                                                                                  |

| Key risk                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Artificial Intelligence</b> | <p>Artificial Intelligence (AI) is driving structural change across the aviation industry. Virgin Australia is progressively adopting AI across its business through a staged implementation program.</p> <p>As AI capabilities and regulatory expectations continue to evolve, including in relation to governance, transparency and accountability, the Group needs to maintain appropriate oversight and risk management.</p> <p>Failure to adopt AI effectively could result in competitive disadvantage, higher structural costs, and a reduced ability to respond to changing customer behaviours and distribution channels. Conversely, ineffective governance may expose the Group to legal, regulatory, privacy, cyber security, operational, ethical and reputational risks.</p>                                                                                         | <p>The Group is adopting a staged AI program that prioritises material, high-value use cases using a gated funding and delivery approach.</p> <p>Virgin Australia is continuing to mature AI governance and oversight in line with the Group's AI risk position. AI governance is being embedded within existing legal, risk, compliance and enterprise governance frameworks, supported by enterprise-wide oversight from the AI Risk and Governance Committee.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Cyber security</b>          | <p>Virgin Australia operates in an increasingly complex and evolving cyber threat environment. The Group's systems, data and third-party technology providers may be exposed to cyber threats including ransomware attacks, unauthorised access, data breaches, denial of service attacks, system compromise and other malicious cyber activity.</p> <p>Cyber security incidents may also arise from human error, insider threats, third-party vulnerabilities or failures in technology controls. The increasing use of artificial intelligence (including Frontier AI) may accelerate the sophistication and frequency of cyber threats.</p> <p>A significant cyber security incident could result in operational disruption, loss or unauthorised disclosure of data, with significant financial, customer, investor, stakeholder brand, reputation and regulatory impacts.</p> | <p>Virgin Australia invests in layered defences to protect customer data and secure our systems. We continually improve our cyber security posture through targeted investment in security capabilities, monitoring technologies and incident response preparedness, designed to strengthen the protection of systems, data and operations against an evolving threat environment.</p> <p>Information security policies, standards, training, awareness programs, and testing activities support management of cyber risks across the Group and its third-party service providers.</p> <p>Cyber security risks and incidents are regularly monitored and reviewed by management, including through the InfoSec Steering Committee, and the Board.</p> <p>Response exercises and testing activities are also undertaken periodically to support organisational preparedness. Virgin Australia also maintains third-party cyber security risk management processes for critical service providers.</p> |

| Key risk                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Our response                                                                                                                                                                                                |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Privacy</b>                         | Virgin Australia collects, stores and processes personal information relating to guests, team members and other stakeholders. The Group is subject to privacy, data protection and information handling obligations across the jurisdictions in which it operates.                                                                                                                                                                                                      | Privacy obligations are supported through our privacy framework, policies and processes designed to support compliance with applicable privacy and data protection obligations.                             |
|                                        | Privacy incidents may arise from cyber security breaches, human error, inadequate processes or controls, unauthorised access or disclosure of personal information, third-party failures, or non-compliance with applicable privacy laws and regulatory requirements.                                                                                                                                                                                                   | Our Code of Conduct communicates expectations of our team members around respecting privacy rights.                                                                                                         |
|                                        | Privacy law reforms, regulatory expectations and increased stakeholder scrutiny may increase compliance obligations, litigation exposure and operational costs.                                                                                                                                                                                                                                                                                                         | Privacy impact assessments, data breach response plans, training and awareness activities facilitate the proactive management of privacy risks and the handling of personal information.                    |
|                                        | A significant privacy incident or failure to comply with privacy obligations could result in regulatory investigations, litigation, remediation costs, reputational damage, loss of stakeholder trust and adverse financial impacts.                                                                                                                                                                                                                                    | Privacy risks, regulatory developments and incident management processes are regularly monitored and reviewed by management and the Board.                                                                  |
| <b>Climate change</b>                  | Virgin Australia's operations are exposed to climate-related physical and transition risks. These risks are described in detail in Virgin Australia's Sustainability Report on pages <a href="#">80</a> to <a href="#">120</a> .                                                                                                                                                                                                                                        | Virgin Australia's response to these physical and transition risks are described in detail in Virgin Australia's Sustainability Report on pages <a href="#">80</a> to <a href="#">120</a> .                 |
| <b>Customer expectations and trust</b> | Virgin Australia's ability to compete and grow depends on attracting and retaining customers through a differentiated customer proposition, a trusted brand and engagement in the Velocity Frequent Flyer program.                                                                                                                                                                                                                                                      | Virgin Australia's Customer Value Proposition is regularly reviewed and enhanced in response to evolving customer expectations, customer feedback and market developments.                                  |
|                                        | Customer satisfaction and loyalty may be affected by operational performance, service delivery failures including by the actions of third-party service providers, the ability of the Velocity Frequent Flyer program to attract and retain members, and changing customer preferences. Customer expectations continue to evolve across areas including service delivery, digital experiences, responsible business practices, sustainability, accessibility and value. | Customer experience measures, operational performance, and customer insights are monitored to identify areas for improvement and inform targeted actions that strengthen customer satisfaction and loyalty. |
|                                        | Failure to meet the Group's core customer segment expectations (premium leisure, SME, and value conscious corporates), or a perceived misalignment between Virgin Australia's public commitments or disclosures, customer experience or business practices, may adversely affect customer trust, brand reputation, loyalty engagement, market share and financial performance.                                                                                          | The Group also engages with customers, regulators and industry stakeholders to support the ongoing development of its products, services, and customer experience.                                          |

| Key risk                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Our response                                                                                                                                                                                                                                         |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Loss of slots</b>                   | Virgin Australia relies on access to airport slots at several capacity-constrained airports to support its network, operations and customer proposition.                                                                                                                                                                                                                                                                                                                                                           | Virgin Australia manages this risk through operational planning, slot utilisation monitoring and regulatory engagement.                                                                                                                              |
|                                        | Slot allocation regimes, including minimum utilisation requirements, may limit the Group's ability to retain, obtain or optimise slot allocations. Reduced demand, operational disruption, cancellations, on-time performance or changes to slot allocation frameworks may adversely affect slot utilisation. Increased capacity from new or existing market participants may further constrain slot availability, limiting Virgin Australia's ability to meet its network requirements and support future growth. | Scheduling and Integrated Operations Centre teams use an 80:20 slot tracking tool to support capacity planning and day of operation decisions, with the risk of slot loss considered when assessing operational trade-offs.                          |
|                                        | Loss of material slot allocations, or adverse changes to slot management arrangements, could reduce network efficiency and competitiveness, impacting customer demand, revenue and financial performance.                                                                                                                                                                                                                                                                                                          | The Group also engages with airport operators, slot coordinators, regulators and industry stakeholders on developments affecting slot utilisation and access.                                                                                        |
| <b>Regulatory and legal compliance</b> | Virgin Australia is subject to extensive legal and regulatory obligations, including aviation safety and operations, consumer protection, competition, privacy, sustainability reporting, employment, workplace health and safety, modern slavery, anti-bribery and corruption, anti-money laundering, taxation, payments regulation and corporate governance.                                                                                                                                                     | Compliance with legal and regulatory obligations is supported through the Group's governance, risk and compliance frameworks comprised of policies, procedures, training, monitoring and assurance activities.                                       |
|                                        | Regulatory frameworks and compliance obligations continue to evolve. The RBA's review of Merchant Card Payment Costs and Surcharging was finalised in March 2026 with regulatory implementation in progress.                                                                                                                                                                                                                                                                                                       | Regulatory developments and emerging obligations are monitored through horizon scanning, legal and compliance review, and engagement with regulators, Government, industry forums and relevant business areas.                                       |
|                                        | Failure to comply with legal or regulatory obligations, or to respond effectively to regulatory change, may result in increased regulatory scrutiny and enforcement activity heightening the potential for regulatory investigations, penalties and litigation. It can also result in contractual disputes, operational restrictions, increased compliance costs, reputational damage and adverse impacts on financial performance, operational flexibility, strategic initiatives, and long-term competitiveness. | Where regulatory changes affect customer, commercial or operational settings, the Group assesses implementation requirements and adapts its products, processes and partnerships to support compliance while continuing to deliver value for guests. |



## Message from the Chair of the Remuneration, Nomination, People and Culture Committee

On behalf of the Board, I am pleased to present the Remuneration Report for FY26.

FY26 was Virgin Australia's first full year as a publicly listed company and the first year under the new Executive Remuneration Framework introduced following the Company's ASX listing in June 2025. The year reflected strong financial and operational performance, continued progress on our transformation journey and embedding of Virgin Australia's operating model as a listed company.

The business demonstrated resilience and sustained strong performance in a challenging external environment, while advancing our ambition to be Australia's most loved airline by our people, guests and owners.

Our people remain central to Virgin Australia's success, and attracting, motivating and retaining the right talent is critical to delivering on our strategy. Our executive remuneration framework is designed to support this goal by aligning executive reward with sustainable performance, long-term shareholder value and Virgin Australia's continued transition from a private to listed company remuneration structure.

### Executive changes

FY26 marked Dave Emerson's first full year as Chief Executive Officer following his appointment in FY25. Dave continued to lead the execution of Virgin Australia's strategic priorities throughout the Company's first year as a listed company.

Executive KMP changes during FY26 included the appointment of Andrew Cleary as Chief Customer Officer and CEO Velocity, effective 23 March 2026, and the departure of Nick Rohrlach as CEO Velocity. Details of the remuneration arrangements relating to these changes are outlined in section 5.3 of the Remuneration Report.

### Remuneration outcomes for FY26

The Board has considered a number of factors in determining FY26 remuneration outcomes for the CEO and other Executive KMP. In determining the Short Term Incentive (STI) pool for the FY26 plan, performance has been assessed against a range of financial and non-financial measures in the Company Scorecard.

The FY26 Scorecard was designed to align executive reward with the key priorities of the business, including financial performance, safety, operational reliability, guest experience, people outcomes and the continued delivery of Virgin Australia's transformation agenda.

FY26 performance reflected strong financial, transformation and customer outcomes, while appropriately recognising lower outcomes in employee engagement and safety. Both performance gateways were achieved, comprising positive underlying NPAT and no operational incident resulting in the fatality of an employee, contractor or guest. Based on performance across the Scorecard measures, the Board approved an overall Scorecard outcome of 120%, which was applied in determining FY26 STI outcomes for the CEO and other Executive KMP. The FY26 STI outcome reinforces the Company's commitment to pay for performance, with executive remuneration directly reflecting the strength of overall business results while remaining appropriately responsive to areas where outcomes were below expectations.

### Remuneration arrangements for FY27

The executive remuneration framework introduced in FY26 will continue to apply in FY27. This framework is made up of STI and Long Term Incentive (LTI) plans, as well as market-competitive Total Fixed Remuneration (TFR).

In determining FY27 arrangements, the Board prioritised consistency in the second year following the IPO, while supporting the transition from the previous private company remuneration structure.

The Board has made a targeted change to the FY27 STI design for the CEO only, removing the individual performance multiplier from the STI outcome. This change simplifies the operation of the STI for the CEO role, strengthens the direct alignment between the STI outcome and the Company Scorecard, and better reflects external market practice.

For all other eligible STI participants, the individual performance multiplier will continue to apply in FY27. This supports the link between STI outcomes and individual contribution, while maintaining strong alignment to the Company Scorecard and broader business outcomes. The FY27 Company Scorecard will continue to include measures focused on financial performance, strategic transformation, sustained operational performance, customer experience and employee engagement.

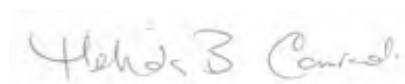
The Board believes the framework continues to provide strong alignment with shareholder value and supports the long-term strategic objectives of Virgin Australia. The higher weighting on STI relative to LTI also continues to support retention of the senior executive team during this transitional period.

As Virgin Australia moves beyond its IPO transition and legacy remuneration arrangements progressively expire, the Board will undertake a comprehensive review of the executive remuneration framework ahead of FY28 to ensure it remains competitive, fit for purpose and aligned with the expectations of an ASX-listed company.

## Looking ahead

Virgin Australia enters FY27 as a strong and focused business. While external pressures are expected to continue, the Board is confident that the Company's remuneration arrangements are well positioned to support disciplined execution, continued transformation and the delivery of long-term value for our people, guests and owners.

On behalf of the Board, I would like to thank Dave, the Executive Leadership Team and all Virgin Australia team members for their contribution during FY26. Their commitment to safety, care for our guests and support for each other remains central to Virgin Australia's performance and culture.



**Melinda Conrad**

Chair, Remuneration, Nomination, People & Culture Committee

# Remuneration Report



# Remuneration Report

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## 1. Key Management Personnel (KMP)

### 1.1 Non-Executive Directors

| Name               | Position                           | Term as KMP during FY26 |
|--------------------|------------------------------------|-------------------------|
| Peter Warne        | Independent Non-Executive Chair    | Full year               |
| Melinda Conrad     | Independent Non-Executive Director | Full year               |
| Pippa Downes       | Independent Non-Executive Director | Full year               |
| Dimitri Courtelis  | Non-Executive Director             | Full year               |
| Ryan Cotton        | Non-Executive Director             | Full year               |
| Charles Lawson     | Non-Executive Director             | Full year               |
| Michael Murphy OAM | Non-Executive Director             | Full year               |
| Warwick Negus AM   | Non-Executive Director             | Full year               |

### 1.2 Executive KMP

| Name          | Position                                      | Term as KMP during FY26 |
|---------------|-----------------------------------------------|-------------------------|
| Dave Emerson  | Chief Executive Officer and Managing Director | Full year               |
| Race Strauss  | Chief Financial Officer                       | Full year               |
| Andrew Cleary | Chief Customer Officer and CEO Velocity       | Commenced 23 March 2026 |

### 1.3 Former Executive KMP

| Name          | Position                                          | Term as KMP during FY26 |
|---------------|---------------------------------------------------|-------------------------|
| Nick Rohrlach | Chief Executive Officer - Velocity Frequent Flyer | Ceased 30 April 2026    |

## 2. Overview of Framework for FY26

FY26 represented the first year under Virgin Australia's new Executive Remuneration Framework, introduced following the Company's listing on the ASX in June 2025. The framework is designed to align executive remuneration outcomes with the Company's strategic objectives and long-term shareholder value creation, while supporting continued transition from a private company remuneration structure.

At the 2025 AGM, 95.98% of votes cast supported the adoption of the Remuneration Report. The Board values ongoing engagement with shareholders and other stakeholders and has continued to consider feedback received in reviewing the executive remuneration framework and related disclosures for FY26.

The framework comprises a mix of fixed and at-risk remuneration, designed to support both short-term performance delivery and long-term sustainable growth. The snapshot below summarises the key remuneration principles, framework components and FY26 remuneration outcomes, with further detail provided in the following sections of this Remuneration Report.

### 2.1 Remuneration Report Snapshot

#### Our remuneration principles



**Attract and  
retain talent**



**Market  
competitive**



**Drive high performance and  
align with shareholders**



**Support transition from  
private reward structure**

#### Our remuneration framework

| Components                                                 | Purpose                                                                  | Link to strategy and performance                                                                                                                                              |
|------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Total Fixed Remuneration</b>                            | Reflects the accountabilities, experience and market value of the role.  | Supports attraction and retention of executive talent. Benchmarked against comparable companies and roles of similar size and complexity.                                     |
| <b>Short Term Incentive</b><br>(Cash component)            | Rewards delivery of annual performance outcomes.                         | Aligned to key priorities for the year, including financial performance, customer, operational, people and safety outcomes. Significant portion delivered in deferred equity. |
| <b>Short Term Incentive</b><br>(Deferred equity component) | Supports retention and alignment with shareholders over the medium term. | A portion of STI is delivered in deferred share rights and vesting over time which supports executive share ownership and alignment with shareholder outcomes.                |
| <b>Long Term Incentive</b>                                 | Rewards sustainable long-term performance and value creation.            | Performance rights vest subject to achievement of long-term performance hurdles, aligned to shareholder interests and Virgin Australia's strategic objectives.                |

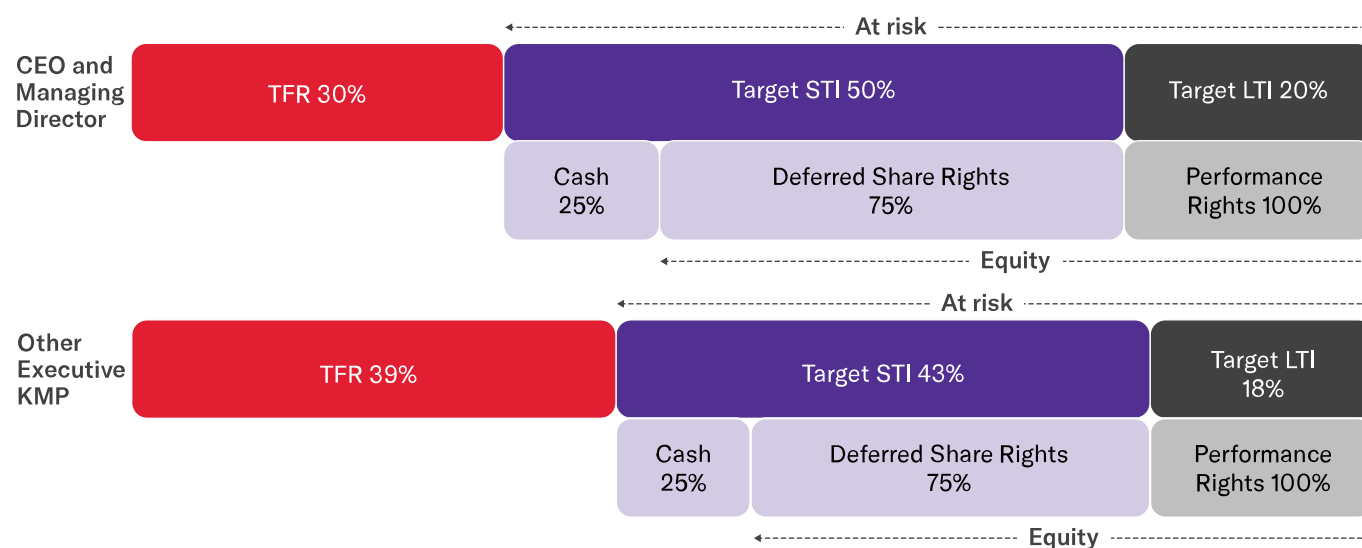
## Variable remuneration outcomes snapshot



Full details in sections 2.5, 2.6 and 3.3

## 2.2 KMP Remuneration Mix

The mix of fixed and variable remuneration for Executive KMP is detailed below.

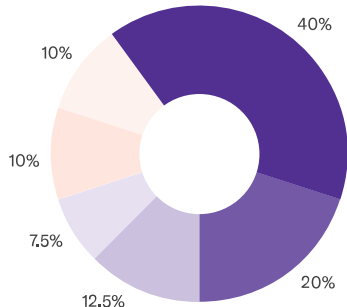


## 2.3 Fixed Remuneration

Total Fixed Remuneration (TFR) includes base salary and superannuation. TFR is set taking into account benchmarks against peer companies which includes companies with similar revenue and those in comparable industries. TFR for individual Executive KMP is set at a level to attract and retain talent relevant to industry peers, taking into consideration individual experience and performance.

## 2.4 FY26 Short Term Incentive Plan

The Short Term Incentive (STI) Plan is the annual incentive arrangement for Executive KMP and Senior Management. Details of the STI are set out below.

| <b>Performance period</b>               | Measured over a one year performance period from 1 July 2025 to 30 June 2026.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|----------------------------------------|-----|----------------------------|-----|------------------------------------|-------|-----------------------------------------|------|-----------------------------------|-----|------------------------|-----|
| <b>STI Opportunity</b>                  | <p>The target STI opportunity is:</p> <ul style="list-style-type: none"> <li>for the CEO, 167% of TFR with the maximum opportunity capped at 150% of target; and</li> <li>for other Executive KMP, 111% of TFR with the maximum opportunity capped at 150% of target.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| <b>Delivery of STI</b>                  | 75% of any outcome will be awarded as deferred Share Rights and 25% will be awarded as cash.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| <b>Deferral Period</b>                  | <p>Deferred share rights will be awarded in three equal tranches, vesting annually over a three-year period, subject to continued employment.</p> <p>The number of deferred Share Rights to be awarded will be determined by dividing the face value of the deferred STI outcome by the volume weighted average price (VWAP) of the Company's Shares for the 10 trading days following the announcement on the ASX of the Company's FY26 financial results and rounding down to the nearest whole Share Right.</p> <p>The face value of the deferred STI outcome is calculated as the STI opportunity, multiplied by the applicable scorecard outcome and individual performance multiplier, and then multiplied by the 75% deferral portion.</p>                                                                                                                                                                                                                                                                                                                                                      |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| <b>Company Scorecard</b>                | <p>The Company Scorecard included 60% financial measures and 40% non-financial measures driving shared accountability for delivering outcomes for shareholders, customers and our people.</p> <p>Each measure is assessed independently against threshold, target and stretch levels of achievement. Achievement outcomes are calculated on a straight-line basis within the following range:</p> <ul style="list-style-type: none"> <li>Below threshold = nil</li> <li>Threshold = 50%</li> <li>Target = 100%</li> <li>Stretch or above = 150%</li> </ul> <p>The overall Company Scorecard outcome is calculated from the sum of the weighted achievement outcome of each measure with an overall scorecard maximum of 145% (as there is no stretch opportunity on the Safety measure).</p>                                                                                                                                                                                                                                                                                                           |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| <b>Company Scorecard Components</b>     |  <p>A donut chart illustrating the composition of the Company Scorecard. The chart is divided into six segments of varying shades of purple and blue, each representing a different component and its weightage. The segments are: Adjusted EBIT (Financial) at 40%, Transformation (Financial) at 20%, Net Promoter Score (Non-Financial) at 12.5%, Operational Performance (Non-Financial) at 7.5%, People Engagement (Non-Financial) at 10%, and Safety (Non-Financial) at 10%.</p> <table border="1"> <thead> <tr> <th>Component</th> <th>Weightage</th> </tr> </thead> <tbody> <tr> <td>Adjusted EBIT (Financial)<sup>1</sup></td> <td>40%</td> </tr> <tr> <td>Transformation (Financial)</td> <td>20%</td> </tr> <tr> <td>Net Promoter Score (Non-Financial)</td> <td>12.5%</td> </tr> <tr> <td>Operational Performance (Non-Financial)</td> <td>7.5%</td> </tr> <tr> <td>People Engagement (Non-Financial)</td> <td>10%</td> </tr> <tr> <td>Safety (Non-Financial)</td> <td>10%</td> </tr> </tbody> </table> | Component | Weightage | Adjusted EBIT (Financial) <sup>1</sup> | 40% | Transformation (Financial) | 20% | Net Promoter Score (Non-Financial) | 12.5% | Operational Performance (Non-Financial) | 7.5% | People Engagement (Non-Financial) | 10% | Safety (Non-Financial) | 10% |
| Component                               | Weightage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| Adjusted EBIT (Financial) <sup>1</sup>  | 40%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| Transformation (Financial)              | 20%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| Net Promoter Score (Non-Financial)      | 12.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| Operational Performance (Non-Financial) | 7.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| People Engagement (Non-Financial)       | 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| Safety (Non-Financial)                  | 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |
| <b>Performance gateway</b>              | <p>Two gateways were required to be achieved in order for any STI outcome to apply. These were:</p> <ul style="list-style-type: none"> <li>Airline safety – zero operational incidents leading to fatalities of employees, contractors or guests.</li> <li>Financial threshold – Underlying net profit after tax (NPAT) greater than zero.<sup>1</sup></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |           |                                        |     |                            |     |                                    |       |                                         |      |                                   |     |                        |     |

<sup>1</sup> This is a non-IFRS measures. Refer to section 10. for further details, including definition and reconciliation to the closest IFRS measure (where available).

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Individual performance</b>                  | <ul style="list-style-type: none"> <li>Individual performance is assessed against Objective and Key Results (OKRs) which are ambitious and challenging goals that are set for each individual and support a focus on strategic priorities, and increased performance and results.</li> <li>Individual performance is also assessed against demonstration of behaviours consistent with our values.</li> <li>Through this assessment process an annual achievement outcome is determined at the end of the financial year.</li> <li>An individual modifier between 0% and 120% is applied for each STI participant based on their individual achievement outcome (subject to a maximum outcome of 150% of target STI opportunity).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                              |
| <b>FY26 STI Outcome</b>                        | <p>STI outcomes for FY26 were calculated by applying the relevant STI target opportunity to each participant's FY26 TFR, multiplying with the Company Scorecard outcome and any applicable individual performance modifier, subject to the cap of 150% of target.</p> <ul style="list-style-type: none"> <li>CEO: FY26 TFR x 167% STI target x 120% Company Scorecard assessment x individual modifier, with a maximum outcome of 250.5% of TFR.</li> <li>Other Executive KMP: TFR x 111% STI target x 120% Company Scorecard assessment x individual modifier, with a maximum outcome of 166.5% of TFR.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Cessation of Employment</b>                 | <p>Vesting of Share Rights is subject to continuing employment. Subject to the Board's discretion, the treatment of Share Rights on cessation of employment will depend on whether the individual ceased employment as a result of:</p> <ul style="list-style-type: none"> <li>their death, permanent incapacity, redundancy, mutual agreement or any other reason approved by the Board (a 'Good Leaver');</li> <li>genuine retirement (bona fide retirement); or</li> <li>any other circumstance (a 'Bad Leaver').</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Dividend Entitlements and Voting Rights</b> | <p>Share Rights do not entitle participants to dividends, however, following vesting, participants are entitled to receive (at the Board's discretion) either a cash payment or equivalent number of ordinary shares that equates to the value of dividends declared (if any) over the vesting period. Share Rights do not carry voting rights.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Malus/Clawback</b>                          | <p>In certain circumstances, the Board may decide to reduce or lapse Share Rights and resulting Shares. This may include circumstances in which a participant has acted fraudulently or dishonestly or committed a material breach of obligations to Virgin Australia or has exhibited significant under-performance which has had an adverse impact on the Group.</p> <p>Where an Award has vested, the Board may take any actions it considers appropriate in relation to Awards and resulting Shares to address the undue benefit or unfair advantage, including:</p> <ul style="list-style-type: none"> <li>requiring any Awards (vested or unvested) or resulting Shares to be forfeited or compulsorily divested in any manner determined by the Board (consistent with applicable laws);</li> <li>by adjusting the terms and conditions of existing Awards (including by determining that the vesting of an Award be reversed); and</li> <li>where any resulting Shares have been sold, requiring the repayment of an amount equal to all or part of the net proceeds of that sale to Virgin Australia.</li> </ul> |
| <b>Change of Control Events</b>                | <p>The Board may determine that all, a specified number of, or none of an eligible employee's unvested awards will vest or cease to be subject to vesting conditions where there is a Change of Control Event.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

For detailed Company Scorecard and Company performance outcomes, refer to section 3.2.

## 2.5 FY26 Long Term Incentive Plan

The Long Term Incentive (LTI) Plan is a long-term incentive arrangement for Executive KMP and other Senior Executives. The plan is designed to align executive reward with the creation of sustainable long-term shareholder value, with awards subject to performance measures assessed over a three-year period. Details of the FY26 LTI Plan are set out below.

| <b>Performance period</b>                      | Measured over a three year performance period from 1 July 2025 to 30 June 2028                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------|-----------------|----|-----------|-----|------------------------------|-----------------------------------------------------|-----------------|------|
| <b>LTI Opportunity</b>                         | <p>The maximum LTI opportunities are:</p> <ul style="list-style-type: none"> <li>For the CEO, 67% of TFR</li> <li>For other Executive KMP, 45% of TFR</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Delivery of LTI</b>                         | The LTI was awarded as performance rights which entitle Executive KMP to fully paid ordinary shares upon vesting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Performance metrics<sup>2</sup></b>         | <p>Performance will be measured over a three-year performance period against:</p> <ul style="list-style-type: none"> <li>Adjusted Return on Invested Capital (ROIC) – 50% weighting</li> <li>Adjusted Earnings per Share (EPS) CAGR – 50% weighting</li> </ul> <p>These measures were chosen as they closely align with Virgin Australia's strategic ambitions and will drive value creation over the long term.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Performance Targets</b>                     | In setting the Adjusted ROIC and EPS targets the Board has considered Virgin Australia's long-term plan, consensus and market practice. Targets have been set with a level of stretch, rigour and reference to the Company's Capital Allocation Framework. The Board considers these ROIC and EPS targets commercially sensitive. Targets will be disclosed in the Remuneration Report once the performance period has ended and the results can be measured.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Performance rights awarded</b>              | The number of performance rights awarded was determined by dividing the face value of the grant by the IPO offer price of \$2.90, with the resulting number rounded down to the nearest whole performance right. The face value of the grant was based on each Executive KMP's LTI opportunity, expressed as a percentage of TFR.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Vesting Schedule</b>                        | <p>At the end of the three-year performance period, performance rights vest subject to the achievement of the applicable performance hurdles and continued service conditions. The vesting outcome for the relevant portion of the award is set out below:</p> <table> <tr> <th>Performance outcomes</th><th>Performance Rights that Vest (%)</th></tr> <tr> <td>Below threshold</td><td>0%</td></tr> <tr> <td>Threshold</td><td>50%</td></tr> <tr> <td>Between threshold and target</td><td>Straight-line pro rata vesting between 50% and 100%</td></tr> <tr> <td>Target or above</td><td>100%</td></tr> </table> <p>If any applicable vesting condition, including the service condition is not satisfied, the relevant performance rights lapse. Each performance measure is assessed independently and the vesting outcomes for the two measures are then aggregated in accordance with their respective weightings.</p> | Performance outcomes | Performance Rights that Vest (%) | Below threshold | 0% | Threshold | 50% | Between threshold and target | Straight-line pro rata vesting between 50% and 100% | Target or above | 100% |
| Performance outcomes                           | Performance Rights that Vest (%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| Below threshold                                | 0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| Threshold                                      | 50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| Between threshold and target                   | Straight-line pro rata vesting between 50% and 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| Target or above                                | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Cessation of employment</b>                 | <p>Vesting of performance rights is subject to continuing employment. Subject to the Board's discretion, the treatment of performance rights on cessation of employment will depend on whether the individual ceased employment as a result of:</p> <ul style="list-style-type: none"> <li>their death, permanent incapacity, redundancy, mutual agreement or any other reason approved by the Board (a 'Good Leaver');</li> <li>genuine retirement (bona fide retirement); or</li> <li>any other circumstance (a 'Bad Leaver').</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                   |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Disposal Restriction</b>                    | A two-year escrow period will apply where Executive KMP are restricted from disposing of their shares received on vesting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |
| <b>Dividend Entitlements and Voting Rights</b> | Performance Rights do not attract dividends or dividend equivalent payments, and do not carry voting rights prior to vesting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                  |                 |    |           |     |                              |                                                     |                 |      |

<sup>2</sup> These include non-IFRS measures. Refer to section 10. for further details, including definition and reconciliation to the closest IFRS measure (where available).

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Malus/Clawback</b>          | In certain circumstances, the Board may decide to reduce or lapse Performance Rights. This may include circumstances in which a participant has acted fraudulently or dishonestly or committed a material breach of obligations to Virgin Australia or has exhibited significant under-performance which has had an adverse impact on the Group. Where an Award has vested, the Board may take any actions it considers appropriate in relation to Awards and resulting Shares to address the undue benefit or unfair advantage, including: requiring any Awards (vested or unvested) or resulting Shares to be forfeited or compulsorily divested in any manner determined by the Board (consistent with applicable laws); by adjusting the terms and conditions of existing Awards (including by determining that the vesting of an Award be reversed); and where any resulting Shares have been sold, requiring the repayment of an amount equal to all or part of the net proceeds of that sale to Virgin Australia. |
| <b>Change of Control Event</b> | The Board may determine that all, a specified number of, or none of an eligible employee's unvested awards will vest or cease to be subject to vesting conditions where there is a Change of Control Event.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## 2.6 One-off Equity Grants

From time to time, the Board may make additional equity awards to KMP and senior leaders, typically as sign-on or retention awards. The awards are issued under the Virgin Australia Employee Incentive Scheme.

The awards comprise Share Rights that automatically convert into ordinary shares on a 1:1 basis at the relevant vesting date. The only vesting condition is continued employment with the Group to the end of the applicable vesting period. No performance conditions apply. Terms relating to cessation of employment, dividend entitlements, voting rights, malus/ clawback and change of control events are consistent with those disclosed in section 2.4.

### FY26 awards

On commencement of employment, Andrew Cleary was awarded Share Rights with a face value of \$500,000, intended to support Andrew's ongoing retention and shareholder alignment. The number of Share Rights will be determined by dividing the face value of the award by the volume weighted average price (VWAP) of the Company's Shares for the 10 trading days following the announcement on the ASX of the Company's FY26 financial results, with the resulting number rounded down to the nearest whole Share Right. The Share Rights will be issued in September 2026 and vest in June 2028.

### FY25 awards

At the time of the Company's IPO during FY25, a one-off equity grant was made to Dave Emerson and Race Strauss. Further details of the grants are set out in Prospectus and Virgin Australia's FY25 Remuneration Report.

Dave Emerson's award, granted as part of his remuneration package on commencement as CEO, vested in full on 26 June 2026. Race Strauss' award was granted in two equal tranches, with the first tranche vested on 26 June 2026 and the second scheduled to vest on 26 June 2027.

## 2.7 Legacy Incentive Schemes

Key management personnel and certain other senior management have participated in legacy incentive schemes operated by Virgin Australia, including the Virgin Australia Management Equity Plan (MEP or Legacy Incentive Schemes). The Legacy Incentive Schemes were established in May 2021 and reflected a core remuneration principle that is common in a private capital environment: to align the long-term remuneration outcomes of senior members of the management team with the investment outcomes of Virgin Australia's owners and investors. The Legacy Incentive Schemes were designed to attract and incentivise senior management to join what had been an unprofitable business for many years, and transform it into a high performing organisation in a robust financial position.

The terms of the Legacy Incentive Schemes were modified prior to the IPO in June 2025 and detailed information about the changes were set out in the Prospectus and Virgin Australia's FY25 Remuneration Report. The Legacy Incentive Schemes have been discontinued and no further grants of equity instruments under these schemes have been or will be made to any participant beyond FY25.

For existing participants, the below escrow and vesting schedule will continue to apply, with tranche 1 released from escrow in March 2026:

#### Escrow & vesting schedule

|                                                                                                                              |                                                                                                                                       |                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Trading day following the release of results for half-year ending 31 December 2025<br>(released from escrow on 2 March 2026) | Trading day following the release of results for half-year ending 31 December 2026<br>(estimated to be on or around 28 February 2027) | Trading day following the release of results for financial year ending 30 June 2027<br>(estimated to be on or around 31 August 2027) |
| Tranche 1 - Released                                                                                                         | Tranche 2                                                                                                                             | Tranche 3                                                                                                                            |

As detailed in the Prospectus and Virgin Australia's FY25 Remuneration Report, progressively following the release of each tranche of shares from escrow, the Group agreed to pay certain participants a bonus of \$1 per ordinary share. These bonuses which were paid following the release of tranche 1 from escrow in March 2026, were automatically applied to reduce the outstanding balance of the participant's limited recourse loan. All Executive KMP, with the exception of Andrew Cleary who is not a participant in the Legacy Incentive Schemes, were eligible to receive this bonus as they were participants in the Legacy Incentive Schemes at the time of the capital return in June 2023. The impact of these bonuses has been captured in the modification of the Legacy Incentive Schemes disclosed in Virgin Australia's FY25 Remuneration Report.

## 3. Link between Performance and Reward

This section provides an overview of key financial outcomes and details Company Scorecard performance comprising financial and non-financial measures used to determine STI outcomes.

### 3.1 Financial Performance Overview

#### Key FY26 Financial Figures:

| Statutory net profit/(loss) after tax     | Adjusted EBIT <sup>1</sup>                 | Adjusted earnings per share <sup>1</sup>       | Adjusted return on invested capital <sup>1</sup> |
|-------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------|
| ▲ 4.7%<br>to \$501.2m<br>(FY25: \$478.5m) | ▲ 27.1%<br>to \$702.5m<br>(FY25: \$552.5m) | ▲ 50.3%<br>to 46.6 cents<br>(FY25: 31.0 cents) | ▲ 3.9 ppts<br>to 18.7%<br>(FY25: 14.8%)          |

The FY26 Statutory net profit/(loss) after tax (NPAT) of \$501.2 million (FY25: \$478.5 million) reflects strong revenue growth and delivery of benefits from the Transformation Program during the year, as well as a reduction in IPO-related Significant Items. This was partly offset by an increase in income tax expense as the Group has now utilised all previous carried forward tax losses and has commenced paying income tax. Statutory NPAT continues to be impacted by a number of Significant Items, including \$75.0 million relating to the Expiry of COVID-19 Credits, \$40.8 million of IPO related share-based payments costs and Foreign exchange revaluation gains of \$41.3 million. Refer to Appendix A of the Annual Report for further details of these Significant Items. FY26 Statutory NPAT also included an income tax expense of \$101.8 million (FY25: benefit of \$225.7 million). Adjusted EBIT<sup>1</sup> excludes the impact of these items and is the primary measure used with regards the performance of the business that is controllable by the KMP and senior leaders.

Further details of Virgin Australia's financial performance in FY26 are included in the Operating and Financial Review section from page [12](#) of this Annual Report.

<sup>1</sup> This is a non-IFRS measure. Refer to section 10. for further details, including definition and reconciliation to the closest IFRS measure (where available).

## Five-year history

The Company Scorecard results have also historically been strongly tied to financial performance. In addition to the current year results above, the following tables outline a five-year history of the key financial and operating metrics.

### Financial performance<sup>1</sup>

|                                                  |           | FY26      | FY25      | FY24      | FY23      | FY22 <sup>2</sup> |
|--------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-------------------|
| Statutory revenue and income                     | \$m       | 6,352.9   | 5,809.7   | 5,634.1   | 5,011.4   | 2,233.9           |
| Underlying revenue and income                    | \$m       | 6,277.9   | 5,809.7   | 5,353.4   | 5,011.4   | 2,233.9           |
| Underlying EBITDA                                | \$m       | 1,239.7   | 1,078.9   | 847.7     | 735.7     | (17.4)            |
| Underlying EBIT                                  | \$m       | 753.2     | 664.4     | 519.4     | 439.4     | (278.2)           |
| Underlying EBIT margin                           | %         | 12.0      | 11.4      | 9.7       | 8.8       | (12.5)            |
| Adjusted EBIT <sup>3</sup>                       | \$m       | 702.5     | 552.5     | n/a       | n/a       | n/a               |
| Statutory net profit/(loss) after tax            | \$m       | 501.2     | 478.5     | 545.4     | 129.1     | (565.5)           |
| Underlying net profit/(loss) after tax           | \$m       | 403.6     | 331.2     | 393.4     | 337.1     | (376.2)           |
| Diluted earnings per share                       | cents     | 63.2      | 65.2      | 74.5      | 17.6      | (77.3)            |
| Return on invested capital                       | %         | 20.1      | 18.7      | n/a       | n/a       | n/a               |
| Adjusted earnings per share <sup>3</sup>         | cents     | 46.6      | 31.5      | n/a       | n/a       | n/a               |
| Adjusted return on invested capital <sup>3</sup> | %         | 18.7      | 14.8      | n/a       | n/a       | n/a               |
| Net Debt                                         | \$m       | (1,154.1) | (1,177.5) | (1,335.4) | (1,178.5) | (1,171.8)         |
| Net Debt to Underlying EBITDA                    |           | 0.9x      | 1.1x      | 1.6x      | 1.6x      | (67.3)x           |
| Closing share price                              | \$        | 3.07      | 3.09      | n/a       | n/a       | n/a               |
| Dividends <sup>4</sup>                           | cents     | 7.6       | 13.7      | 50.1      | –         | –                 |
| Net cash from operating activities               | \$m       | 1,300.3   | 1,144.7   | 900.3     | 1,042.9   | 261.9             |
| Revenue per Available Seat Kilometre             | cents/ASK | 17.50     | 16.53     | 15.90     | 16.23     | 13.29             |
| Cost per Available Seat Kilometre                | cents/ASK | 15.71     | 14.95     | 14.68     | 15.02     | 15.40             |
| Cost per Available Seat Kilometre (excl. fuel)   | cents/ASK | 12.53     | 11.71     | 10.99     | 10.94     | 12.33             |

### Statistics<sup>1</sup>

|                                 |         | FY26   | FY25   | FY24   | FY23   | FY22   |
|---------------------------------|---------|--------|--------|--------|--------|--------|
| Available Seat Kilometres (ASK) | million | 34,318 | 33,725 | 32,374 | 30,030 | 16,194 |
| Passengers carried              | million | 21.3   | 20.7   | 19.2   | 18.9   | 9.8    |
| Fleet at year end <sup>5</sup>  | #       | 111    | 104    | 101    | 99     | 94     |

<sup>1</sup> These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

<sup>2</sup> Performance in FY22 was heavily impacted by the effects of COVID-19.

<sup>3</sup> This is a non-IFRS measure. Refer to section 10. for further details, including definition and reconciliation to the closest IFRS measure (where available).

<sup>4</sup> Includes Interim and Final dividends in each respective financial year (FY26 dividend declared by the Board in August 2026 to be paid on 15 October 2026).

<sup>5</sup> Includes aircraft directly owned and leased by Virgin Australia, excludes aircraft operated under wet lease arrangements.

### 3.2 Company Scorecard Performance

The FY26 Company Scorecard performance outcome was 120% with the breakdown across each measure detailed in the table below. This scorecard outcome reflects a year of strong Company performance across both financial and non-financial measures, where profits and transformation benefits were higher than target, and operational performance improved throughout the year to above industry average levels.

|                                        |                                                              |                                                               |                   | Threshold<br>50%                              | Target<br>100%                                | Stretch<br>150% |              |               |                  |       |       |
|----------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-------------------|-----------------------------------------------|-----------------------------------------------|-----------------|--------------|---------------|------------------|-------|-------|
| Category                               | Objective                                                    | Measure <sup>1</sup>                                          | Weighting         | Achieved                                      |                                               |                 | FY26 Outcome | % Achieved    | Weighted Outcome |       |       |
| Financial                              | Achieve profitability and continue to transform the business | Adjusted EBIT (\$m)                                           | 40%               | <div><div></div></div> <div><div></div></div> | \$647m                                        | \$682m          | \$712m       | \$702.5m      | 134%             | 53.7% |       |
|                                        |                                                              | Gross benefit of transformation                               | 20%               | <div><div></div></div> <div><div></div></div> | \$418m                                        | \$462m          | \$482m       | \$497m        | 150%             | 30.0% |       |
| Customer & Operations                  | Deliver a great experience for our guests                    | Net Promoter Score                                            | - Operational NPS | 12.5%                                         | <div><div></div></div> <div><div></div></div> | 30              | 33           | 36            | 35.6             | 143%  | 18.3% |
|                                        |                                                              |                                                               | - Strategic NPS   | <div><div></div></div> <div><div></div></div> | 25                                            | 27              | 29           | 29.8          | 150%             |       |       |
|                                        |                                                              | Operational performance                                       | - D15 OTP         | 7.5%                                          | <div><div></div></div> <div><div></div></div> | 75              | 77           | 79            | 77.1             | 103%  | 7.7%  |
|                                        |                                                              |                                                               |                   |                                               |                                               |                 |              |               |                  |       |       |
| People & Safety                        | Engage and look after our people                             | Team member engagement (Corporate, Operations EA and VARA EA) | 10%               | <div><div></div></div> <div><div></div></div> | = to FY25                                     | FY25 + 1        | FY25 + 2     | Equal to FY25 | 53%              | 5.3%  |       |
|                                        |                                                              | Safety Scorecard                                              | 10%               | <div><div></div></div> <div><div></div></div> | 75%                                           | 90%             | n/a          | 76%           | 53%              | 5.3%  |       |
| Total Calculated Scorecard outcome (%) |                                                              |                                                               |                   |                                               |                                               |                 |              |               |                  | 120%  |       |

<sup>1</sup> These included non-IFRS measures. Refer to section 10. for further details, including definition and reconciliation to the closest IFRS measure (where available).

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Performance<sup>2,3</sup></b>   | <p>FY26 Adjusted EBIT exceeded target, supported by strong revenue performance, disciplined cost management in a high-inflation environment, over-delivery against the transformation plan, and fuel hedging that protected the Group from the initial increase in oil prices arising from the Middle East conflict.</p> <p>Adjusted EBIT reflects the Group's statutory profit before net finance costs and tax, adjusted for foreign exchange revaluations, COVID credit expiries, and IPO and transaction-related costs, including share-based payment expenses associated with the IPO.</p> <p>The Board considers the outcome to appropriately reflect the Group's strong underlying earnings performance and broader business achievements during FY26.</p> <p>Virgin Australia's Transformation Program over-delivered against its FY26 targets and exceeded the stretch goal in the Company Scorecard. Primary drivers of over-delivery were in revenue, led by strong SME market share growth and performance of pricing excellence initiatives; and in costs, through benefits from fleet renewal and other efficiency programs.</p> |
| <b>Customer Performance</b>                  | <p>Customer satisfaction and advocacy, measured through Net Promoter Scores (NPS), were above target in FY26. Operational NPS showed material improvement on the prior year due to reduced cancellations and faster re-accommodation of disrupted passengers, driven by continued investment in operational performance, new and upgraded fleet and improved airport experience. Strategic NPS has continued to grow to its highest point since our return to a full schedule of flying, with guests rating Virgin Australia number one in market for 'value for money', 'great staff service', 'makes flying easy' – reflecting our investment in value, service, digital and a simple, easy experience for all guests.</p>                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Operational Performance<sup>4,5</sup></b> | <p>D15 OTP of 77.1% and a completion rate of 98.7% for FY26 exceeded the mainline industry averages of 76.5% and 98.2%, respectively. Compared with FY25, D15 OTP increased by 0.3 percentage points, while the completion rate increased by 0.3 percentage points. Performance improved from the second quarter following targeted operational interventions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

<sup>2</sup> These include non-IFRS measures. Refer to section 10. for further details, including definition and reconciliation to the closest IFRS measure (where available).

<sup>3</sup> Gross transformation benefits are stated before the impact of cost escalation, one-off implementation costs and potential competitive actions on Virgin Australia's operations and their associated impact on revenue and contribution to profitability.

<sup>4</sup> These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

<sup>5</sup> Industry averages obtained from Bureau of Infrastructure and Transport Research Economics (BITRE), Domestic Airline On Time Performance. FY26 mainline industry averages based on BITRE-reported mainline airline data.

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>People Performance</b> | <p>Employee engagement remained broadly stable during FY26, reflecting the continued impact of targeted initiatives aligned to key engagement drivers. Survey results continued to demonstrate a strong relationship between engagement, belonging, confidence in leadership and organisational communication.</p> <p>Throughout the year, Virgin Australia continued to invest in initiatives designed to improve the employee experience, including simplifying tools, systems and processes, strengthening communication and connection between leaders and team members, embedding a respectful and inclusive culture, investing in leadership capability, enhancing recognition programs and further embedding behavioural expectations into performance and development practices.</p> <p>These initiatives were supported by ongoing action in response to employee feedback and contributed to the maintenance of engagement outcomes across the Group during a period of continued organisational change and transformation.<sup>6</sup></p> |
| <b>Safety Performance</b> | <p>A safety performance gateway underpins the STI: zero aircraft incidents leading to fatalities of employees, contractors or guests. This gateway was passed in FY26.</p> <p>The Board's assessment of safety within the Company Scorecard is set at a very high level to reflect safety being our number one priority. The FY26 safety assessment was based on a range of safety measures, as detailed below, and was assessed at 76%.</p> <ul style="list-style-type: none"> <li>• Regulatory compliance;</li> <li>• Total Recordable Injury Frequency Rate (TRIFR);</li> <li>• High or extreme risk events; and</li> <li>• Unstable aircraft approaches.</li> </ul> <p>There is no stretch opportunity associated with the safety measure; therefore maximum achievement is 100%.</p>                                                                                                                                                                                                                                                             |

<sup>6</sup> Virgin Australia calculates team member engagement across a suite of questions contained within the annual team member engagement survey.

### 3.3 FY26 STI Outcome

FY26 performance assessment and individual STI modifier outcomes for the CEO and other Executive KMP are detailed below.

#### CEO Individual Performance Assessment

|                                                                    | Performance Assessment                                                                                                                                                                                                                                                                                                                                                                              | Individual STI Modifier |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Dave Emerson –<br>Chief Executive Officer and<br>Managing Director | <p>The following deliverables were assessed for FY26:</p> <ul style="list-style-type: none"> <li>• Lead VGN strategy with clarity and purpose</li> <li>• Deliver results required for the business for FY26 and beyond</li> <li>• Deepen engagement with frontline and key stakeholders</li> <li>• Develop personalised and effective CEO model, including getting the most from the ELT</li> </ul> | 100%                    |

Individual performance for other Executive KMP was assessed with reference to individual OKR's and demonstration of Virgin Australia's values. Individual STI modifiers are detailed below.

#### STI Outcomes

Individual outcomes awarded under the FY26 STI for Executive KMP are detailed below.

|                             | Target STI Opportunity <sup>7</sup> | Maximum STI Opportunity <sup>8</sup> | Company Scorecard Outcome | Individual Performance Modifier | Individual STI Outcome <sup>9</sup> | % of Maximum STI Earned |
|-----------------------------|-------------------------------------|--------------------------------------|---------------------------|---------------------------------|-------------------------------------|-------------------------|
| <b>Executive KMP</b>        |                                     |                                      |                           |                                 |                                     |                         |
| Dave Emerson                | \$2,171,114                         | \$3,256,671                          | 120%                      | 100%                            | \$2,605,337                         | 80%                     |
| Race Strauss                | \$1,091,021                         | \$1,636,532                          | 120%                      | 100%                            | \$1,309,225                         | 80%                     |
| Andrew Cleary <sup>10</sup> | \$235,685                           | \$353,528                            | 120%                      | 110%                            | \$311,104                           | 88%                     |
| <b>Former Executive KMP</b> |                                     |                                      |                           |                                 |                                     |                         |
| Nick Rohrlach <sup>11</sup> | \$828,490                           | \$1,242,735                          | 120%                      | 100%                            | \$994,188                           | 80%                     |

<sup>7</sup> Represents the target potential STI opportunity, adjusted for any variation in TFR during FY26. If the minimum threshold performance is not met, the potential STI payment is nil.

<sup>8</sup> Maximum STI opportunity is equal to 150% of STI Target Opportunity.

<sup>9</sup> 25% of the FY26 STI outcomes for current Executive KMP will be paid in cash in September 2026. The remaining 75% will be deferred and settled via the issuance of Share Rights which will vest annually over a three-year period, subject to continued employment (FY26 STI Deferred). See section 2.4 for further details. As the allocation methodology is 10 trading days post release of results to the ASX, the number of Share Rights to be granted will be calculated at a later date.

<sup>10</sup> Represents the period Andrew Cleary held a KMP role.

<sup>11</sup> As a Good Leaver, Nick Rohrlach remained eligible for STI FY26. The outcome was reduced and pro-rated to reflect his period of service up to Termination Date.

## 4. Looking Ahead: FY27 Remuneration Outlook

As outlined in Virgin Australia's FY25 Remuneration Report, the post-IPO framework was designed as a transitional arrangement to support the Company's move from a private company remuneration structure to one more closely aligned with listed-company practice. In doing so, the Board placed a higher relative weighting on the short-term incentive than may be expected under a more mature listed-company framework. This reflected the importance of retaining and motivating the senior executive team while delivering the growth, transformation and operational priorities required to create sustainable shareholder value.

The Board recognises that the current framework may not represent the optimal long-term remuneration structure for Virgin Australia. However, it considers that maintaining consistency in the second year following the IPO is appropriate while the business, executive remuneration arrangements and shareholder base continue to transition.

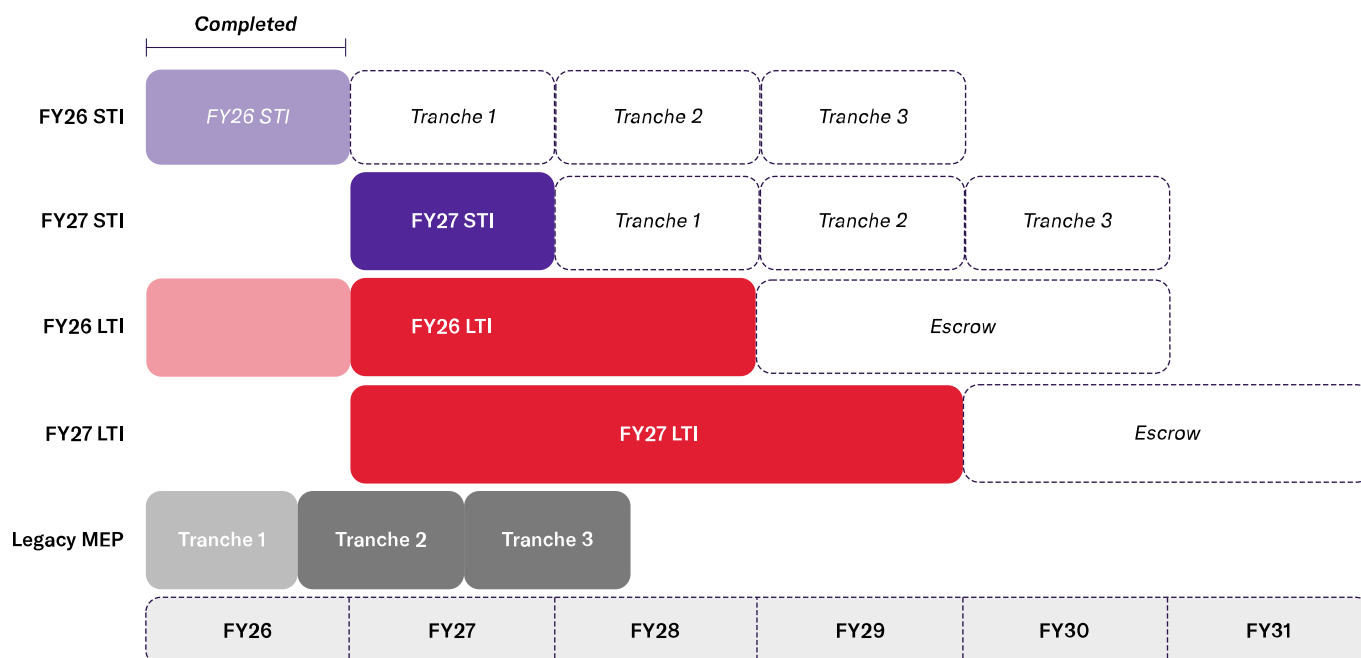
The key change for FY27 is that STI outcome for the CEO will be determined solely by the Company Scorecard, strengthening the direct link between the incentive outcomes and Company performance. For other Executive KMP and Senior Executives, the existing individual performance modifier will continue to apply. All other elements of the STI framework, including target opportunities and delivery through a mix of cash and deferred equity, remain unchanged.

The FY27 LTI framework also remains unchanged, including the performance measures, weightings, opportunity levels and delivery structure. The Board intends to undertake a broader review of the remuneration framework ahead of FY28.

### 4.1 Vesting Timeline

Executive KMP will receive fully vested outcomes under the FY27 incentive arrangements (STI and LTI combined) by the end of FY30. The escrow in relation to the FY27 LTI extends for a further year to the end of FY31, as illustrated below. Outcomes under the FY26 STI and LTI are also shown below to illustrate the accumulation of the post-IPO remuneration framework over time. The Legacy Incentive Schemes will continue being released from escrow through to the first half of FY28. The combined STI and LTI vesting timeline seeks to smooth the transition from pre-IPO to post-IPO remuneration arrangements for senior executives and support retention of key talent within Virgin Australia's Executive Leadership Team.

#### Vesting timeline



As illustrated in the above schedule, the cash component of both the FY26 and FY27 STI, and the first tranche of deferred Share Rights in relation to the FY26 STI will have been paid and vested respectively, prior to the final tranche of the Legacy Incentive Schemes being released from escrow. Participants will be two years into the total five year timeline of the FY26 STI and LTI plans, and one year into the total five year timeline of the combined FY27 STI and LTI plans.

During the design of the remuneration framework prior to IPO, careful consideration was given to the respective vesting timelines of the pre-IPO and post-IPO remuneration arrangements to achieve an appropriate balance of realised and on-foot remuneration. The Board has reconsidered this ahead of the commencement of FY27 and concluded that retaining the existing framework provides the most appropriate executive remuneration structure for FY27.

## 4.2 Executive KMP FY27 Remuneration Summary

This section summarises the FY27 remuneration package for Executive KMP based on actual TFR, STI target opportunity and LTI opportunity. STI maximum opportunity is equal to 150% of STI target opportunity. Both plans have the potential to pay out between zero and target if performance conditions are not or only partially met.

| Executive KMP | FY27 TFR    | FY27 STI Target Opportunity <sup>12</sup> | FY27 LTI Opportunity <sup>13</sup> | FY27 Total Target Remuneration |
|---------------|-------------|-------------------------------------------|------------------------------------|--------------------------------|
| Dave Emerson  | \$1,302,568 | \$2,175,289                               | \$872,721                          | \$4,350,578                    |
| Race Strauss  | \$985,402   | \$1,093,796                               | \$443,431                          | \$2,522,629                    |
| Andrew Cleary | \$777,500   | \$863,025                                 | \$349,875                          | \$1,990,400                    |



<sup>12</sup> FY27 STI target opportunity is 167% of TFR for CEO and 111% of TFR for other Executive KMP.

<sup>13</sup> FY27 LTI opportunity is 67% of TFR for the CEO and 45% of TFR other Executive KMP.

## 5. Contractual Terms and Policies

### 5.1 Service Agreements

Executive KMP are engaged on permanent employment contracts which may be terminated by either party providing the notice outlined in the table below.

| Name          | Notice Period |
|---------------|---------------|
| Dave Emerson  | 6 months      |
| Race Strauss  | 6 months      |
| Andrew Cleary | 6 months      |

An Executive KMP's employment agreement may be terminated with immediate effect in certain circumstances, including where an Executive KMP engages in serious or wilful misconduct or is seriously negligent in the performance of their duties.

### 5.2 Additional Information

| <b>Minimum Shareholding Policy</b>     | <p>Virgin Australia recognises the importance of aligning the interests of its senior executives and Non-Executive Directors with the long-term interests of Shareholders. This policy aims to achieve this by prescribing minimum shareholding requirements applicable to the Company's senior executives and Non-Executive Directors while holding their respective roles.</p> <p>KMP are required to achieve the below minimum levels of shareholding within a four-year period, from the later of the IPO or commencement date in role:</p> <table> <tr> <th>Role</th><th>Minimum shareholding</th></tr> <tr> <td>CEO</td><td>150% of TFR</td></tr> <tr> <td>Senior Executive</td><td>75% of TFR</td></tr> <tr> <td>Non-Executive Director<sup>1</sup></td><td>100% of Annual Base Fee</td></tr> </table> | Role | Minimum shareholding | CEO | 150% of TFR | Senior Executive | 75% of TFR | Non-Executive Director <sup>1</sup> | 100% of Annual Base Fee |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------|-----|-------------|------------------|------------|-------------------------------------|-------------------------|
| Role                                   | Minimum shareholding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      |                      |     |             |                  |            |                                     |                         |
| CEO                                    | 150% of TFR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |                      |     |             |                  |            |                                     |                         |
| Senior Executive                       | 75% of TFR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      |                      |     |             |                  |            |                                     |                         |
| Non-Executive Director <sup>1</sup>    | 100% of Annual Base Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      |                      |     |             |                  |            |                                     |                         |
|                                        | Details of current KMP's shareholding value are set out in section 9.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |                      |     |             |                  |            |                                     |                         |
| <b>Securities Trading Policy</b>       | All Virgin Australia employees are required to comply with the Securities Trading Policy and Executive KMP as Designated Persons are required to obtain prior clearance to trade.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      |                      |     |             |                  |            |                                     |                         |
| <b>Use of Remuneration Consultants</b> | External remuneration consultants were engaged by the RNPCCo to provide benchmarking and market insights in relation to executive remuneration arrangements. The remuneration consultants did not provide a Remuneration Recommendation as defined in the Corporations Act during FY26.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      |                      |     |             |                  |            |                                     |                         |

<sup>1</sup> Applicable for Non-Executive Directors who are not nominated by Shareholders.

## 5.3 KMP Transition

### Incoming Chief Customer Officer and CEO Velocity

Andrew Cleary joined Virgin Australia as Chief Customer Officer and CEO Velocity on 23 March 2026. Andrew is a customer experience and loyalty specialist, who has held senior executive positions at major Australian and international companies. Most recently at Mandarin Oriental in Hong Kong, Andrew led the global Customer Experience team including the luxury hotel group's Loyalty & CRM, Data & Insights, and Product Innovation functions. Previously he spent over seven years in diverse senior management roles at Qantas Airways including loyalty customer experience transformation, alliance partnerships, and investor relations.

Remuneration arrangements for Andrew's include:

- FY26 TFR of \$775,000 per annum;
- FY26 STI target opportunity of 111% of TFR calculated on a pro-rated basis from date of commencement;
- FY27 STI target opportunity of 111% of TFR (maximum opportunity of 150% of target opportunity);
- FY27 LTI opportunity of 45% of TFR;
- Reimbursement of eligible relocation expenses associated with Andrew's relocation from Hong Kong to Sydney;
- One-off payment upon joining to compensate for foregone variable remuneration from prior employment, equivalent to HK\$755,000 and converted using the applicable foreign exchange rate, resulting in a payment of A\$138,783; and
- One-off Equity Grant of Share Rights with a face value of \$500,000. See section 2.6 for further details.

Andrew will not participate in the FY26 LTI plan or any pre-IPO legacy incentive arrangements.

### Former Chief Executive Officer – Velocity Frequent Flyer

Nick Rohrlach joined Virgin Australia in September 2021. During his time at Virgin Australia, Nick has continued to embed Velocity as one of Australia's largest loyalty programs. Under his leadership, the Velocity Frequent Flyer program has grown in strength and value. The program has achieved strong results, with significant Underlying EBIT<sup>2</sup> and active membership growth during this time.

Nick's term as an Executive KMP ceased on 30 April 2026, following which Nick took a period of paid parental leave, in accordance with Virgin Australia's Parental Leave Policy, prior to his employment ending with Virgin Australia on 31 May 2026.

The following remuneration arrangements applied upon cessation of Nick's employment:

- Contractual termination payments, as detailed in section 6.1 for other cash payments;
- FY26 STI calculated on a pro-rated basis up to cessation of employment;
- Performance Rights awarded under the FY26 LTI were reduced on a pro-rata basis up to cessation of employment, in line with Virgin Australia's Employee Incentive Scheme Rules;
- As a Good Leaver, equity arrangements (including Share Rights awarded for the FY26 STI, Performance Rights awarded for the FY26 LTI and shares held under the Legacy Incentive Schemes) vested upon cessation of his employment, resulting in an accelerated recognition of the remaining expense recognised for accounting purposes under the accounting standards. All awards remain subject to relevant performance conditions, delivery, timing and escrow arrangements, as detailed in sections 4.1; and
- Travel benefits for departed Executive KMP in line with Virgin Australia's Travel Benefits Policy, as detailed in section 7.2.

All termination arrangements were applied in accordance with contractual and statutory entitlements, and the applicable plan rules. No Board discretion was applied in relation to the above termination arrangements.

<sup>2</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

## 6. FY26 Executive KMP Remuneration Tables

### 6.1 Realised Remuneration Paid to Executive KMP in FY26 (unaudited)

This section uses non-IFRS information to show the actual remuneration received by Executive KMP in FY26. This disclosure is intended to show the realised remuneration received in the financial year.

Refer to section 6.2 for details of FY26 Statutory Remuneration determined in accordance with the Corporations Act and Australian Accounting Standards.

| Name                        | TFR <sup>1</sup><br>\$'000 | Non-monetary<br>Benefits <sup>2</sup><br>\$'000 | FY25 STI <sup>3</sup><br>\$'000 | Other cash<br>payments <sup>4</sup><br>\$'000 | One-Off Equity<br>Grant <sup>5</sup><br>\$'000 | Total<br>\$'000 |
|-----------------------------|----------------------------|-------------------------------------------------|---------------------------------|-----------------------------------------------|------------------------------------------------|-----------------|
| <b>Executive KMP</b>        |                            |                                                 |                                 |                                               |                                                |                 |
| Dave Emerson                | 1,300                      | 61                                              | 168                             | –                                             | 3,197                                          | 4,726           |
| Race Strauss                | 983                        | 25                                              | 413                             | –                                             | 2,664                                          | 4,085           |
| Andrew Cleary <sup>6</sup>  | 214                        | 140                                             | –                               | 139                                           | –                                              | 493             |
| <b>Former Executive KMP</b> |                            |                                                 |                                 |                                               |                                                |                 |
| Nick Rohrlach <sup>7</sup>  | 749                        | 18                                              | 310                             | 447                                           | –                                              | 1,524           |

<sup>1</sup> Total Fixed Remuneration includes base salary, paid leave and superannuation paid in cash in FY26.

<sup>2</sup> Includes the value of travel and flight benefits (as detailed in section 7.2), relocation expenses and executive health benefits. This also includes access to the Virgin Australia Beyond Membership Lounge which is a complimentary membership with no notional value as this benefit cannot be commercially purchased.

<sup>3</sup> Represents the FY25 STI which was paid in cash in September 2025. FY25 STI for Dave Emerson reflects the period of time in a KMP role (14 March 2025 - 30 June 2025).

<sup>4</sup> Includes one-off payment upon joining to compensate for foregone variable remuneration from prior employment for Andrew Cleary and contractual termination payments for Nick Rohrlach, both of which are detailed in section 5.3.

<sup>5</sup> Relates to the value attributable to Tranche 1, which vested on 26 June 2026. The value has been calculated based on the closing share price on the vesting date.

<sup>6</sup> Remuneration for Andrew Cleary reflects the period of time in a KMP role (23 March 2026 - 30 June 2026).

<sup>7</sup> Remuneration for Nick Rohrlach reflects the period of time in a KMP role (1 July 2025 - 30 April 2026).

## 6.2 Executive KMP Statutory Remuneration Table

The following table details remuneration for Executive KMP, prepared in accordance with the requirements of the Corporations Act and relevant Australian Accounting Standards.

| Name                        | Year | Short-term Employee Benefits |                                              |              |                                    |                                  |           | Equity-settled Share-based Payments | Post-employment Benefits |                              |                                   | Long-term Benefits              | Total  | Performance Related Remuneration % |
|-----------------------------|------|------------------------------|----------------------------------------------|--------------|------------------------------------|----------------------------------|-----------|-------------------------------------|--------------------------|------------------------------|-----------------------------------|---------------------------------|--------|------------------------------------|
|                             |      | Salary                       | Short-term Incentive Cash Bonus <sup>1</sup> | Annual Leave | Non-monetary Benefits <sup>2</sup> | Other Cash Payments <sup>3</sup> | Sub-total | Options/Rights <sup>4</sup>         | Super-annuation          | Travel Benefits <sup>5</sup> | Termination Benefits <sup>6</sup> | Long-service Leave <sup>7</sup> |        |                                    |
|                             |      | \$'000                       | \$'000                                       | \$'000       | \$'000                             | \$'000                           | \$'000    | \$'000                              | \$'000                   | \$'000                       | \$'000                            | \$'000                          | \$'000 | %                                  |
| <b>Executive KMP</b>        |      |                              |                                              |              |                                    |                                  |           |                                     |                          |                              |                                   |                                 |        |                                    |
| Dave Emerson                | 2026 | 1,177                        | 651                                          | 100          | 61                                 | –                                | 1,989     | 6,163                               | 30                       | 22                           | –                                 | 25                              | 8,229  | 83%                                |
|                             | 2025 | 343                          | 168                                          | 30           | 3                                  | 1,350                            | 1,894     | 486                                 | 7                        | 94                           | –                                 | 2                               | 2,483  | 81%                                |
| Race Strauss                | 2026 | 865                          | 327                                          | 76           | 25                                 | –                                | 1,293     | 5,686                               | 30                       | 26                           | –                                 | 18                              | 7,053  | 85%                                |
|                             | 2025 | 878                          | 413                                          | 73           | 13                                 | 1,823                            | 3,200     | 1,508                               | 30                       | 63                           | –                                 | 17                              | 4,818  | 78%                                |
| Andrew Cleary <sup>8</sup>  | 2026 | 200                          | 78                                           | 16           | 140                                | 139                              | 573       | 89                                  | 8                        | 6                            | –                                 | 1                               | 677    | 45%                                |
| <b>Former Executive KMP</b> |      |                              |                                              |              |                                    |                                  |           |                                     |                          |                              |                                   |                                 |        |                                    |
| Nick Rohrlach <sup>9</sup>  | 2026 | 646                          | 249                                          | 52           | 18                                 | –                                | 965       | 4,393                               | 30                       | 24                           | 407                               | (29)                            | 5,790  | 80%                                |
|                             | 2025 | 690                          | 310                                          | 61           | 21                                 | 2,772                            | 3,854     | 453                                 | 30                       | 50                           | –                                 | 29                              | 4,416  | 80%                                |
| <b>TOTAL</b>                | 2026 | 2,888                        | 1,305                                        | 244          | 244                                | 139                              | 4,820     | 16,331                              | 98                       | 78                           | 407                               | 15                              | 21,749 | 82%                                |
|                             | 2025 | 1,911                        | 891                                          | 164          | 37                                 | 5,945                            | 8,948     | 2,447                               | 67                       | 207                          | –                                 | 48                              | 11,717 | 79%                                |

<sup>1</sup> FY26 STI that will be paid in cash in September 2026.

<sup>2</sup> Includes the value of travel and flight benefits (as detailed in section 7.2), relocation expenses and executive health benefits. This also includes access to the Virgin Australia Beyond Membership Lounge which is a complimentary membership with no notional value as this benefit cannot be commercially purchased.

<sup>3</sup> 2026: One-off payment upon joining paid to Andrew Cleary as described in section 5.3 (2025: discretionary payments linked to specific performance outcomes).

<sup>4</sup> The recognition of share-based payment expense in FY26 reflects the accounting requirement to recognise the cost of services received during the vesting period for awards that have been or will be granted and does not indicate that final outcomes have been determined. FY26 costs include the FY26 portion of the Legacy Incentive Schemes, One-Off Equity Grants, FY26 STI Deferred and FY26 LTI as well as accelerated recognition of any expense relating to Good Leavers. These values have been calculated in accordance with the accounting standards.

<sup>5</sup> Post-employment travel benefits are accrued for accounting purposes and measured as the present value of the expense to Virgin Australia of providing this future benefit (with reference to commercial fares). The accounting expense is based on an individual calculation, including immediate family members, for each KMP. Refer to section 7.2 for further details.

<sup>6</sup> Termination benefits include a payment in lieu of the contractual notice period, as detailed in section 5.3.

<sup>7</sup> Long-service leave represents the accounting expense/(credit) recognised in accordance with Australian Accounting Standards. The negative amount for Nick Rohrlach reflects the reversal of previously accrued long-service leave following cessation of employment.

<sup>8</sup> Remuneration for Andrew Cleary reflects the period of time in a KMP role (23 March 2026 - 30 June 2026).

<sup>9</sup> Remuneration for Nick Rohrlach reflects the period of time in a KMP role (1 July 2025 - 30 April 2026).

## 7. Non-Executive Director Remuneration

### 7.1 Fee structure

The maximum aggregate Non-Executive Directors' remuneration is \$2,200,000 per annum. All Directors' fees include superannuation payments required by law to be made as well as any applicable taxation. There have been no changes in the fee structure for Non-Executive Directors' remuneration during FY26.

The following annual base fees are payable to Directors other than Bain Capital Nominee Directors Ryan Cotton, Charles Lawson and Michael Murphy OAM. The fee paid to the Chair is inclusive of Committee fees.

| Independent Director Board and Committee Fees        | Chair     | Member    |
|------------------------------------------------------|-----------|-----------|
| Base Fee                                             | \$535,000 | \$191,000 |
| Audit, Risk, Sustainability & Compliance Committee   | \$45,000  | \$22,500  |
| Remuneration, Nomination, People & Culture Committee | \$45,000  | \$22,500  |
| Safety Committee                                     | \$45,000  | \$22,500  |

### 7.2 Travel benefits for Directors and Executive KMP

In addition to their director fees, the Directors receive travel entitlements as part of their annual remuneration package. In addition to the customary travel benefits all employees receive (such as unlimited standby flights), each Director and Executive KMP is entitled to Additional Flight Benefits, which include:

- two return, international, business class tickets within the Virgin Australia network for each immediate family member; and
- six return, domestic, business class tickets for each immediate family member.

These travel benefits lapse if not used within each fringe benefits tax reporting year ending 31 March. Similarly, tickets cannot be transferred or cashed in. Directors and Executive KMP also receive complimentary:

- Virgin Australia Beyond membership for themselves and their partner; and
- comprehensive travel insurance.

Directors and Executive KMP are entitled to the following on departure from Virgin Australia for a term equal to their length of service:

- for the CEO and Chair, 100% of the Additional Flight Benefits; or
- for all other Directors and Executive KMP, 50% of the Additional Flight Benefits (i.e. one return, international business class ticket and three return, domestic business class tickets);
- Company-wide post-employment travel benefits; and
- Virgin Australia Beyond membership for themselves and their partner,

unless the individual works for a competitor of Virgin Australia.

## 7.3 Non-Executive Director Statutory Remuneration

The following table details fees paid to Non-Executive Directors, prepared in accordance with the requirements of the Corporations Act and relevant Australian Accounting Standards.

|                         |      | Short-term Employee Benefits |                                    | Post-employment Benefits |                              |        |
|-------------------------|------|------------------------------|------------------------------------|--------------------------|------------------------------|--------|
|                         |      | Fees <sup>1</sup>            | Non-monetary Benefits <sup>2</sup> | Super-annuation          | Travel Benefits <sup>3</sup> | Total  |
| Name                    | Year | \$'000                       | \$'000                             | \$'000                   | \$'000                       | \$'000 |
| Non-Executive Directors |      |                              |                                    |                          |                              |        |
| Peter Warne             | 2026 | 505                          | 2                                  | 30                       | 27                           | 564    |
|                         | 2025 | 146                          | 2                                  | 17                       | 5                            | 170    |
| Melinda Conrad          | 2026 | 231                          | 8                                  | 28                       | 34                           | 301    |
|                         | 2025 | 16                           | –                                  | 2                        | 2                            | 20     |
| Pippa Downes            | 2026 | 251                          | 2                                  | 30                       | 20                           | 303    |
|                         | 2025 | 64                           | 2                                  | 7                        | 6                            | 79     |
| Dimitri Courtelis       | 2026 | 211                          | 1                                  | 25                       | 27                           | 264    |
|                         | 2025 | 24                           | 4                                  | –                        | 5                            | 33     |
| Ryan Cotton             | 2026 | –                            | –                                  | –                        | 13                           | 13     |
|                         | 2025 | –                            | 1                                  | –                        | 122                          | 123    |
| Charles Lawson          | 2026 | –                            | 12                                 | –                        | 23                           | 35     |
|                         | 2025 | –                            | 14                                 | –                        | 122                          | 136    |
| Michael Murphy OAM      | 2026 | –                            | 8                                  | –                        | 29                           | 37     |
|                         | 2025 | –                            | 40                                 | –                        | 153                          | 193    |
| Warwick Negus AM        | 2026 | 191                          | 4                                  | 23                       | 4                            | 222    |
|                         | 2025 | 155                          | 4                                  | –                        | 147                          | 306    |
| TOTAL                   | 2026 | 1,389                        | 37                                 | 136                      | 177                          | 1,739  |
|                         | 2025 | 405                          | 67                                 | 26                       | 562                          | 1,060  |

<sup>1</sup> Bain Capital Nominee Directors Ryan Cotton, Charles Lawson and Michael Murphy OAM were not remunerated by either Virgin Australia or Bain Capital for their role as Non-Executive Directors of the Company.

<sup>2</sup> Includes the value of travel and flight benefits. Non-Executive Directors also received access to the Virgin Australia Beyond Lounge which is a complimentary membership with no notional value as this benefit cannot be commercially purchased.

<sup>3</sup> Post-employment travel benefits are accrued for accounting purposes and measured as the present value of the expense to Virgin Australia of providing this future benefit (with reference to commercial fares). The accounting expense is based on an individual calculation, including immediate family members, for each Director. The accounting expense for FY25 reflected in the table above represents the incremental cost accrued for all past service. For FY26, the accounting expense represents the cost accrued for service during the current period only. Refer to section 7.2 for further details.

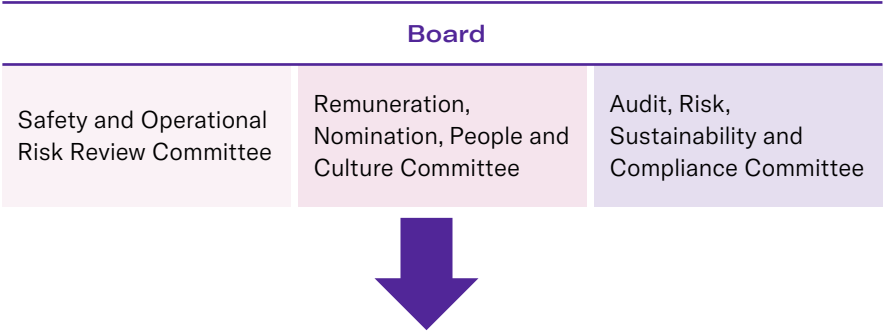
# 8. Remuneration Principles & Governance

Virgin Australia strives to be the most loved airline in Australia - by our people, our guests and our owners.

The underpinning principles of our Executive Remuneration framework are:

- a market-aligned structure that supports retention of the current executive team and enables the attraction of new talent as required;
- a market competitive package where the total value of an individual's remuneration is aligned appropriately in the market for the underlying role size;
- to drive high performance with metrics aligned to shareholder interests; and
- in the short-medium term, to support the transition from a private company remuneration structure.

Our remuneration framework supports our strategic priorities and our values and culture with a robust governance structure which sets the principles for how remuneration is determined and managed.



## The Remuneration, Nomination, People and Culture Committee (RNPCCo):

supports the Board in fulfilling its responsibilities for corporate governance and oversight of Virgin Australia’s remuneration, nomination, people and culture strategies, policies, systems, frameworks and practices.

The RNPCCo comprises only Non-Executive Directors, a majority of whom are independent.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>RNPCCo has delegated responsibility for:</b></p> <ul style="list-style-type: none"><li>• recruitment of Directors and Senior Executives;</li><li>• remuneration policies and framework;</li><li>• reviewing and approving terms including performance conditions, and outcomes under incentive plans;</li><li>• monitoring and reviewing senior management performance;</li><li>• evaluation of Board composition and Board performance; and</li><li>• diversity and inclusion.</li></ul> | <p><b>Management has responsibility for:</b></p> <ul style="list-style-type: none"><li>• providing information relevant to remuneration, people and culture decisions to assist the RNPCCo; and</li><li>• this includes external market data and insights, legal advice, tax advice and accounting advice.</li></ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 9. KMP Equity Holdings

### 9.1 Executive KMP Share-Based Remuneration

The table below shows the movement during FY26 in the number of equity instruments granted to Executive KMP under the Virgin Australia Incentive Scheme.

An expense relating to the FY26 STI Deferred and One-Off Equity Grant has been recognised from 1 July 2025 and 23 March 2026, respectively, being the commencement date of the vesting period for the share-based payment arrangement. However, the grant date criteria, as defined under AASB 2 *Share-based Payment* (AASB 2), has not been met as at 30 June 2026 as the individual performance outcomes have not yet been determined or communicated to participants (FY26 STI Deferred). Similarly, the One-Off Equity Grants awarded during the period had not been communicated prior to 30 June 2026. Accordingly, the fair value used to determine the expense recognised during the period represents an estimate based on the Company's share price at 30 June 2026. Furthermore, the final number of Share Rights to be granted cannot yet be determined, as this will be calculated using the 10-day volume weighted average price (VWAP) of the Company's shares following the release of the FY26 results. As a result, the FY26 STI Deferred and the One-Off Equity Grant awarded during the period are not captured in the tables below.

| Name                        | Award                | Award Type         | Grant date   | Balance at start of the year | Granted | Exercised   | Forfeited | Other changes during the year | Balance at the end of the year |
|-----------------------------|----------------------|--------------------|--------------|------------------------------|---------|-------------|-----------|-------------------------------|--------------------------------|
| <b>Executive KMP</b>        |                      |                    |              |                              |         |             |           |                               |                                |
| Dave Emerson <sup>1</sup>   | FY26 LTI             | Performance Rights | 30 June 2026 | –                            | 300,360 | –           | –         | –                             | 300,360                        |
|                             | One-Off Equity Grant | Share Rights       | 6 June 2025  | 1,034,482                    | –       | (1,034,482) | –         | –                             | –                              |
| Race Strauss <sup>2</sup>   | FY26 LTI             | Performance Rights | 30 June 2026 | –                            | 152,519 | –           | –         | –                             | 152,519                        |
|                             | One-Off Equity Grant | Share Rights       | 6 June 2025  | 1,724,137                    | –       | (862,069)   | –         | –                             | 862,068                        |
| <b>Former Executive KMP</b> |                      |                    |              |                              |         |             |           |                               |                                |
| Nick Rohrlach <sup>3</sup>  | FY26 LTI             | Performance Rights | 30 June 2026 | –                            | 38,558  | –           | –         | (38,558)                      | –                              |

None of the awards held by current Executive KMP at year end under the Virgin Australia Incentive Scheme are vested and exercisable. The terms and conditions of the equity instruments awarded during the year are outlined in section 2.

<sup>1</sup> The total value of Performance Rights granted to Dave Emerson during FY26 was \$865,037 (FY25: Share Rights of \$3,000,000). These values are based on the fair values detailed in section 9.2 and will be recognised as remuneration over the respective vesting periods.

<sup>2</sup> The total value of Performance Rights granted to Race Strauss during FY26 was \$439,255 (FY25: Share Rights of \$5,000,000). These values are based on the fair values detailed in section 9.2 and will be recognised as remuneration over the respective vesting periods.

<sup>3</sup> Nick Rohrlach was originally awarded 126,190 Performance Rights under the FY26 LTI. Prior to the grant date, this was reduced to reflect his period of service in FY26. The total value of Performance Rights granted to Nick Rohrlach during FY26 was \$111,047 (FY25: nil). Under the terms of the Virgin Australia Incentive Scheme, these awards are vested and exercisable at the end of the year but remain subject to the performance conditions detailed in section 2.5.

The table below shows the movements during FY26 in the number of equity instruments granted to Executive KMP under the Legacy Incentive Schemes.

| Name                        | Grant date      | Balance at start of the year | Exercised   | Forfeited | Other changes during the year <sup>4</sup> | Balance at the end of the year <sup>5</sup> | Vested and exercisable |
|-----------------------------|-----------------|------------------------------|-------------|-----------|--------------------------------------------|---------------------------------------------|------------------------|
| <b>Executive KMP</b>        |                 |                              |             |           |                                            |                                             |                        |
| Dave Emerson                | 1 October 2021  | 4,130,890                    | (1,376,964) | –         | –                                          | 2,753,926                                   | –                      |
| Race Strauss                | 27 January 2023 | 550,785                      | –           | –         | –                                          | 550,785                                     | 183,595                |
|                             | 23 July 2024    | 2,203,140                    | –           | –         | –                                          | 2,203,140                                   | 734,380                |
| <b>Former Executive KMP</b> |                 |                              |             |           |                                            |                                             |                        |
| Nick Rohrlach               | 1 October 2021  | 4,130,890                    | (1,376,964) | –         | (2,753,926)                                | –                                           | –                      |

<sup>4</sup> Nick Rohrlach ceased as KMP on 30 April 2026. Nick was considered a good leaver and retained his shares relating to the Legacy Incentive Schemes. Under the terms of the Legacy Incentive Schemes, these shares are vested and exercisable at the end of the year but remain subject to applicable escrow arrangements, as detailed in section 2.7.

<sup>5</sup> Shares remain subject to service vesting conditions and are held in escrow, as detailed in section 2.7.

## 9.2 Fair Value of Equity Instruments Granted or Modified

The table below shows the fair value of Performance Rights that were granted to Executive KMP during FY26. The terms and conditions of the FY26 LTI are outlined in section 2.5. For details on the key assumptions underpinning the fair value, refer to note 29 to the financial statements on page [176](#) of the Annual Report.

| Grant date   | Grant type         | Tranche   | Fair value at grant date | Exercise price | Vesting date     | Expiry date      |
|--------------|--------------------|-----------|--------------------------|----------------|------------------|------------------|
| 30 June 2026 | Performance Rights | Tranche 1 | \$2.88                   | nil            | 1 September 2028 | 28 February 2029 |

## 9.3 Details of Awards Exercised During the Year

During the year, the following KMP exercised awards that were granted to them as part of their compensation. Each award converts into one ordinary share of Virgin Australia Holdings Limited.

|                             | Plan                    | Grant Date     | Awards exercised | Exercise date    | Exercise price paid \$'000 | Fair value at exercise date <sup>6</sup> \$'000 |
|-----------------------------|-------------------------|----------------|------------------|------------------|----------------------------|-------------------------------------------------|
| <b>Executive KMP</b>        |                         |                |                  |                  |                            |                                                 |
| Dave Emerson                | Legacy Incentive Scheme | 1 October 2021 | 1,376,964        | 28 February 2026 | –                          | 4,324                                           |
|                             | One-Off Equity Grant    | 6 June 2025    | 1,034,482        | 26 June 2026     | –                          | 3,197                                           |
| Race Strauss                | One-Off Equity Grant    | 6 June 2025    | 862,069          | 26 June 2026     | –                          | 2,664                                           |
| <b>Former Executive KMP</b> |                         |                |                  |                  |                            |                                                 |
| Nick Rohrlach               | Legacy Incentive Scheme | 1 October 2021 | 1,376,964        | 30 March 2026    | –                          | 3,167                                           |

<sup>6</sup> Calculated as the difference between the share price at the date of exercise less the exercise price, multiplied by the number of awards exercised (including awards vested in prior years that were exercised in FY26).

## 9.4 Details of Equity Incentives Affecting Future Remuneration

The vesting profiles of equity instruments granted to Executive KMP are set out in section 4.1. The table below shows the maximum grant-date fair value yet to be recognised as expense. The maximum value is determined based on the amount of the grant date fair value that is yet to be expensed. Amounts relating to former Executive KMP have not been included in the table below as the full value of the equity instruments has been recognised upon cessation of employment with no amounts to be recognised in future financial years. The minimum value is nil since the equity instruments will be forfeited if the vesting conditions are not met.

| Executive KMP | Plan                    | Grant Date      | Maximum value yet to vest |
|---------------|-------------------------|-----------------|---------------------------|
|               |                         |                 | \$'000                    |
| Dave Emerson  | Legacy Incentive Scheme | 1 October 2021  | 1,114                     |
|               | FY26 STI Deferred       | n/a             | 1,292                     |
|               | FY26 LTI                | 30 June 2026    | 591                       |
| Race Strauss  | Legacy Incentive Scheme | 27 January 2023 | 125                       |
|               | Legacy Incentive Scheme | 23 July 2024    | 547                       |
|               | One-Off Equity Grant    | 6 June 2025     | 1,202                     |
|               | FY26 STI Deferred       | n/a             | 649                       |
|               | FY26 LTI                | 30 June 2026    | 300                       |
| Andrew Cleary | FY26 STI Deferred       | n/a             | 204                       |
|               | One-Off Equity Grant    | n/a             | 440                       |

## 9.5 KMP Shareholdings as at 30 June 2026

During FY26 KMP and their related parties held Virgin Australia shares directly, indirectly or beneficially as follows:

| Name                           | Balance at the Start of the Year | Equity Instruments Converted to Shares | Purchased | Other Changes During the Year | Balance at the End of the Year <sup>7</sup> | Unvested Rights to Shares <sup>8</sup> | Progress Against Minimum Shareholding Policy <sup>9</sup> |
|--------------------------------|----------------------------------|----------------------------------------|-----------|-------------------------------|---------------------------------------------|----------------------------------------|-----------------------------------------------------------|
| <b>Non-Executive Directors</b> |                                  |                                        |           |                               |                                             |                                        |                                                           |
| Peter Warne                    | 100,000                          | –                                      | –         | –                             | 100,000                                     | –                                      | Progressing                                               |
| Melinda Conrad                 | 35,000                           | –                                      | –         | –                             | 35,000                                      | –                                      | Progressing                                               |
| Pippa Downes                   | 35,000                           | –                                      | –         | –                             | 35,000                                      | –                                      | Progressing                                               |
| Dimitri Courtelis              | 10,000                           | –                                      | –         | –                             | 10,000                                      | –                                      | n/a                                                       |
| Ryan Cotton                    | –                                | –                                      | –         | –                             | –                                           | –                                      | n/a                                                       |
| Charles Lawson                 | –                                | –                                      | –         | –                             | –                                           | –                                      | n/a                                                       |
| Michael Murphy                 | –                                | –                                      | –         | –                             | –                                           | –                                      | n/a                                                       |
| Warwick Negus                  | 70,000                           | –                                      | 30,000    | –                             | 100,000                                     | –                                      | Meets                                                     |
| <b>Executive KMP</b>           |                                  |                                        |           |                               |                                             |                                        |                                                           |
| Dave Emerson                   | –                                | 2,411,446                              | –         | –                             | 2,411,446                                   | 2,753,926                              | Meets                                                     |
| Andrew Cleary                  | –                                | –                                      | –         | –                             | –                                           | –                                      | Not started                                               |
| Race Strauss                   | –                                | 862,069                                | –         | –                             | 862,069                                     | 3,615,993                              | Meets                                                     |
| <b>Former KMP</b>              |                                  |                                        |           |                               |                                             |                                        |                                                           |
| Nick Rohrlach <sup>10</sup>    | –                                | 1,376,964                              | –         | (1,376,964)                   | –                                           | –                                      | n/a                                                       |

KMP are required to achieve minimum levels of shareholdings within a four-year period from the later of the IPO date or commencement of employment.

<sup>7</sup> Potential ordinary shares issued to Executive KMP under the Legacy Incentive Schemes are excluded to the extent that these remain subject to vesting conditions under the Plan Rules.

<sup>8</sup> This represents ordinary shares, Share Rights and Performance Rights held by Executive KMP that are subject to vesting conditions under the terms of the Legacy Incentive Schemes and the Virgin Australia Incentive Scheme. Unvested rights to shares which are solely subject to service conditions count towards a person meeting the Group's Minimum Shareholding Policy.

<sup>9</sup> Ryan Cotton, Charles Lawson and Michael Murphy OAM as nominees of Bain Capital, and Dimitri Courtelis as nominee of Qatar Airways Group, are not subject to the Group's Minimum Shareholding Policy.

<sup>10</sup> Nick Rohrlach ceased his role as KMP on 30 April 2026 and is no longer subject to the Group's Minimum Shareholding Policy.

## 10. Reconciliation of Remuneration Measures to Statutory Results (unaudited)

The Board uses certain financial measures that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). These measures are referred to as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information'. Non-IFRS financial measures are intended to supplement the financial information calculated in accordance with AAS or IFRS and not as a substitute for that information. These non-IFRS measures do not have a prescribed definition under AAS or IFRS and the method that Virgin Australia uses to calculate them may be different to methods adopted by other companies to calculate similarly titled measures. These non-IFRS measures are not subject to audit or review.

The Board uses these measures, rather than any of the Underlying or Statutory measures, because they capture the performance of the business that is deemed controllable by the KMP and senior leaders.

**Adjusted EBIT** is equal to profit before net finance costs, tax and certain Significant Items (being Expiry of COVID-19 Credits, Impairment of assets and accelerated depreciation, Foreign exchange revaluation, IPO related share-based payments and IPO and transaction costs). Refer to Appendix A on page 197 of the Annual Report for further details on these items. The Board uses this measure to determine the financial results included in the Group's annual Scorecard. It is also used in determining the performance metrics for the Group's Long Term Incentive arrangements.

**Adjusted Earnings per Share (EPS)** is equal to Adjusted net profit after tax divided by the Fully Diluted Share Count. Adjusted net profit after tax is equal to Adjusted EBIT less net finance costs, taxed at the Group's notional corporate tax rate. The Fully Diluted Share Count differs to the Weighted Average Diluted Shares Outstanding (as detailed in note 7 to the financial statements) as no weighted average is applied and the full dilution impact is included. Adjusted EPS is one of the performance metrics for the Group's Long Term Incentive arrangements, as detailed in section 2.5.

**Adjusted Return on Invested Capital (ROIC) %** is calculated as Adjusted EBIT divided by Average Invested Capital. Invested Capital comprises an adjusted equity value plus Net Debt<sup>11</sup>. Refer to the ROIC measure included in Appendix A of the Annual Report for a definition and calculation of the adjusted equity value. Adjusted ROIC measures the efficiency with which the Group generates earnings from the capital employed in the business and is one of the performance metrics for the Group's Long Term Incentive arrangements, as detailed in section 2.5.

### Reconciliation of Adjusted earnings to Statutory earnings

|                                      | FY26<br>\$m  | FY25<br>\$m  |
|--------------------------------------|--------------|--------------|
| <b>Adjusted EBIT</b>                 | <b>702.5</b> | <b>528.4</b> |
| Statutory net finance costs          | (174.3)      | (171.7)      |
| Notional income tax (30%)            | (158.5)      | (107.0)      |
| <b>Adjusted net profit after tax</b> | <b>369.7</b> | <b>249.7</b> |
| Fully Diluted Share Count (m)        | 792.9        | 793.8        |
| <b>Adjusted EPS (cents)</b>          | <b>46.6</b>  | <b>31.5</b>  |

### Adjusted Return on Invested Capital

|                                        | FY26<br>\$m | FY25<br>\$m |
|----------------------------------------|-------------|-------------|
| Adjusted EBIT                          | 702.5       | 528.4       |
| Average Invested Capital <sup>12</sup> | 3,756.4     | 3,561.9     |
| <b>Adjusted ROIC (%)</b>               | <b>18.7</b> | <b>14.8</b> |

<sup>11</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

<sup>12</sup> This is a non-IFRS measure and is calculated consistently with the ROIC measure used by management. Refer to Appendix A for further details, including definition, calculation and reconciliation to closest IFRS measure (where available).



## Share Options

Details of all unissued shares under option are included in note 29 Share-based payments of the financial statements. There were no shares issued as a result of the exercise of options during the year (2025: nil).

## Environmental Regulation

The Group is subject to environmental regulations under Federal, State, Territory, local and international jurisdictions. The Group is committed to environmental sustainability and meeting all of its regulatory obligations. These objectives are managed through:

- regular environmental risk and compliance reporting to management, the Board and external stakeholders;
- accountability assigned for environmental performance and compliance to relevant executives across the Group;
- an Environmental Management System (EMS) framework to identify environmental issues/risks, implement management programs and monitor the effectiveness of actions. The EMS is aligned to ISO:14001; and
- engagement with airport authorities and regulators to maintain oversight and support the evolution of regulatory obligations.

Based on the information provided and enquiries made, the Board is not aware of any material non-compliances during this reporting period.

## Significant changes in the state of affairs and key developments

There was no significant change in the state of affairs of Virgin Australia during the financial year.

## Likely developments

The Operating and Financial Review sets out information on the business strategies and prospects for future financial years and refers to likely developments in Virgin Australia's operations and the expected results of those operations in future financial years. Information is provided to enable stakeholders to make an informed assessment about the business strategies and prospects for future financial years of Virgin Australia. Information that could give rise to likely material detriment to Virgin Australia, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, has not been included.

## Significant events subsequent to balance date

In August 2026, the Board declared a dividend for the year ended 30 June 2026 of 7.60 cents per ordinary share, fully franked. The dividend will be paid on 15 October 2026.

No other matters or circumstances have arisen since the reporting date which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

## Indemnification and insurance of officers and auditors

The Company has agreed to indemnify the Directors and Officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as a director or an officer of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

The Company has Directors' and Officers' liability insurance contracts in place, for all current and former Officers of the Company (including Directors and the Company Secretary). The Directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance contracts, as such disclosure is prohibited under the terms of the insurance contract.

## Non-audit services

Details of amounts paid or payable for non-audit services provided during the year by the auditor are outlined in note 31 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence, for the following reasons:

- All non-assurance services have been approved by Those Charged with Governance as set out in APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board (APES 110).
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

The above Directors' statements are in accordance with the advice received from the Audit, Risk, Sustainability and Compliance Committee.

## Auditor independence

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is included in this Directors' Report.

## Rounding

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2026/183* dated 24 March 2026 and in accordance with that instrument, amounts in the consolidated financial report and Directors' report have been rounded to the nearest one hundred thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors:



**Peter Warne**

Independent Non-Executive Chair



**Dave Emerson**

Chief Executive Officer and Managing Director

This report is made on 28 August 2026.

# Auditor's independence declaration



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Virgin Australia Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the audit and review of specified sustainability disclosures in the sustainability report of Virgin Australia Holdings Limited for the financial year ended 30 June 2026 there have been:

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

KPMG

Suzanne Bell  
Partner

Brisbane  
28 August 2026

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# Our Sustainability Strategy

Virgin Australia recognises its role in responsibly managing its impact on the environment and driving positive outcomes for its people and the communities it serves. Virgin Australia's Sustainability Strategy helps to direct financial and resourcing investments to be most efficient and impactful in achieving sustainability goals and defines the key focus areas, including:



## Protecting our Natural World

### Climate change

- The Group has published its first mandatory Sustainability Report in accordance with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (see page [87](#))

### Waste

- Targeted plans to reduce single-use plastics and general waste<sup>1</sup>

## Caring for our People, Guests and Communities

### Safety and wellbeing

- Trusted, safe operations. Safety is first and above all else
- On track with safety targets and maintaining industry best practice

### Engaging and developing our people

- Inclusive, diverse and collaborative organisation
- Our people and customers are at the core
- Virgin Flair is visible and celebrated
- Motivated and empowered teams with momentum to innovate

## Maintaining Customer Trust

### Cyber security and privacy

- Building a resilient, collaborative, compliant, security-minded culture
- Building a strong culture of privacy
- Responsible use of data
- Maintaining customer trust

Virgin Australia published its voluntary 2025 Sustainability Report in October 2025. This report highlights the progress and the roadmap ahead as we continue embedding sustainability across the Group's operations. It details Virgin Australia's environmental, social and governance performance reflecting the Group's commitment to creating a more sustainable future. This report can be viewed here: [Virgin Australia 2025 Sustainability Report](#). Further information on Virgin Australia's voluntary sustainability initiatives and progress during FY26 will be published by December 2026.

<sup>1</sup> General waste excludes quarantine, aeronautical, liquid and hazardous waste.

# Sustainability Report



# Sustainability Report

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### Important notice: Forward-looking statements

This report includes forward-looking statements regarding Virgin Australia's climate-related risks and opportunities (CRROs), emissions profile, decarbonisation strategy/transition planning, and scenario analysis. Forward-looking statements may also refer to the actions of third parties and external contributors on topics such as technology development and commercialisation, policy support, market support, and energy and offsets availability.

Forward-looking statements may be identified by the use of terminology including, but not limited to, 'intend', 'aim', 'ambition', 'aspiration', 'goal', 'target', 'project', 'see', 'anticipate', 'estimate', 'plan', 'objective', 'believe', 'expect', 'commit', 'may', 'should', 'need', 'must', 'will', 'would', 'continue', 'forecast', 'guidance', 'trend' or similar words. These statements discuss future expectations concerning performance or provide other forward-looking information. The forward-looking statements in this report are based on Virgin Australia's current expectations and reflect judgements, assumptions, estimates and other information available as at the date of this report and/or the date of Virgin Australia's planning processes or scenario analysis processes. These statements do not represent guarantees or predictions of future financial or operational performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond Virgin Australia's control.

The directors and management of Virgin Australia have prepared this report, including the forward-looking statements contained in it, in accordance with their obligations under the *Corporations Act 2001* and based on all reasonable and supportable information available to Virgin Australia at the date of this report. To the maximum extent permitted by law, Virgin Australia gives no guarantee that the forward-looking statements contained in this report will be realised. Readers should form their own views as to these matters and any assumptions on which any forward-looking statements, estimates or opinions are based.

## Basis of preparation and presentation

Virgin Australia Holdings Limited (the Company) and its subsidiaries (collectively, the Group or Virgin Australia) presents its first mandatory Sustainability Report (this report).

Refer to page [113](#) for the basis of preparation for calculating greenhouse gas (GHG) emissions.

## Statement of compliance

This report has been prepared in accordance with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) as issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

## First-time adoption transition relief

In preparing this report, Virgin Australia has not disclosed Scope 3 emissions, as allowed under the transition relief provisions included in AASB S2.

## Connectivity

This report should be read in conjunction with Virgin Australia's consolidated financial report for the year ended 30 June 2026 (Financial Report), as this report makes connections with the Financial Report to present a cohesive view of how climate-related risks and opportunities (CRROs) could impact Virgin Australia's financial position, financial performance and cash flows over the short, medium and long term. Where applicable, quantitative climate-related metrics are directly connected and cross-referenced to relevant financial statement line items.

The information presented in this report covers the 12-month period ended 30 June 2026, aligning with the reporting period of the Financial Report.

The Company has operational control over all of its subsidiaries, and their CRROs are included within this report. The list of controlled entities is included in note 25 of the Financial Report. This report also considers the CRROs within Virgin Australia's value chain.

## Jurisdictional relief

The Group has applied the jurisdictional relief available for the measurement of Scope 1 and 2 GHG emissions. This relief has been applied to the Group's Australian operations, for which GHG emissions are measured in accordance with the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) and the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (NGER Determination). For all other operations that are not subject to specific regulatory measurement requirements, the Group measures Scope 1 and 2 GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol). This measurement approach provides a consistent and verifiable way to measure emissions by using established data collection processes and controls already in place for regulatory reporting.

## Subsequent events

No matters or circumstances have arisen since the reporting date which significantly affected or may significantly affect the operations of Virgin Australia, the results of those operations or the state of affairs of the Group in future financial periods.

## Significant judgements and uncertainties

In preparing this report, Virgin Australia has exercised judgment to determine what information is relevant, reliable and useful. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility.

In addition, the preparation of this report requires the use of estimates for certain amounts that cannot be measured directly. Estimates have been made where climate information is forward-looking in nature, where information relating to the value chain is not directly observable, or where data limitations require the use of estimation techniques.

The table below details the critical judgments made by Virgin Australia in preparing this report, as well as amounts that are subject to a high degree of measurement uncertainty:

| Topic                                          | Section                                                                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identification and aggregation of CRROs</b> | Identified CRROs<br>Page <a href="#">91</a>                               | Virgin Australia exercised judgement in identifying CRROs that could reasonably be expected to affect the Group's strategy, business model, financial performance or financial position. This included assessing risks and opportunities across operations and the value chain, determining the level at which individual risks should be aggregated for reporting purposes, and selecting those risks and opportunities that were considered sufficiently material to progress through detailed assessment and scenario analysis.                                                                                                                                                                                                                                                                                                     |
| <b>GHG emissions</b>                           | FY26 operational GHG emissions<br>Page <a href="#">112</a>                | <p>Selecting appropriate emission factors requires judgement and quantifying emissions is unavoidably subject to significant inherent limitations due to incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining emissions factors and data.</p> <p>The selection by management of different emission factors or measurement techniques could result in materially different GHG emissions reported.</p> <p>Virgin Australia's GHG emissions inventory covers all material emission sources. The table in Appendix 4 on page <a href="#">114</a> provides an overview of the emission sources covered by Virgin Australia's GHG emissions inventory, including calculation methods, assumptions made, and an assessment of the uncertainty for each emissions source.</p>         |
| <b>Scenario selection</b>                      | Climate resilience and scenario analysis<br>Pages <a href="#">104-106</a> | <p>Selecting scenarios for climate-related scenario analysis required judgement to reflect the range of temperature outcomes and transition pathways that capture the uncertainties most likely to affect Virgin Australia's strategy, business model or financial performance and position.</p> <p>The scenario analysis was designed to test the resilience of key business drivers, rather than to forecast future outcomes. Climate scenarios are inherently uncertain and are not predictions of the most likely future state. They are intended to assist Virgin Australia in understanding the range of plausible financial and operational effects that could arise under different emissions, policy, market and physical climate pathways, and to inform strategic planning, capital allocation and risk prioritisation.</p> |

| Topic                                                          | Section                                                                                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Resilience assessment and anticipated financial effects</b> | Climate-related risks and opportunities and Climate resilience and scenario analysis<br><br>Pages <a href="#">93-106</a> | <p>Virgin Australia's assessment of climate resilience relies on a range of assumptions and estimates and involves significant uncertainty. Assumptions and estimates are subject to change, and actual outcomes may differ materially from those modelled. Key areas of uncertainty include:</p> <ul style="list-style-type: none"> <li>• the future availability, price premium, and certification basis of Sustainable Aviation Fuel (SAF);</li> <li>• future domestic and international carbon prices and policy settings, including the operation of the Safeguard Mechanism (SGM) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA);</li> <li>• customer demand, including passenger growth and fare elasticity in response to decarbonisation cost pass-through;</li> <li>• the timing and magnitude of physical climate hazards at specific locations;</li> <li>• the scope limitations of the current physical model, which did not assess all potential hazards or all operating locations; and</li> <li>• the extent to which management actions, market developments and technology progress differ from the current scenario assumptions.</li> </ul> <p>The analysis should be interpreted as an input to risk management decision making, rather than as a forecast of expected financial outcomes.</p> <p>See Appendix 1 on page <a href="#">114</a> for further detail on assumptions under each scenario.</p> |



## Governance

Virgin Australia's governance framework supports oversight of CRROs at both Board and management levels. Climate-related matters are integrated into existing governance structures, rather than managed separately.

### Governance of CRROs



### Board and sub-committees

The Board retains ultimate responsibility for oversight of CRROs, including their impact on the Group's strategy, financial performance and disclosures, as outlined in the [Board Charter](#)<sup>1</sup>.

The Audit, Risk, Sustainability and Compliance Committee (ARSCC) supports the Board by:

- Reviewing CRROs;
- Overseeing the preparation of climate-related disclosures; and
- Monitoring progress against climate-related metrics and targets.

These responsibilities are outlined in the [ARSCC Charter](#)<sup>1</sup>.

<sup>1</sup> Available on the Virgin Australia website: <https://www.virginaustralia.com/au/en/about-us/corporate-governance/>.

## Frequency of reporting

Climate-related matters (including climate risk reporting, scenario analysis outputs, and progress against strategic initiatives) are communicated to the Board through regular reporting. The ARSCC meets at least four times a year. Climate reporting and sustainability updates are standing agenda items at these meetings. The Board receives a written report and verbal update after every ARSCC meeting, including a summary of climate-related issues, recommendations, and decisions. The ARSCC and Board also receive a summary on climate risk through the material risk report, which is presented bi-annually.

## Strategic oversight and decision making

The Board is responsible for setting Virgin Australia's long-term objectives, strategy, budgets and business plans, and for overseeing management's implementation of the Group's strategic objectives, including its sustainability strategy. In fulfilling these responsibilities, the Board oversees major transactions, capital allocation and other Board Reserved Matters in accordance with the Board Charter and applicable delegations of authority.

Where decisions require Board approval, management prepares business cases that require consideration of the financial implications of certain CRROs. This supports informed decision making on strategy, investment and business priorities, and enables the Board to consider trade-offs between CRROs and other commercial, operational and financial considerations.

## Setting and monitoring targets

The ARSCC reviews and recommends that the Board approves climate-related targets (including the net Scope 1 emissions intensity reduction by FY30 target). Updates on the Group's progress towards targets are provided at each ARSCC meeting. Management is responsible for developing and implementing emissions reduction initiatives. For further information on these initiatives, see the Decarbonisation Strategy section on page [107](#).

Climate-related governance processes continue to evolve as the Group further develops its climate-related risk management, scenario analysis and reporting capabilities.

## Skills and competencies

The Board considers CRROs as part of its annual assessment of skills and competencies. This includes evaluating whether the Board has collective expertise to oversee climate-related strategy, risk, and disclosure. Where appropriate, external advisors and internal subject matter experts are engaged to support Board oversight.

The Board completed an annual skills assessment as part of the annual Board performance review. The assessment considered the skills, experience and knowledge represented across the Board and whether the Board continued to have the collective capability to effectively discharge its responsibilities and support the Company's strategic priorities. Director tenure, independence, skills, performance, contribution, diversity objectives, director nomination rights and future capability requirements were also considered. For FY26, an extract from the Board Competency Matrix illustrates the following relevant skills and experience:

| Category                                   | Skill, capability or experience                                                                                                                                                                                                                                                                                                               | Competency profile                                                                    |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Leadership</b>                          | Experience leading comparable organisations, overseeing executive performance and succession, navigating change and complexity, constructively challenging management, influencing stakeholders and demonstrating sound judgement, integrity, and ethical leadership.                                                                         |    |
| <b>Strategy &amp; Commercial Acumen</b>    | Experience developing, assessing, and overseeing strategy, with strong commercial judgement, understanding of financial and economic drivers, customer value creation, resource allocation, growth opportunities, and management accountability for delivery.                                                                                 |    |
| <b>Industry &amp; Sectoral Experience</b>  | Experience in airline, asset-intensive, highly regulated, or international consumer sectors, with an understanding of key industry drivers, risks, financial exposures, complex funding structures, and brand management.                                                                                                                     |    |
| <b>Governance, Risk &amp; Compliance</b>   | Experience overseeing governance, risk, compliance, legal and regulatory matters in comparable organisations, including risk frameworks, controls, complex contracts, internal audit and board or committee leadership.                                                                                                                       |  |
| <b>Financial &amp; Accounting</b>          | Experience overseeing financial management, reporting, accounting, audit, budgets, forecasts, and business cases, with the ability to analyse, interpret and challenge financial performance and controls.                                                                                                                                    |  |
| <b>Stakeholder &amp; External Affairs</b>  | Experience engaging with external stakeholders, including governments, regulators, shareholders, investors, unions, community groups, and industry bodies. Understanding of public policy, regulatory engagement, stakeholder advocacy, media and reputation management, and external affairs considerations relevant to large organisations. |  |
| <b>Sustainability &amp; Climate Change</b> | Experience overseeing environmental and social risks and opportunities, including climate change. Understanding of sustainability-related governance, stakeholder expectations, and developments in climate-related risks, opportunities, and reporting requirements.                                                                         |  |

 **Strong**  
Having the ability to identify complex issues, oversights or mistakes and 10 years' cumulative experience as a practitioner.
  **Sound**  
Having the ability to interrogate and ask insightful questions and/or between two to 10 years' cumulative experience as a practitioner.
  **Developing**  
Having a basic knowledge or understanding and/or less than two years' cumulative experience as a practitioner.

The full Board Competency Matrix can be found in the [Corporate Governance Statement](#) available on Virgin Australia's website. Further details of individual directors' experience and competencies can be found on Virgin Australia's website and on page [25](#) of the Annual Report.

## Management's role in climate governance

Management is responsible for the identification, assessment, and management of CRROs, and for implementing the Group's climate strategy.

The Chief Executive Officer has overall accountability for climate-related matters, supported by the Sustainability Steering Committee (SteerCo), which includes representatives from the Executive Leadership Team (ELT) and key business functions.

SteerCo is responsible for:

- monitoring CRROs;
- overseeing scenario analysis and modelling; and
- tracking progress against emissions and strategic targets.

The responsibilities for CRROs are embedded in the SteerCo's Terms of Reference and supporting governance practices. The SteerCo meets at least quarterly and provides updates to the CEO and broader ELT. Sustainability and climate-related matters are reviewed by the SteerCo prior to submission to ARSCC.

Management applies defined controls and procedures to support climate-related decision making, including:

- integration of climate-related risks into the Group's Risk Management Framework (RMF), supported by risk registers and formal risk assessment processes;
- incorporation of climate considerations, such as carbon costs, into business cases (see Consideration of carbon pricing in decision making below); and
- regular monitoring of operational metrics and emissions performance. Scope 1 and Scope 2 emissions and key operational metrics are subject to annual independent external assurance to support data integrity and reporting reliability.

## Consideration of carbon pricing in decision making

Under the Group's Capital Allocation Framework, business cases that meet certain financial thresholds require Executive Approval Committee (EAC) approval. The EAC is comprised of a subset of ELT members and enables decision making, prioritisation, and allocation of funding for business cases, based on a robust and standardised assessment. Each business case must state whether carbon costs and benefits have been considered. Where considered, the estimated financial and emissions impacts are quantified using a shadow carbon price.

Virgin Australia utilises the latest available ACCU Market Forecast provided by CORE Markets. The CORE Markets ACCU forecast price (weighted average) ranges between ~\$40/tCO<sub>2</sub>e and the Government Cost Containment price (currently \$82.68 and indexed at CPI plus 2% each financial year) in the short term (to 2030).

## Remuneration

Our remuneration framework supports Virgin Australia's strategic priorities, values and culture. We have a robust governance structure which sets the principles for how remuneration is determined and managed. See the Remuneration Report on pages [47-74](#) of the Annual Report for further details.

Climate-related metrics and targets are not currently directly linked to executive remuneration outcomes. Going forward, we acknowledge the role that Virgin Australia plays in responsibly managing its impact on the environment and will continue to consider the appropriateness of incorporating of climate-related metrics into future remuneration frameworks. Further details can be found in the Looking Ahead: FY27 Remuneration Outlook section of the Remuneration Report on page [60](#) of the Annual Report.

## Risk Management

Virgin Australia integrates CRROs into its existing Risk Management Framework (RMF). This ensures climate risks are identified, assessed and managed consistently with other strategic, financial and operational risks. For further details, refer to the 'Significant risks and uncertainties' section from page [34](#) of the Annual Report.

### Risk Management Process



### Process for identifying and assessing CRROs

CRROs are identified through a combination of internal risk assessments, peer benchmarking, scenario analysis and engagement with key business functions, including fleet planning, fuel procurement, finance and strategy.

Consistent with the Group's RMF, identified CRROs are assessed based on likelihood (chance of the risk occurring) and consequence (the magnitude of impact that could occur if the stated risk event was to eventuate). Likelihood assessments consider available internal and external information, including industry trends and regulatory developments. The potential magnitude of each risk is assessed based on its expected impact on the Group's operations, costs and long-term strategic objectives. Scenario analysis is used to support the assessment of CRROs by stress-testing key assumptions, such as fuel costs, carbon pricing and demand.

Risks are evaluated over short-, medium- and long-term time horizons, consistent with the requirements of AASB S2.

| Time horizon | Years selected | Rationale                                                                                                                                                                                                                                                  |
|--------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short term   | Present-2030   | Aligns with business financial planning, near-term regulatory milestones and anticipated climate policies, including shifts in market demand and early impacts of climate-related events.                                                                  |
| Medium term  | 2031-2040      | Captures impacts of climate policies, technological advancements, and the transition to a low-carbon economy as they begin to take effect. Most aligned with existing asset useful lives. Interim milestone for assessing progress towards 2050 ambitions. |
| Long term    | 2041-2050      | Critical for understanding the full extent of physical climate risks and the implications of reaching or not reaching global climate targets, including net zero emissions by 2050.                                                                        |

These time horizons were developed specifically for climate-related analysis and differ from the indicative timeframes included in the Group's RMF, which are primarily designed to support broader operational and enterprise risk assessments. The Group considers the use of extended climate-related time horizons appropriate for assessing the potential financial and operational impacts associated with transition and physical climate risks over the expected life of aviation assets and infrastructure. The use of climate-specific time horizons does not replace the Group's existing risk management processes, but supplements them for the purpose of climate-related strategic analysis and disclosure.

Outputs from this analysis inform risk prioritisation and strategic decision-making. CRROs are prioritised using the same risk assessment criteria and governance processes applied to other enterprise risks, enabling comparison and prioritisation across the Group's broader risk profile.

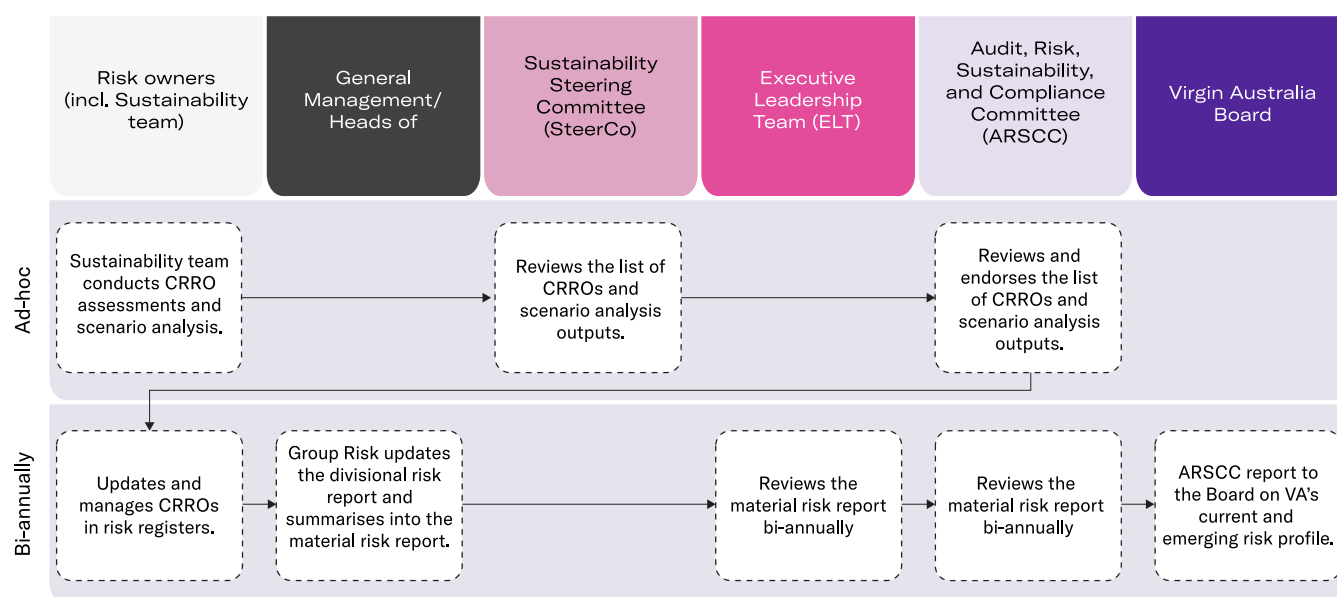
See the Strategy section from page [91](#) for the list of identified CRROs and risk management approach.

The Sustainability team are also responsible for developing Virgin Australia's climate strategy, which includes identifying, analysing, evaluating, monitoring, reporting and maximising identified climate-related opportunities. Opportunities are identified and assessed leveraging the same framework used for climate-related risks.

## Recording and monitoring of CRROs

Climate-related risks are incorporated into Virgin Australia's risk registers and are subject to the same governance, monitoring and reporting processes as other material risks. These risks are monitored on an ongoing basis through periodic risk reviews and updates to the Group's risk registers. Changes in regulatory, market or operational conditions are incorporated into risk assessments as they arise.

### Risk process



See the Governance section on page [85](#) of this report for further information on Board and management oversight of CRROs.

## Strategy

### Identified CRROs

During FY26, Virgin Australia conducted a CRROs assessment using both internal subject matter expertise (including supply chain, fleet and network considerations) and external data and benchmarking (including carbon price forecasts and industry decarbonisation assumptions). The assessment built on previous qualitative climate risk work conducted in FY23, with enhanced methodology developed with support from specialist third-party advisors in preparation for AASB S2 reporting. The assessment considered the impact of both transition and physical risks on its business model, financial performance and resilience across short-, medium- and long-term time horizons.

Identified risks are primarily driven by transition factors, including carbon regulation, SAF economics and availability, and evolving customer expectations.

| ID  | Risk/Opportunity                                                   | Time Horizon |        |      | Risk/Opportunity Type                       |
|-----|--------------------------------------------------------------------|--------------|--------|------|---------------------------------------------|
|     |                                                                    | Short        | Medium | Long |                                             |
| TR1 | Increased compliance costs on GHG emissions                        | ●            | ●      | ●    | Transition Risk – Policy & Legal            |
| TR2 | Transition to Sustainable Aviation Fuel (SAF)                      |              | ●      | ●    | Transition Risk – Policy & Legal and Market |
| TR3 | Increasing supply chain decarbonisation costs                      | ●            | ●      | ●    | Transition Risk – Market                    |
| TR4 | Failure to meet climate commitments                                | ●            | ●      | ●    | Transition Risk – Reputational              |
| O1  | Adopting low-emissions technologies                                | ●            | ●      | ●    | Opportunity – Resource Efficiency           |
| PR1 | Average temperature increases (and heatwaves)                      |              | ●      | ●    | Physical Risk – Chronic                     |
| PR2 | Extreme weather events (e.g. extreme storms, cyclones or flooding) | ●            | ●      | ●    | Physical Risk – Acute                       |

See the Climate-related risks and opportunities section on pages [93-102](#) of this report for further details on each CRRO, and page [104](#) for information on the approach used to assess the Group's longer-term climate resilience.

### Effects of CRROs on the business model and value chain

Virgin Australia reports across two operating segments: Airlines (the Group's aviation activities, including domestic, international, charter (VARA) and freight) and Velocity (the Group's loyalty program). Refer to note 1 of the Financial Report for further details. In FY26, the Airlines segment represents 96% of the Group's Underlying revenue and income<sup>2</sup> and 82% of the Group's Underlying EBIT<sup>2</sup>.

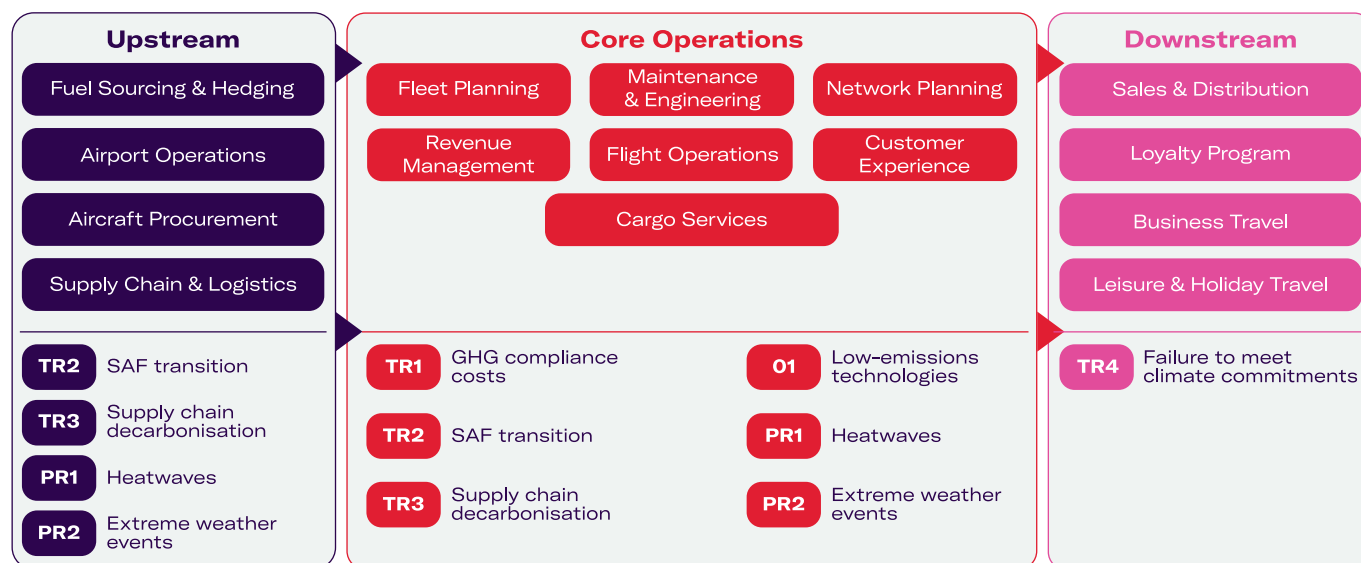
The Group's business model is characterised by:

- a fuel-intensive operating base, with jet fuel representing one of the Group's largest operating costs and the primary source of greenhouse gas (GHG) emissions;
- a simplified narrow-body fleet strategy, supporting cost efficiency and operational consistency;
- a value carrier model, combining cost discipline with differentiated customer offering; and
- a loyalty ecosystem, generating ancillary revenue and facilitating customer retention.

The CRROs identified are primarily concentrated within the Group's airline operations and upstream value chain, and are likely to have an impact across the entirety of the Group's airline operations, rather than being confined to a discrete subset of activities, assets or locations. Given the portion of the Group's results that are generated by the Airlines segment, this is deemed appropriate.

<sup>2</sup> This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

## Virgin Australia's Value Chain



## Transition CRROs

The aviation industry currently lacks scalable zero-emissions alternatives to jet fuel, with aircraft electrification and hydrogen solutions not yet commercially viable for most routes. As a result, emissions reduction is heavily reliant on incremental efficiency improvements, fleet renewal, and the future availability of Sustainable Aviation Fuel (SAF), which remains constrained by cost, infrastructure limitations and supply (particularly for a predominantly Australian domestic carrier).

As a result, transition risks (particularly those relating to fuel pricing, SAF adoption and carbon regulation) are expected to have the most material impact on the Group's strategy and financial performance. Furthermore, where cost pressures are experienced consistently across the aviation sector, these are typically passed through to customers via industry-wide price increases, subject to demand elasticity and competitive dynamics. Conversely, investment in low-emissions technologies provides an opportunity to reduce both fuel consumption and carbon-related costs.

## Physical CRROs

Physical risks are expected to increase incrementally over time. However:

- the Group does not own airport terminals or runways and therefore does not have direct exposure to airport infrastructure impairment; and
- a significant portion of the Group's assets relate to aircraft, which are highly mobile.

As a result, the Group's direct financial exposure to physical risks is assessed as lower, relative to transition risks. As noted in the Climate resilience and scenario analysis section on page 104, heat-related impacts are the dominant driver of physical risks in the current assessments undertaken, with particular concentration in a subset of airports in Queensland and Western Australia. However, scenario modelling did not indicate a material financial impact to the Group's financial performance, financial position or cash flow in the short, medium or long term for the modelled physical risks.

Virgin Australia acknowledges that it is possible for an acute weather event (such as heavy rainfall events or cyclones), or long-term increased temperatures, to result in extended airport closures or a decrease in attractiveness of travel destinations within the network. In addition, the Group notes that climate events (particularly acute events) have unpredictable impacts on customer behaviours. These factors could have an impact on the Group's financial performance, financial position and cashflow. However, as the probability, timing and severity of these events are difficult to predict, Virgin Australia has not included these elements within scenario modelling.

The Group therefore focuses its response on transition risks, where strategic decisions can materially impact competitive position, while maintaining existing operational controls to manage physical climate risks.

## Climate-related risks and opportunities (CRROs)

The following tables provide more information on the CRROs that could reasonably be expected to affect Virgin Australia's prospects.

### Transition Risks

| ID                                            | TR1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                              |                                                                                                                     |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Title                                         | Increased compliance costs on GHG emissions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                              |                                                                                                                     |
| <b>Description</b>                            | <p>Virgin Australia is exposed to increasing compliance costs arising from domestic and international carbon regulation. These costs primarily relate to obligations under Australia's Safeguard Mechanism (SGM) and the International Civil Aviation Organisation's Carbon Offsetting (ICAO)'s Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which require the Group to either reduce operational emissions or acquire eligible carbon units.</p> <p>Under the SGM, Virgin Australia is required to maintain emissions within a declining baseline set by the Clean Energy Regulator (CER), currently reducing by ~4.9% annually to 2030 (subsequent reduction targets subject to review beyond this timeframe). Emissions above this baseline must be offset through the purchase of Australian Carbon Credit Units (ACCUs) or Safeguard Mechanism Credits (SMCs). For international operations, CORSIA requires airlines to offset emissions through the purchase of Eligible Emissions Units (EEUs) above 85% of a global 2019 baseline. CORSIA is not currently material to the Group's operations, as only approximately 10-15% of the Group's ASKs falls within the scope of CORSIA.</p> |                                                                                                                              |                                                                                                                     |
| <b>Risk Type</b>                              | Transition Risk – Policy & Legal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                              |                                                                                                                     |
| <b>Time Horizon</b>                           | Short, medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                              |                                                                                                                     |
| <b>Business Model and Value Chain Impacts</b> | <p>Virgin Australia's business model is inherently emissions intensive, with conventional jet fuel combustion representing the Group's primary Scope 1 emissions source. Transitioning to low-carbon options is currently restrained by limited availability of alternative fuels. Failure to reduce emissions in line with regulatory baselines would require the purchase of carbon credits, resulting in additional operating costs.</p> <p>A significant increase in carbon costs could affect higher-emission routes or aircraft types, potentially requiring adjustments to aircraft deployment and network decisions. It could also result in increased supply chain costs, if passed through from suppliers that are also impacted (see TR3 - Increasing supply chain decarbonisation costs).</p>                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                              |                                                                                                                     |
| <b>Financial Statement Areas Impacted</b>     | Financial performance <ul style="list-style-type: none"> <li>• Other expenses<sup>3</sup></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Financial position <ul style="list-style-type: none"> <li>• Payables</li> <li>• Provisions</li> <li>• Intangibles</li> </ul> | Cash flows <ul style="list-style-type: none"> <li>• Operating cash flows</li> <li>• Investing cash flows</li> </ul> |

<sup>3</sup> Obligations incurred under the SGM and CORSIA are recognised within Other expenses in the Consolidated statement of profit or loss.

| ID                                                          | TR1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                                       | Increased compliance costs on GHG emissions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Current Financial Impact</b>                             | <p>There was no material financial impact to the Group's financial performance, financial position or cash flows relating to the SGM or CORSIA in FY26 as the Group was not required to purchase any regulatory carbon credits during FY26. This is because:</p> <ul style="list-style-type: none"> <li>Virgin Australia's emissions were above the SGM baseline; however, approximately ~50,000 SMCs generated in previous years will be surrendered to meet this obligation. Note that the Group's SGM obligation is based on financial years and the FY26 obligation remains subject to submission to the CER. Even if SMCs had not been available, the FY26 impact on financial performance, financial position and cash flows would not have been material (~\$2.0 million).</li> <li>CORSIA applies to eligible international aviation emissions on a calendar year basis, with obligations assessed annually and settled over three-year compliance cycles. The current compliance cycle covers calendar years 2024 to 2026, with EEU's required to be purchased and cancelled after the cycle ends, and final settlement expected to occur in 2028 once cycle obligations are confirmed. The estimated financial impact accrued for as at 30 June 2026 is not material to the Group's results.</li> </ul> <p>The final position relating to the SGM and CORSIA for FY26 is not expected to be materially different from the results reported here and no future material adjustment is expected.</p> <p>See the Metrics &amp; Targets section on page <a href="#">110</a> for further details on the Group's emissions during the year.</p> |
| <b>Anticipated Financial Impact</b>                         | <p>The Group's future costs in relation to both SGM and CORSIA are heavily dependent on:</p> <ul style="list-style-type: none"> <li>changes to either regulatory scheme, and thus, Virgin Australia's obligations;</li> <li>the price of carbon credits;</li> <li>the availability and price of SAF; and</li> <li>the timing of delivery of new aircraft and other direct abatement initiatives.</li> </ul> <p>These variables are sufficiently reliable over the short term. The Group expects to incur cumulative costs of \$60.0 million to \$70.0 million in the short term in relation to SGM and CORSIA, based on current assumptions.</p> <p>However, over the medium to long term, the uncertainty related to these items increases significantly. As a result, while operating and capital expenditure is expected to materially increase under these schemes, Virgin Australia has determined that the level of uncertainty involved in estimating the projected financial effects of this CRRO in the medium to long term is such that the resulting quantitative information would be unreliable or not useful at this time.<sup>4,5</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Direct and indirect adaptation/mitigation activities</b> | <p>Virgin Australia is implementing a multi-faceted decarbonisation strategy to manage regulatory exposure and reduce long-term compliance costs. See the Decarbonisation strategy on page <a href="#">107</a> for further details.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

<sup>4</sup> The SGM is set to be reviewed by the Federal Government during 2026/27, as the current scheme expires in 2030. Any potential changes to the scheme beyond this point are unknown.

<sup>5</sup> Current SGM assumptions include that there are no changes to the scheme during this time, immaterial purchases of SAF, using Virgin Australia's current fleet plan and ACCU price starting from \$44.00/tCO<sub>2</sub>e in FY27 to \$57.00/tCO<sub>2</sub>e in FY30 (utilising CORE Market's Q4 2025 ACCU Market Forecast). The CORSIA assumptions include estimated EEU price at \$34.00/tCO<sub>2</sub>e for the first compliance cycle of CORSIA (2024-2026), utilising IATA's Sectoral Growth Factor Forecast (August 2025).

| ID                                            | TR2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                           |                                                                                                                                                            |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                         | Transition to Sustainable Aviation Fuel (SAF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                           |                                                                                                                                                            |
| <b>Description</b>                            | Virgin Australia is exposed to transition risk arising from the aviation sector's reliance on SAF as the primary viable substitute to decarbonise from conventional jet fuel. The Australian SAF ecosystem remains underdeveloped relative to global peers, with no commercial domestic production, high production costs relative to conventional jet fuel, and immature refining, distribution and airport infrastructure. Delays in the development of a commercially viable SAF industry, or requirements to adopt SAF before sufficient supply and cost reductions are achieved, may increase fuel and compliance costs, reduce flexibility in meeting future emissions reduction requirements, or adversely affect the Group's competitive position.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                           |                                                                                                                                                            |
| <b>Risk Type</b>                              | Transition Risk – Policy & Legal and Market                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                           |                                                                                                                                                            |
| <b>Time Horizon</b>                           | Medium to long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                           |                                                                                                                                                            |
| <b>Business Model and Value Chain Impacts</b> | <p>Virgin Australia's business model is highly dependent on jet fuel, with SAF expected to be an important long-term decarbonisation lever. This risk is primarily concentrated within the Group's core operations and upstream value chain, including fuel production, refining, distribution and procurement activities. These impacts may evolve through:</p> <ul style="list-style-type: none"> <li>• Fuel market and cost exposure: Fuel represents one of Virgin Australia's largest operating costs and the Group remains exposed to fuel price volatility and structural increases in energy costs. The transition to a low-carbon economy may increasingly influence fuel markets through reduced investment in fossil fuel production, changes in refinery utilisation and product mix, carbon pricing mechanisms and shifting energy demand patterns. These factors may contribute to increased fuel price volatility and higher long-term fuel costs, potentially affecting the Group's operating cost base, margins and cash flow.</li> <li>• SAF policy and market development: Policy settings that introduce demand-side obligations (e.g. SAF mandates or carbon pricing) without corresponding supply-side support may result in persistent SAF price premiums, materially increasing fuel costs. Limited domestic policy support may also increase reliance on imported SAF, exposing the Group to global supply constraints, logistics costs and international pricing dynamics.</li> <li>• SAF availability and adoption: As a predominantly domestic carrier, the Group may face challenges securing sufficient volumes of commercially viable SAF. Delays in establishing supply relationships or operational readiness may constrain the Group's ability to scale SAF usage. Airlines with earlier or more established SAF supply arrangements may achieve preferential pricing, supply prioritisation, or enhanced customer positioning.</li> </ul> |                                                                                                                                                                                                                                                                           |                                                                                                                                                            |
| <b>Financial Statement Areas Impacted</b>     | <p>Financial performance</p> <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Other income</li> <li>• Fuel and oil</li> <li>• Other expenses</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Financial position</p> <ul style="list-style-type: none"> <li>• Property, plant and equipment</li> <li>• Payables</li> <li>• Derivative financial instruments</li> <li>• Lease liabilities</li> <li>• Interest-bearing liabilities</li> <li>• Hedge reserve</li> </ul> | <p>Cash flows</p> <ul style="list-style-type: none"> <li>• Operating cash flows</li> <li>• Investing cash flows</li> <li>• Financing cash flows</li> </ul> |

| ID                                                          | TR2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                                       | Transition to Sustainable Aviation Fuel (SAF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Current Financial Impact</b>                             | <p>The Group has no contractual commitments to purchase material SAF volumes, and so has not recognised a material financial impact in FY26 associated with this risk.</p> <p>The price of conventional jet fuel is subject to a range of external factors, including the geopolitical environment and global macroeconomic conditions. As such, the impact of the climate transition on pricing of conventional jet fuel is unable to be separately identified. Refer to note 22(a) of the Group's Financial Report for further information on the Group's sensitivity to changes in fuel and oil costs.</p> <p>The use of conventional jet fuel results in higher emissions than if SAF was readily procurable, and thus higher SGM and CORSIA costs. The current financial impacts of these costs are included in TR1 above.<sup>6</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Anticipated Financial Impact</b>                         | <p>Virgin Australia expects fuel and energy costs to remain a material driver of operating costs across the short, medium and long term, with exposure to changes in conventional jet fuel prices and the future adoption of higher-cost alternative fuels, including SAF.</p> <p>However, the Group has determined that the level of uncertainty involved in estimating the projected financial effects of this CRRO is such that the resulting quantitative information would be unreliable or not useful at this time. This is due to:</p> <ul style="list-style-type: none"> <li>• uncertainty regarding the design, timing and scope of potential new demand-side SAF policy mechanisms;</li> <li>• limited visibility over long-term SAF pricing and supply availability;</li> <li>• uncertainty in supplier contracting behaviour and term structure (including the extent to which shorter supply terms may reduce negotiating power);</li> <li>• evolving customer demand preferences;</li> <li>• difficulty modelling long-term pass-through capacity in domestic markets; and</li> <li>• difficulty in separating the interaction of fuel markets, carbon policy, foreign exchange rates, supplier behaviour and broader transition-related assumptions.</li> </ul> <p>Notwithstanding this uncertainty, Virgin Australia expects that transitioning to SAF, particularly with insufficient government support, could:</p> <ul style="list-style-type: none"> <li>• materially increase operating costs;</li> <li>• reduce Underlying EBIT and operating cash flow if fare pass-through is constrained;</li> <li>• require accelerated fleet renewal or SAF offtake commitments; and</li> <li>• increase financing requirements and leverage.</li> </ul> |
| <b>Direct and indirect adaptation/mitigation activities</b> | <p>Virgin Australia is managing this risk through a combination of strategic positioning, policy engagement, fuel efficiency initiatives and preparation for future SAF adoption. The Group continues to support the development of the Australian SAF industry through industry collaboration, research initiatives, and engagement with SAF producers and other value chain participants. Virgin Australia also participates in industry and government forums to support the development of balanced and least-cost aviation decarbonisation policies.</p> <p>To manage fuel-related cost exposure, the Group maintains a structured conventional jet fuel hedging program, pursues ongoing operational fuel efficiency initiatives, and continues to invest in more fuel-efficient aircraft. These activities are intended to preserve short-term flexibility and competitiveness, while maintaining the ability to scale SAF adoption as supply, technology and policy frameworks mature.</p> <p>Further information on the Group's approach to SAF is provided in the Decarbonisation Strategy section on page <a href="#">107</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

<sup>6</sup> The World Economic Forum puts SAF production at two to five times costlier than fossil jet fuel: [https://www3.weforum.org/docs/WEF\\_Scaling\\_Sustainable\\_Aviation\\_Fuel\\_Supply\\_2024.pdf](https://www3.weforum.org/docs/WEF_Scaling_Sustainable_Aviation_Fuel_Supply_2024.pdf)

| ID                                     | TR3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                               |                                                                                                                                                     |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                  | Increasing supply chain decarbonisation costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                               |                                                                                                                                                     |
| Description                            | Virgin Australia could face increasing costs across the aviation value chain as suppliers and partners transition to lower-emissions operations. This includes airports, fuel suppliers, ground handlers, maintenance providers and other infrastructure partners, many of whom are investing to meet regulatory and stakeholder decarbonisation expectations.                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                               |                                                                                                                                                     |
| Risk Type                              | Transition Risk – Market                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                               |                                                                                                                                                     |
| Time Horizon                           | Short, medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                               |                                                                                                                                                     |
| Business Model and Value Chain Impacts | Virgin Australia operates within a complex aviation ecosystem, where a significant proportion of operating costs are driven by third-party suppliers and infrastructure providers. As these participants progress their own decarbonisation strategies, associated costs may be passed through to airlines. For example, fuel suppliers and energy providers may face higher costs associated with renewable energy procurement and emissions reduction initiatives, which may be reflected in fuel and energy prices. Airports and operational partners may also undertake infrastructure upgrades (e.g. electrification of ground support equipment, energy transition investments, waste and water systems), leading to increased aeronautical charges, landing fees and service costs. |                                                                                                                                                                                               |                                                                                                                                                     |
| Financial Statement Areas Impacted     | Financial performance <ul style="list-style-type: none"> <li>• All expenditure</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Financial position <ul style="list-style-type: none"> <li>• Payables</li> <li>• Property, plant and equipment</li> <li>• Lease liabilities</li> <li>• Interest-bearing liabilities</li> </ul> | Cash flows <ul style="list-style-type: none"> <li>• Operating cash flows</li> <li>• Investing cash flows</li> <li>• Financing cash flows</li> </ul> |
| Current Financial Impact               | During FY26, Virgin Australia observed upward cost pressure across certain supplier categories that may be associated with decarbonisation activities in the aviation supply chain. However, Virgin Australia has determined that the level of uncertainty involved in estimating the current period financial effects of this CRRO is such that the resulting quantitative information would be unreliable or not useful at this time, due to: <ul style="list-style-type: none"> <li>• inconsistent supplier pass-through mechanisms;</li> <li>• evolving contractual terms and surcharge structures; and</li> <li>• difficulty separating decarbonisation-related cost uplift from other drivers (e.g. inflation, capacity constraints, and network changes).</li> </ul>                |                                                                                                                                                                                               |                                                                                                                                                     |

| ID                                                          | TR3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                                       | Increasing supply chain decarbonisation costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Anticipated Financial Impact</b>                         | <p>Virgin Australia expects this risk may increase operating expenses over the short, medium and long term through higher supplier pass-through costs as the aviation supply chain transitions to lower-emission operations. The pace and magnitude of these impacts will depend on supplier transition pathways, the extent of cost pass-through, market capacity and competitive dynamics and the ability to mitigate cost increases through productivity, procurement, network optimisation and transformation initiatives.</p> <p>Virgin Australia has determined that the level of uncertainty involved in estimating the projected financial effects of this CRRO is such that the resulting quantitative information would be unreliable or not useful at this time, given:</p> <ul style="list-style-type: none"> <li>• limited transparency and comparability of supplier decarbonisation cost drivers and surcharge methodologies;</li> <li>• uncertainty regarding the timing and scale of airport and supplier transition investments and associated pricing resets; and</li> <li>• difficulty predicting customer demand responses in price-sensitive segments under varying competitive and macroeconomic conditions.</li> </ul> |
| <b>Direct and indirect adaptation/mitigation activities</b> | <p>Virgin Australia manages this risk through a combination of initiatives, such as:</p> <ul style="list-style-type: none"> <li>• reviewing proposed airport and infrastructure investments to ensure alignment with regulatory requirements and commercial viability;</li> <li>• assessing supplier-driven investments or other proposed changes to ensure operational feasibility and cost effectiveness; and</li> <li>• monitoring customer sentiment and price sensitivity to inform pricing strategies and demand management.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ID                                                          | TR4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Title                                                       | Failure to meet climate commitments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Description</b>                                          | <p>Virgin Australia is exposed to reputational and market risk if its decarbonisation strategy and performance do not meet stakeholder expectations, including those of investors, corporate customers, regulators and the broader community. Misalignment between stated climate commitments and achievable decarbonisation pathways may impact competitiveness, demand, or access to capital.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Risk Type</b>                                            | Transition risk – Reputational and Market                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Time Horizon</b>                                         | Short, medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Business Model and Value Chain Impacts</b>               | <p>The aviation sector faces structural constraints in decarbonisation, including limited short-term technological alternatives to conventional jet fuel. These constraints may limit the Group's ability to deliver emissions reductions in line with commitments, increasing reliance on offsets or higher-cost abatement measures.</p> <p>Investors are increasingly incorporating climate risk into valuation and capital allocation decisions. Misalignment with expectations may increase the cost of capital, reduce access to capital or sustainable finance (including derivatives), or impact equity valuation. Public perception of Virgin Australia's response to climate change may also influence consumer behaviour, brand value, or long-term demand.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| ID                                                          | TR4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                              |                                                                                                                                                     |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                                       | Failure to meet climate commitments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                              |                                                                                                                                                     |
| <b>Financial Statement Areas Impacted</b>                   | Financial performance <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Finance costs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Financial position <ul style="list-style-type: none"> <li>• Unearned revenue and income</li> <li>• Property, plant and equipment</li> <li>• Lease liabilities</li> <li>• Interest-bearing liabilities</li> <li>• Derivative financial instruments</li> </ul> | Cash flows <ul style="list-style-type: none"> <li>• Operating cash flows</li> <li>• Investing cash flows</li> <li>• Financing cash flows</li> </ul> |
| <b>Current Financial Impact</b>                             | <p>While Virgin Australia remains on track to meet its voluntary climate commitments, the Group has considered whether any inferred or potential failure to meet its commitments had a direct and separately identifiable impact on passenger demand, corporate contract retention, pricing power or financing costs during the reporting period.</p> <p>Virgin Australia has determined that the level of uncertainty involved in isolating and quantifying the current financial effects of this risk is such that the resulting quantitative information would be unreliable or not useful at this time. This reflects:</p> <ul style="list-style-type: none"> <li>• difficulty separating climate-related demand shifts from macroeconomic conditions, capacity changes and competitive pricing dynamics;</li> <li>• limited availability of observable data linking individual customer or investor decisions to climate alignment; and</li> <li>• overlapping influences of broader transition and regulatory factors.</li> </ul>                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                              |                                                                                                                                                     |
| <b>Anticipated Financial Impact</b>                         | <p>Virgin Australia expects to continue to meet voluntary climate commitments in the short, medium and long term. As a result, anticipated financial impacts are expected to be minimal. However, over time, failure to meet climate commitments could adversely affect passenger behaviour and demand, resulting in decreased market share, as well as access to and pricing of capital and financing. The magnitude and timing of these potential impacts depend on:</p> <ul style="list-style-type: none"> <li>• competitor decarbonisation trajectories;</li> <li>• regulatory settings and disclosure expectations;</li> <li>• consumer, investor and financing behavioural shifts;</li> <li>• the pace of fleet renewal and SAF availability; and</li> <li>• broader macroeconomic conditions affecting travel demand.</li> </ul> <p>Virgin Australia has determined that the level of uncertainty involved in estimating the anticipated financial effects of this CRRO is such that the resulting quantitative information would be unreliable or not useful at this time. Notwithstanding this uncertainty, sustained misalignment could result in:</p> <ul style="list-style-type: none"> <li>• reduced passenger revenue and load factors;</li> <li>• yield compression and margin pressure; and</li> <li>• higher cost of capital and reduced refinancing flexibility.</li> </ul> |                                                                                                                                                                                                                                                              |                                                                                                                                                     |
| <b>Direct and indirect adaptation/mitigation activities</b> | <p>Virgin Australia is managing this risk through governance, transparency and delivery of its Decarbonisation strategy (see page 107). This includes:</p> <ul style="list-style-type: none"> <li>• regular tracking of performance against emissions targets, with oversight across internal functions to identify risks and corrective actions;</li> <li>• ongoing external reporting, supporting credibility and managing expectations; and</li> <li>• active engagement with corporate customers and investors to communicate decarbonisation progress and constraints.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                              |                                                                                                                                                     |

## Opportunities

| ID                                                          | O1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                            |                                                                                                                                                      |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                                       | Adopting low-emissions technologies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Description</b>                                          | Virgin Australia has the opportunity to both improve operational efficiency and reduce emissions intensity through the adoption of low-emissions technologies, including next-generation aircraft, operational optimisation initiatives and emerging fuel solutions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Risk Type</b>                                            | Opportunity – Resource Efficiency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Time Horizon</b>                                         | Short, medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Business Model and Value Chain Impacts</b>               | <p>Investment in low-emissions technologies provides a direct opportunity to reduce both fuel consumption and carbon-related costs, improving long-term cost competitiveness. Transition to newer aircraft and operational efficiency initiatives (e.g. flight planning, weight reduction and network optimisation) can reduce fuel consumption, lowering fuel and carbon costs and emissions intensity.</p> <p>However, upfront investment costs are also required to realise this opportunity. The costs associated with this are addressed in TR1 and TR2.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Financial Statement Areas Impacted</b>                   | <p>Financial performance</p> <ul style="list-style-type: none"> <li>Fuel and oil</li> <li>Depreciation and amortisation</li> <li>Contract and other maintenance</li> <li>Other expenses</li> <li>Finance costs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Financial position</p> <ul style="list-style-type: none"> <li>Property, plant and equipment</li> <li>Lease liabilities</li> <li>Interest-bearing liabilities</li> </ul> | <p>Cash flows</p> <ul style="list-style-type: none"> <li>Operating cash flows</li> <li>Investing cash flows</li> <li>Financing cash flows</li> </ul> |
| <b>Current Financial Impact</b>                             | <p>Virgin Australia is undergoing a fleet renewal program. By the end of FY26, the Group had already introduced 21 Boeing 737-8 (MAX) aircraft into its fleet. Further details on capital expenditure in relation to aircraft can be found in the Operating and Financial Review section on page <a href="#">24</a> of the Annual Report and note 14 of the Financial Report. While these initiatives contribute to fuel burn reductions and emissions intensity improvements, Virgin Australia has determined that the level of uncertainty involved in isolating and quantifying the current period financial effects of this opportunity is such that the resulting quantitative information would be unreliable or not useful at this time.</p> <p>Other than the fleet renewal program, Virgin Australia has not identified any material capital deployment during the reporting period that was undertaken primarily to support decarbonisation or the achievement of its climate-related objectives.</p>                                                                                                                       |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Anticipated Financial Impact</b>                         | <p>Virgin Australia expects that ongoing investment in low-emissions technologies will reduce fuel intensity and carbon compliance exposure over time and support long-term cost competitiveness. At 30 June 2026, the Group has capital expenditure commitments of \$1,416.5 million primarily relating to new aircraft or engines. Further details can be found in note 28 of the Financial Report.</p> <p>However, Virgin Australia has determined that the level of uncertainty involved in estimating the projected financial benefits of this opportunity is such that the resulting quantitative information would be unreliable or not useful at this time. This is due to factors including uncertainty of future fuel prices and carbon pricing mechanisms, and timing differences between upfront capital expenditure and realised fuel savings.</p> <p>Notwithstanding this uncertainty, the opportunity is expected to reduce fuel expense per ASK over time, lower emissions intensity and regulatory exposure, and increase capital expenditure and associated financing requirements in the short to medium term.</p> |                                                                                                                                                                            |                                                                                                                                                      |
| <b>Direct and indirect adaptation/mitigation activities</b> | Virgin Australia is progressing this opportunity through the Decarbonisation strategy, specifically the Fleet Renewal Program (page <a href="#">107</a> ) and Efficient Aircraft Operations (page <a href="#">108</a> ).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                            |                                                                                                                                                      |

## Physical Risks

| ID                                                   | PR1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                 |                                                                                                                     |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Title                                                | Average temperature increases (and heatwaves)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                 |                                                                                                                     |
| Description                                          | Virgin Australia is exposed to chronic physical risks arising from increasing average temperatures and the frequency of extreme heat events. These conditions may affect aircraft performance, operational reliability and workforce safety.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                 |                                                                                                                     |
| Risk Type                                            | Physical Risk – Chronic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                 |                                                                                                                     |
| Time Horizon                                         | Medium to long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                 |                                                                                                                     |
| Business Model and Value Chain Impacts               | Aircraft performance is sensitive to ambient temperature, as higher temperatures reduce air density and, in turn, lift generation during take-off. In certain conditions, particularly at airports with shorter runways or higher elevation, this may require payload restrictions (passenger or cargo offload) or operational adjustments. Increased disruption may result in cascading operational impacts, including schedule changes, increased turnaround times and reduced asset utilisation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                 |                                                                                                                     |
| Financial Statement Areas Impacted                   | Financial performance <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Labour and staff related</li> <li>• Fuel and oil</li> <li>• Depreciation and amortisation</li> <li>• Contract and other maintenance</li> <li>• Impairment of assets</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Financial position <ul style="list-style-type: none"> <li>• Property, plant and equipment</li> <li>• Payables</li> <li>• Unearned revenue and income</li> </ul> | Cash flows <ul style="list-style-type: none"> <li>• Operating cash flows</li> <li>• Investing cash flows</li> </ul> |
| Current Financial Impact                             | There were no material, separately identifiable impacts to the Group's financial performance, financial position or cash flow line items during FY26 due to heatwaves or average temperature increases.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                 |                                                                                                                     |
| Anticipated Financial Impact                         | <p>Scenario modelling indicates a gradual increase in extreme heat days across key domestic markets (see the Climate resilience and scenario analysis section on page <a href="#">104</a> for further details). These impacts are most relevant at airports located in Queensland, Western Australia and parts of South Australia.</p> <p>While heat-related impacts may result in increased operational disruption and adaptation requirements over time, the modelled financial effects were localised and not material to the Group's overall financial performance, financial position or cash flows in the short, medium or long term.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                 |                                                                                                                     |
| Direct and indirect adaptation/mitigation activities | <p>Virgin Australia manages this risk through a combination of operational planning, engineering improvements and workforce safety protocols, including:</p> <ul style="list-style-type: none"> <li>• internal meteorology capability provides short-term weather forecasts and identifies ports at risk, enabling proactive aircraft allocation and network planning;</li> <li>• investment in engine upgrades on aircraft operating in high-temperature regions, to improve operating capability under extreme conditions;</li> <li>• Virgin Australia's current operating model includes inherent operational flexibility, including aircraft performance margins and network planning adjustments;</li> <li>• aircraft scheduling and load management processes enable operational adjustments to minimise disruption and maintain service reliability;</li> <li>• aircraft typically operate below maximum thrust, providing a degree of resilience to moderate increases in temperature without requiring payload restrictions; and</li> <li>• the Group's Work Health and Safety Management System's adverse weather procedure provides examples of preventative measures and controls for consideration when working in extreme temperatures.</li> </ul> |                                                                                                                                                                 |                                                                                                                     |

| ID                                     | PR2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                      |                                                                                            |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Title                                  | Extreme weather events (e.g. extreme storms, cyclones or flooding)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                      |                                                                                            |
| Description                            | Acute physical risks arising from extreme weather events, including severe storms, cyclones and coastal or riverine flooding, may disrupt flight operations, airport infrastructure and aviation supply chains.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                      |                                                                                            |
| Risk Type                              | Physical – Acute                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                      |                                                                                            |
| Time Horizon                           | Short, medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                      |                                                                                            |
| Business Model and Value Chain Impacts | <p>Virgin Australia's business model is highly dependent on network reliability and the continuous operation of airport infrastructure. Disruptions at key airports may have cascading effects across the network, amplifying operational and financial impacts. Extreme weather conditions (e.g. high winds, low visibility, heavy rainfall) may lead to flight delays, diversions and cancellations, reducing network reliability and revenue per flight while increasing operational costs (e.g. fuel burn, crew costs and disruption management). Coastal inundation and riverine flooding may temporarily render airports or runways inoperable, resulting in temporary network outages and reduced capacity.</p> <p>However, Virgin Australia's exposure to physical asset damage is relatively limited compared to infrastructure-intensive sectors, as the Group operates a mobile asset base. Exposure is primarily limited to inventories and facilities (e.g. hangars, training centres).</p> |                                                                                                                                                      |                                                                                            |
| Financial Statement Areas Impacted     | <p>Financial performance</p> <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Labour and staff related</li> <li>• Fuel and oil</li> <li>• Contract and other maintenance</li> <li>• Other expenses</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Financial position</p> <ul style="list-style-type: none"> <li>• Inventories</li> <li>• Payables</li> <li>• Unearned revenue and income</li> </ul> | <p>Cash flows</p> <ul style="list-style-type: none"> <li>• Operating cash flows</li> </ul> |
| Current Financial Impact               | <p>Like all airlines in Australia, Virgin Australia is regularly impacted by runway closures for high winds (e.g. Sydney Airport). These disruptions are managed through our standard policy, which is to rebook passengers on the next available flight. Thus the impact is limited to the opportunity cost of potentially selling those seats to a different customer and re-protection costs incurred (e.g. hotel costs).</p> <p>There were no material, separately identifiable impacts to the Group's financial performance, financial position or cash flow line items during FY26 due to extreme weather events.</p>                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                      |                                                                                            |

| ID                                                          | PR2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title                                                       | Extreme weather events (e.g. extreme storms, cyclones or flooding)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Anticipated Financial Impact</b>                         | <p>Given Virgin Australia has minimal capital assets at a fixed location, impacts from severe storms, cyclones, flooding and wind pattern volatility are primarily expected to arise through operational disruption rather than physical asset damage.</p> <p>Modelling of wind- and storm-related hazards indicated a potential increase in disruption days at selected airports, particularly across Northern and Eastern Australia, which may result in temporary schedule disruption, delays or cancellations. However, the modelled impacts were concentrated at a limited number of locations and did not indicate a material impact on the Group's overall financial performance, financial position or cash flows in the short, medium or long term. Based on observations of actual historical weather events (such as Cyclone Alfred in FY25), the period of disruption is short and the financial impact is not material to the Group's overall financial performance, financial position or cash flows.</p>                                                                                                                                               |
| <b>Direct and indirect adaptation/mitigation activities</b> | <p>Virgin Australia manages this risk through a structured operational resilience framework:</p> <ul style="list-style-type: none"> <li>• internal meteorology capability provides short-term forecasts and identifies ports at risk, enabling proactive network and resource planning;</li> <li>• the Integrated Operations Centre (IOC) monitors weather conditions, assesses potential impacts and determines an appropriate response level;</li> <li>• continued investment in the training of staff and service providers so that they are well equipped to manage and appropriately respond to these events;</li> <li>• Group-wide Business Continuity Plans (BCPs) support preparedness for disruptions to facilities, systems, supply chains and workforce availability, enabling rapid recovery and minimising service impacts;</li> <li>• where required, a formal Crisis Response is activated and managed by a dedicated Crisis Management Team, ensuring coordinated decision-making across the Group; and</li> <li>• post-event reporting processes capture lessons learned and inform updates to operational procedures and response plans.</li> </ul> |

## Climate resilience and scenario analysis

Virgin Australia performed a scenario analysis in FY26 using a range of climate pathways, including a low emissions scenario and a higher emissions scenario, and three time horizons consistent with those used in the CRRO assessment outlined above. The methodology was developed together with specialist third-party climate advisers, using both internal subject matter expertise and external climate and economic data. The scenarios assessed the potential impact of key variables (including carbon pricing, fuel costs and demand assumptions) on the Group's financial performance. Scenario analysis assumptions, methodologies and outputs were reviewed and validated by management and relevant internal stakeholders before being presented to the ARSCC and Board.

While scenario analysis informs carbon pricing inputs used in business cases (see the Governance section on page 85), it is not yet formally integrated into broader strategic planning, budgeting, or long-term financial modelling processes. The Group expects to further strengthen this linkage over time as modelling capability and data maturity improve.

### How the scenario analysis was carried out

Virgin Australia has modelled impacts under three scenarios:

|                                     | Low emissions | Moderate emissions | High emissions |
|-------------------------------------|---------------|--------------------|----------------|
| <b>Transition CRROs<sup>7</sup></b> | <1.5°C        | 2.1-2.4°C          | 2.7°C          |
| <b>Physical CRROs<sup>8</sup></b>   | 1.8°C         | 2.7°C              | 4.4°C          |

The scenario analysis incorporated a range of assumptions derived from internal planning inputs and externally recognised climate pathways, including the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC)'s Shared Socioeconomic Pathways. The Low temperature scenario represents a strong global climate policy response, reflecting rapid decarbonisation and significant transition planning. The High temperature scenario reflects a weaker global climate policy response and decarbonisation efforts. Virgin Australia selected these scenarios as they are generally accepted across industry and the global markets across which the Group operates. A Moderate emissions scenario was also considered to reflect a central transition pathway and to support internal planning assumptions.

Key assumptions across these scenarios include:

- Climate-related policies and regulation: Assumptions reflect evolving domestic and international policy settings, including the SGM, CORSIA, and potential future measures (e.g. increasing policy stringency under lower-emissions pathways).
- Macroeconomic trends: Scenarios assume continued passenger demand growth (supported by GDP growth assumptions) and variable fuel price trajectories under each scenario.
- National and regional variables: Assumptions incorporate location-specific factors relevant to the Group's operations, including temperature increases, weather patterns and network concentration across key Australian ports.
- Energy usage and fuel mix: The analysis assumes continued reliance on conventional jet fuel in the near term, with progressive SAF uptake over time under the low and moderate scenarios.
- Technological developments: Given the limited availability of step-change technologies in the short to medium term, and continued uncertainty regarding the timing and scalability of alternative propulsion technologies, the modelling does not assume any major technological developments.

Consistent assumptions that were applied across scenarios included passenger growth, fleet renewal, load factors and fuel efficiency improvements. The transition model also tested the effect of SAF uptake, compared with a sensitivity in which no SAF is used. See Appendix 1 on page 114 for further detail on assumptions under each scenario.

<sup>7</sup> Low emissions scenario aligned to IEA Net Zero Emissions by 2050 (NZE), moderate to IEA Announced Pledges Scenario (APS) and high to IEA Stated Policies Scenario (STEPS). NZE is aligned with a 1.5°C pathway and broadly consistent with the objectives of the Paris Agreement.

<sup>8</sup> Low emissions scenario aligned to IPCC SSP1-2.6, moderate to IPCC SSP2-4.5 and high to IPCC SSP5-8.5. SSP1-2.6 reflects a transition consistent with limiting global warming to approximately 1.5°C–2°C.

## Scope of the analysis

The transition model focused on the principal airline-specific transition risks currently considered most relevant to Virgin Australia's business model (TR1-TR2):

- carbon regulation (including the SGM and CORSIA);
- SAF pricing and uptake; and
- conventional jet fuel price movements.

The physical model focused on selected acute and chronic risks relevant to airport operations, being:

- average temperature increase and heat-related impacts (PR1); and
- extreme wind and storm events (PR2).

TR3 and TR4 were assessed qualitatively but their financial impacts are currently too uncertain and lack sufficient data to support quantitative modelling.

The physical model assessed airport-level impacts across Virgin Australia's highest-exposure domestic and charter locations. The quantitative assessment focused on airports rather than in-flight exposure, and selected high-traffic and/or high-exposure locations including Brisbane, Sydney, Melbourne, Perth, Cairns, the Gold Coast and a number of VARA and charter locations in Western Australia. The initial physical analysis covered 19 sites and excluded some hazards such as flooding and bushfire.<sup>9</sup> As a result, the assessment may not reflect the Group's full exposure to physical climate risks across its network.

## Assessment of climate resilience

The analysis indicates that Virgin Australia remains sensitive to fuel cost increases under all scenarios, with SAF adoption representing the most significant cost pressure in lower-emissions pathways. Conversely, delayed transition scenarios increase exposure to carbon pricing and regulatory risk. The Group's decarbonisation strategy is intended to balance these competing risks while maintaining cost competitiveness, by focusing on fleet renewal, operational efficiency and measured SAF participation.

Based on the scenario analysis performed, Virgin Australia considers that its business model remains resilient across the modelled scenarios. However, that resilience varies by scenario and is materially dependent on the Group's ability to execute transition actions over time, particularly relating to fleet renewal, operational fuel efficiency measures, disciplined SAF adoption and active management of regulatory carbon exposure.

The scenario analysis indicates that transition risks are likely to be more financially significant than physical risks, particularly in the short to medium term. The modelling indicates that, in lower-emissions pathways, Virgin Australia could face materially higher incremental annual operating cost (relative to an FY25 baseline), as SAF penetration increases and SAF remains at a premium to conventional jet fuel. In this case, lower conventional jet fuel prices and avoided carbon cost do not fully offset the cost premium associated with SAF adoption. The analysis therefore reinforces that Virgin Australia's transition resilience is closely linked to the future availability, price, and scale-up of SAF, together with the pace of fleet efficiency improvement.

In particular:

- limited SAF availability or sustained high SAF price premiums may constrain the Group's ability to reduce emissions at a commercially viable cost; and
- policy settings, including potential SAF mandates, could materially increase operating costs if introduced without sufficient supply or cost pass-through mechanisms.

In the high emissions scenario, modelled transition costs are lower than in the low and moderate emissions scenarios, because the high scenario assumptions include lower SAF uptake and weaker transition ambition. However, this does not eliminate exposure. The model still indicates residual exposure to carbon costs and fossil fuel price movements under this scenario.

Overall, the transition modelling supports the view that Virgin Australia's resilience in a lower-emissions economy depends on:

- securing access to SAF (or SAF's environmental attributes, i.e. through a Book and Claim system) at commercially viable volumes and prices;
- maintaining progress on fleet renewal and operational fuel efficiency;
- preserving flexibility in pricing, procurement and capital allocation; and
- continuing to respond to domestic and international carbon regulation.

<sup>9</sup> These hazards were not included in the scenario modelling due to data availability limitations and the need to prioritise risks assessed as most material in the Group's qualitative risk assessment.

The physical scenario analysis indicates that the selected physical risks assessed to date are operationally relevant but, on current modelling, less financially significant than transition risks at a Group level. Heat-related impacts are the dominant driver of physical risk in the current assessment. Exposure is unevenly distributed across the network and is concentrated at a subset of airports, particularly Brisbane and several Western Australian regular and charter locations, with payload restriction risk and other temperature-related disruptions more pronounced in hotter locations. The current physical modelling therefore suggests that Virgin Australia's short- to medium-term physical resilience is supported by the diversified nature of its network and existing operational response capability, but that some ports and charter operations may face increasing disruption and adaptation pressure over time, particularly under higher warming pathways.

## Implications for strategy and business model

The scenario analysis did not identify a need for Virgin Australia to fundamentally change its current business model as at the reporting date. However, it did indicate that climate resilience will depend on the Group continuing to adapt its strategy and operating model over time.

The principal strategic implications identified from the analysis are:

- SAF (and its environmental attributes) is likely to be the most important long-term decarbonisation lever available to the Group, but also one of the largest sources of future cost pressure and technology uncertainty under lower-emissions pathways;
- fleet renewal and operational efficiency remain important, no-regret actions because they improve resilience across multiple scenarios and timeframes by reducing fuel burn and emissions intensity;
- carbon regulation exposure remains material and requires ongoing monitoring of compliance pathways and cost recovery options; and
- physical adaptation priorities should focus on operational preparedness and airport-specific resilience at higher-exposure locations, rather than broad-based network redesign.

## Capacity to adapt

Virgin Australia's capacity to adapt its strategy and business model over time is supported by:

- planned fleet renewal and associated fuel efficiency improvements;
- the ability to adjust operating schedules, payload management, and disruption response at affected airports;
- the use of fuel procurement and hedging strategies that provide a degree of short-term price risk management;
- the ability to prioritise or defer selected investments over time as technology, policy and market conditions evolve; and
- continued development of the Group's Climate Transition Plan and related governance processes (see the Decarbonisation Strategy on page [107](#)).

At the same time, the analysis indicates that the Group's adaptive capacity is constrained by factors that are partly outside its direct control, including the timing and cost of SAF, the pace of aviation technology development, timing of new fleet delivery, airport infrastructure readiness, and the future design of domestic and international carbon regulation.

## Overall resilience conclusion

Taking into account the identified CRROs, Virgin Australia considers that its strategy and business model are currently resilient across the scenarios assessed, but that resilience is not static. It is expected to depend increasingly on the Group's ability to execute decarbonisation initiatives in a commercially disciplined manner, particularly in relation to SAF and fleet efficiency, while continuing to strengthen operational preparedness for heat and other weather-related disruption at higher-exposure locations. The analysis reinforces management's current view that transition risk is likely to be the more material driver of climate-related financial effects in the short to medium term, while physical risk is likely to become more pronounced over time and may be more concentrated by location and event type.

Scenario analysis is an evolving capability within the Group. The analysis will be reviewed annually and refreshed as required to reflect changes to the external environment, regulatory developments, or material changes to the Group's business model or operating context.

## Decarbonisation strategy

Virgin Australia has an ambition of achieving net zero carbon emissions by 2050 and has a FY30 target to reduce net Scope 1 emissions intensity by 27% (see the Metrics & Targets section on page [110](#) for more detail).

Virgin Australia's decarbonisation strategy to FY30 aims to minimise net emissions through commercially and operationally viable levers, structured across three pillars:

- reducing direct emissions from operations, through fleet renewal and operational efficiency programs;
- addressing residual emissions through carbon credits that meet the compliance requirements of the SGM and CORSIA; and
- collaborating with stakeholders to support the transition.

These strategic priorities are designed to respond to identified CRROs (outlined on page [93](#)) and are aligned to the Group's broader business strategy, including maintaining cost competitiveness, protecting margins and ensuring long-term access to capital.

Implementation of the Group's climate-related initiatives is supported through existing business planning and capital allocation processes. Funding for sustainability and climate-related initiatives is considered through annual budget processes, with larger investment proposals subject to established governance and approval requirements. Within the Group's decarbonisation strategy, fleet renewal is expected to require the most significant allocation of capital. Other initiatives are expected to be funded through ongoing operating expenditure and working capital, consistent with the Group's Capital Allocation Framework and established governance and approval process.

A Climate Transition Plan is also currently under development, covering the decarbonisation pathway beyond FY30. The approach to decarbonisation is expected to evolve as regulatory settings, availability of SAF (or its environmental attributes), and technology pathways mature. SAF is expected to play a critical role in reducing lifecycle emissions from aviation in the medium to long term. However, there is significant uncertainty regarding the extent to which SAF can be deployed at a commercially viable cost (see TR2 in the CRROs section on page [95](#)). This uncertainty is a key factor that will influence the pace and cost of the Group's decarbonisation pathway.

Virgin Australia plans to reduce emissions intensity through continued fleet and engine renewal, efficient aircraft operations, electrification of ground support equipment (GSE), and a disciplined approach towards securing the environmental benefits of SAF.

## Fleet Renewal Program

Fleet renewal remains a central lever in Virgin Australia's short- to medium-term decarbonisation pathway, reflecting the material contribution of aircraft fuel burn to the Group's Scope 1 emissions profile. Details on recent and planned fleet changes can be found on page [24](#) of the Annual Report.

The Group continues to operate a simplified fleet, with the Boeing 737 aircraft at its core. The Boeing 737-8 (MAX) is 20 per cent more fuel efficient and at least 50 per cent quieter than the Boeing 737-800NGs<sup>10</sup>, offering a more comfortable flying experience while materially reducing fuel burn. VARA is also renewing its fleet with the arrival of the first Embraer E190-E2 in FY26. The Embraer E190-E2 is the most fuel-efficient aircraft in its segment and is expected to reduce emissions by approximately 30 per cent<sup>11</sup>.

While these investments are not undertaken solely for climate-related purposes, more fuel-efficient aircraft deliver operational efficiency and cost performance, while also reducing GHG emissions and supporting the Group's decarbonisation targets.

Over the medium to long term, further emissions reductions may be supported by the commercial availability of next-generation aircraft that are expected to deliver improvements in fuel efficiency beyond those achievable through current aircraft designs. The timing, maturity and commercial deployment of these technologies remain uncertain.

<sup>10</sup> See 737 Max (<https://www.boeing.com/commercial/737max>). The emissions and noise reductions are based on the difference in fuel consumption between the Virgin Australia operated new generation Boeing 737-8 (MAX) aircraft and the Virgin Australia operated previous generation Boeing 737-800 aircraft.

<sup>11</sup> See Wonderful People Fly E2 (<https://www.embraer.com/wonderful-people-fly-e2/en/>). Based on comparison of Fokker F100 ([https://fokkerservicesgroup.com/media/emccsdnm/fsg\\_fokker-100.pdf](https://fokkerservicesgroup.com/media/emccsdnm/fsg_fokker-100.pdf)) and Embraer E190-E2 fuel burn on same sector length using the same assumptions.

## Efficient Aircraft Operations

Virgin Australia continues to optimise operational fuel usage to reduce aircraft emissions across its network. These measures include route optimisation, aircraft weight reduction, single engine taxiing and targeted operational improvements designed to minimise fuel burn per flight.

Delivery of these initiatives is supported by a dedicated fuel efficiency function and a cross-functional Fuel Optimisation Working Group, which oversees prioritisation, implementation and performance tracking across operational areas. The deployment of data-driven tools, including FlightPulse, enhances pilot decision making and contributes to measurable reductions in fuel consumption and associated emissions.

During FY26, progress was driven by a combination of operational initiatives, behavioural changes, aircraft configuration (including seat densification), and enhanced data and analytics capabilities. The program continued to uplift existing initiatives as well as incorporate a range of new initiatives to deliver fuel consumption reduction and the associated emissions reduction. In FY26, we achieved an estimated annual fuel savings of ~62,300 barrels which contributed to an estimated reduction of 25,600 tCO<sub>2</sub>e.<sup>12</sup>

## Ground operations and facilities

Virgin Australia is also progressing the electrification of ground support equipment (GSE), prioritising high-utilisation locations with established charging infrastructure. As at the end of FY26, 39% of Virgin Australia's aircraft tow tractor and baggage tractor fleet is expected to be electric, following committed replacement deliveries and retirements.

Virgin Australia procures renewable electricity for certain leased facilities through contractual arrangements with airport lessors, including Brisbane Airport and Melbourne Airport. Under these arrangements, Virgin Australia purchases electricity supplied as 100% renewable electricity for eligible facilities, including lounges, offices and operational spaces. These arrangements covered approximately 40% of the Group's purchased electricity consumption and have reduced ~3,000 tCO<sub>2</sub>e during the reporting period<sup>13</sup>, reflected in the calculation of market-based Scope 2 GHG emissions (see 'FY26 operational GHG emissions' section on page 112). While Scope 2 emissions are not material relative to Scope 1, these initiatives contribute to incremental emissions reduction and support broader decarbonisation objectives.

## Planned use of carbon offsets

While the Group continues to prioritise direct abatement through fleet renewal and operational efficiency, regulatory carbon offsets are anticipated to play a significant role in meeting regulatory obligations and achieving Virgin Australia's Scope 1 net emissions intensity reduction target by FY30.

Virgin Australia expects to incur its first carbon compliance costs under the SGM during the FY27 reporting period, as emissions reductions achieved through fleet renewal and operational efficiency initiatives may not be sufficient to fully meet declining regulatory baselines. These costs will form part of the Group's operating expense base and are expected to increase over the short to medium term as emissions thresholds tighten.

As outlined in TR1, GHG compliance costs (under the SGM and CORSIA) are recognised as a key transition risk. In response, during FY27, the Group will develop an approach to manage carbon credit procurement in a commercially disciplined manner. This strategy will prioritise the use of lower-cost compliance units where available, while maintaining appropriate safeguards around integrity and regulatory eligibility. The strategy will also retain flexibility to respond to evolving carbon market conditions, policy developments, and internal decarbonisation progress.

<sup>12</sup> Calculated using the NGER Measurement Determination emission factors. The mass of fuel savings in kilograms is converted to litres using a standard density factor for Jet A1 at 15°C of 0.8 kg/L. Litres are converted to barrels using a standard conversion factor of 158.987 litres per barrel.

<sup>13</sup> Calculated by applying the Indirect (Scope 2) emission factors for consumption of electricity published by the Australian Government in the National Greenhouse and Energy Reporting (Measurement) Determination and multiplying with quantity of electricity consumed.

## Sustainable Aviation Fuel (SAF)

SAF is expected to be an important medium- to long-term decarbonisation lever for the aviation sector, with potential lifecycle emissions reductions of up to 80% compared to conventional jet fuel<sup>14</sup>. SAF is a drop-in replacement for conventional jet fuel derived from non-fossil feedstocks, which does not require fundamental changes to aircraft or infrastructure, making it an important pathway for aviation's transition to net zero. Its environmental benefits, however, can also be decoupled from the physical product through a Book and Claim crediting system and allocated to a different user, enabling organisations to claim SAF's impact without directly consuming the fuel.

However, the large-scale deployment of SAF remains subject to significant structural and economic challenges. Global SAF supply is currently limited, representing less than 1% of total aviation fuel demand<sup>15</sup>, and is constrained by feedstock availability and competing demand from other sectors and short production capacity. In addition, SAF is expected to remain at a material price premium to conventional jet fuel, which may result in increased fuel costs and margin pressure if not recoverable through pricing.

Virgin Australia's approach to SAF is anchored in maintaining commercial discipline while positioning the business for long-term decarbonisation. Recognising the limitation of the technology in the short term, utilisation of SAF is not part of Virgin Australia's strategy to achieve its FY30 net Scope 1 emissions intensity reduction target. The Group will continue to balance short-term pilot projects with longer-term transition requirements. Through targeted partnerships and procurement pathways, Virgin Australia is assessing SAF commercial viability and supporting enabling infrastructure, including regional blending and potential domestic production. These activities are intended to improve future access to SAF and inform its scalability within the Australian aviation market.

During FY26, activities included:

- sourcing blended SAF for flights departing Proserpine through a supply agreement with Viva Energy (between March 2025 - March 2026). This initiative demonstrates the operational feasibility of SAF within the Group's network and supports early-stage emissions reduction efforts, while enabling Virgin Australia to build internal capability and experience in SAF procurement and deployment;
- progressing the sustainability-focused MoU with Qatar Airways Group, through collaboration on SAF alongside broader initiatives in waste, energy management and sustainable procurement; and
- participating in industry forums, such as the Australian Government's Jet Zero Council and the Low Carbon Liquid Fuel Alliance of Australia and New Zealand (LCFAANZ), to advise on policy frameworks to support domestic SAF industry.

These partnerships are intended to strengthen supply optionality, support industry capability, and position the Group to access SAF as availability increases.

<sup>14</sup> <https://www.iata.org/en/programs/sustainability/sustainable-aviation-fuel-saf/>.

<sup>15</sup> <https://www.iata.org/en/pressroom/2025-releases/2025-12-09-04/>.

## Metrics & Targets

### Target

A specific, measurable, and time-bound outcome that Virgin Australia is committed to achieving, with defined metrics, baseline, timeframe, and internal accountability, and which is monitored and reported on regularly.

### Ambition

A high-level aspiration that reflects Virgin Australia's long-term intent or direction, which may not yet be fully defined, measurable, or supported by committed actions or targets.

## Net zero by 2050 ambition

Virgin Australia has an ambition of achieving net zero carbon emissions by 2050. This ambition is aligned with the aviation industry's collective 2050 net zero goal<sup>16</sup>.

Achieving this ambition is dependent on material developments that are uncertain today, including widespread economically viable SAF availability at scale, significant fleet renewal, further operational efficiencies, and the availability and quality of recognised carbon offsets.

To navigate this uncertainty, we have established a FY30 interim net emissions intensity target as a measurable step toward the 2050 net zero ambition.

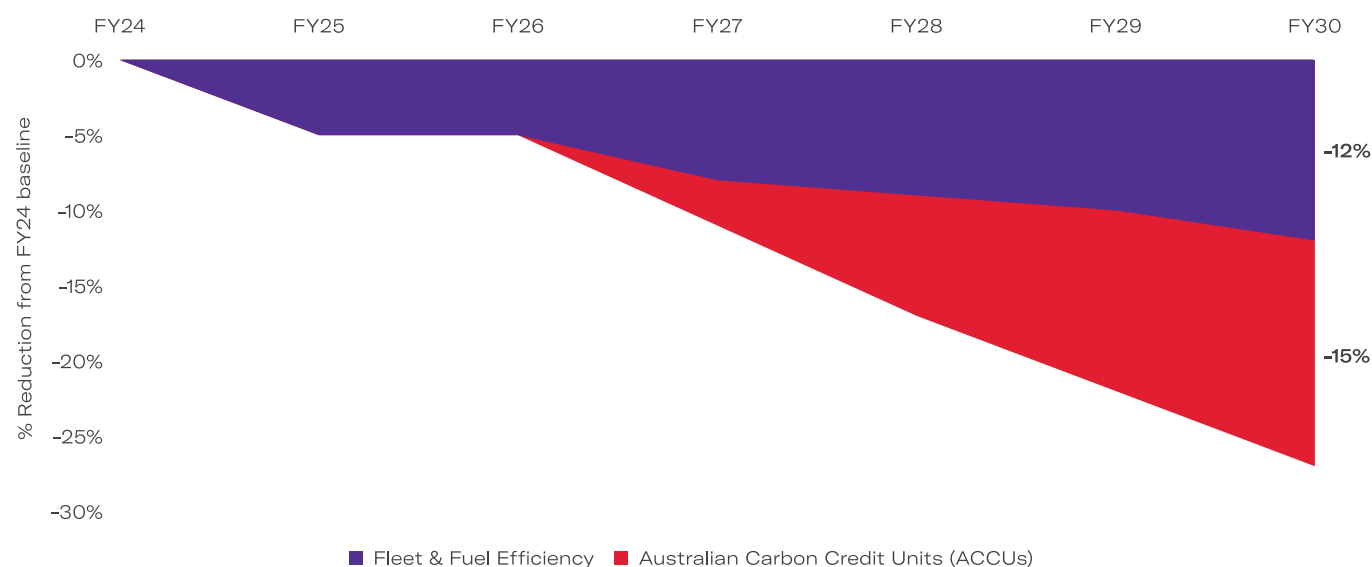
## FY30 net emissions intensity target

Virgin Australia's FY30 target is to reduce net Scope 1 greenhouse gas emissions intensity by 27%, relative to an FY24 baseline and measured in grams of CO<sub>2</sub>-equivalent per revenue tonne-kilometre (gCO<sub>2</sub>-e/RTK).

Of the 27% net reduction:

- 12% is expected to be achieved through gross Scope 1 emissions intensity reductions (fleet renewal and operational fuel efficiencies); and
- 15% is expected to be met through the planned use of regulatory carbon offsets, including ACCUs required to satisfy SGM compliance obligations.

### 27% net Scope 1 emissions intensity reduction to FY30



<sup>16</sup> As agreed at the 77th International Air Transport Association's (IATA) Annual General Meeting and consistent with International Civil Aviation Organisation's (ICAO) long-term global aspirational goal.

## Target reset

Under the Greenhouse Gas Protocol, a base year should be recalculated where there are significant changes in organisational structure or emissions methodology that affect the relevance and comparability of reported emissions. Since FY19, the Group has undergone material restructuring and adopted an improved methodology which relies on third-party invoices to provide more accurate and complete emissions data, alongside updated calculation approaches aligned with current regulatory requirements. As such, during FY26 Virgin Australia updated its emissions baseline from FY19 to FY24 to reflect the current structure of the business, improved measurement methodology, and the regulatory environment in which it now reports. The Group's FY24 emissions capture these changes and therefore provide a more complete baseline. FY24 Scope 1 emissions have been audited by KPMG<sup>17</sup>.

The target percentage was also updated from the previous 22% target to a 27% reduction in net Scope 1 emissions intensity. This change reflects the Group's expected emissions trajectory to FY30, taking into account current regulatory settings (including the SGM). It does not reflect an increase in the Group's underlying strategic ambition relative to the previous target, with fleet renewal remaining the Group's core decarbonisation lever. Changes to the FY30 target trajectory primarily reflect compliance-related carbon offset use, rather than any change in operational emissions reduction initiatives or investment.

The appendices provide additional detail on the underlying assumptions, regulatory settings and compliance mechanisms that inform both the Group's SGM obligations and the FY30 net Scope 1 emissions intensity target. See Appendix 2 for more information on Virgin Australia's compliance with the SGM target and Appendix 3 for more information on Virgin Australia's target of a 27% reduction in net Scope 1 emissions intensity by FY30. The FY30 target includes international emissions in gross Scope 1 emissions intensity; however, CORSIA EEU's are not reflected in the net target calculation because the number of units Virgin Australia is required to purchase and retire is only confirmed after each three-year compliance cycle, creating a timing lag that limits their use in the FY30 net target pathway. See TR1 on page 93 for further detail on the Group's compliance position under the Safeguard Mechanism and CORSIA.

## Impacted assets and business activities

Further information on climate-related risks, opportunities and their potential impacts on Virgin Australia's assets and business activities is provided in the 'Effects of CRROs on the business model and value chain' section on page 91 of this report.

## Capital deployment

Further information on capital investments supporting Virgin Australia's decarbonisation strategy, including fleet renewal, is provided in O1 within the 'Climate-related risks and opportunities' section on page 100 of this report.

## Internal carbon price

Further information on the role of carbon pricing assumptions in climate-related decision making is provided in the 'Management's role in climate governance' section on page 88 of this report.

## Remuneration

Further information on how climate-related considerations are incorporated into remuneration and performance management is provided in the 'Remuneration' section on page 88 of this report.

<sup>17</sup> In FY26, the Group has voluntarily disclosed selected FY25 and FY24 comparatives. Refer to KPMG's Independent Assurance Report on pages 45-46 of [Sustainability Report 2025](#) and pages 39-40 of [Sustainability Report 2024](#) outlining assurance provided in prior periods.

## Performance against these targets

In FY26, Virgin Australia's net Scope 1 emissions intensity was 6.3% lower than the FY24 base year. The Group expects to continue to reduce its net Scope 1 emissions intensity over the next four years and achieve the 27% net Scope 1 emissions intensity target by FY30 as more fuel-efficient aircraft are incorporated into the fleet. Further details on the Group's approach to reducing emissions intensity through fleet renewal and efficient aircraft operations are outlined in the Decarbonisation strategy section on page [107](#). The table below shows the current and prior year performance against Virgin Australia's target.

|                                                     | Units                       | FY26       | FY25       | Baseline<br>FY24 |
|-----------------------------------------------------|-----------------------------|------------|------------|------------------|
| Revenue-tonne-kilometre (RTK)                       | '000 000                    | 2,683      | 2,620      | 2,437            |
| Gross Scope 1 emissions                             | tCO <sub>2</sub> e          | 2,558,146  | 2,536,899  | 2,480,837        |
| <b>Gross Scope 1 emissions intensity</b>            | <b>gCO<sub>2</sub>e/RTK</b> | <b>954</b> | <b>968</b> | <b>1,018</b>     |
| Reduction vs baseline (gross)                       | %                           | 6.3%       | 4.9%       |                  |
| ACCUs surrendered for SGM compliance                | tCO <sub>2</sub> e          | –          | –          | –                |
| Net Scope 1 emissions <sup>18</sup>                 | tCO <sub>2</sub> e          | 2,558,146  | 2,536,899  | 2,480,837        |
| <b>Net Scope 1 emissions intensity<sup>19</sup></b> | <b>gCO<sub>2</sub>e/RTK</b> | <b>954</b> | <b>968</b> | <b>1,018</b>     |
| Reduction vs baseline (net)                         |                             | 6.3%       | 4.9%       |                  |

## FY26 operational GHG emissions

### Scope 1 absolute gross emissions

|                | Units                                     | FY26             | FY25 <sup>20</sup> | Baseline<br>FY24 <sup>20</sup> |
|----------------|-------------------------------------------|------------------|--------------------|--------------------------------|
| Jet Fuel       | tCO <sub>2</sub> e                        | 2,556,563        | 2,535,283          | 2,479,262                      |
| SAF            | CH <sub>4</sub> and N <sub>2</sub> O only | 1                | 1                  | –                              |
| Diesel         | tCO <sub>2</sub> e                        | 1,504            | 1,529              | 1,485                          |
| Petrol         | tCO <sub>2</sub> e                        | 15               | 19                 | 17                             |
| Engine Oil     | tCO <sub>2</sub> e                        | 63               | 68                 | 73                             |
| <b>Scope 1</b> | <b>tCO<sub>2</sub>e</b>                   | <b>2,558,146</b> | <b>2,536,899</b>   | <b>2,480,837</b>               |

### Scope 2 absolute gross emissions

|                            | Units              | FY26  | FY25 <sup>20</sup> | FY24 <sup>20</sup> |
|----------------------------|--------------------|-------|--------------------|--------------------|
| Location based             | tCO <sub>2</sub> e | 7,174 | 7,423              | 7,703              |
| Market based <sup>21</sup> | tCO <sub>2</sub> e | 3,809 | 5,521              | 7,087              |

### Biogenic absolute gross emissions<sup>22</sup>

|          | Units              | FY26 | FY25 <sup>20</sup> | FY24 |
|----------|--------------------|------|--------------------|------|
| Biogenic | tCO <sub>2</sub> e | 97   | 49                 | –    |

<sup>18</sup> Net Scope 1 emissions are calculated by subtracting the quantity of ACCUs surrendered for SGM compliance from the gross Scope 1 emissions in each reporting period.

<sup>19</sup> Net Scope 1 emissions intensity is measured by dividing net Scope 1 emissions by RTKs in each reporting period.

<sup>20</sup> In FY26, the Group has voluntarily disclosed selected FY25 and FY24 comparatives. Refer to KPMG's Independent Auditor's Review and Audit Report for details of comparatives subject to audit and review in prior periods. RTK's in FY24 and FY25 was a metric previously disclosed in the Group's voluntary Sustainability Report 2025 and was prepared under a different basis of preparation than that used in quantifying RTK's presented within this report. The change in the basis of preparation relates to the assumed weight attributable to a passenger and their baggage with RTK's presented within this report based on 90kg per passenger and RTK's previously disclosed in the Group's voluntary Sustainability Report 2025 based on 100kg per passenger.

<sup>21</sup> For information about contractual arrangements that influence Virgin Australia's market-based Scope 2 GHG emissions, refer to the Ground operations and facilities section.

<sup>22</sup> Biogenic emissions are the release of carbon dioxide from the combustion of biomass (plant or animal material), such as the SAF we are now using. In line with the GHG Protocol, these emissions are reported separately from fossil fuel emissions.

## Methodology, assumptions, and uncertainties for calculation of GHG emissions

### Methodology

For the purposes of calculating its GHG emissions, Virgin Australia applies an operational control approach to define its organisational boundary. The operational control approach has been applied as it best represents the GHG emissions arising from operations that Virgin Australia can influence through its decarbonisation strategy. Given the nature of operations and the structure of the Group, Virgin Australia's assessment of operational control aligns with both the NGER Determination and GHG Protocol.

Virgin Australia does not have emissions attributable to associates, joint ventures, or unconsolidated subsidiaries. Accordingly, all reported Scope 1 and Scope 2 emissions relate to entities within the consolidated Group. No changes have been made to the measurement approach, inputs and assumptions during this reporting period.

RTK is a widely used activity measure in the aviation industry. RTKs are calculated by multiplying the number of kilometres flown by an aircraft on each flight by the number of metric tonnes transported on that flight, including passengers, baggage and cargo. The weight of a passenger and their baggage is based on an assumption of 90kg per passenger which is legislated in the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015*. The reported RTKs are consistent with the flights included within Virgin Australia's operational boundaries for Scope 1 emissions.

Refer to Appendix 4 on page [117](#) for further information on the methodologies, assumptions and data sources used to calculate Virgin Australia's GHG emissions.

### Operational Boundaries

Scope 1 includes direct emissions occurring from the airline's operations, most notably from the combustion of conventional jet fuel on domestic and international flights. Other less material emissions sources include the combustion of fuels for ground service equipment (diesel and petrol) as well as emissions from the combustion of engine oil.

Scope 2 includes emissions from the generation of purchased electricity consumed at Virgin Australia's leased properties. We continue to report Scope 2 emissions using both location-based and market-based methods, in accordance with NGER Determination. The location-based formula estimates Scope 2 emissions by applying a grid-based emissions factor to the amount of electricity purchased from the main electricity grid. The market-based method of estimating Scope 2 emissions subtracts eligible renewable energy purchases from the total quantity of purchased electricity that is not considered renewable before applying an emissions factor to the residual electricity. The emissions factor for the market-based formula is the residual mix factor (RMF).

Biogenic emissions are the release of carbon dioxide from the combustion of biomass (plant or animal material), such as the SAF we are now using. In line with the GHG Protocol, these emissions are reported separately from fossil fuel emissions.

## Appendices

### Appendix 1: Scenario analysis assumptions

Assumptions that were held constant across scenarios (to isolate the effect of climate variables) include:

- Passenger growth
- Fleet renewal
- Fuel efficiency
- Load factors

The following variable assumptions were then applied across each scenario.

| Assumptions                            | Low emissions                                                                                                                                                                                     | Moderate emissions                                                                                                                                                                                                      | High emissions                                                                                                                           |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IEA Transition Scenarios</b>        | Net Zero Emissions by 2050 (NZE)                                                                                                                                                                  | Announced Pledges Scenario (APS)                                                                                                                                                                                        | Stated Policies Scenario (SPS)                                                                                                           |
| <b>IPCC Physical Scenarios</b>         | SSP1-2.6                                                                                                                                                                                          | SSP2-4.5                                                                                                                                                                                                                | SSP5-8.5                                                                                                                                 |
| <b>Climate-related policies</b>        | Rapid implementation of climate policies, including increasing carbon prices, progressive tightening of the SGM, stronger international carbon market settings and higher levels of SAF adoption. | Progressive implementation of announced climate commitments, including continued operation of the SGM (broadly consistent with current policy settings), moderate increases in carbon pricing and gradual SAF adoption. | Limited additional policy intervention beyond current settings, with lower carbon prices, slower policy tightening and lower SAF uptake. |
| <b>Macroeconomic trends</b>            | Continued passenger demand growth, with increasing cost pressures associated with decarbonisation measures.                                                                                       | Continued demand growth and a gradual transition-related cost profile.                                                                                                                                                  | Continued demand growth with lower transition-related cost pressures, but increased exposure to longer-term climate-related impacts.     |
| <b>National and regional variables</b> | Lower levels of long-term physical climate change impacts, relative to the other scenarios.                                                                                                       | Moderate increases in climate-related physical hazards over time.                                                                                                                                                       | Greatest increase in physical climate hazards, including higher temperatures and more frequent extreme weather conditions.               |
| <b>Energy usage and fuel mix</b>       | Significant SAF uptake over time, combined with fleet efficiency improvements and lower reliance on conventional jet fuel.                                                                        | Moderate SAF uptake and continued fleet efficiency improvements.                                                                                                                                                        | Lower SAF uptake and continued reliance on conventional jet fuel, partially offset by fleet efficiency improvements.                     |
| <b>Technological developments</b>      | Continued improvements in aircraft fuel efficiency and broader progress in aviation decarbonisation technologies over time.                                                                       | Incremental improvements in aircraft efficiency and operational performance.                                                                                                                                            | Slower deployment of decarbonisation technologies and greater reliance on existing aircraft and fuel technologies.                       |

## Appendix 2: Compliance with the Safeguard Mechanism target

|                                                                       |                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Metric</b>                                                         | GHG emissions intensity (carbon dioxide, methane and nitrous oxide) reduction measured in tCO <sub>2</sub> e/RTK.                                                                                                                                                                                               |
| <b>Objectives</b>                                                     | Mitigation of Scope 1 emissions.                                                                                                                                                                                                                                                                                |
| <b>Scope and coverage</b>                                             | Scope 1 emissions (jet fuel combusted on domestic flights, petrol, diesel, engine oil, and methane and nitrous oxide from SAF) from operations covered by the Group's NGER reporting facility boundary.                                                                                                         |
| <b>Period</b>                                                         | 1 July 2023 – 30 June 2030.                                                                                                                                                                                                                                                                                     |
| <b>Base year</b>                                                      | Target uses a multi-year average approach using data from FY18 to FY22, excluding the highest and lowest production years and averaging out the remaining three to produce a facility-specific emissions intensity that feeds into the hybrid emissions intensity target.                                       |
| <b>Milestones and interim targets</b>                                 | ~4.9% annual decline in the hybrid emissions intensity through to 2030.                                                                                                                                                                                                                                         |
| <b>Target type</b>                                                    | Gross emissions intensity.                                                                                                                                                                                                                                                                                      |
| <b>Jurisdictional commitment that informed target</b>                 | The Australian Government's SGM legislation is aligned with the National Determination Contribution within the Paris Agreement.                                                                                                                                                                                 |
| <b>Validation</b>                                                     | The emissions intensity determination application was subject to the provision of reasonable assurance by KPMG and submitted to the Clean Energy Regulator (CER). GHG emissions intensity under the SGM is reported on an annual basis to the CER and subject to the provision of reasonable assurance by KPMG. |
| <b>Review process</b>                                                 | Performance against the target is monitored through periodic measurement of Scope 1 emissions intensity, with progress reviewed quarterly by the ARSCC.                                                                                                                                                         |
| <b>Metrics for monitoring progress</b>                                | GHG emissions (carbon dioxide, methane and nitrous oxide) reduction measured in tCO <sub>2</sub> e/RTK.                                                                                                                                                                                                         |
| <b>Revisions</b>                                                      | No revisions have been made to the target in the current period.                                                                                                                                                                                                                                                |
| <b>Progress</b>                                                       | In FY26, the Group's Scope 1 emissions intensity exceeded its SGM baseline by 2.1%, resulting in compliance obligation of approximately 45,000 SMCs.                                                                                                                                                            |
| <b>Reliance on carbon credits, carbon credit type and planned use</b> | See TR1 within the CRROs section on page <a href="#">93</a> .                                                                                                                                                                                                                                                   |
| <b>Verification / certification of carbon credits</b>                 | Virgin Australia will acquire ACCUs issued under the Australian Government's Emissions Reduction Fund (ERF), administered by the CER. These ACCUs are generated from projects that comply with approved methodologies under the <i>Carbon Credits (Carbon Farming Initiative) Act 2011</i> .                    |

## Appendix 3: Virgin Australia's target

|                                                                       |                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Metric</b>                                                         | GHG emissions intensity (carbon dioxide, methane and nitrous oxide) reduction measured in gCO <sub>2</sub> e/RTK.                                                                                                                                                                                                       |
| <b>Objectives</b>                                                     | Mitigation of Scope 1 emissions.                                                                                                                                                                                                                                                                                        |
| <b>Scope and coverage</b>                                             | Group's Scope 1 emissions (jet fuel, petrol, diesel, engine oil, methane and nitrous oxide from SAF).                                                                                                                                                                                                                   |
| <b>Period</b>                                                         | FY24 – FY30.                                                                                                                                                                                                                                                                                                            |
| <b>Base year</b>                                                      | FY24.                                                                                                                                                                                                                                                                                                                   |
| <b>Milestones and interim targets</b>                                 | <ul style="list-style-type: none"> <li>• Reduce net Scope 1 emissions intensity by 27% by FY30; and</li> <li>• Reduce gross Scope 1 emissions intensity by 12% by FY30.</li> </ul>                                                                                                                                      |
| <b>Target type</b>                                                    | Net emissions intensity and gross emissions intensity.                                                                                                                                                                                                                                                                  |
| <b>Jurisdictional commitment that informed target</b>                 | Internally set target informed by and calibrated to expected regulatory obligations (including the SGM).                                                                                                                                                                                                                |
| <b>Validation</b>                                                     | Not validated by a third party.                                                                                                                                                                                                                                                                                         |
| <b>Review process</b>                                                 | Performance against the target is monitored through periodic measurement of Scope 1 emissions intensity, with progress reviewed quarterly by the ARSCC.                                                                                                                                                                 |
| <b>Metrics for monitoring progress</b>                                | GHG emissions (carbon dioxide, methane and nitrous oxide) reduction measured in gCO <sub>2</sub> e/RTK.                                                                                                                                                                                                                 |
| <b>Revisions</b>                                                      | See FY30 net emissions intensity target section on page <a href="#">110</a> .                                                                                                                                                                                                                                           |
| <b>Progress</b>                                                       | See Performance against these targets section on page <a href="#">112</a> .                                                                                                                                                                                                                                             |
| <b>Reliance on carbon credits, carbon credit type and planned use</b> | "Net" Scope 1 emissions intensity is defined as gross Scope 1 emissions less eligible carbon offsets surrendered for compliance purposes, divided by RTK. These units comprise ACCUs surrendered under the SGM. Of the 27% reduction, 15% is expected to be achieved through purchase of these eligible carbon offsets. |
| <b>Verification / certification of carbon credits</b>                 | Virgin Australia will acquire ACCUs issued under the Australian Government's ERF, administered by the CER. These ACCUs are generated from projects that comply with approved methodologies under the <i>Carbon Credits (Carbon Farming Initiative) Act 2011</i> .                                                       |

## Appendix 4: Uncertainty in GHG emissions

| Scope   | Emission Source                                 | Calculation Method | Activity data source                                    | Emission Factor                                                                                                                          | Assumptions /estimations                                                                                                                                          | Level of uncertainty                                                                                                                                     |
|---------|-------------------------------------------------|--------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1 | Jet fuel                                        | Fuel-based method  | Supplier invoices reconciled with financial records     | NGER Determination, Part 4 – fuel combustion – fuels for transport energy purposes: Item 56                                              | N/A                                                                                                                                                               | Low uncertainty                                                                                                                                          |
| Scope 1 | SAF (CH <sub>4</sub> and N <sub>2</sub> O only) | Fuel-based method  | Supplier certificates reconciled with supplier invoices | NGER Determination, Part 4 – fuel combustion – fuels for transport energy purposes: Item 59A                                             | N/A                                                                                                                                                               | Low uncertainty                                                                                                                                          |
| Scope 1 | Diesel                                          | Fuel-based method  | Supplier invoices                                       | NGER Determination, Part 3 – fuel combustion – liquid fuels and certain petroleum-based products for stationary energy purposes: Item 40 | Assumes that all diesel is combusted for stationary use (GSE that are not road registered), as it is not possible to differentiate fuel use by GSE type           | Moderate uncertainty as supplier invoices not reconciled to financial records                                                                            |
| Scope 1 | Petrol                                          | Fuel-based method  | Supplier invoices                                       | NGER Determination, Part 3 – fuel combustion – liquid fuels and certain petroleum-based products for stationary energy purposes: Item 35 | Assumes that all petrol is combusted for stationary use (GSE equipment that are not road registered), as it is not possible to differentiate fuel use by GSE type | Moderate uncertainty as supplier invoices not reconciled to financial records                                                                            |
| Scope 1 | Engine Oil                                      | Fuel-based method  | Actual use records                                      | NGER Determination, Part 3 – fuel combustion – liquid fuels and certain petroleum-based products for stationary energy purposes: Item 31 | Assumes all uplifted oil is burnt                                                                                                                                 | Moderate uncertainty in activity data as some oil might not be burnt, however given engine oil emissions are less material this is considered negligible |

| Scope              | Emission Source            | Calculation Method                     | Activity data source                                    | Emission Factor                                                                                                          | Assumptions /estimations                                                                                                        | Level of uncertainty                                                                                       |
|--------------------|----------------------------|----------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Scope 2            | Grid electricity           | Location-based and market-based method | Supplier invoices                                       | NGER Determination, Part 6 – Indirect (scope 2) emission factors and residual mix factors for consumption of electricity | Estimation is required when supplier invoices have yet to be received at the time of reporting                                  | Low uncertainty, the estimated electricity consumption is low proportion of the reported Scope 2 emissions |
| Biogenic emissions | SAF (CO <sub>2</sub> only) | Fuel-based method                      | Supplier certificates reconciled with supplier invoices | ICAO standard CO <sub>2</sub> emissions factor for jet fuel (3.16 tonne CO <sub>2</sub> per tonne of Jet A/Jet A-1 fuel) | The volume of SAF in litres is converted to tonnes using a standard density factor for Jet A1 at 15°C of 0.8 kg/L <sup>23</sup> | Low uncertainty                                                                                            |

<sup>23</sup> See Sustainable Aviation Fuel Metrics Fact Sheet, available at [https://aviationbenefits.org/media/167233/fact-sheet\\_13\\_saf-metrics-and-conversions\\_4.pdf](https://aviationbenefits.org/media/167233/fact-sheet_13_saf-metrics-and-conversions_4.pdf).

## Appendix 5: Acronym Glossary

| Acronym         | Definition                                                                                                                                   |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AASB S2</b>  | Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures</i>                                                      |
| <b>ACCU</b>     | Australian Carbon Credit Unit                                                                                                                |
| <b>ARSCC</b>    | Audit, Risk, Sustainability and Compliance Committee                                                                                         |
| <b>ASRS</b>     | Australian Sustainability Reporting Standards                                                                                                |
| <b>CER</b>      | Clean Energy Regulator                                                                                                                       |
| <b>CORSIA</b>   | Carbon Offsetting and Reduction Scheme for International Aviation                                                                            |
| <b>CRRO</b>     | Climate Related Risks and Opportunities                                                                                                      |
| <b>CTP</b>      | Climate Transition Plan                                                                                                                      |
| <b>DAM</b>      | Delegated Authorities Manual                                                                                                                 |
| <b>EAC</b>      | Executive Approval Committee                                                                                                                 |
| <b>EEU</b>      | Eligible Emissions Units                                                                                                                     |
| <b>ELT</b>      | Executive Leadership Team                                                                                                                    |
| <b>EMS</b>      | Environmental Management System                                                                                                              |
| <b>FP&amp;A</b> | Financial Planning & Analysis                                                                                                                |
| <b>GHG</b>      | Greenhouse Gas                                                                                                                               |
| <b>GSE</b>      | Ground Service Equipment                                                                                                                     |
| <b>ICAO</b>     | International Civil Aviation Organization's Carbon Offsetting                                                                                |
| <b>Matrix</b>   | Board Competency Matrix                                                                                                                      |
| <b>MoU</b>      | Memorandum of Understanding                                                                                                                  |
| <b>NGER</b>     | National Greenhouse and Energy Reporting                                                                                                     |
| <b>PR</b>       | Physical Risk                                                                                                                                |
| <b>RMF</b>      | Risk Management Framework                                                                                                                    |
| <b>RTK</b>      | Revenue-tonne-kilometre means the total number of revenue generating tonnes of both passengers and freight multiplied by the distance flown. |
| <b>SAF</b>      | Sustainable Aviation Fuel                                                                                                                    |
| <b>SGM</b>      | Safeguard Mechanism                                                                                                                          |
| <b>SMC</b>      | Safeguard Mechanism Credit                                                                                                                   |
| <b>SteerCo</b>  | Sustainability Steering Committee                                                                                                            |
| <b>TR</b>       | Transition Risk                                                                                                                              |
| <b>VARA</b>     | Virgin Australia Regional Airlines                                                                                                           |

## Directors' Declaration

In the opinion of the Directors of Virgin Australia Holdings Limited (the Company), the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report<sup>24</sup> for the financial year ended 30 June 2026, as set out on pages [82-119](#):

- is in accordance with the *Corporations Act 2001*, including section 296C and section 296D; and
- is in compliance with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*.

Signed in accordance with a resolution of the Directors.



**Peter Warne**

Independent Non-Executive Chair

28 August 2026



**David Emerson**

Chief Executive Officer and Managing Director

28 August 2026

<sup>24</sup> Including the climate statements and notes required as at 28 August 2026 by legislative instrument.

## Independent Auditor's Review and Audit Report



### Independent Auditor's Review and Audit Report

To the shareholders of Virgin Australia Holdings Limited

**Report on specified Sustainability Disclosures of Virgin Australia Holdings Limited presented in the Sustainability Report titled "Sustainability Report" prepared in accordance with the Corporations Act 2001**

#### Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Virgin Australia Holdings Limited (the Company) titled "Sustainability Report" for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

| Specified Sustainability Disclosures subject to review | Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria) | Locations in Sustainability Report                           |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Governance disclosures                                 | Paragraph 6                                                                                                                                                                                       | Section "Governance" on pages 85-88                          |
| Strategy (risk and opportunities) disclosures          | Subparagraphs 9(a), 10(a) and 10(b)                                                                                                                                                               | Section "Strategy", subsection "Identified CRROs" on page 91 |

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures subject to review and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the Governance and Strategy (risk and opportunities) disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

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### Audit Opinion

We have conducted an audit of the following specified Sustainability Disclosures in the Sustainability Report of Virgin Australia Holdings Limited for the year ended 30 June 2026 in accordance with ASSA 5010.

| Specified Sustainability Disclosures subject to audit                                | Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)                                                  | Locations in Sustainability Report                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1 greenhouse gas emissions                                                     | Subparagraphs 29(a)(i)(1) to (2) and 29(a)(iii) to (v)                                                                                                                                                                                             | Section "Metrics & Targets", subsection "FY26 operational GHG emissions", on page 112, including the emissions calculation methodology described in the subsection "Methodology, assumptions, and uncertainties for calculation of GHG emissions" on page 113.   |
| Scope 2 greenhouse gas emissions (location and market based)                         | Subparagraphs 29(a)(i)(2) and 29(a)(iii) to (v)                                                                                                                                                                                                    | Section "Metrics & Targets", subsection "FY26 operational GHG emissions", on page 112, including the emissions calculation methodology described in the subsection "Methodology, assumptions, and uncertainties for calculation of GHG emissions" on page 113.   |
| Revenue-tonne-kilometre (RTK)                                                        | Appendix D paragraphs 50-53, the Company's basis of preparation described within the Sustainability Report and the National Greenhouse and Energy Reporting Act 2007 and National Greenhouse and Energy Reporting (Measurement) Determination 2008 | Section "Metrics & Targets", subsection "Performance against these targets" on page 112, including the emissions calculation methodology described in the subsection "Methodology, assumptions, and uncertainties for calculation of GHG emissions" on page 113. |
| Biogenic emissions associated with the combustion of Sustainable Aviation Fuel (SAF) | Appendix D paragraphs 50-53 and the Company's basis of preparation described within the Sustainability Report                                                                                                                                      | Section "Metrics & Targets", subsection "FY26 operational GHG emissions", on page 112, including the emissions calculation methodology described in the subsection "Methodology, assumptions, and uncertainties for calculation of GHG emissions" on page 113.   |

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

In our opinion the Specified Sustainability Disclosures subject to audit in the table above are prepared in accordance with the Act, including the applicable requirements of:

- (a) Subsection 296A(2) (contents of climate statements);
- (b) Section 296C (compliance with Australian Sustainability Reporting Standard S2 *Climate-related Disclosures* issued by the Australian Accounting Standards Board and any Ministerial legislative instrument); and
- (c) Section 296D (climate statement disclosures).

## Basis for Conclusion and Opinion

### Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures subject to review are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed in our Review" section of our report.

### Basis for Opinion

Our audit has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our audit includes obtaining reasonable assurance about whether the specified Sustainability Disclosures subject to audit are free from material misstatement.

### Basis for Opinion and Conclusion

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion and opinion.

## Other Matter

We previously expressed unmodified audit opinions on:

- Scope 1 Greenhouse Gas emission for the year ended 30 June 2024 and 30 June 2025;
- Scope 2 Greenhouse Gas emissions for the year ended 30 June 2025; and
- Biogenic emissions associated with the combustion of Sustainable Aviation Fuel for the year ended 30 June 2025.

These engagements had different scopes from our current year engagement.

We previously expressed an unmodified review conclusion on Scope 2 Greenhouse Gas emissions for the year ended 30 June 2024. That engagement had a different scope from our current year engagement. The procedures performed in a limited assurance engagement are substantially less in scope than a reasonable assurance engagement and did not provide a basis for the expression of an opinion on the Scope 2 Greenhouse Gas emissions for the year ended 30 June 2024.

Comparative information for Biogenic Emissions for the year ended 30 June 2024 and Revenue-tonne-kilometre for the years ended 30 June 2025 and 30 June 2024 were not subject to an assurance engagement in prior years.

Our conclusion and opinion are not modified with respect to this matter.

#### Other Information

The Directors of Virgin Australia Holdings Limited are responsible for the other information. The other information comprises Virgin Australia Holdings Limited's Annual Report including the Financial Report, Remuneration Report and Sustainability Report, but does not include the specified Sustainability Disclosures and our review and audit report thereon.

Our conclusion and opinion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion and opinion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review and audit of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review and audit, or otherwise, appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities for the specified Sustainability Disclosures

The Directors of Virgin Australia Holdings Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act;
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of Specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

#### Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts; (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

#### Auditor's Responsibilities

Our objectives are to plan and perform the review and audit to obtain limited and reasonable assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review and audit report that includes our conclusion and opinion, respectively. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Specified Sustainability Disclosures.

As part of our review and audit in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

**Limited assurance**

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

**Reasonable assurance**

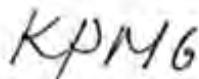
- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, at the assertion level for the disclosure, but not for the purpose of providing an opinion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the assertion level for the disclosure.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### Summary of the Work Performed in our Review

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the Specified Sustainability Disclosures subject to review. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with relevant Virgin Australia Holdings Limited personnel to understand the governance structures and reporting process;
- Enquired with relevant Virgin Australia Holdings Limited personnel to understand the process for developing the governance and strategy disclosures;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed the Company's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the Specified Sustainability Disclosures subject to review.



KPMG



Suzanne Bell  
Partner

Brisbane, 28 August 2026

# Financial Report



# Financial Report

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# Consolidated statement of profit or loss

For the year ended 30 June 2026

|                                                          | Notes | 2026<br>\$m      | 2025<br>\$m      |
|----------------------------------------------------------|-------|------------------|------------------|
| <b>Revenue and income</b>                                |       |                  |                  |
| Airline passenger and freight revenue                    | 2     | 5,924.9          | 5,408.8          |
| Loyalty program revenue                                  | 2     | 399.1            | 373.2            |
| Other income                                             |       | 28.9             | 27.7             |
| <b>Revenue and income</b>                                |       | <b>6,352.9</b>   | <b>5,809.7</b>   |
| <b>Expenditure</b>                                       |       |                  |                  |
| Labour and staff related                                 | 3     | (1,473.7)        | (1,380.1)        |
| Airport charges, navigation and station operations       |       | (1,238.4)        | (1,072.9)        |
| Fuel and oil                                             |       | (1,090.8)        | (1,091.4)        |
| Depreciation and amortisation                            | 4     | (492.2)          | (424.1)          |
| Commissions, other marketing and reservations            |       | (448.5)          | (419.0)          |
| Contract and other maintenance                           |       | (381.6)          | (397.7)          |
| Communications and technology                            |       | (171.0)          | (154.4)          |
| Aircraft variable leases                                 |       | (68.2)           | (84.6)           |
| Net foreign exchange gain/(loss)                         |       | 42.4             | (8.8)            |
| Other                                                    |       | (253.6)          | (352.2)          |
| <b>Expenditure</b>                                       |       | <b>(5,575.6)</b> | <b>(5,385.2)</b> |
| <b>Statutory profit before net finance costs and tax</b> |       | <b>777.3</b>     | <b>424.5</b>     |
| Finance income                                           |       | 60.0             | 49.9             |
| Finance costs                                            |       | (234.3)          | (221.6)          |
| <b>Net finance costs</b>                                 | 5     | <b>(174.3)</b>   | <b>(171.7)</b>   |
| <b>Statutory profit before tax</b>                       |       | <b>603.0</b>     | <b>252.8</b>     |
| Income tax (expense)/benefit                             | 6     | (101.8)          | 225.7            |
| <b>Statutory profit</b>                                  |       | <b>501.2</b>     | <b>478.5</b>     |
|                                                          |       | <b>cents</b>     | <b>cents</b>     |
| Basic earnings per share                                 | 7     | 66.6             | 65.4             |
| Diluted earnings per share                               | 7     | 63.2             | 65.2             |

The consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

# Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

|                                                                                           | 2026<br>\$m  | 2025<br>\$m   |
|-------------------------------------------------------------------------------------------|--------------|---------------|
| <b>Statutory profit</b>                                                                   | <b>501.2</b> | <b>478.5</b>  |
| <b>Items that are or may be subsequently reclassified to profit or loss</b>               |              |               |
| Foreign currency translation of foreign entities                                          | –            | (11.9)        |
| Effective portion of changes in fair value of cash flow hedges <sup>1</sup>               | 144.3        | 5.2           |
| Net change in hedge reserve for time value of options <sup>1</sup>                        | (36.0)       | (46.3)        |
| Transfer of effective hedging (gains)/losses to profit or loss <sup>1</sup>               | (87.9)       | 18.9          |
| De-designation of ineffective cash flow hedges transferred to profit or loss <sup>1</sup> | –            | (0.4)         |
| <b>Total other comprehensive income</b>                                                   | <b>20.4</b>  | <b>(34.5)</b> |
| <b>Total comprehensive income</b>                                                         | <b>521.6</b> | <b>444.0</b>  |

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

<sup>1</sup> Net of tax.

# Consolidated statement of financial position

As at 30 June 2026

|                                      | Notes | 2026<br>\$m    | 2025<br>\$m    |
|--------------------------------------|-------|----------------|----------------|
| <b>Current assets</b>                |       |                |                |
| Cash and cash equivalents            | 17    | 1,375.4        | 1,035.2        |
| Term deposits at bank                | 17    | 468.1          | 83.0           |
| Receivables                          | 9     | 350.7          | 367.7          |
| Inventories                          | 10    | 33.1           | 29.0           |
| Derivative financial instruments     | 22    | 50.1           | 11.5           |
| Current tax assets                   |       | 67.8           | –              |
| Other financial assets               | 11    | 74.1           | 44.9           |
| <b>Total current assets</b>          |       | <b>2,419.3</b> | <b>1,571.3</b> |
| <b>Non-current assets</b>            |       |                |                |
| Receivables                          | 9     | 136.5          | 116.2          |
| Derivative financial instruments     | 22    | 1.9            | –              |
| Other financial assets               | 11    | 57.3           | 86.9           |
| Property, plant and equipment        | 14    | 3,376.0        | 2,712.6        |
| Intangible assets                    | 15    | 35.9           | 41.9           |
| Deferred tax assets                  | 6     | 214.1          | 343.2          |
| <b>Total non-current assets</b>      |       | <b>3,821.7</b> | <b>3,300.8</b> |
| <b>Total assets</b>                  |       | <b>6,241.0</b> | <b>4,872.1</b> |
| <b>Current liabilities</b>           |       |                |                |
| Payables                             |       | 639.9          | 581.9          |
| Unearned revenue and income          | 12    | 1,660.3        | 1,663.4        |
| Lease liabilities                    | 18    | 238.4          | 230.2          |
| Interest-bearing liabilities         | 19    | 118.7          | 513.3          |
| Provisions                           | 13    | 498.6          | 346.4          |
| Derivative financial instruments     | 22    | 16.9           | 17.5           |
| Current tax liabilities              |       | –              | 102.8          |
| <b>Total current liabilities</b>     |       | <b>3,172.8</b> | <b>3,455.5</b> |
| <b>Non-current liabilities</b>       |       |                |                |
| Lease liabilities                    | 18    | 1,170.4        | 754.1          |
| Interest-bearing liabilities         | 19    | 1,470.1        | 798.1          |
| Provisions                           | 13    | 654.9          | 679.0          |
| <b>Total non-current liabilities</b> |       | <b>3,295.4</b> | <b>2,231.2</b> |
| <b>Total liabilities</b>             |       | <b>6,468.2</b> | <b>5,686.7</b> |
| <b>Net liabilities</b>               | 33(e) | <b>(227.2)</b> | <b>(814.6)</b> |
| <b>Equity</b>                        |       |                |                |
| Share capital                        | 20    | 2,268.8        | 2,240.2        |
| Reserves                             |       | (483.0)        | (540.6)        |
| Accumulated losses                   |       | (2,013.0)      | (2,514.2)      |
| <b>Total equity</b>                  |       | <b>(227.2)</b> | <b>(814.6)</b> |

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

For the year ended 30 June 2026

|                                                                                                   |       | Share<br>capital<br>\$m | Hedge<br>reserve<br>\$m | Share-<br>based<br>payment<br>reserve<br>\$m | Other<br>reserves <sup>1</sup><br>\$m | Accumulated<br>losses<br>\$m | Total<br>equity<br>\$m |
|---------------------------------------------------------------------------------------------------|-------|-------------------------|-------------------------|----------------------------------------------|---------------------------------------|------------------------------|------------------------|
| 2026                                                                                              | Notes |                         |                         |                                              |                                       |                              |                        |
| Balance at 1 July 2025                                                                            |       | 2,240.2                 | (33.6)                  | 46.6                                         | (553.6)                               | (2,514.2)                    | (814.6)                |
| Statutory profit                                                                                  |       | –                       | –                       | –                                            | –                                     | 501.2                        | 501.2                  |
| Other comprehensive income                                                                        |       |                         |                         |                                              |                                       |                              |                        |
| Effective portion of changes in fair value of cash flow hedges <sup>2</sup>                       |       | –                       | 144.3                   | –                                            | –                                     | –                            | 144.3                  |
| Net change in hedge reserve for time value of options <sup>2</sup>                                |       | –                       | (36.0)                  | –                                            | –                                     | –                            | (36.0)                 |
| Transfer of effective hedging (gains)/losses to profit or loss <sup>2</sup>                       |       | –                       | (87.9)                  | –                                            | –                                     | –                            | (87.9)                 |
| Total other comprehensive income                                                                  |       | –                       | 20.4                    | –                                            | –                                     | –                            | 20.4                   |
| Total comprehensive income                                                                        |       | –                       | 20.4                    | –                                            | –                                     | 501.2                        | 521.6                  |
| Net change in fair value of cash flow hedges transferred to initial carrying value of hedged item |       | –                       | 16.0                    | –                                            | –                                     | –                            | 16.0                   |
| Transactions with owners                                                                          |       |                         |                         |                                              |                                       |                              |                        |
| Share-based payment transactions                                                                  |       | 28.6                    | –                       | 21.2                                         | –                                     | –                            | 49.8                   |
| Dividends                                                                                         | 21    | –                       | –                       | –                                            | –                                     | –                            | –                      |
| Total transactions with owners                                                                    |       | 28.6                    | –                       | 21.2                                         | –                                     | –                            | 49.8                   |
| Balance at 30 June 2026                                                                           |       | 2,268.8                 | 2.8                     | 67.8                                         | (553.6)                               | (2,013.0)                    | (227.2)                |

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

<sup>1</sup> Other reserves includes transactions with owners in their capacity as owners.

<sup>2</sup> Net of tax.

# Consolidated statement of changes in equity

For the year ended 30 June 2026

|                                                                                                          |       | Share<br>capital<br>\$m | Foreign<br>currency<br>translation<br>reserve<br>\$m | Hedge<br>reserve<br>\$m | Share-<br>based<br>payment<br>reserve<br>\$m | Other<br>reserves <sup>3</sup><br>\$m | Accumulated<br>losses<br>\$m | Total<br>equity<br>\$m |
|----------------------------------------------------------------------------------------------------------|-------|-------------------------|------------------------------------------------------|-------------------------|----------------------------------------------|---------------------------------------|------------------------------|------------------------|
| 2025                                                                                                     | Notes |                         |                                                      |                         |                                              |                                       |                              |                        |
| <b>Balance at 1 July 2024</b>                                                                            |       | <b>2,240.2</b>          | <b>11.9</b>                                          | <b>(10.8)</b>           | <b>26.3</b>                                  | <b>(553.6)</b>                        | <b>(2,892.7)</b>             | <b>(1,178.7)</b>       |
| <b>Statutory profit</b>                                                                                  |       | –                       | –                                                    | –                       | –                                            | –                                     | 478.5                        | 478.5                  |
| <b>Other comprehensive income</b>                                                                        |       |                         |                                                      |                         |                                              |                                       |                              |                        |
| Foreign currency translation of foreign entities                                                         |       | –                       | (11.9)                                               | –                       | –                                            | –                                     | –                            | (11.9)                 |
| Effective portion of changes in fair value of cash flow hedges <sup>4</sup>                              |       | –                       | –                                                    | 5.2                     | –                                            | –                                     | –                            | 5.2                    |
| Net change in hedge reserve for time value of options <sup>4</sup>                                       |       | –                       | –                                                    | (46.3)                  | –                                            | –                                     | –                            | (46.3)                 |
| Transfer of effective hedging (gains)/losses to profit or loss <sup>4</sup>                              |       | –                       | –                                                    | 18.9                    | –                                            | –                                     | –                            | 18.9                   |
| De-designation of ineffective cash flow hedges transferred to profit or loss <sup>4</sup>                |       | –                       | –                                                    | (0.4)                   | –                                            | –                                     | –                            | (0.4)                  |
| <b>Total other comprehensive income</b>                                                                  |       | –                       | <b>(11.9)</b>                                        | <b>(22.6)</b>           | –                                            | –                                     | –                            | <b>(34.5)</b>          |
| <b>Total comprehensive income</b>                                                                        |       | –                       | <b>(11.9)</b>                                        | <b>(22.6)</b>           | –                                            | –                                     | 478.5                        | 444.0                  |
| <b>Net change in fair value of cash flow hedges transferred to initial carrying value of hedged item</b> |       | –                       | –                                                    | <b>(0.2)</b>            | –                                            | –                                     | –                            | <b>(0.2)</b>           |
| <b>Transactions with owners</b>                                                                          |       |                         |                                                      |                         |                                              |                                       |                              |                        |
| Share-based payment transactions                                                                         |       | –                       | –                                                    | –                       | 20.3                                         | –                                     | –                            | 20.3                   |
| Dividends                                                                                                | 21    | –                       | –                                                    | –                       | –                                            | –                                     | (100.0)                      | (100.0)                |
| <b>Total transactions with owners</b>                                                                    |       | –                       | –                                                    | –                       | <b>20.3</b>                                  | –                                     | <b>(100.0)</b>               | <b>(79.7)</b>          |
| <b>Balance at 30 June 2025</b>                                                                           |       | <b>2,240.2</b>          | –                                                    | <b>(33.6)</b>           | <b>46.6</b>                                  | <b>(553.6)</b>                        | <b>(2,514.2)</b>             | <b>(814.6)</b>         |

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

<sup>3</sup> Other reserves includes transactions with owners in their capacity as owners.

<sup>4</sup> Net of tax.

# Consolidated statement of cash flows

For the year ended 30 June 2026

|                                                                                              | Notes | 2026<br>\$m    | 2025<br>\$m    |
|----------------------------------------------------------------------------------------------|-------|----------------|----------------|
| <b>Cash flows from operating activities</b>                                                  |       |                |                |
| Receipts from customers                                                                      |       | 7,013.0        | 6,542.6        |
| Payments to suppliers and employees                                                          |       | (5,553.9)      | (5,397.9)      |
| Australian income taxes paid                                                                 |       | (158.8)        | –              |
| <b>Net cash from operating activities</b>                                                    | 8     | <b>1,300.3</b> | <b>1,144.7</b> |
| <b>Cash flows from investing activities</b>                                                  |       |                |                |
| Acquisition of property, plant and equipment                                                 |       | (882.3)        | (493.0)        |
| Proceeds from disposal of property, plant and equipment                                      |       | 471.3          | 0.5            |
| Acquisition of intangible assets                                                             |       | (1.7)          | (3.0)          |
| Interest received                                                                            |       | 55.2           | 51.8           |
| Payments for term deposits at bank                                                           |       | (885.3)        | (267.4)        |
| Proceeds from term deposits at bank                                                          |       | 500.2          | 313.4          |
| Payments for deposits in other financial assets                                              |       | (51.0)         | (45.9)         |
| Proceeds from deposits in other financial assets                                             |       | 16.6           | 41.5           |
| <b>Net cash used in investing activities</b>                                                 |       | <b>(777.0)</b> | <b>(402.1)</b> |
| <b>Cash flows from financing activities</b>                                                  |       |                |                |
| Proceeds from interest-bearing liabilities                                                   | 19    | 833.3          | 128.4          |
| Payment of transaction costs relating to interest-bearing liabilities                        | 19    | (18.3)         | (1.4)          |
| Repayment of interest-bearing liabilities                                                    | 19    | (537.4)        | (205.9)        |
| Interest paid (interest-bearing liabilities)                                                 |       | (78.2)         | (96.1)         |
| Payment of lease liabilities                                                                 |       | (254.1)        | (231.2)        |
| Interest paid (lease liabilities)                                                            |       | (92.6)         | (74.7)         |
| Dividends paid                                                                               | 21    | –              | (108.7)        |
| <b>Net cash used in financing activities</b>                                                 |       | <b>(147.3)</b> | <b>(589.6)</b> |
| Net increase in cash and cash equivalents                                                    |       | 376.0          | 153.0          |
| Cash and cash equivalents at 1 July                                                          |       | 1,035.2        | 875.6          |
| Effect of exchange rate fluctuations on cash and cash equivalents                            |       | (35.8)         | 6.6            |
| <b>Cash and cash equivalents</b>                                                             | 17    | <b>1,375.4</b> | <b>1,035.2</b> |
| <b>Term deposits at bank</b>                                                                 | 17    | <b>468.1</b>   | <b>83.0</b>    |
| <b>Cash, cash equivalents and term deposits at bank at the end of the period<sup>1</sup></b> | 17    | <b>1,843.5</b> | <b>1,118.2</b> |

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

<sup>1</sup> Total movement in cash, cash equivalents and term deposits at bank from 30 June 2025 was a net increase of \$725.3 million represented by an increase in cash and cash equivalents of \$340.2 million and an increase in term deposits at bank of \$385.1 million.

# Notes to the financial statements

## A. Results

### 1. Operating segments

The Group's reportable operating segments have been identified based on the financial information currently provided to the Group's Chief Operating Decision Maker (CODM), the Chief Executive Officer, who is responsible for allocating resources and assessing the performance of the operating segments. The following operating segments have been determined based on the key business activities of the Group:

- Airlines – the Group's aviation activities, including domestic, international, charter (VARA) and freight.
- Velocity – the Group's loyalty program.

| 2026                                                  | Airlines<br>\$m | Velocity<br>\$m | Eliminations<br>\$m | Total<br>\$m   |
|-------------------------------------------------------|-----------------|-----------------|---------------------|----------------|
| External segment revenue and income <sup>1</sup>      | 5,878.8         | 403.0           | (3.9)               | 6,277.9        |
| Inter-segment revenue                                 | 145.1           | 83.6            | (228.7)             | –              |
| <b>Underlying revenue and income</b>                  | <b>6,023.9</b>  | <b>486.6</b>    | <b>(232.6)</b>      | <b>6,277.9</b> |
| <b>Underlying EBITDA</b>                              | <b>1,099.2</b>  | <b>146.1</b>    | <b>(5.6)</b>        | <b>1,239.7</b> |
| Underlying depreciation and amortisation <sup>2</sup> | (483.3)         | (3.2)           | –                   | (486.5)        |
| <b>Underlying EBIT</b>                                | <b>615.9</b>    | <b>142.9</b>    | <b>(5.6)</b>        | <b>753.2</b>   |
| Finance income                                        |                 |                 |                     | 60.0           |
| Finance costs                                         |                 |                 |                     | (234.3)        |
| <b>Underlying profit before tax</b>                   |                 |                 |                     | <b>578.9</b>   |
| Expiry of COVID-19 credits (refer note 12)            |                 |                 |                     | 75.0           |
| Foreign exchange revaluation on aircraft leases       |                 |                 |                     | 41.3           |
| IPO and transaction costs                             |                 |                 |                     | 5.0            |
| IPO related share-based payments                      |                 |                 |                     | (40.8)         |
| IT transformation projects                            |                 |                 |                     | (29.6)         |
| Restructuring and transformation costs                |                 |                 |                     | (18.0)         |
| Impairment of assets and accelerated depreciation     |                 |                 |                     | (5.7)          |
| Other                                                 |                 |                 |                     | (3.1)          |
| <b>Profit before tax</b>                              |                 |                 |                     | <b>603.0</b>   |
| Income tax expense                                    |                 |                 |                     | (101.8)        |
| <b>Statutory profit</b>                               |                 |                 |                     | <b>501.2</b>   |

<sup>1</sup> Total segment revenue and income excludes \$75.0 million of revenue from expiry of COVID-19 Credits, which is included in airline passenger revenue in the consolidated statement of profit or loss.

<sup>2</sup> Total underlying depreciation and amortisation is a non-IFRS measure and excludes \$5.7 million of accelerated depreciation included in the 'Impairment of assets and accelerated depreciation' item below Underlying profit before tax.

## 1. Operating segments (continued)

| 2025                                                  | Airlines<br>\$m | Velocity<br>\$m | Eliminations<br>\$m | Total<br>\$m   |
|-------------------------------------------------------|-----------------|-----------------|---------------------|----------------|
| External segment revenue and income                   | 5,436.5         | 376.0           | (2.8)               | 5,809.7        |
| Inter-segment revenue                                 | 139.6           | 74.0            | (213.6)             | –              |
| <b>Underlying revenue and income</b>                  | <b>5,576.1</b>  | <b>450.0</b>    | <b>(216.4)</b>      | <b>5,809.7</b> |
| <b>Underlying EBITDA</b>                              | <b>945.3</b>    | <b>131.2</b>    | <b>2.4</b>          | <b>1,078.9</b> |
| Underlying depreciation and amortisation <sup>3</sup> | (410.6)         | (3.9)           | –                   | (414.5)        |
| <b>Underlying EBIT</b>                                | <b>534.7</b>    | <b>127.3</b>    | <b>2.4</b>          | <b>664.4</b>   |
| Finance income                                        |                 |                 |                     | 49.9           |
| Finance costs                                         |                 |                 |                     | (221.6)        |
| <b>Underlying profit before tax</b>                   |                 |                 |                     | <b>492.7</b>   |
| Foreign exchange revaluation on aircraft leases       |                 |                 |                     | (2.5)          |
| IPO and transaction costs                             |                 |                 |                     | (99.9)         |
| IPO related share-based payments                      |                 |                 |                     | (16.0)         |
| IT transformation projects                            |                 |                 |                     | (54.5)         |
| Restructuring and transformation costs                |                 |                 |                     | (55.5)         |
| Impairment of assets and accelerated depreciation     |                 |                 |                     | (8.5)          |
| Other                                                 |                 |                 |                     | (3.0)          |
| <b>Profit before tax</b>                              |                 |                 |                     | <b>252.8</b>   |
| Income tax benefit                                    |                 |                 |                     | 225.7          |
| <b>Statutory profit</b>                               |                 |                 |                     | <b>478.5</b>   |

Underlying revenue and income, Underlying EBITDA and Underlying EBIT are used by the CODM to assess the financial performance of the Group's segments. Underlying profit or loss before tax, Underlying revenue and income, Underlying EBITDA and Underlying EBIT are not measures recognised by the Australian Accounting Standards or the International Financial Reporting Standards (IFRS) and are thus non-IFRS information.

Underlying profit or loss before tax represents profit or loss before tax excluding certain revenue and expenses that are considered to be transformational or outside of the Group's normal operating activities and also excludes foreign exchange revaluation gains or losses on aircraft lease liabilities. Underlying EBIT represents underlying profit or loss before tax excluding finance income and finance costs. Underlying EBITDA represents Underlying EBIT excluding segment depreciation and amortisation.

Inter-segment pricing is determined on an arm's length basis or a cost-plus margin basis.

Costs related to the Group's corporate functions (e.g. legal, human resources, finance, information technology, etc) have been primarily included in the results of the Airline segment.

<sup>3</sup> Total Underlying depreciation and amortisation is a non-IFRS measure and excludes \$9.6 million of accelerated depreciation included in the 'Impairment of assets and accelerated depreciation' and 'Restructuring and transformation costs' items below Underlying profit before tax.

## 2. Revenue

Airline passenger revenue is allocated proportionately to the geographic region in which point of sale occurs. During the year, 95% of airline passenger revenue was generated from Australia (2025: 97%). Loyalty program revenue is attributed to the Australian geographic region. Certain other amounts are not allocated to a geographic region as it is impractical to do so.

### *Accounting policy*

Revenue is measured based on the consideration specified in a contract with a customer. The Group considers whether it is a principal or agent in relation to services by considering whether it controls the service prior to that service being transferred to the customer. The Group acts as an agent when collecting revenue in relation to airline passenger services provided by other carriers. Commissions received from other carriers are paid subsequent to carriage being performed, in accordance with normal industry credit terms.

#### *i. Airline passenger revenue*

Airline passenger revenue comprises revenue from passenger and charter ticket sales including the provision of ancillary flight benefits, such as baggage and change fees, which are not considered to be distinct from the passenger ticket. Airline passenger and ancillary revenue is recognised in profit or loss when carriage is performed, net of sales discounts, certain commissions and Goods and Services Tax.

Airline passenger revenue is generally received in advance of carriage and is deferred to the consolidated statement of financial position as unearned revenue until the revenue recognition criteria are satisfied.

The Group is a party to various alliance arrangements. Revenue under these arrangements is recognised in profit or loss when the Group performs the carriage or otherwise fulfils all relevant contractual commitments.

The incremental costs in relation to ticket sales are recognised as an expense when incurred on the basis that airline passenger revenue is expected to be recognised within 12 months.

Members of the Velocity Frequent Flyer program accumulate loyalty points by, inter alia, travelling on qualifying airline services. The transaction price related to ticket sales is proportionately allocated to the obligation to provide awards to members and to the ticket sales, based on their relative stand-alone selling prices. The portion allocated to the obligation to provide awards to members is deferred to the consolidated statement of financial position as unearned loyalty program revenue until the revenue recognition criteria are satisfied.

#### *ii. Loyalty program revenue*

The Group receives participation fee revenue from participation partners for the rights to have loyalty points allocated to members of the Velocity Frequent Flyer program. This results in an obligation of the Group to provide awards to members when these points are redeemed.

Loyalty program revenue is comprised of two performance obligations. The stand-alone selling price of the obligation to provide awards to members is calculated using expected redemption costs plus a reasonable profit margin and adjusted for the proportion of points not expected to be redeemed (breakage). It is deferred to the consolidated statement of financial position as unearned revenue. The residual amount, which represents marketing services, is recognised when the points are issued, and the Group has a right to invoice the participation partner. This occurs as the service is provided, which occurs over time. The consideration is generally received subsequent to the issue of points based on the Group's normal credit terms.

### 3. Labour and staff related

Labour and staff related expenses includes the salary, wages, on-costs, recruitment costs, payments to defined contribution plans and share-based payments for the Group.

The Group contributes to several defined contribution plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Such contributions are charged to profit or loss in the periods during which services are rendered by employees. The amount recognised as an expense within labour and staff related expenses for the year ended 30 June 2026 was \$114.4 million (2025: \$101.9 million).

Share-based compensation benefits are provided to employees via the equity-based remuneration schemes described in note 29. The amount recognised as an expense within labour and staff related expenses for the year ended 30 June 2026 was \$48.9 million (2025: \$20.3 million).

### 4. Depreciation and amortisation

|                                               | Notes | 2026<br>\$m  | 2025<br>\$m  |
|-----------------------------------------------|-------|--------------|--------------|
| Depreciation of property, plant and equipment | 14    | 251.1        | 223.9        |
| Depreciation of right-of-use assets           | 14    | 233.4        | 194.0        |
| Amortisation of intangibles                   | 15    | 7.7          | 6.2          |
| <b>Total depreciation and amortisation</b>    |       | <b>492.2</b> | <b>424.1</b> |

### 5. Net finance costs

|                                                      | 2026<br>\$m    | 2025<br>\$m    |
|------------------------------------------------------|----------------|----------------|
| Interest on cash, cash equivalents and term deposits | 60.0           | 49.9           |
| <b>Total finance income</b>                          | <b>60.0</b>    | <b>49.9</b>    |
| Interest and finance charges                         | (96.4)         | (95.4)         |
| Interest on lease liabilities                        | (92.6)         | (74.7)         |
| Unwinding of discount on provisions and receivables  | (45.3)         | (51.5)         |
| <b>Total finance costs</b>                           | <b>(234.3)</b> | <b>(221.6)</b> |
| <b>Net finance costs</b>                             | <b>(174.3)</b> | <b>(171.7)</b> |

## 6. Taxation

Virgin Australia Holdings Limited (VAH) and its 100% owned Australian resident subsidiaries are part of the VAH income tax consolidated group (TCG).

The head entity and each of the members of the VAH TCG have entered into a tax sharing agreement. Under the terms of the agreement, the members of the VAH TCG have agreed to pay (or receive) an amount to (or from) the head entity (VAH), based on the notional current tax liability or notional current tax asset of the relevant member.

In addition to its own current and deferred tax amounts, VAH, as head entity of the VAH TCG, recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the TCG, subject to the satisfaction of the recognition requirements in AASB 112 *Income Taxes*.

### a) Reconciliation of income tax expense

|                                                                 | 2026<br>\$m    | 2025<br>\$m  |
|-----------------------------------------------------------------|----------------|--------------|
| <b>Statutory profit before tax</b>                              | <b>603.0</b>   | <b>252.8</b> |
| Tax expense at the Australian tax rate of 30% (2025: 30%)       | (180.9)        | (75.8)       |
| Tax effect of amounts which are not included in taxable income: |                |              |
| Net movements in temporary differences not recognised           | –              | (42.7)       |
| Utilisation of previously unrecognised tax losses               | –              | 21.2         |
| Recognition of previously unrecognised deferred tax asset       | 87.5           | 319.7        |
| Other non-deductible or non-assessable amounts                  | (8.4)          | 3.3          |
| <b>Income tax (expense)/benefit</b>                             | <b>(101.8)</b> | <b>225.7</b> |
| Represented by:                                                 |                |              |
| Current tax expense                                             | (75.8)         | (103.1)      |
| Deferred tax (expense)/benefit                                  | (26.0)         | 328.8        |
| <b>Income tax (expense)/benefit</b>                             | <b>(101.8)</b> | <b>225.7</b> |

Income tax expense totalled \$101.8 million for the year ended 30 June 2026 in comparison to the income tax benefit of \$225.7 million recorded in the year ended 30 June 2025. An income tax benefit arose in the year ending 30 June 2025 due to the one-off recognition of previously unrecognised deferred tax assets on temporary differences.

## 6. Taxation (continued)

### b) Deferred tax

The composition of the Group's unrecognised net deferred tax asset and the net deferred tax expense recognised in the consolidated statement of profit or loss and other comprehensive income is as follows:

|                                       | Consolidated<br>statement of<br>financial position |                | Consolidated<br>statement of profit<br>or loss |               | Consolidated<br>statement of other<br>comprehensive<br>income |             |
|---------------------------------------|----------------------------------------------------|----------------|------------------------------------------------|---------------|---------------------------------------------------------------|-------------|
|                                       | 2026                                               | 2025           | 2026                                           | 2025          | 2026                                                          | 2025        |
|                                       | \$m                                                | \$m            | \$m                                            | \$m           | \$m                                                           | \$m         |
| <b>Deferred tax assets</b>            |                                                    |                |                                                |               |                                                               |             |
| Provisions                            | 353.4                                              | 316.8          | 36.6                                           | 77.9          | –                                                             | –           |
| Payables                              | 24.6                                               | 5.9            | 18.7                                           | (2.8)         | –                                                             | –           |
| Unearned loyalty program revenue      | 214.9                                              | 188.1          | 26.8                                           | 22.9          | –                                                             | –           |
| Other liabilities                     | (0.5)                                              | 18.4           | (18.9)                                         | 11.6          | –                                                             | –           |
| Lease liabilities                     | 416.4                                              | 289.0          | 127.4                                          | 6.5           | –                                                             | –           |
| Other assets                          | 44.1                                               | 45.7           | (1.6)                                          | 5.1           | –                                                             | –           |
| Cash flow hedges                      | (1.2)                                              | 14.4           | –                                              | –             | (15.6)                                                        | 14.4        |
| Tax losses carried forward            | –                                                  | 130.9          | 87.5                                           | (23.5)        | –                                                             | –           |
| <b>Total deferred tax assets</b>      | <b>1,051.7</b>                                     | <b>1,009.2</b> | <b>276.5</b>                                   | <b>97.7</b>   | <b>(15.6)</b>                                                 | <b>14.4</b> |
| <b>Deferred tax liabilities</b>       |                                                    |                |                                                |               |                                                               |             |
| Property, plant and equipment         | (711.8)                                            | (466.8)        | (245.0)                                        | (49.2)        | –                                                             | –           |
| Maintenance assets                    | (125.8)                                            | (68.3)         | (57.5)                                         | (20.2)        | –                                                             | –           |
| <b>Total deferred tax liabilities</b> | <b>(837.6)</b>                                     | <b>(535.1)</b> | <b>(302.5)</b>                                 | <b>(69.4)</b> | <b>–</b>                                                      | <b>–</b>    |
| <b>Net deferred tax assets</b>        | <b>214.1</b>                                       | <b>474.1</b>   | <b>(26.0)</b>                                  | <b>28.3</b>   | <b>(15.6)</b>                                                 | <b>14.4</b> |
| <b>Represented by:</b>                |                                                    |                |                                                |               |                                                               |             |
| Recognised deferred tax assets        | 214.1                                              | 343.2          | (113.5)                                        | 328.8         | (15.6)                                                        | 14.4        |
| Unrecognised deferred tax assets      | –                                                  | 130.9          | –                                              | –             | –                                                             | –           |
| <b>Net deferred tax assets</b>        | <b>214.1</b>                                       | <b>474.1</b>   | <b>(113.5)</b>                                 | <b>328.8</b>  | <b>(15.6)</b>                                                 | <b>14.4</b> |

## 6. Taxation (continued)

### *Critical accounting estimates and judgements*

Deferred tax assets for deductible temporary differences and carried forward tax losses are recognised only to the extent that it is probable that taxable profit will be available against which they can be utilised. Judgement is required in determining the probability, timing and extent of future taxable profits.

As at 30 June 2026, the Group continues to recognise deferred tax assets on temporary differences of \$214.1 million. The reduction in recognised deferred tax assets of \$129.1 million between 30 June 2026 and 30 June 2025 has been recognised in profit or loss and other comprehensive income.

The unrecognised deferred tax asset at 30 June 2025 of \$130.9 million related to tax losses carried forward from the Group's activities prior to entering voluntary administration. As at 30 June 2026, the administration process is now substantially complete and there are no steps remaining in the finalisation of the administration process that are expected to materially impact on the Group's assessment of the tax impacts of the final amounts of debts forgiven.

As a result, the Group has completed its assessment of the quantum of tax losses available subsequent to considering the impacts of debts forgiven as a result of the Group's entry into voluntary administration. This has resulted in the recognition of \$87.5 million of tax losses at 31 December 2025 which have been applied against the Group's 30 June 2025 income tax liability. Consequently, as at 30 June 2026 the Group has now utilised all of its carried forward tax losses and there is no corresponding deferred tax asset either recognised on the balance sheet or remaining unrecognised. The assessment completed by the Group involved judgement due to the complexity of tax requirements and the specific facts and circumstances applying to the Group's entry into voluntary administration. The Group's assessment remains subject to review by the Australian Taxation Office in conjunction with the Group's 30 June 2025 income tax return, which was lodged in March 2026.

### c) Pillar Two top up tax

The Organisation for Economic Cooperation and Development (OECD) introduced a global framework that seeks to ensure that multinationals with turnover exceeding EUR 750 million would be subject to a 15% global minimum tax.

Based on the assessment performed by the Group, no material top up taxes have been recognised.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

### d) Franking credits

|                                            | <b>2026</b> |
|--------------------------------------------|-------------|
|                                            | <b>\$m</b>  |
| Franking credit account balance at 30 June | 158.5       |
| Current tax asset                          | (67.8)      |
| <b>Total franking account</b>              | <b>90.7</b> |

## 7. Earnings per share

|                                                                                       | 2026<br>\$m   | 2025<br>\$m   |
|---------------------------------------------------------------------------------------|---------------|---------------|
| <b>Statutory profit</b>                                                               | <b>501.2</b>  | <b>478.5</b>  |
|                                                                                       | <b>No (m)</b> | <b>No (m)</b> |
| Weighted average number of ordinary shares for basic EPS                              | 753.0         | 732.0         |
| Effect of share options and share rights on issue <sup>4</sup>                        | 40.4          | 1.8           |
| <b>Weighted average number of ordinary shares adjusted for the effect of dilution</b> | <b>793.4</b>  | <b>733.8</b>  |
|                                                                                       | <b>cents</b>  | <b>cents</b>  |
| Basic earnings per share                                                              | 66.6          | 65.4          |
| Diluted earnings per share                                                            | 63.2          | 65.2          |

Basic earnings per share (EPS) is calculated by dividing the statutory profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS adjusts the basic EPS for the effects of any instruments that could potentially be converted to ordinary shares, including share options and share rights and performance rights issued under the Group's equity-based remuneration schemes. For further details on the Group's equity-based remuneration schemes, see note 29.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

<sup>4</sup> In prior periods, 'A' Class Shares issued under the Group's Legacy Incentive Schemes are excluded from the calculation of diluted EPS on the basis that their conversion to ordinary shares was contingent on either the listing or sale of the Group. Prior to the Group's listing on 24 June 2025, all 'A' Class Shares were converted to ordinary shares. To the extent these relate to share-based payment plans that have vested, they have been included in the calculation of basic EPS from this date. To the extent these relate to share-based payment arrangements that remain subject to vesting conditions and are treated as Treasury Shares, these are included in the calculation of diluted EPS from this date.

## 8. Reconciliation of statutory profit to net cash from operating activities

|                                                               | Notes | 2026<br>\$m    | 2025<br>\$m    |
|---------------------------------------------------------------|-------|----------------|----------------|
| <b>Statutory profit</b>                                       |       | <b>501.2</b>   | <b>478.5</b>   |
| <b>Adjustments for non-cash items</b>                         |       |                |                |
| Depreciation and amortisation                                 | 4     | 492.2          | 424.1          |
| Share-based payments expense                                  | 29    | 48.9           | 20.3           |
| Unrealised foreign exchange (gains)/losses                    |       | (42.4)         | 4.3            |
| Net change in fair value of cash flow hedges                  |       | 36.4           | (22.8)         |
| Net finance costs                                             | 5     | 174.3          | 171.7          |
| Other non-cash items                                          |       | 8.0            | (1.0)          |
| <b>Net adjusted profit after adjusting for non-cash items</b> |       | <b>1,218.6</b> | <b>1,075.1</b> |
| <b>Changes in assets and liabilities</b>                      |       |                |                |
| Decrease/(increase) in receivables                            |       | 8.6            | (154.2)        |
| Decrease/(increase) in inventories                            |       | (4.1)          | 0.3            |
| Decrease/(increase) in deferred tax assets                    |       | 113.7          | (328.8)        |
| Decrease/(increase) in derivative financial instruments       |       | (37.0)         | 20.4           |
| Increase/(decrease) in payables                               |       | 58.2           | 72.7           |
| Increase/(decrease) in tax liabilities                        |       | (170.7)        | 103.1          |
| Increase/(decrease) in provisions                             |       | 116.1          | 206.3          |
| Increase/(decrease) in unearned revenue                       |       | (3.1)          | 149.8          |
| <b>Net cash from operating activities</b>                     |       | <b>1,300.3</b> | <b>1,144.7</b> |

## B. Working capital and other assets and liabilities

This section sets out information relating to the working capital and other assets and liabilities of the Group. Working capital includes the assets and liabilities that are used in the day-to-day trading operations of the Group.

### 9. Receivables

|                                      | 2026<br>\$m  | 2025<br>\$m  |
|--------------------------------------|--------------|--------------|
| Trade receivables                    | 182.7        | 210.5        |
| Maintenance receivables              | 165.9        | 138.6        |
| Other receivables                    | 87.1         | 74.6         |
| Allowance for expected credit losses | (4.1)        | (4.0)        |
| Prepayments                          | 55.6         | 64.2         |
| <b>Total receivables</b>             | <b>487.2</b> | <b>483.9</b> |
| Current                              | 350.7        | 367.7        |
| Non-current                          | 136.5        | 116.2        |
| <b>Total receivables</b>             | <b>487.2</b> | <b>483.9</b> |

#### Accounting policy

Maintenance receivables represent amounts held at amortised cost owing from aircraft lessors in relation to contractually agreed contributions by the lessors to maintenance overhauls conducted by the Group.

### 10. Inventories

|                          | 2026<br>\$m | 2025<br>\$m |
|--------------------------|-------------|-------------|
| Engineering expendables  | 28.8        | 25.1        |
| Consumables stores       | 4.3         | 3.9         |
| <b>Total inventories</b> | <b>33.1</b> | <b>29.0</b> |

#### Accounting policy

Inventories are measured at the lower of cost and net realisable value. The costs of engineering consumables and uniforms are assigned to the individual items of inventory based on weighted average costs. Cost of catering inventory is determined using the first-in, first-out (FIFO) cost method. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Inventories expensed during the financial year totalled \$37.1 million (2025: \$30.2 million). In addition, inventories have been reduced by \$2.2 million (2025: \$5.4 million) as a result of a write-down to net realisable value.

## 11. Other financial assets

|                                     | 2026<br>\$m  | 2025<br>\$m  |
|-------------------------------------|--------------|--------------|
| Deposits                            | 19.5         | 32.8         |
| Maintenance reserve deposits        | 111.9        | 99.0         |
| <b>Total other financial assets</b> | <b>131.4</b> | <b>131.8</b> |
| Current                             | 74.1         | 44.9         |
| Non-current                         | 57.3         | 86.9         |
| <b>Total other financial assets</b> | <b>131.4</b> | <b>131.8</b> |

Additional maintenance reserve deposits of \$46.3 million (2025: \$39.2 million) were paid during the current financial year with \$33.4 million (2025: \$5.3 million) of deposits drawn to fund scheduled maintenance, return of aircraft on maintenance reserve and other revaluation adjustments.

### Accounting policy

Deposits include aircraft and other security deposits which are recognised at amortised cost. Maintenance reserve deposits are payments made to lessors under lease agreements and are measured at fair value with any resulting gains or losses recognised in the consolidated statement of profit or loss.

## 12. Unearned revenue and income

|                                          | 2026<br>\$m    | 2025<br>\$m    |
|------------------------------------------|----------------|----------------|
| Unearned passenger revenue               | 937.5          | 1,030.0        |
| Unearned loyalty program revenue         | 719.3          | 630.2          |
| Other unearned income                    | 3.5            | 3.2            |
| <b>Total unearned revenue and income</b> | <b>1,660.3</b> | <b>1,663.4</b> |
| Current                                  | 1,660.3        | 1,663.4        |
| <b>Total unearned revenue and income</b> | <b>1,660.3</b> | <b>1,663.4</b> |

Revenue of \$1,131.1 million (2025: \$854.0 million) was recognised in the current financial year that was included in the opening balance of unearned revenue.

### Critical accounting estimates and judgements

#### i. Unearned passenger revenue

The Group issues credit vouchers in a range of circumstances and classifies these as current as there are no restrictions on the ability of passengers to utilise these credits. Credit vouchers are recognised as revenue when carriage is performed, following redemption of the voucher or when the likelihood of a passenger utilising the voucher becomes remote, based on historical and expected future trends.

Judgement is used in estimating the revenue to be recognised from the proportion of unused tickets and credit vouchers which are expected to expire. In determining the proportion of passengers who are not expected or able to utilise their ticket or credit voucher in the financial year, management have considered the terms and conditions associated with credit vouchers issued by the Group, including the extended period of time provided to passengers to utilise these credits.

At 30 June 2026, the Group holds a total of \$71.9 million (2025: \$168.2 million) of flight credits (included within unearned passenger revenue) after recognising the impact of passengers who are not expected to utilise their credits. All credits have expiry terms of 12 months from issuance date.

## 12. Unearned revenue and income (continued)

During the year, the Group recognised \$75.0 million of revenue associated with the expiry of COVID credits issued between 21 April 2020 and 31 July 2022 in response to COVID-19 travel disruption. The COVID credits expired on 30 June 2026 in line with published terms and conditions and were previously included within unearned passenger revenue.

### *ii. Unearned loyalty program revenue*

At each reporting date, the Group estimates the amount of outstanding points that are expected to be redeemed based on the terms and conditions of the program, experience and historical and future trends. Changes in this estimate are recognised as revenue. In the current year, the following areas have been considered in forming assumptions relating to the behaviour of partners and members in the Velocity Frequent Flyer program which in turn impact upon the estimated stand-alone selling price and breakage rate applicable to loyalty points:

- inherent uncertainty in future member behaviour and engagement with the loyalty program;
- the expected level of engagement by members with new partner arrangements; and
- initiatives to engage with partners and members in the program.

### *Accounting policy*

Unearned passenger revenue comprises revenue from passenger ticket sales received in advance of carriage and is classified as current as all passenger tickets are expected to be used within 12 months. It is recognised as revenue when carriage is performed or, in the case of passengers not uplifted, when a passenger is not expected or able to utilise their ticket based on historical and future trends and fare rules.

Unearned loyalty program revenue comprises the obligation to provide awards to members in relation to points which have been issued but not yet redeemed. It is recognised as revenue when the points are redeemed or, in the case of points redeemed for qualifying airline services provided by the Group, when carriage is performed. Revenue per point is recognised using a weighted average value based on the balance of unearned loyalty program revenue divided by the number of points expected to be redeemed. Unearned loyalty revenue is classified as current as there are no restrictions on the ability of members to redeem their points. The Group expects a portion of the balance to be redeemed beyond 12 months.

## 13. Provisions

|                         | 2026<br>\$m    | 2025<br>\$m    |
|-------------------------|----------------|----------------|
| Maintenance             | 847.5          | 757.3          |
| Employee benefits       | 256.0          | 226.0          |
| Other provisions        | 50.0           | 42.1           |
| <b>Total provisions</b> | <b>1,153.5</b> | <b>1,025.4</b> |
| Current                 | 498.6          | 346.4          |
| Non-current             | 654.9          | 679.0          |
| <b>Total provisions</b> | <b>1,153.5</b> | <b>1,025.4</b> |

### Provision movements

|                                      | Maintenance<br>\$m | Other<br>\$m | Total<br>\$m |
|--------------------------------------|--------------------|--------------|--------------|
| <b>2026</b>                          |                    |              |              |
| Balance at 1 July 2025               | 757.3              | 42.1         | 799.4        |
| Provisions made                      | 241.0              | 6.3          | 247.3        |
| Provisions utilised                  | (91.8)             | –            | (91.8)       |
| Provisions reversed                  | (60.3)             | –            | (60.3)       |
| Unwinding of discount                | 41.7               | 1.6          | 43.3         |
| Effect of exchange rate fluctuations | (40.4)             | –            | (40.4)       |
| <b>Balance at 30 June 2026</b>       | <b>847.5</b>       | <b>50.0</b>  | <b>897.5</b> |

### Critical accounting estimates and judgements

The calculation of the maintenance provision requires the use of significant estimates and judgements. These include the expected use of the aircraft during the lease term, required timing of prescribed shop visits and forecast or contractual maintenance costs. The provision is discounted using corporate bond rates at the reporting date which most closely match the terms of maturity of the related provision. Changes in judgements and estimates relating to forecast costs and discount rates are recognised in the consolidated statement of profit or loss.

## 13. Provisions (continued)

### *Accounting policy*

A provision is a liability of uncertain timing or amount. A provision is recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be estimated reliably. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate and the unwinding of the discount is recognised as a finance cost.

#### *i. Employee benefits*

Liabilities for annual leave are measured at their nominal amounts and represent the amounts expected to be paid when the liabilities are settled.

Provisions for long-term employee benefits, such as long service leave, represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to the reporting date. It is calculated using expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using high quality corporate bond rates at the reporting date which most closely match the terms of maturity of the related liabilities.

A liability for bonuses is recognised in the employee benefits provision when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the Group's annual report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

#### *ii. Maintenance*

If the Group is obligated under its lease agreements to complete an overhaul prior to return of the aircraft based on either use or condition of the aircraft, a provision is recognised for the present value of the expected payment either:

- at inception of the lease, with a corresponding amount recognised in the cost base of the corresponding right-of-use asset. Changes in this provision are recognised as an adjustment to the right-of-use asset; or
- over the life of the lease, as obligations arise, which is recognised as an expense in the consolidated statement of profit or loss.

#### *iii. Other*

The Other category includes provisions for make good on leased property and legal costs.

## C. Tangible assets

### 14. Property, plant and equipment

|                                                                          | Aircraft and<br>aeronautic |                | Plant and<br>equipment | Buildings and property |              | Computer<br>equipment | Work in<br>progress | Other      | Total          |
|--------------------------------------------------------------------------|----------------------------|----------------|------------------------|------------------------|--------------|-----------------------|---------------------|------------|----------------|
| 2026                                                                     | \$m                        | \$m            | \$m                    | \$m                    | \$m          | \$m                   | \$m                 | \$m        | \$m            |
| Owned/leased                                                             | Owned <sup>1</sup>         | Leased         | Owned                  | Owned                  | Leased       | Owned                 | Owned               | Leased     |                |
| Balance at 1 July 2025                                                   | 1,668.7                    | 673.0          | 44.6                   | 4.8                    | 124.2        | 17.0                  | 174.1               | 6.2        | 2,712.6        |
| Additions                                                                | 534.8                      | 602.1          | 9.8                    | –                      | 8.0          | 6.9                   | 320.0               | –          | 1,481.6        |
| Lease modifications                                                      | –                          | 128.2          | –                      | –                      | 7.1          | –                     | –                   | –          | 135.3          |
| Transfers from work in progress (WIP)                                    | 370.7                      | –              | 33.0                   | –                      | –            | 6.7                   | (410.4)             | –          | –              |
| Transfers between categories                                             | 23.7                       | –              | (23.7)                 | –                      | –            | –                     | –                   | –          | –              |
| Disposals                                                                | (456.9)                    | (1.5)          | –                      | –                      | (2.5)        | –                     | (8.1)               | –          | (469.0)        |
| Depreciation                                                             | (228.1)                    | (196.7)        | (13.5)                 | (0.3)                  | (32.3)       | (9.2)                 | –                   | (4.4)      | (484.5)        |
| <b>Balance at 30 June 2026</b>                                           | <b>1,912.9</b>             | <b>1,205.1</b> | <b>50.2</b>            | <b>4.5</b>             | <b>104.5</b> | <b>21.4</b>           | <b>75.6</b>         | <b>1.8</b> | <b>3,376.0</b> |
| At cost                                                                  | 3,144.5                    | 1,967.5        | 237.3                  | 19.1                   | 315.0        | 80.0                  | 75.6                | 27.6       | 5,866.6        |
| Accumulated depreciation and impairment                                  | (1,231.6)                  | (762.4)        | (187.1)                | (14.6)                 | (210.5)      | (58.6)                | –                   | (25.8)     | (2,490.6)      |
|                                                                          | <b>1,912.9</b>             | <b>1,205.1</b> | <b>50.2</b>            | <b>4.5</b>             | <b>104.5</b> | <b>21.4</b>           | <b>75.6</b>         | <b>1.8</b> | <b>3,376.0</b> |
| Total provided as security for interest-bearing liabilities <sup>2</sup> | 1,406.2                    | –              | 7.6                    | –                      | –            | –                     | –                   | –          | 1,413.8        |

<sup>1</sup> Includes deposits and other costs incurred in respect of aircraft which have not yet been delivered of \$104.1 million (30 June 2025: \$412.3 million). These amounts are not being depreciated.

<sup>2</sup> This represents specific identified assets provided as security against the Group's secured aircraft financing facilities. The Group's remaining available Property, Plant and Equipment is security for the Group's other interest-bearing liabilities and lease liabilities.

## 14. Property, plant and equipment (continued)

|                                                             | Aircraft and<br>aeronautic |              | Plant and<br>equipment | Buildings and property |              | Computer<br>equipment | Work in<br>progress | Other      | Total          |
|-------------------------------------------------------------|----------------------------|--------------|------------------------|------------------------|--------------|-----------------------|---------------------|------------|----------------|
| 2025                                                        | \$m                        | \$m          | \$m                    | \$m                    | \$m          | \$m                   | \$m                 | \$m        | \$m            |
| Owned/leased                                                | Owned <sup>1</sup>         | Leased       | Owned                  | Owned                  | Leased       | Owned                 | Owned <sup>1</sup>  | Leased     |                |
| Balance at 1 July 2024                                      | 1,517.8                    | 623.9        | 42.1                   | 4.5                    | 118.9        | 19.0                  | 104.6               | 10.8       | 2,441.6        |
| Additions                                                   | 170.7                      | 125.4        | 1.9                    | –                      | 32.1         | 3.9                   | 269.7               | –          | 603.7          |
| Lease modifications                                         | –                          | 85.4         | –                      | –                      | 4.4          | –                     | –                   | –          | 89.8           |
| Transfers from work in progress (WIP)                       | 188.9                      | –            | 10.8                   | 1.0                    | (3.5)        | 3.0                   | (200.2)             | –          | –              |
| Transfers between categories                                | –                          | –            | 0.3                    | (0.3)                  | –            | –                     | –                   | –          | –              |
| Disposals                                                   | (4.5)                      | –            | (0.1)                  | –                      | –            | –                     | –                   | –          | (4.6)          |
| Depreciation                                                | (204.2)                    | (161.7)      | (10.4)                 | (0.4)                  | (27.7)       | (8.9)                 | –                   | (4.6)      | (417.9)        |
| <b>Balance at 30 June 2025</b>                              | <b>1,668.7</b>             | <b>673.0</b> | <b>44.6</b>            | <b>4.8</b>             | <b>124.2</b> | <b>17.0</b>           | <b>174.1</b>        | <b>6.2</b> | <b>2,712.6</b> |
| At cost                                                     | 2,771.5                    | 1,258.0      | 218.3                  | 19.1                   | 304.8        | 66.4                  | 174.1               | 27.6       | 4,839.8        |
| Accumulated depreciation and impairment                     | (1,102.8)                  | (585.0)      | (173.7)                | (14.3)                 | (180.6)      | (49.4)                | –                   | (21.4)     | (2,127.2)      |
|                                                             | <b>1,668.7</b>             | <b>673.0</b> | <b>44.6</b>            | <b>4.8</b>             | <b>124.2</b> | <b>17.0</b>           | <b>174.1</b>        | <b>6.2</b> | <b>2,712.6</b> |
| Total provided as security for interest-bearing liabilities | 1,284.2                    | –            | 9.5                    | –                      | –            | –                     | –                   | –          | 1,293.7        |

## 14. Property, plant and equipment (continued)

### Accounting policy

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price plus any costs directly attributable to the acquisition. This may include gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of day-to-day servicing of owned and leased aircraft, including minor airframe checks, are recognised in profit or loss as incurred. The cost of major cyclical maintenance and modifications to aircraft are capitalised as improvements where future economic benefits are expected and depreciated over the shorter of the remaining lease term, the estimated useful life of the improvement or the time to the next major maintenance event. The useful life is revised at each reporting date to match the timing of the next scheduled maintenance event.

In reviewing aircraft useful lives and residual values, management considered the Group's fleet renewal plans, expected aircraft utilisation, maintenance profiles, market evidence for aircraft residual values, and relevant climate-related transition factors, including emissions regulation, aircraft efficiency, sustainable aviation fuel availability and pricing, and the expected timing of fleet replacement. No material change to useful lives or residual values was identified as a result of this assessment, other than accelerated depreciation recognised in relation to aircraft planned for retirement or replacement.

Refer to note 18 for the Group accounting policy in relation to right-of-use assets.

If the Group is obligated under its lease agreements to complete an overhaul prior to return of the aircraft based on either use or condition of the aircraft, a provision is recognised at inception of the lease, or as obligations arise, for the present value of the expected payment. Where the maintenance expenditure is expected to give rise to economic benefits over the term of the lease, a corresponding asset is also recognised, reflecting the maintenance components within the payments. The asset is depreciated on a straight-line basis over the life of the lease.

Depreciation is recognised on a straight-line basis over the estimated useful life, taking into account estimated residual values. Assets are depreciated from the date they are purchased and are ready for use, or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Where parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date. The estimation of useful lives and residual values requires judgement. Australian dollar residual value estimates are based on US dollar market estimates of future aircraft values and estimates of future use of the aircraft, including maintenance profiles. The estimated useful lives in years of each class of asset are as follows:

|                                        | 2026  | 2025  |
|----------------------------------------|-------|-------|
| Buildings                              | 10-40 | 10-40 |
| Aircraft and aeronautic related assets |       |       |
| – Modifications to leased aircraft     | 6-13  | 6-13  |
| – Rotables and maintenance parts       | 9-22  | 9-22  |
| – Airframe, engines and landing gear   | 5-22  | 5-22  |
| – Major cyclical maintenance           | 1-10  | 1-10  |
| Plant and equipment                    |       |       |
| – Leasehold improvements               | 1-15  | 1-15  |
| – Other                                | 5-26  | 5-26  |
| Computer equipment                     | 3-5   | 3-5   |
| Right-of-use assets                    |       |       |
| – Aircraft                             | 1-9   | 1-9   |
| – Property                             | 1-33  | 1-33  |
| – Other                                | 1-5   | 1-5   |

## 15. Intangible assets

|                                         | Software<br>\$m | Contract<br>assets<br>\$m | Work in<br>progress<br>\$m | Total<br>\$m |
|-----------------------------------------|-----------------|---------------------------|----------------------------|--------------|
| <b>2026</b>                             |                 |                           |                            |              |
| Balance at 1 July 2025                  | 5.4             | 31.2                      | 5.3                        | 41.9         |
| Additions                               | –               | –                         | 1.7                        | 1.7          |
| Amortisation                            | (4.8)           | (2.9)                     | –                          | (7.7)        |
| Transfers from Work in progress         | 6.3             | –                         | (6.3)                      | –            |
| <b>Balance at 30 June 2026</b>          | <b>6.9</b>      | <b>28.3</b>               | <b>0.7</b>                 | <b>35.9</b>  |
| At cost                                 | 147.4           | 46.3                      | 0.7                        | 194.4        |
| Accumulated amortisation and impairment | (140.5)         | (18.0)                    | –                          | (158.5)      |
| <b>Total intangible assets</b>          | <b>6.9</b>      | <b>28.3</b>               | <b>0.7</b>                 | <b>35.9</b>  |
|                                         |                 |                           |                            |              |
|                                         | Software<br>\$m | Contract<br>assets<br>\$m | Work in<br>progress<br>\$m | Total<br>\$m |
| <b>2025</b>                             |                 |                           |                            |              |
| Balance at 1 July 2024                  | 8.7             | 35.5                      | 2.3                        | 46.5         |
| Additions                               | –               | –                         | 3.0                        | 3.0          |
| Disposals                               | –               | (1.4)                     | –                          | (1.4)        |
| Amortisation                            | (3.3)           | (2.9)                     | –                          | (6.2)        |
| <b>Balance at 30 June 2025</b>          | <b>5.4</b>      | <b>31.2</b>               | <b>5.3</b>                 | <b>41.9</b>  |
| At cost                                 | 141.1           | 46.3                      | 5.3                        | 192.7        |
| Accumulated amortisation and impairment | (135.7)         | (15.1)                    | –                          | (150.8)      |
| <b>Total intangible assets</b>          | <b>5.4</b>      | <b>31.2</b>               | <b>5.3</b>                 | <b>41.9</b>  |

The Group's software assets have useful lives of between 1 and 5 years (2025: 1 and 5 years). An intangible contract asset was recognised during a prior financial year following the completion and commencement of use of Terminal 1 at Perth Airport. The asset has a useful life of 20 years. The remaining amortisation period is 10 years (2025: 11 years).

## D. Capital structure and financial risks

### 16. Capital management

The Group has a Capital Allocation Framework designed to help ensure the resilience of the business for the long term, whilst maintaining the flexibility to allow it to invest in value-accretive growth opportunities (including the Transformation Program) and to provide distributions to Shareholders where appropriate.

The Group's Capital Allocation Framework comprises the following three components:

- prioritising balance sheet and 'business as usual requirements';
- excess cash investment into growth opportunities; and
- surplus cash returned to shareholders.

Refer to note 22 for information regarding key market, credit and liquidity risks.

The following table summarises the Group's net cash/debt position as monitored by key management personnel:

|                                                     | Notes | 2026<br>\$m      | 2025<br>\$m      |
|-----------------------------------------------------|-------|------------------|------------------|
| Cash, cash equivalents and term deposits            | 17    | 1,843.5          | 1,118.2          |
| Current lease liabilities                           | 18    | (238.4)          | (230.2)          |
| Current interest-bearing liabilities                | 19    | (118.7)          | (513.3)          |
| <b>Adjusted current net cash (non-IFRS measure)</b> |       | <b>1,486.4</b>   | <b>374.7</b>     |
| Non-current lease liabilities                       | 18    | (1,170.4)        | (754.1)          |
| Non-current interest-bearing liabilities            | 19    | (1,470.1)        | (798.1)          |
| <b>Net debt (non-IFRS measure)</b>                  |       | <b>(1,154.1)</b> | <b>(1,177.5)</b> |

### Undrawn facilities

As at 30 June 2026, the Group has no committed undrawn corporate facilities (2025: \$500.0 million) and the Group has committed undrawn aircraft facilities of \$322.0 million (2025: nil), as disclosed in note 19.

### 17. Cash, cash equivalents and term deposits

|                                                       | 2026<br>\$m    | 2025<br>\$m    |
|-------------------------------------------------------|----------------|----------------|
| Cash at bank and on hand                              | 696.4          | 504.8          |
| Short-term deposits                                   | 679.0          | 530.4          |
| <b>Total cash and cash equivalents</b>                | <b>1,375.4</b> | <b>1,035.2</b> |
| <b>Term deposits at bank</b>                          | <b>468.1</b>   | <b>83.0</b>    |
| <b>Total cash, cash equivalents and term deposits</b> | <b>1,843.5</b> | <b>1,118.2</b> |

A portion of the Group's cash is held by the independent trustee as liquidity for The Loyalty Trust, or pledged by the Group as security for certain arrangements. The amount of cash and cash equivalents not available for use of the Group is \$121.5 million (2025: \$123.8 million).

Term deposits at bank are bank term deposits with an initial term of greater than three months and less than six months of which all mature before 31 December 2026. The amount of term deposits at bank not available for use of the Group is \$165.0 million (2025: \$76.3 million).

## 18. Lease liabilities

|                                 | Aircraft<br>leases<br>\$m | Property<br>leases<br>\$m | Other<br>leases<br>\$m | Total<br>\$m   |
|---------------------------------|---------------------------|---------------------------|------------------------|----------------|
| <b>2026</b>                     |                           |                           |                        |                |
| Balance at 1 July 2025          | 829.2                     | 147.8                     | 7.3                    | 984.3          |
| Additions                       | 600.8                     | 3.9                       | –                      | 604.7          |
| Modifications net of cessations | 119.5                     | 1.5                       | –                      | 121.0          |
| Interest                        | 81.8                      | 10.5                      | 0.3                    | 92.6           |
| Repayments                      | (300.3)                   | (41.1)                    | (5.3)                  | (346.7)        |
| Foreign exchange revaluation    | (46.7)                    | –                         | (0.4)                  | (47.1)         |
| <b>Balance at 30 June 2026</b>  | <b>1,284.3</b>            | <b>122.6</b>              | <b>1.9</b>             | <b>1,408.8</b> |
| Current                         | 212.9                     | 23.8                      | 1.7                    | 238.4          |
| Non-current                     | 1,071.4                   | 98.8                      | 0.2                    | 1,170.4        |
| <b>Total lease liabilities</b>  | <b>1,284.3</b>            | <b>122.6</b>              | <b>1.9</b>             | <b>1,408.8</b> |
|                                 |                           |                           |                        |                |
|                                 | Aircraft<br>leases<br>\$m | Property<br>leases<br>\$m | Other<br>leases<br>\$m | Total<br>\$m   |
| <b>2025</b>                     |                           |                           |                        |                |
| Balance at 1 July 2024          | 808.5                     | 142.3                     | 12.4                   | 963.2          |
| Additions                       | 125.4                     | 27.5                      | –                      | 152.9          |
| Modifications net of cessations | 85.3                      | 4.4                       | –                      | 89.7           |
| Interest                        | 63.2                      | 10.8                      | 0.7                    | 74.7           |
| Repayments                      | (263.2)                   | (37.2)                    | (5.5)                  | (305.9)        |
| Foreign exchange revaluation    | 10.0                      | –                         | (0.3)                  | 9.7            |
| <b>Balance at 30 June 2025</b>  | <b>829.2</b>              | <b>147.8</b>              | <b>7.3</b>             | <b>984.3</b>   |
| Current                         | 196.9                     | 27.9                      | 5.4                    | 230.2          |
| Non-current                     | 632.3                     | 119.9                     | 1.9                    | 754.1          |
| <b>Total lease liabilities</b>  | <b>829.2</b>              | <b>147.8</b>              | <b>7.3</b>             | <b>984.3</b>   |

The Group has not entered into any lease commitments for the right to use aircraft and property which have yet to be delivered as at 30 June 2026 (2025: \$386.8 million).

## 18. Lease liabilities (continued)

### *Accounting policy*

The Group leases assets, including aircraft, engines, real estate property, ground support equipment and aircraft spare parts. Under AASB 16 *Leases*, a contract is a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Right-of-use (ROU) assets are presented in property, plant and equipment (see note 14) and are initially measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liability. Each separately identifiable component of an ROU asset is depreciated over the lesser of the lease term or the component's useful life.

Lease liabilities are presented in interest-bearing liabilities and are initially measured at the present value of future lease payments, discounted using the incremental borrowing rate. The lease liability is subsequently increased to reflect the accretion of interest and reduced for lease payments made. The carrying amount of lease liabilities is remeasured if there is a change in the scope, lease term, in-substance fixed lease payments or assessment to purchase the underlying asset. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROU asset, or profit and loss if the ROU asset is already reduced to zero. The Group remeasures its foreign currency denominated lease liabilities using the exchange rate at each reporting date. Any changes to the lease liabilities due to exchange rate changes are recognised in profit or loss. Variable lease payments that do not depend on an index or a rate are recognised as an aircraft variable lease expense in the period during which the event or condition that triggers the payment occurs.

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group is subjected to customary restrictions in aircraft leases which limit the Group from subleasing aircraft to third parties without lessor consent. Property leases are also subjected to similar restrictions whereby the Group cannot assign, sublease or license certain properties without consent.

## 19. Interest-bearing liabilities

|                                           | 2026<br>\$m    | 2025<br>\$m    |
|-------------------------------------------|----------------|----------------|
| Secured aircraft finance facilities       | 663.5          | 730.1          |
| Secured loans                             | 925.3          | 435.1          |
| Unsecured loan                            | –              | 146.2          |
| <b>Total interest-bearing liabilities</b> | <b>1,588.8</b> | <b>1,311.4</b> |
| Current                                   | 118.7          | 513.3          |
| Non-current                               | 1,470.1        | 798.1          |
| <b>Total interest-bearing liabilities</b> | <b>1,588.8</b> | <b>1,311.4</b> |

For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, refer to note 22.

### Secured aircraft finance facilities

The Group has a number of secured aircraft finance facilities with an overall carrying value of \$663.5 million at 30 June 2026 (2025: \$730.1 million). These facilities are secured over aircraft, engine and other aviation assets with various maturities up to 2038. In FY26, the Group established a secured facility maturing in 2037 to finance three spare engines and it entered into a secured facility maturing in 2038 to finance nine new aircraft, with four aircraft delivered as at 30 June 2026 and the remaining five aircraft have either been delivered or are expected to be delivered during H1 FY27.

One facility includes a specified loan-to-security value ratio which is tested each time a letter of credit is issued under the facility (refer to Assets pledged as security below). The Group was compliant with this covenant during the reporting period and is expected to remain compliant for the 12-month period following the reporting date. The other secured aircraft finance facilities have no financial covenants.

### Secured loans

#### Secured Loans - VBNC 5 Pty Ltd (VBNC5)

The Group has a loan that is secured over the assets of VBNC5 and certain subsidiaries and guaranteed by entities outlined in note 25 footnote (2) of this Financial Report with a maturity date of 26 September 2028. There are no periodic repayments required under the facility with all outstanding amounts to be paid in full on its termination date.

As of 30 June 2026, the facility was fully drawn with a carrying value of \$492.0 million (2025: nil), of which \$146.2 million was applied to repay the unsecured loan held by the Group, with the remaining proceeds drawn as a precautionary measure to support the Group's liquidity in response to uncertainty arising from the Middle East conflict.

The facility includes net leverage and interest cover covenants. The covenants are tested at 30 June and 31 December each year. The Group was compliant with these covenants at 30 June 2026 and expects to remain compliant for the 12-month period following the reporting date.

#### Secured Loans - Velocity Frequent Flyer Holdco Pty Ltd (VFFH)

The Group also has a secured loan with a carrying value of \$433.3 million at 30 June 2026 (2025: \$435.1 million). The facility is secured over the assets of VFFH and certain subsidiaries and guaranteed by entities outlined in note 25 footnote (5). The facility comprises an amortising tranche which matures in April 2029 and a bullet tranche which matures in April 2030.

The facility includes net leverage and interest cover covenants. The covenants are tested quarterly commencing 31 December 2024. The Group was compliant with this covenant at 30 June 2026 and expects to remain compliant for the 12-month period following the reporting date.

## 19. Interest-bearing liabilities (continued)

### Facility terms

|                                     |          |                           | 2026                                |                       | 2025                                |                       |
|-------------------------------------|----------|---------------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
|                                     | Currency | Calendar year of maturity | Carrying/<br>drawn<br>amount<br>\$m | Facility limit<br>\$m | Carrying/<br>drawn<br>amount<br>\$m | Facility limit<br>\$m |
| Secured aircraft finance facilities |          |                           |                                     |                       |                                     |                       |
| – Aircraft                          | AUD      | 2026-2038                 | 536.0                               | 858.0                 | 344.1                               | 344.1                 |
| – Aircraft                          | USD      | 2026-2036                 | 103.6                               | 103.6                 | 357.9                               | 357.9                 |
| – Aircraft                          | JPY      | 2028                      | 23.9                                | 23.9                  | 28.1                                | 28.1                  |
| Secured loans                       |          |                           |                                     |                       |                                     |                       |
| – Bank                              | AUD      | 2029-2030                 | 433.3                               | 433.3                 | 435.1                               | 435.1                 |
| – Bank                              | AUD      | 2028                      | 492.0                               | 492.0                 | –                                   | 500.0                 |
| Unsecured loan                      |          |                           |                                     |                       |                                     |                       |
| – Shareholder                       | AUD      | n/a                       | –                                   | –                     | 146.2                               | 146.2                 |
|                                     |          |                           | 1,588.8                             | 1,910.8               | 1,311.4                             | 1,811.4               |

### Assets pledged as security

The Group has \$180.3 million of available standby letters of credit and guarantee facilities, of which \$126.2 million is drawn (2025: \$184.2 million and \$119.5 million respectively). At 30 June 2026 standby letters of credit and bank guarantees on issue were secured with cash collateral or secured over property and equipment. The carrying amount of property, plant and equipment pledged as security for interest-bearing liabilities is disclosed in note 14.

### Reconciliation of movements in interest-bearing liabilities to cash flows

|                                                | 2026<br>\$m    | 2025<br>\$m    |
|------------------------------------------------|----------------|----------------|
| Balance at 1 July                              | 1,311.4        | 1,376.8        |
| <b>Changes from financing cash flows</b>       |                |                |
| Repayment of interest-bearing liabilities      | (537.4)        | (205.9)        |
| Proceeds from borrowings                       | 833.3          | 128.4          |
| Transaction costs capitalised                  | (18.3)         | (1.4)          |
| <b>Total changes from financing cash flows</b> | <b>277.6</b>   | <b>(78.9)</b>  |
| <b>Other changes</b>                           |                |                |
| Foreign exchange revaluation                   | (8.0)          | 9.2            |
| Interest capitalised to loan balance           | 0.5            | 0.7            |
| Amortisation of deferred borrowing costs       | 7.3            | 3.6            |
| <b>Total other changes</b>                     | <b>(0.2)</b>   | <b>13.5</b>    |
| <b>Balance at 30 June</b>                      | <b>1,588.8</b> | <b>1,311.4</b> |

## 20. Share capital

### a) Ordinary share capital

|                                              | 2026          |                | 2025          |                |
|----------------------------------------------|---------------|----------------|---------------|----------------|
|                                              | # shares (m)  | \$m            | # shares (m)  | \$m            |
| Balance at 1 July                            | 782.0         | 2,240.2        | 731.8         | 2,240.2        |
| Issued through IPO <sup>1</sup>              | –             | –              | –             | –              |
| Conversion of 'A' Class Shares               | –             | –              | 50.2          | –              |
| Shares issued on exercise of employee awards | 2.2           | 6.5            | –             | –              |
| <b>Total shares on issue</b>                 | <b>784.2</b>  | <b>2,246.7</b> | <b>782.0</b>  | <b>2,240.2</b> |
| <b>Less treasury shares<sup>2</sup></b>      | <b>(15.3)</b> | <b>22.1</b>    | <b>(35.0)</b> | <b>–</b>       |
| <b>Net ordinary share capital</b>            | <b>768.9</b>  | <b>2,268.8</b> | <b>747.0</b>  | <b>2,240.2</b> |

Ordinary shares carry one vote per share and carry the right to dividends. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. All authorised shares have been issued and fully paid and have no par value.

### b) 'A' Class Shares

'A' Class Share related to equity instruments issued under the Group's Legacy Incentive Schemes. Immediately prior to the Group's IPO in June 2025, all 'A' Class Shares were converted to ordinary shares and remain in trust until they vest in accordance with the rules of the Legacy Incentive Schemes. Further details are outlined in note 29.

## 21. Dividends

|                                            | 2026<br>\$m | 2025<br>\$m |
|--------------------------------------------|-------------|-------------|
| Nil cents per ordinary share (2025: 13.67) | –           | 100.0       |

There were no dividends paid, recommended or declared during FY26; however in August 2026, the Board declared a dividend for the year ended 30 June 2026 of 7.60 cents per ordinary share, fully franked. The dividend will be paid on 15 October 2026. During the prior year, a dividend of \$100.0 million was declared and paid in December 2024, and a further \$8.7 million was paid (which had been declared in June 2024).

<sup>1</sup> One new ordinary share was issued as part of the Group's IPO on 24 June 2025.

<sup>2</sup> To the extent that ordinary shares granted to employees under share-based payment arrangements remain subject to vesting conditions, these are treated as Treasury Shares.

## 22. Financial risk management

The Group has exposure to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. There have been no significant changes in the Group's risk management strategy from the previous period.

The Group manages these risk exposures using various financial instruments. The Board has determined hedging limits for financial risks and these are documented in the Treasury Risk Management Policy. Transactions entered into must be carried out within these guidelines unless otherwise approved by the Board. Implementation of this policy is delegated to management, who have flexibility to act within the bounds of the authorised policy limits. The Group's policy is to not enter, issue or hold derivative financial instruments for speculative trading purposes. Compliance with the policy is monitored on an ongoing basis through regular reporting to the Board.

### a) Market risk

Market risk is the risk that changes in market prices, such as fuel prices, foreign exchange rates and interest rates, will affect the Group's cash flows and profits. The objective of market risk management is to manage and control market exposures, within tolerances.

The Group enters into derivatives and non-derivative financial assets to manage market risks relating to fuel prices (commodity and currency risk) and currency risk on USD denominated operating and capital expenditure. Derivatives are recognised at fair value, both initially and on an ongoing basis. On initial designation of the hedge, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group assesses, both at the inception of the hedge relationship and on an ongoing basis, whether the hedging instruments are expected to be 'highly effective'.

Hedges of highly probable forecast transactions which are exposed to variations in cash flows that could ultimately affect profit or loss are called cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recognised directly in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss. Cumulative gains and losses in other comprehensive income, including those relating to discontinued hedges, are recognised in profit or loss in the periods in which the hedged item will affect profit or loss.

Changes in the fair value of derivative financial instruments that are not designated in a hedge relationship are recognised immediately in profit or loss.

The following table summarises the fair value of the Group's derivative financial assets and liabilities as at the reporting date:

|                                                                                    | 2026<br>\$m   | 2025<br>\$m   |
|------------------------------------------------------------------------------------|---------------|---------------|
| <b>Assets</b>                                                                      |               |               |
| Forward foreign exchange contracts - fair value through other comprehensive income | 6.2           | 1.4           |
| Forward foreign exchange contracts - fair value through profit and loss            | 1.8           | 0.1           |
| Fuel hedging contracts - fair value through other comprehensive income             | 44.0          | 10.0          |
|                                                                                    | <b>52.0</b>   | <b>11.5</b>   |
| <b>Liabilities</b>                                                                 |               |               |
| Forward foreign exchange contracts - fair value through other comprehensive income | (10.8)        | (10.5)        |
| Forward foreign exchange contracts - fair value through profit and loss            | (5.2)         | (4.3)         |
| Fuel hedging contracts - fair value through other comprehensive income             | (0.9)         | (2.7)         |
|                                                                                    | <b>(16.9)</b> | <b>(17.5)</b> |

## 22. Financial risk management (continued)

### a) Market risk (continued)

#### i. Fuel price risk management

Fuel price risk arises on the Group's exposure to jet fuel prices. The underlying contracted purchase price for jet fuel is denominated in USD and is referenced to market movements in crude oil prices and refining margins. Expenditure on jet fuel represents a material cost to the Group. Exposure to movements in jet fuel prices gives rise to two separate underlying risks to be managed:

- foreign exchange risk relating to movements in the AUD/USD exchange rate; and
- commodity price risk resulting from movements in crude oil prices and refining margins.

The Group's fuel price risk management strategy aims to provide the airline with protection against sudden and significant increases in fuel prices while ensuring that the airline is not competitively disadvantaged in the event of a substantial decrease in the price of fuel.

The Group's risk management policy is to hedge anticipated jet fuel consumption subject to limits determined by the Board. This exposure is managed by using Singapore Jet Kerosene and Brent Crude Oil commodity swaps, option contracts and other fuel-related derivatives. These contracts are designated as hedges of price risk on specific volumes of future jet fuel consumption. The Group considers Brent Crude Oil to be a separately identifiable and measurable component of Singapore Jet Kerosene. Over the long term, the price of Brent Crude Oil has been highly correlated with the price of Singapore Jet Kerosene.

Ineffectiveness on fuel derivatives can arise from timing differences on the notional amount between the hedging instrument and hedged item, or changes in market dynamics which may cause the Group to reassess exposure to jet fuel. For the financial year ended 30 June 2026, the Group has nil hedging ineffectiveness on fuel derivative positions (2025: nil).

Realised gains or losses on fuel hedging contracts arise due to differences between the actual fuel prices on settlement, the forward rates of derivative contracts and the cost of option premiums paid.

|                                                               | 2026<br>\$m | 2025<br>\$m |
|---------------------------------------------------------------|-------------|-------------|
| Fuel hedging gains/(loss) recognised in fuel and oil expenses | 143.9       | (36.6)      |

The following table sets out the notional amount and the hedged price range (minimum and maximum strike/contract rates) of the Group's fuel hedging instruments:

|                       | Hedged prices<br>\$/bbl | Notional amount<br>bbl(m) | Carrying amount<br>\$m | Change in fair value of hedged instrument <sup>3</sup><br>\$m | Change in fair value of hedged item <sup>3</sup><br>\$m |
|-----------------------|-------------------------|---------------------------|------------------------|---------------------------------------------------------------|---------------------------------------------------------|
| <b>AUD fuel costs</b> |                         |                           |                        |                                                               |                                                         |
| 2026                  | 94-144                  | 4.1                       | 43.1                   | 43.1                                                          | (43.1)                                                  |
| 2025                  | 99-145                  | 4.9                       | 7.3                    | 7.3                                                           | (7.3)                                                   |

<sup>3</sup> The change in fair value of the hedged instrument and the hedged item are used in assessing hedge effectiveness.

## 22. Financial risk management (continued)

### a) Market risk (continued)

The following table summarises the sensitivity of the Group's financial assets and liabilities to a reasonably possible change in fuel prices. The Group hedges the majority of its fuel price exposure with Brent Crude Oil as there is relatively lower liquidity in hedging products for Singapore Jet Kerosene. An AUD 20 per barrel (bbl) (2025: AUD 20 bbl) increase or decrease in the price of Brent Crude Oil (with no change in refining margin) would have increased/(decreased) equity and the profit or loss (before tax) by the amounts shown below. This assumes all other variables remain constant and is based on the designated hedge relationship at the reporting dates. The impacts below would have an equal but opposite impact on the carrying value of the financial asset/liability.

|                                        | 2026                       |        | 2025                       |        |
|----------------------------------------|----------------------------|--------|----------------------------|--------|
|                                        | Profit/(loss) <sup>4</sup> | Equity | Profit/(loss) <sup>4</sup> | Equity |
|                                        | \$m                        | \$m    | \$m                        | \$m    |
| <b>Net derivative financial assets</b> |                            |        |                            |        |
| AUD 20/bbl increase (2025: 20/bbl)     | –                          | 26.8   | –                          | 71.6   |
| AUD 20/bbl decrease (2025: 20/bbl)     | –                          | (7.8)  | –                          | (51.2) |

### ii. Foreign exchange risk management

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group undertakes transactions in US dollars, including the cost of purchasing fuel, aircraft, aircraft lease payments, some maintenance costs, the sale of airline passenger tickets and the repayment of USD debt and interest. The following significant exchange rates applied during the year:

|         | Average rate |      | Reporting date spot rate |      |
|---------|--------------|------|--------------------------|------|
|         | 2026         | 2025 | 2026                     | 2025 |
| AUD/USD | 0.67         | 0.65 | 0.69                     | 0.66 |

### iii. Exposure to foreign exchange risk

The Group is predominately exposed to USD foreign exchange risk. The Group's financial assets and liabilities exposed to USD foreign exchange risk at the reporting date was as follows, based on notional amounts (presented in AUD equivalents):

|                                                             | Notes | 2026<br>\$m    | 2025<br>\$m    |
|-------------------------------------------------------------|-------|----------------|----------------|
| Cash and cash equivalents and term deposits at bank         | 17    | 888.1          | 670.4          |
| Receivables                                                 | 9     | 63.6           | 80.7           |
| Other financial assets                                      | 11    | 130.7          | 130.0          |
| Derivative financial instruments                            | 22    | 34.6           | (6.0)          |
| Payables                                                    |       | (81.1)         | (91.8)         |
| Lease liabilities                                           | 18    | (1,286.0)      | (835.5)        |
| Interest-bearing liabilities                                | 19    | (103.8)        | (359.0)        |
| <b>Net financial assets/(liabilities) position exposure</b> |       | <b>(353.9)</b> | <b>(411.2)</b> |

<sup>4</sup> As all derivatives impacted by the sensitivity to market movements are designated as effective hedges, there is no profit or loss impact.

## 22. Financial risk management (continued)

### a) Market risk (continued)

To protect against exchange rate movements, the Group uses foreign exchange forward and option contracts to hedge highly probable forecasted purchases of jet fuel and other operating and capital expenditure for the ensuing financial periods. Realised gains or losses on these contracts arise due to differences in exchange rates from the hedge designation to maturity of the hedge relationship.

The Group also holds derivatives recognised at fair value through profit or loss to offset near-term balance sheet exposures to foreign exchange rate fluctuations such as the current portion of aircraft lease liabilities and debt repayments which are denominated in USD.

Ineffectiveness on foreign exchange derivatives can arise from timing differences on the notional amount between the hedged instrument and hedged item. For the financial year ended 30 June 2026, there was nil ineffectiveness on foreign exchange derivative positions recorded in other expenses (2025: \$0.5 million).

|                                                                                                                                                                                                         | 2026<br>\$m | 2025<br>\$m |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| FX hedging (losses)/gains recognised in contract and other maintenance, fuel and oil, commissions, other marketing and reservations, net foreign exchange gain/(loss), other expenses and finance costs | (21.1)      | 12.0        |
| Realised and unrealised gains/(losses) recognised in foreign exchange gain/(loss)                                                                                                                       | (7.5)       | (0.6)       |

The following table sets out the notional amount and the hedged rate of the Group's foreign exchange hedging instruments:

|                            | Hedged prices<br>AUD/USD | Notional amount<br>US\$m | Carrying amount<br>\$m | Change in fair value of hedged instrument <sup>5</sup><br>\$m | Change in fair value of hedged item <sup>5</sup><br>\$m |
|----------------------------|--------------------------|--------------------------|------------------------|---------------------------------------------------------------|---------------------------------------------------------|
| <b>USD operating costs</b> |                          |                          |                        |                                                               |                                                         |
| 2026                       | 0.63-0.72                | 1,210.8                  | (8.0)                  | (8.0)                                                         | 8.0                                                     |
| 2025                       | 0.60-0.66                | 1,048.2                  | (13.3)                 | (13.3)                                                        | 13.3                                                    |

<sup>5</sup> The change in fair value of the hedged instrument and the hedged item are used in assessing hedge effectiveness.

## 22. Financial risk management (continued)

### a) Market risk (continued)

#### iv. Sensitivity to foreign exchange rates

The following table summarises the sensitivity of the Group's foreign currency denominated financial assets and liabilities to a reasonably possible change in the exchange rate to the US dollar. This excludes monetary assets and liabilities denominated in a foreign currency which are held by controlled entities with a US dollar functional currency for which changes in exchange rates are recognised within the foreign currency translation reserve. A 10% (2025: 10%) appreciation or depreciation of the AUD against the USD would have increased/(decreased) equity and profit or loss (before tax) by the amounts shown below. This assumes all other variables remain constant.

|                                    | Carrying<br>amount<br>\$m | 10% appreciation in AUD |                | 10% depreciation in AUD |               |
|------------------------------------|---------------------------|-------------------------|----------------|-------------------------|---------------|
|                                    |                           | Profit/(loss)<br>\$m    | Equity<br>\$m  | Profit/(loss)<br>\$m    | Equity<br>\$m |
| <b>2026</b>                        |                           |                         |                |                         |               |
| Net-derivative financial asset     | 34.6                      | (17.3)                  | (106.7)        | 21.6                    | 111.7         |
| Non-derivative financial asset     | 1,082.4                   | (98.4)                  | –              | 120.3                   | –             |
| Non-derivative financial liability | (1,470.9)                 | 133.7                   | –              | (163.4)                 | –             |
|                                    | <b>(353.9)</b>            | <b>18.0</b>             | <b>(106.7)</b> | <b>(21.5)</b>           | <b>111.7</b>  |
| <b>2025</b>                        |                           |                         |                |                         |               |
| Net-derivative financial liability | (6.0)                     | (13.9)                  | (99.7)         | 16.8                    | 116.1         |
| Non-derivative financial asset     | 881.1                     | (80.1)                  | –              | 97.9                    | –             |
| Non-derivative financial liability | (1,286.3)                 | 116.9                   | –              | (142.9)                 | –             |
|                                    | <b>(411.2)</b>            | <b>22.9</b>             | <b>(99.7)</b>  | <b>(28.2)</b>           | <b>116.1</b>  |

#### v. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from cash and cash equivalents and interest-bearing liabilities. The carrying value of these financial instruments is set out in the table below. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group manages its cash flow interest rate risk by entering into fixed and floating rate debt and lease arrangements. The residual exposure to variable interest rates is managed by holding floating rate assets to create a natural hedge and may include entering into floating-to-fixed interest rate swaps to hedge part of this exposure (no interest rate swaps were in place in the current or prior financial years). The Group accounts for variable rate financial assets and financial liabilities at amortised cost using the effective interest rate method. There were no gains or losses on interest rate hedging activities for the Group during the current or prior financial years.

## 22. Financial risk management (continued)

### a) Market risk (continued)

#### vi. Exposure to interest rate risk and sensitivity to interest rates

The fixed and variable components of the Group's cash, cash equivalents and term deposits and interest-bearing liabilities are set out in the table below. Non-interest-bearing amounts are not reported separately in the table. The impact on profit or loss (before tax) of a 100 basis point increase or decrease in interest rates, assuming all other variables remain constant, is also set out below. There are no impacts on equity.

|                                    | Carrying<br>amount<br>\$m | Interest rate profile            |                                     | Profit/(loss) sensitivity  |                            |
|------------------------------------|---------------------------|----------------------------------|-------------------------------------|----------------------------|----------------------------|
|                                    |                           | Fixed rate<br>instruments<br>\$m | Variable rate<br>instruments<br>\$m | 100 bps<br>increase<br>\$m | 100 bps<br>decrease<br>\$m |
| <b>2026</b>                        |                           |                                  |                                     |                            |                            |
| Cash and cash equivalents          | 1,375.4                   | –                                | 1,375.4                             | 13.8                       | (13.8)                     |
| Term deposits at bank <sup>6</sup> | 468.1                     | 468.1                            | –                                   | –                          | –                          |
| Lease liabilities                  | (1,408.8)                 | (1,408.8)                        | –                                   | –                          | –                          |
| Interest-bearing liabilities       | (1,588.8)                 | (79.9)                           | (1,508.9)                           | (15.1)                     | 15.1                       |
|                                    | <b>(1,154.1)</b>          | <b>(1,020.6)</b>                 | <b>(133.5)</b>                      | <b>(1.3)</b>               | <b>1.3</b>                 |
| <b>2025</b>                        |                           |                                  |                                     |                            |                            |
| Cash and cash equivalents          | 1,035.2                   | –                                | 1,035.2                             | 10.4                       | (10.4)                     |
| Term deposits at bank <sup>6</sup> | 83.0                      | 83.0                             | –                                   | –                          | –                          |
| Lease liabilities                  | (984.3)                   | (984.3)                          | –                                   | –                          | –                          |
| Interest-bearing liabilities       | (1,311.4)                 | (328.4)                          | (983.0)                             | (9.8)                      | 9.8                        |
|                                    | <b>(1,177.5)</b>          | <b>(1,229.7)</b>                 | <b>52.2</b>                         | <b>0.6</b>                 | <b>(0.6)</b>               |

<sup>6</sup> At 30 June 2026 the term deposits at bank had a weighted average term to maturity of 136 days (2025: 162 days).

## 22. Financial risk management (continued)

### b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations. Financial assets include cash and cash equivalents, receivables, derivative financial instruments and other financial assets (including security deposits).

Exposure to credit risk in relation to cash and cash equivalents, derivative financial instruments and other financial assets arises principally from financial institutions and aircraft lessors. The Group limits its exposure to financial institutions via a series of Board approved counterparty credit limits based on the long-term credit rating of the counterparty. Hedging transactions and cash investments in liquid securities are conducted with financial institutions that have an investment grade rating (BBB+ and above) where possible. The Group also limits exposure by transacting with multiple aircraft lessors in various countries.

#### *i. Receivables*

Exposure to credit risk in relation to receivables arises principally from trade debtors and other counterparties (travel agents, industry settlement organisations and credit provided direct to customers).

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer or counterparty and is assessed based on trading performance of the counterparty. The Group has credit policies in place under which each new trade debtor is analysed individually for creditworthiness before the Group's standard payment terms are offered. Purchase limits are established for each counterparty and reviewed on a regular basis to ensure that sales made on credit terms are made to counterparties with an appropriate credit history. The Group continuously monitors counterparty credit limits on defaults, incorporating this information into credit risk controls.

The demographics of the Group's customer base, including default risk of the industry, have less of an influence on credit risk. A significant proportion of the Group's revenue is received through credit cards; however, there are no significant concentrations of credit risk.

Of the trade receivables as at 30 June 2026, deemed neither past due nor impaired, customers who represent more than 5% of the balance have an investment grade credit rating and the credit exposure is short-term in nature with no history of default. The average credit period on non-airline passenger revenue is 24 days (2025: 18 days). In the event of a default, the Group would cease trading with the customer and any credit extended would be withdrawn. A provision for doubtful receivables account in respect of trade receivables is used to record expected credit losses (ECLs). The Group uses an allowance matrix to measure the lifetime ECLs of trade receivables from individual customers because trade receivables is comprised of a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable being written off. During the current year an expense of \$0.3 million (2025: \$0.1 million) was recognised in relation to bad and doubtful debts.

The Group considers individual customer data and publicly available information, including any forward-looking statements, when assessing whether there has been an increase in credit risk with individual debtors since the initial recognition of the financial assets and when estimating ECLs. The Group considers a financial asset to be in default when the counterparty is unlikely to pay its credit obligations in full. If the Group is satisfied that no recovery of the amount owing is possible, subsequent to engagement with the debtor and any commercial negotiations, the financial asset is written off.

## 22. Financial risk management (continued)

### b) Credit risk (continued)

An ageing analysis of trade, maintenance and other receivables is included in the table below:

|                                                 | 2026         |                                          | 2025         |                                          |
|-------------------------------------------------|--------------|------------------------------------------|--------------|------------------------------------------|
|                                                 | Gross<br>\$m | Allowance<br>for credit<br>losses<br>\$m | Gross<br>\$m | Allowance<br>for credit<br>losses<br>\$m |
| Not past due                                    | 405.4        | –                                        | 374.9        | –                                        |
| 1-30 days past due                              | 23.8         | –                                        | 30.1         | –                                        |
| 31-60 days past due                             | 0.8          | –                                        | 14.2         | –                                        |
| +61 days past due                               | 5.7          | (4.1)                                    | 4.5          | (4.0)                                    |
| <b>Trade, maintenance and other receivables</b> | <b>435.7</b> | <b>(4.1)</b>                             | <b>423.7</b> | <b>(4.0)</b>                             |

#### ii. Exposure to credit risk

The Group's maximum exposure to credit risk at the reporting date equates to the carrying amount of its financial assets and is set out in the table below.

|                                                  | Notes | 2026<br>\$m    | 2025<br>\$m    |
|--------------------------------------------------|-------|----------------|----------------|
| Cash, cash equivalents and term deposits at bank | 17    | 1,843.5        | 1,118.2        |
| Trade, maintenance and other receivables         | 9     | 431.6          | 419.7          |
| Derivative financial instruments                 | 22    | 52.0           | 11.5           |
| Other financial assets                           | 11    | 131.4          | 131.8          |
|                                                  |       | <b>2,458.5</b> | <b>1,681.2</b> |

## 22. Financial risk management (continued)

### c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The following table summarises the periods in which the cash flows associated with derivatives are expected to occur, as well as the contractual maturities of financial liabilities, including estimated interest payments. The carrying amount of derivative financial instruments that are cash flow hedges is based on the valuation at reporting date and therefore the settled gain or loss may be more or less than this amount. The net inflows/(outflows) relating to derivatives that are net cash settled represent the contractual undiscounted cash flows relating to derivatives held for risk management purposes as at 30 June 2026. Derivative financial instruments may be closed out prior to their contracted maturity date in accordance with the Group's hedging policy. The cash flows relating to derivatives are expected to impact profit or loss in the same periods in which the cash flows are expected to occur.

Interest-bearing liabilities are denominated in AUD, USD and JPY (refer to note 19) and therefore the contractual cashflows noted in the table below may differ as a result of the foreign exchange rate that applies at the date the USD and JPY denominated instrument is settled. Any breach in financial covenants relating to financing arrangements may result in a requirement for the Group to repay the relevant loans earlier than indicated by the contractual cash flows. At the reporting date, the Group was in compliance with its covenants.

The following table summarises the periods in which cash flows are contractually required to occur. Actual timing may differ.

|                                  | Carrying<br>amount<br>\$m | Contractual cash flows |                  |                  | Total<br>\$m     |
|----------------------------------|---------------------------|------------------------|------------------|------------------|------------------|
|                                  |                           | < 1 year<br>\$m        | 1-5 years<br>\$m | > 5 years<br>\$m |                  |
| <b>2026</b>                      |                           |                        |                  |                  |                  |
| Derivative financial liabilities | (16.9)                    | (16.9)                 | –                | –                | (16.9)           |
| Payables                         | (639.9)                   | (639.9)                | –                | –                | (639.9)          |
| Lease liabilities                | (1,408.8)                 | (332.3)                | (843.7)          | (730.0)          | (1,906.0)        |
| Interest-bearing liabilities     | (1,588.8)                 | (212.6)                | (1,378.7)        | (375.5)          | (1,966.8)        |
|                                  | <b>(3,654.4)</b>          | <b>(1,201.7)</b>       | <b>(2,222.4)</b> | <b>(1,105.5)</b> | <b>(4,529.6)</b> |
| <b>2025</b>                      |                           |                        |                  |                  |                  |
| Derivative financial liabilities | (17.5)                    | (17.3)                 | (0.2)            | –                | (17.5)           |
| Payables                         | (581.9)                   | (581.9)                | –                | –                | (581.9)          |
| Lease liabilities                | (984.3)                   | (295.8)                | (614.4)          | (382.6)          | (1,292.8)        |
| Interest-bearing liabilities     | (1,311.4)                 | (583.8)                | (868.4)          | (89.9)           | (1,542.1)        |
|                                  | <b>(2,895.1)</b>          | <b>(1,478.8)</b>       | <b>(1,483.0)</b> | <b>(472.5)</b>   | <b>(3,434.3)</b> |

The Group also has contractual commitments for the acquisition of property, plant and equipment, which are detailed in note 28.

### Liquidity risk management

The Group's primary cash investment objective is to ensure sufficient liquidity is available to run the business in a variety of stressed scenarios, ensuring that the Group can continue to meet its contractual obligations, including operating expenses, debt maturities and capital commitments. Regular cash projections are provided to the Board and senior management and policies include minimum liquidity requirements which must be maintained.

The Group also maintains various lines of credit, which are detailed in note 19. The Group's capital management policies are detailed in note 16. The Group's funding plans and basis of going concern are detailed in note 33(e).

## 23. Fair value measurement

Financial assets and liabilities are measured at either fair value or amortised cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the following fair value hierarchy:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices that are directly or indirectly observable
- Level 3 - Inputs are not observable based on market data

The other financial assets also include maintenance reserve deposits which is based on Level 3 inputs.

The financial instruments disclosed in the table below are all measured based on Level 2 valuation methods. The carrying amounts of financial assets and liabilities not detailed in the following table approximate their fair values.

|                                                        | 2026                  |                   | 2025                  |                   |
|--------------------------------------------------------|-----------------------|-------------------|-----------------------|-------------------|
|                                                        | Carrying value<br>\$m | Fair value<br>\$m | Carrying value<br>\$m | Fair value<br>\$m |
| <b>Financial assets carried at fair value</b>          |                       |                   |                       |                   |
| Derivative financial instruments                       | 52.0                  | 52.0              | 11.5                  | 11.5              |
| <b>Financial liabilities carried at amortised cost</b> |                       |                   |                       |                   |
| Secured aircraft finance facilities                    | 663.5                 | 665.3             | 730.1                 | 726.7             |
| Secured loans                                          | 925.3                 | 944.8             | 435.1                 | 450.0             |
| Unsecured loan                                         | –                     | –                 | 146.2                 | 150.7             |
| Derivative financial instruments                       | 16.9                  | 16.9              | 17.5                  | 17.5              |

### i. Derivative financial instruments

The fair value of financial instruments that are not traded in an active market (i.e. over-the-counter derivatives) is based on Level 2 inputs. These financial instruments relate to fuel and foreign exchange hedging contracts principally with counterparties with investment grade credit ratings. The fair value of these instruments is determined using estimated discounted cash flows based on the forward curve on fuel prices and foreign exchange rates at the reporting date.

### ii. Interest-bearing liabilities

The fair value of the Group's interest-bearing liabilities is determined based on Level 2 inputs by discounting the remaining contractual cash flows at the relevant credit-adjusted market interest rates at the reporting date.

### iii. Maintenance reserve deposits

The fair value of maintenance reserve deposits on leased aircraft is based on Level 3 inputs. Fair value is calculated as the present value of the estimated costs of future maintenance events. Key inputs to the fair value calculation include timing of forecast maintenance expenditure and the discount rate. The Group has assessed that any reasonably possible changes in these unobservable inputs would not materially impact the fair value measurement. Refer to note 11 for further disclosure.

### iv. Other financial assets and liabilities carried at amortised cost

The fair value of cash, cash equivalents and term deposits, receivables and payables approximate their carrying amounts largely due to the short-term nature of these instruments. The fair value of other financial assets and variable rate liabilities that are not recognised net of transaction costs approximate their carrying amounts.

## 24. Offsetting financial assets and liabilities

The Group enters into contractual arrangements such as the International Air Transport Association (IATA) and International Swaps and Derivatives Association (ISDA) Master Agreements 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 contractual terms.

Amounts are recognised net in the consolidated statement of financial position where the Group has a legally enforceable right to set off and there is intention to settle on a net basis. Where there is no legally enforceable right to offset recognised amounts, the balances are recognised gross.

As at 30 June 2026, the amounts shown as financial assets and financial liabilities (including provisions) would each have been \$276.7 million lower (2025: \$246.6 million) in the event the right to offset was currently enforceable.

## E. Group structure

This section sets out the legal structure of the Group. It provides information on business combinations, details on controlled entities, joint ventures, associates, non-controlling interests and unconsolidated structures. The parent entity in the Group is Virgin Australia Holdings Limited.

### 25. Controlled entities

These consolidated financial statements comprise the financial statements of the Company and the following subsidiaries which are wholly owned in the current and prior financial years unless otherwise noted. The reporting period end for all subsidiaries is the same as the parent entity. Country of incorporation is detailed in tables below.

#### Australia

|                                                                |                                                                  |                                                                |
|----------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------|
| VBNC5 Pty Ltd <sup>1,2</sup>                                   | VB PDP 2010-11 Pty Ltd <sup>1,2</sup>                            | BC Hart Company Pty Ltd <sup>1,2</sup>                         |
| Virgin Australia Airlines Holdings Pty Ltd <sup>1,2</sup>      | Virgin Australia Airlines Pty Ltd <sup>1,2</sup>                 | Virgin Tech Pty Ltd <sup>1,2</sup>                             |
| Short Haul 2017 No. 2 Pty Ltd                                  | Short Haul 2017 No. 3 Pty Ltd <sup>3</sup>                       | Short Haul 2018 No. 1 Pty Ltd                                  |
| VA Borrower 2019 No. 2 Pty Ltd <sup>3</sup>                    | VB Ventures Pty Ltd <sup>2</sup>                                 | VB Leaseco Pty Ltd <sup>1,2,4</sup>                            |
| VB Leaseco No 2 Pty Ltd <sup>3</sup>                           | VB 800 2009 Pty Ltd <sup>3</sup>                                 | Short Haul 2014 No. 1 Pty Ltd <sup>3</sup>                     |
| Short Haul 2014 No. 2 Pty Ltd <sup>3</sup>                     | ULCC Air Pty Ltd <sup>1,2,4</sup>                                | Virgin Australia Cargo Pty Ltd <sup>1,2,4</sup>                |
| Virgin Australia Regional Airlines Pty Ltd <sup>1,2</sup>      | Velocity Frequent Flyer Holdco Pty Ltd <sup>5</sup>              | Velocity Frequent Flyer 1 Pty Ltd <sup>5</sup>                 |
| Velocity Frequent Flyer 2 Pty Ltd <sup>5</sup>                 | Velocity Frequent Flyer Pty Ltd <sup>5</sup>                     | Velocity Rewards Pty Ltd <sup>6</sup>                          |
| Torque Solutions (Australia) Pty Ltd <sup>5</sup>              | Virgin Australia International Operations Pty Ltd <sup>1,4</sup> | Virgin Australia International Holdings Pty Ltd <sup>2,7</sup> |
| Virgin Australia International Airlines Pty Ltd <sup>2,7</sup> | ULCC Air International Pty Ltd <sup>2,7</sup>                    | Virgin Australia Airlines (SE Asia) Pty Ltd <sup>2,7</sup>     |
| VA Borrower 2024 Pty Ltd <sup>3</sup>                          | VA Borrower 2026 No.1 Pty Ltd <sup>3,8</sup>                     | VA Treasury Services Pty Ltd <sup>2</sup>                      |

#### New Zealand

Virgin Australia Airlines (NZ) Limited<sup>2,7</sup>

#### Australia - Trusts

|                          |                                                  |
|--------------------------|--------------------------------------------------|
| The Loyalty Trust        | Key Employee Performance Plan Trust <sup>9</sup> |
| MEP Trusts <sup>10</sup> | Virgin Australia Share Trust <sup>11</sup>       |

<sup>1</sup> These controlled entities are party to a Deed of Cross Guarantee with Virgin Australia Holdings Limited dated 24 March 2021 amended 29 June 2021 (Deed of Revocation) and 29 June 2022 (Deed of Assumption). Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 28 September 2016, where these controlled entities were required under the Corporations Act 2001 to prepare, audit and lodge financial reports, they have been relieved for the financial year ended 30 June 2026, subject to the exceptions as set out below in footnote 4. Refer to note 26 for further information regarding the Deed of Cross Guarantee.

<sup>2</sup> These entities have given security over their assets (other than assets over which security is not available to be granted because of contractual restrictions) to secure the secured funding facility disclosed in note 19.

<sup>3</sup> The issued capital of these entities is pledged as security for the secured aircraft finance facilities in note 19.

<sup>4</sup> For the years 30 June 2025 and 30 June 2026, these companies were ineligible for relief under the Deed of Cross Guarantee, having not met the large proprietary company reporting threshold.

<sup>5</sup> These entities have given security over their assets (other than assets over which security is not available to be granted because of contractual restrictions) to secure the secured bank loan disclosed in note 19.

<sup>6</sup> The Company administers The Loyalty Trust through an appointed trustee.

<sup>7</sup> The Company consolidates these entities in accordance with the requirements of Australian Accounting Standards, despite not being wholly owned as the Company is exposed to or has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over the entities and they are therefore controlled entities of the Company.

<sup>8</sup> Incorporated 9 February 2026.

<sup>9</sup> Computershare administers the Key Employee Performance Plan Trust through appointed trustees.

<sup>10</sup> The Group has established and controls 56 bare trusts for the ordinary shares held by employees that remain subject to vesting conditions and escrow arrangements under the terms of the Legacy Incentive Schemes (refer to note 29).

<sup>11</sup> The Virgin Australia Share Trust was established on the 5th January 2026. CPU Share Plans Pty Limited administers the Virgin Australia Share Trust through appointed trustees.

## 25. Controlled entities (continued)

### Accounting policy

The Company controls an entity when it 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. Controlled entities are consolidated from the date on which control commences and are de-consolidated from the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Significant judgement may be required to determine if an entity is controlled by the Company. The Company consolidates a number of entities in which it holds minimal or no issued capital. There are no significant restrictions on the Company's ability to access or use the assets and settle the liabilities of the Group.

## 26. Deed of Cross Guarantee

Virgin Australia Holdings Limited and certain wholly owned subsidiaries have entered into a Deed of Cross Guarantee (Deed).

Details of the companies which are party to the Deed, or which have entered into a Deed of Revocation or Deed of Assumption to the Deed in the relevant year, can be found in note 25 and are marked (1). The effect of the Deed is that Virgin Australia Holdings Limited has guaranteed to pay any outstanding liabilities upon the winding up of any wholly owned subsidiary that is party to the Deed. Wholly owned subsidiaries that are party to the Deed have also given a similar guarantee in the event that Virgin Australia Holdings Limited or another party to the Deed is wound up.

The wholly owned subsidiaries that are identified in note 25 and marked (1) are relieved from the requirements to prepare and lodge audited financial statements or are otherwise ineligible for reporting relief as indicated in the note.

### Consolidated statement of profit or loss of the Deed Group

|                                                | 2026<br>\$m  | 2025<br>\$m  |
|------------------------------------------------|--------------|--------------|
| Revenue and income                             | 6,030.6      | 5,558.3      |
| Expenses                                       | (5,321.5)    | (5,128.7)    |
| <b>Profit before net finance costs and tax</b> | <b>709.1</b> | <b>429.6</b> |
| Finance income                                 | 59.4         | 49.7         |
| Finance costs                                  | (235.3)      | (220.4)      |
| <b>Profit before tax</b>                       | <b>533.2</b> | <b>258.9</b> |
| Income tax benefit                             | (53.1)       | 100.1        |
| <b>Profit</b>                                  | <b>480.1</b> | <b>359.0</b> |

### Consolidated statement of profit or loss and other comprehensive income and accumulated losses of the Deed Group

|                                                                                           | 2026<br>\$m      | 2025<br>\$m      |
|-------------------------------------------------------------------------------------------|------------------|------------------|
| Profit                                                                                    | 480.1            | 359.0            |
| Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss | 20.4             | (34.5)           |
| <b>Other comprehensive income/(loss), net of tax</b>                                      | <b>20.4</b>      | <b>(34.5)</b>    |
| <b>Total comprehensive profit</b>                                                         | <b>500.5</b>     | <b>324.5</b>     |
| Accumulated losses at 1 July                                                              | (1,893.0)        | (2,152.0)        |
| Dividends declared                                                                        | –                | (100.0)          |
| <b>Accumulated losses at 30 June</b>                                                      | <b>(1,412.9)</b> | <b>(1,893.0)</b> |

## 26. Deed of Cross Guarantee (continued)

### Consolidated statement of financial position of the Deed Group

|                                      | 2026<br>\$m    | 2025<br>\$m    |
|--------------------------------------|----------------|----------------|
| <b>Current assets</b>                |                |                |
| Cash and cash equivalents            | 1,181.4        | 837.0          |
| Term deposits at bank                | 275.6          | –              |
| Receivables                          | 497.6          | 523.2          |
| Inventories                          | 33.1           | 29.0           |
| Derivative financial instruments     | 50.1           | 11.5           |
| Other financial assets               | 73.4           | 44.1           |
| Current tax asset                    | 67.8           | –              |
| <b>Total current assets</b>          | <b>2,179.0</b> | <b>1,444.8</b> |
| <b>Non-current assets</b>            |                |                |
| Receivables                          | 336.5          | 316.2          |
| Derivative financial instruments     | 1.9            | –              |
| Other financial assets               | 57.3           | 86.6           |
| Investment in subsidiary             | 1,185.7        | 1,185.2        |
| Property, plant and equipment        | 3,369.0        | 2,704.3        |
| Intangible assets                    | 33.5           | 37.7           |
| Deferred tax assets                  | –              | 150.0          |
| <b>Total non-current assets</b>      | <b>4,983.9</b> | <b>4,480.0</b> |
| <b>Total assets</b>                  | <b>7,162.9</b> | <b>5,924.8</b> |
| <b>Current liabilities</b>           |                |                |
| Payables                             | 1,430.6        | 1,434.3        |
| Unearned revenue and income          | 723.2          | 779.2          |
| Lease liabilities                    | 237.2          | 229.2          |
| Interest-bearing liabilities         | 105.4          | 508.0          |
| Provisions                           | 488.9          | 341.4          |
| Derivative financial instruments     | 16.9           | 17.5           |
| Current tax liabilities              | –              | 103.0          |
| <b>Total current liabilities</b>     | <b>3,002.2</b> | <b>3,412.6</b> |
| <b>Non-current liabilities</b>       |                |                |
| Lease liabilities                    | 1,164.4        | 747.0          |
| Interest-bearing liabilities         | 1,430.2        | 748.2          |
| Provisions                           | 653.9          | 678.2          |
| Deferred tax liabilities             | 7.0            | –              |
| <b>Total non-current liabilities</b> | <b>3,255.5</b> | <b>2,173.4</b> |
| <b>Total liabilities</b>             | <b>6,257.7</b> | <b>5,586.0</b> |
| <b>Net assets</b>                    | <b>905.2</b>   | <b>338.8</b>   |
| <b>Equity</b>                        |                |                |
| Share capital                        | 2,285.3        | 2,256.7        |
| Reserves                             | 32.8           | (24.9)         |
| Accumulated losses                   | (1,412.9)      | (1,893.0)      |
| <b>Total equity</b>                  | <b>905.2</b>   | <b>338.8</b>   |

## 27. Parent entity disclosures

|                                                                | 2026<br>\$m    | 2025<br>\$m    |
|----------------------------------------------------------------|----------------|----------------|
| <b>Results of Virgin Australia Holdings Limited</b>            |                |                |
| Profit                                                         | 214.2          | 121.8          |
| <b>Total comprehensive profit</b>                              | <b>214.2</b>   | <b>121.8</b>   |
| <b>Financial position of Virgin Australia Holdings Limited</b> |                |                |
| Current assets                                                 | 414.9          | 730.5          |
| <b>Total assets</b>                                            | <b>1,233.8</b> | <b>1,016.5</b> |
| Current liabilities                                            | (332.9)        | (376.8)        |
| <b>Total liabilities</b>                                       | <b>(332.9)</b> | <b>(376.8)</b> |
| <b>Net assets/(liabilities)</b>                                | <b>900.9</b>   | <b>639.7</b>   |
| Share capital                                                  | 2,285.3        | 2,256.7        |
| Reserves                                                       | 63.8           | 45.4           |
| Profit reserve                                                 | 214.2          | –              |
| Accumulated losses                                             | (1,662.4)      | (1,662.4)      |
| <b>Total equity</b>                                            | <b>900.9</b>   | <b>639.7</b>   |

The Company is party to a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of a number of its subsidiaries. Further details of the Deed of Cross Guarantee, and the subsidiaries subject to the Deed, are disclosed in note 26.

The Company does not have any contractual commitments for the acquisition of property, plant and equipment at 30 June 2026 (2025: nil).

During the year, the Company, reported a statutory profit after tax of \$214.2 million, which was set aside in a separate profit reserve to be used for future profit distributions.

## F. Other items

This section sets out other disclosures that may be relevant to understanding the financial position and performance of the Group.

### 28. Commitments and contingencies

#### Capital commitments

At 30 June 2026 the Group has capital expenditure commitments of \$1,416.5 million (2025: \$2,017.7 million) currently payable from FY27 to FY29 relating to the purchase of property, plant and equipment contracted at the reporting date but not recognised as liabilities. These commitments are predominantly in US dollars. US dollar amounts are translated to Australian dollars at the 30 June 2026 closing exchange rate of 0.6921 (2025: 0.6581). This capital expenditure commitment includes the purchase of five aircraft that have been or are expected to be delivered during H1 FY27 and will be funded via a committed debt facility. The remaining aircraft included in the capital commitments are considered attractive assets by financiers so funding for these aircraft is expected to remain available from debt and/or leasing markets where required. Commitments relating to aircraft and property leases are detailed in note 18.

#### Contingent liabilities

The Group has provided bank guarantees and standby letters of credit to third parties as guarantees of payment for aircraft lease security deposits and maintenance reserve deposits, non-aircraft lease commitments, a workers' compensation self-insurance licence and other arrangements entered into with third parties. As at 30 June 2026, the total outstanding is \$126.2 million (2025: \$119.5 million). Refer to note 19 for further information on facility limits.

Virgin Australia is subject to claims and litigation during the normal course of business. The Directors have given consideration to such matters and are of the opinion that no material contingent liabilities exist.

## 29. Share-based payments

### Plans operated during the year

The Group had the following equity-based remuneration schemes in effect during the year ended 30 June 2026:

- The Virgin Australia Management Equity Plan (Executive Leadership Team) and the Virgin Australia Management Equity Plan (General Managers) were established in or before May 2021 (Legacy Incentive Schemes). The Legacy Incentive Schemes were implemented while the Group was under private ownership and have been discontinued with no further grants occurring beyond the 2025 financial year.
- The Virgin Australia Employee Incentive Scheme (Virgin Australia Incentive Scheme) was implemented in June 2025. The Virgin Australia Incentive Scheme was established as the Group transitioned to public ownership and is designed to align the interests of participants more closely with the interests of shareholders.

### Legacy Incentive Schemes

During 2026, no new awards were granted to employees under the Legacy Incentive Scheme (2025: 4,979,000).

The following table provides the movement in options issued to participants under the Legacy Incentive Schemes, and the Weighted Average Exercise Price (WAEP) of these options during the period:

|                                                      | 2026<br>'000  | WAEP<br>\$  | 2025<br>'000  | WAEP<br>\$  |
|------------------------------------------------------|---------------|-------------|---------------|-------------|
| Outstanding at beginning of year                     | 50,233        | 0.15        | 52,221        | 1.05        |
| Granted during the year                              | –             | –           | 4,979         | 1.65        |
| Exercised during the year                            | (16,643)      | 0.05        | –             | –           |
| Forfeited during the year                            | (54)          | 1.65        | (6,967)       | 1.02        |
| <b>Outstanding at the end of the year</b>            | <b>33,536</b> | <b>0.16</b> | <b>50,233</b> | <b>0.15</b> |
| <b>Vested and exercisable at the end of the year</b> | <b>18,188</b> | <b>0.15</b> | <b>15,202</b> | <b>0.07</b> |

Options outstanding at the end of the period had an exercise price of \$0.00 - \$1.65 (2025: \$0.00 - \$1.65), and a weighted average time to maturity of 2.1 years (2025: 3.7 years).

Options forfeited during the period related to certain participants who ceased employment with the Group. Options which vested during the year include those of former employees who retained their entitlements at the Board's discretion under the good leaver provisions of the Legacy Incentive Schemes. While the shares held by former employees are subject to escrow and trading restrictions, no vesting conditions apply.

The weighted average share price at the date of exercise for options exercised in 2026 was \$3.02 (2025: no options exercised).

\$24.0 million has been included in labour and staff related expenses in the Group's income statement in relation to the Legacy Incentive Scheme for the year ended 30 June 2026 (2025: \$18.8 million).

## 29. Share-based payments (continued)

### Virgin Australia Incentive Scheme

The Virgin Australia Incentive Scheme provides the Board with flexibility to grant Share Rights, Performance Rights, Options and/or Shares as incentives, subject to the terms of individual offers and the satisfaction of any conditions determined by the Board from time to time. The following equity instruments were awarded in the year ended 30 June 2026 under the Virgin Australia Incentive Scheme:

- Performance Rights awarded to the Chief Executive Officer and Executive Leadership Team as part of the remuneration framework implemented subsequent to listing on the ASX (FY26 LTI).
- Share Rights to be awarded to certain members of Virgin Australia's senior management team for the deferred portion of the current year short-term incentive awards (FY26 STI Deferred).

The following equity instruments were deemed to have been granted in the year ended 30 June 2025:

- A once-off offer of share rights to key management personnel and one senior executive (One-Off Equity Grant).
- A once-off offer of share rights to certain active employees as at the time of IPO who are not participating in the Legacy Incentive Schemes or being offered a Long Term Incentive Award as an incentive (VA Take-Off Grant).

Vesting of the rights issued under these offers is subject to participants remaining employed by the Group for a specified period. Vesting of Performance Rights issued under the FY26 LTI is also subject to achievement of performance-based hurdles. Upon vesting, rights convert into ordinary shares on a one-for-one basis and have no exercise price. Following vesting of Share Rights, participants may be entitled to receive (at the Board's discretion) either a cash payment or equivalent number of ordinary shares that equates to the value of dividends declared (if any) over the vesting period. Performance Rights do not entitle participants to dividends during the vesting period.

An expense relating to the FY26 STI Deferred has been recognised from 1 July 2025, being the commencement date of the vesting period for the share-based payment arrangement. However, the grant date criteria, as defined under AASB 2 *Share-based Payment* (AASB 2), has not been met as at 30 June 2026 as the individual performance outcomes have not yet been determined or communicated to participants (FY26 STI Deferred). Similarly, the One-Off Equity Grants awarded during the period had not been communicated prior to 30 June 2026. Accordingly, the fair value used to determine the expense recognised during the period represents an estimate based on the Company's share price at 30 June 2026. Furthermore, the final number of Share Rights to be granted cannot yet be determined, as this will be calculated using the 10-day volume weighted average price (VWAP) of the Company's shares following the release of the FY26 results. As a result, the FY26 STI Deferred and the One-Off Equity Grant awarded during the period are not captured in the tables below.

Significant inputs used in the measurement of the estimated fair value of the rights granted during the year were as follows:

|                           | 2026               |
|---------------------------|--------------------|
| Award                     | FY26 LTI           |
| Grant date                | 30 June 2026       |
| Award type                | Performance rights |
| Share price on grant date | \$3.07             |
| Exercise price            | n/a                |
| Dividend entitlement      | No                 |
| Expected life             | 2.17 years         |
| Fair value                | \$2.88             |

## 29. Share-based payments (continued)

The following table provides the movement in rights issued to participants under the Virgin Australia Incentive Scheme during the year:

|                                           | Performance rights |          | Share rights |               |
|-------------------------------------------|--------------------|----------|--------------|---------------|
|                                           | 2026               | 2025     | 2026         | 2025          |
|                                           | '000               | '000     | '000         | '000          |
| Outstanding at beginning of year          | –                  | –        | 11,794       | –             |
| Granted during the year                   | 1,297              | –        | –            | 11,794        |
| Exercised during the year                 | –                  | –        | (2,241)      | –             |
| Forfeited during the year                 | –                  | –        | (854)        | –             |
| <b>Outstanding at the end of the year</b> | <b>1,297</b>       | <b>–</b> | <b>8,699</b> | <b>11,794</b> |

Rights outstanding at the end of the period had a weighted average time to maturity of 1.1 years (2025: 1.80 years). The weighted average share price at the date of exercise for rights exercised in 2026 was \$3.09 (2025: no rights exercised).

An amount of \$24.9 million has been included in labour and staff related expenses in the Group's income statement in relation to the Virgin Australia Incentive Scheme for the year ended 30 June 2026 (2025: \$1.5 million).

### Critical accounting estimates and judgements

In applying AASB 2 *Share-based Payment*, Virgin Australia makes several critical estimates and judgements that materially impact the valuation and recognition of share-based payment arrangements, particularly in relation to the Legacy Incentive Schemes. The determination of the grant date and/or modification date fair value of equity-settled awards requires significant judgement, including the determination of the grant date, the selection of an appropriate valuation model (e.g. Black-Scholes or Monte Carlo), and the input of assumptions such as the expected volatility of Virgin Australia's share price, expected dividend yield, risk-free interest rate, and the expected life of the instrument. In addition, all awards granted prior to Virgin Australia's IPO involved estimating the share price implicit for each award. The Legacy Incentive Scheme awards have been valued using a combination of Monte-Carlo simulation and Black-Scholes modelling and the Virgin Australia Incentive Scheme awards have been valued using Black-Scholes modelling. Significant inputs used in estimating the fair value of each award granted or modified during the year are detailed in the relevant section above.

### Accounting policy

The cost of equity-settled share-based payments is determined by the fair value at the date when the grant is made. That cost is recognised in the labour and staff related expense within the consolidated statement of profit or loss, together with a corresponding increase in equity reserves, over the period in which the service and any performance conditions are fulfilled (the vesting period).

At the end of each period, the Group is required to revise its estimate of the number of equity instruments that are expected to vest, based on meeting the applicable service requirements and/or performance-based hurdles (non-market conditions). The impact of the revisions to original estimates, if any, are recognised as an adjustment to the cumulative amount expensed with a corresponding adjustment to equity.

When an equity-settled share-based payment is modified, the fair value of both the original award (immediately prior to the modification) and the modified award is determined on the modification date. To the extent that the fair value of the modified award is greater than the original award, the difference is expensed in the consolidated statement of profit or loss over the period in which the modified service and performance conditions are fulfilled (modified vesting period).

## 30. Related parties

### a) Key management personnel

Key management personnel (KMP) are those persons having responsibility and authority for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director. The total remuneration of KMP of the Group is set out below.

|                                  | 2026<br>\$'000 | 2025<br>\$'000 |
|----------------------------------|----------------|----------------|
| Salaries and short-term benefits | 6,246          | 25,122         |
| Long-term benefits               | 15             | 48             |
| Termination benefits             | 407            | 4,158          |
| Post-employment benefits         | 489            | 1,080          |
| Share-based payments             | 16,331         | 11,050         |
|                                  | <b>23,488</b>  | <b>41,458</b>  |

### b) Other related party transaction and balances

#### BC Hart Investments L.P. (Bain Capital)

On 17 November 2020, BC Hart Investments L.P. (Bain Capital) formally acquired all of the shares in Virgin Australia Holdings Limited resulting in the Group exiting voluntary administration and delisting from the ASX. On 12 March 2025, Bain Capital sold a 25% interest in Virgin Australia Holdings Limited to Qatar Airways Group. On 24 June 2025, Bain Capital sold a portion of its shares in Virgin Australia Holdings Limited by relisting Virgin Australia Holdings Limited on the ASX. Bain Capital currently holds 39.9%<sup>1</sup> (2025: 40%) of the shares on issue and are considered to have significant influence over the Group.

In the current year, there were no transactions with Bain Capital. In the prior year, the Group was provided with management and other consulting services by Bain Capital totalling \$35,923 thousand. The fees outlined above were recognised in Other expenses in the Consolidated statement of profit or loss.

The Group has provided an indemnity to Bain Capital, its employees and certain other parties specified in the advisory agreement for any liabilities or claims that arise in relation to the services provided.

At 30 June 2026, nil balance (2025: \$17,332 thousand) remains outstanding and has been recognised within Payables on the Consolidated statement of financial position.

#### Qatar Airways Investments (UK) Ltd (Qatar Airways Group)

On 12 March 2025, Qatar Airways Investments (UK) Ltd (Qatar Airways Group) acquired a 25% interest in Virgin Australia Holdings Limited and is considered to have significant influence over the Group from that date. Qatar Airways Group's interest in the Group was diluted to 23.4% on completion of the Group's IPO. Qatar Airways Group's current interest in the Group is 23.3%<sup>1</sup>. The tables below include related party transactions entered by the Group with Qatar Airways Group from this date.

The Group commenced services between Australia and the State of Qatar under a wet lease arrangement with Qatar Airways on 12 June 2025. These flights were suspended at the end of February following closure of airspace in the region amid conflict in the Middle East. Daily flights to Sydney and Melbourne resumed on 15 June 2026 as flight corridors safely reopened, with services to Brisbane and Perth scheduled to return in December 2026. The flights under the wet lease arrangement are operated utilising Qatar Airways' aircraft and crew. The Group earns commission revenue from the sale of tickets and receives a fixed fee from Qatar Airways which compensates for the Group's costs of delivering the services, other than third party costs which are reimbursed by Qatar Airways. Qatar Airways receives proceeds from the sale of passenger tickets and cargo and bears the costs of flight operations.

The Group has codesharing arrangements with Qatar Airways under which the Group receives commission revenue from the sale of tickets. In addition, the Group has reciprocal arrangements with Qatar Airways to participate in each other's loyalty programs with participation fees paid by each party.

<sup>1</sup> Related party shareholding has been diluted due to new shares issued on exercise of employee share awards (refer to note 20).

### 30. Related parties (continued)

#### (i) Transactions with Qatar Airways Group

|                                                                 | 2026<br>\$'000 | 2025<br>\$'000 |
|-----------------------------------------------------------------|----------------|----------------|
| <b>Sales of goods and services</b>                              |                |                |
| Airline passenger revenue from a related party shareholder      | 6,522          | 406            |
| Loyalty program revenue from a related party shareholder        | 5,916          | 1,345          |
| Reimbursable costs from a related party shareholder             | 16,335         | 1,226          |
| Fixed fee income from a related party shareholder               | 4,332          | 378            |
| <b>Purchase of goods and services</b>                           |                |                |
| Purchase of goods and services from a related party shareholder | 752            | 1,250          |
| Loyalty redemption costs from a related party shareholder       | 24,887         | 4,916          |

#### (ii) Outstanding balances at reporting date with Qatar Airways Group

|                                                                         | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>Current receivables</b>                                              |                |                |
| Related party shareholder (sales of goods and services) <sup>2</sup>    | 3,522          | 1,839          |
| <b>Current payables</b>                                                 |                |                |
| Related party shareholder (purchase of goods and services) <sup>2</sup> | 5,809          | 7,675          |

- All outstanding balances with these related parties are to be settled in cash within one month of the reporting date. None of the balances are secured. No guarantees have been given or received.
- No provisions for doubtful receivables have been raised in relation to any outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

<sup>2</sup> These amounts include payables to and receivables from Qatar Airways under reciprocal codeshare arrangements. Under these codeshare arrangements Qatar Airways/the Group act as agent selling tickets to passengers on the Group's/Qatar Airways flights. The gross amount from the sale of tickets to passengers is remitted to the operating airline resulting in the recognition of receivables/payables with related party transactions recognised in the Statement of profit or loss limited to commissions received from or payable to Qatar Airways.

### 31. Auditor's remuneration

Details of amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services are set out below.

|                                                                                                   | 2026<br>\$'000 | 2025<br>\$'000 |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Audit and review services</b>                                                                  |                |                |
| Audit and review of the financial statements of the Company and any other entity within the Group | 1,732          | 2,157          |
| Audit procedures to support Qatar Airways Group shareholder reporting                             | 300            | –              |
| <b>Other assurance services</b>                                                                   |                |                |
| Regulatory sustainability report assurance services                                               | 178            | –              |
| Other regulatory assurance services                                                               | 243            | 196            |
| IPO assurance services <sup>3</sup>                                                               | –              | 1,647          |
| <b>Other services</b>                                                                             |                |                |
| Due diligence services <sup>4</sup>                                                               | 7              | 124            |
| Taxation services                                                                                 | –              | 21             |
| Other                                                                                             | –              | 19             |
|                                                                                                   | <b>2,460</b>   | <b>4,164</b>   |

### 32. Events subsequent to reporting date

In August 2026, the Board declared a dividend for the year ended 30 June 2026 of 7.6 cents per ordinary share, fully franked. The dividend will be paid on 15 October 2026.

No other matters or circumstances have arisen since the reporting date which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

### 33. Other information

#### a) Company information

Virgin Australia Holdings Limited (VAH) (the Company) is a for-profit company limited by shares, incorporated in Australia, whose shares are publicly traded on the ASX as of 24 June 2025. Prior to listing, BC Hart Investments L.P. (Bain Capital) was the immediate and ultimate parent entity, domiciled in Delaware, USA. The principal activities of the Group are the operation of a domestic and short-haul international airline (including charter and cargo) and a loyalty program. The Group's principal place of business is Level 11, 275 Grey Street, South Brisbane, QLD 4101 Australia.

The consolidated financial statements of the Company as at and for the year ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the Group), and the Group's interests in associates.

#### b) Statement of compliance

These consolidated financial statements are general purpose financial statements prepared in accordance with *Australian Accounting Standards* (AASBs) adopted by the *Australian Accounting Standards Board* (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Directors on 28 August 2026.

<sup>3</sup> IPO assurance services includes services relating to the Investigating Accountant's Report for inclusion in the Prospectus prepared for the purposes of the Group's IPO.

<sup>4</sup> Relates to due diligence services in connection with refinancing and other transactions.

### 33. Other information (continued)

#### c) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical costs, except where assets and liabilities are stated at fair value in accordance with relevant accounting policies. In preparing the consolidated financial statements, management has considered the potential impact of climate-related physical and transition risks on the Group's assets, liabilities, income and expenses. These matters include potential changes in fuel and carbon compliance costs, fleet renewal and aircraft technology developments, sustainable aviation fuel availability and pricing, customer demand, and potential operational disruption from physical climate risks.

The consolidated financial statements are presented in Australian dollars, unless otherwise noted, which is the functional currency of the Company.

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* dated 24 March 2026 and in accordance with that instrument, amounts in the consolidated financial statements have been rounded to the nearest one hundred thousand dollars, unless otherwise stated.

#### d) 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 the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates are reviewed on an ongoing basis and any revisions to estimates are recognised prospectively. Key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are described in the following notes:

- Note 6 - Taxation – recognition of deferred tax assets
- Note 12 - Unearned revenue and income – unearned passenger and loyalty program revenue
- Note 13 - Maintenance provision
- Note 29 - Share-based payments

#### e) Going concern and net liability position

The Group has prepared the financial statements for the year ended 30 June 2026 on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. At 30 June 2026 the Group's current liabilities exceeded its current assets by \$753.5 million (2025: \$1,884.2 million) including a current liability for unearned revenue of \$1,660.3 million (2025: \$1,663.4 million). The Group also has a net asset deficiency of \$227.2 million (2025: \$814.6 million).

Management has prepared cash flow forecasts that support the Group's ability to continue as a going concern over the coming 12-month period from the date of issuing these financial statements. Key considerations impacting the assumptions used within these forecasts include:

- the Group continuing to grow its operations with a focus on the Australian domestic market;
- allowances for uncertainties in economic conditions which may impact the demand for air travel and the Group's operating costs;
- current market expectations of fuel prices and foreign exchange risk;
- expenditures relating to the Group's continuing investments in IT and Transformation Program;
- repayments due under debt facilities, refinancing of existing facilities falling due over the forecast period and funding secured for future aircraft deliveries; and
- extent and timing of utilisation of travel credits held by passengers and other unearned revenue.

Based on these forecasts, together with access to its available unrestricted cash reserves, the Directors consider that the Group will continue as a going concern and be able to meet its obligations as and when they fall due over the coming 12-month period from the date these financial statements were authorised for issue.

## 33. Other information (continued)

### *f) Accounting policies*

Accounting policies have been applied consistently by all the Group's entities and to all periods presented in the consolidated financial statements. The following accounting policies apply to the consolidated financial statements as a whole.

#### *i. New standards and interpretations not yet adopted by the Group*

IFRS 18 *Presentation and Disclosure in Financial Statements* aims to provide greater consistency in presentation of the statement of financial performance and cash flow statement, including requirements to disclose more disaggregated information. This new standard is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. The Group has not early adopted IFRS 18 in the current period.

The Group has not identified any other standards or interpretations that have been issued but are not yet effective that would have a material impact on the Group when adopted.

#### *ii. Foreign currency transactions and balances*

Foreign currency transactions are initially recorded in the functional currency at the exchange rate at the date the transaction qualifies for recognition or the average exchange rate for the month if that is a reasonable approximation of the exchange rates for that month. Subsequently, foreign currency monetary balances are translated to the functional currency at the spot rates of exchange on the reporting date and the resultant exchange differences are recognised in profit or loss. Non-monetary balances that are measured in terms of historical cost are not re-translated. Non-monetary balances that are measured at fair value are translated at the date the fair value was determined with the gain or loss treated in line with the gain or loss recognised on changes to the fair value of the item.

#### *iii. Impairment*

The Group assesses at each reporting date whether there is an indication that an asset is impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. Where the asset does not generate inflows that are largely independent of those from other assets or groups of assets, these assets are grouped together into a cash-generating unit (CGU). A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. The Group has determined that its CGUs are consistent with its operating segments.

If an impairment loss was recognised in a prior period for an asset other than goodwill, and the carrying value of the CGU exceeds its recoverable amount, management makes a judgement as to whether any portion of the impairment should be reversed in the profit or loss during the current reporting period. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset after the reversal cannot exceed the amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised.

# Consolidated entity disclosure statement

*For the year ended 30 June 2026*

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year.

| Entity Name                                       | Body corporate, partnership or trust          | Place of incorporation and operation | % of share capital held directly or indirectly by the Company in the body corporate | Australian or Foreign tax resident | Jurisdiction for Foreign tax resident |
|---------------------------------------------------|-----------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------|------------------------------------|---------------------------------------|
| Virgin Australia Holdings Limited                 | Body corporate                                | Australia                            | n/a                                                                                 | Australia                          | n/a                                   |
| VBNC5 Pty Ltd                                     | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VB PDP 2010-11 Pty Ltd                            | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| BC Hart Company Pty Ltd                           | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Australia Airlines Holdings Pty Ltd        | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Australia Airlines Pty Ltd                 | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Tech Pty Ltd                               | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Short Haul 2017 No. 2 Pty Ltd                     | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Short Haul 2017 No. 3 Pty Ltd                     | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Short Haul 2018 No. 1 Pty Ltd                     | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VA Borrower 2019 No. 2 Pty Ltd                    | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VB Ventures Pty Ltd                               | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VB Leaseco Pty Ltd                                | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VB Leaseco No 2 Pty Ltd                           | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VB 800 2009 Pty Ltd                               | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Short Haul 2014 No. 1 Pty Ltd                     | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Short Haul 2014 No. 2 Pty Ltd                     | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| ULCC Air Pty Ltd                                  | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Australia Cargo Pty Ltd                    | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Australia Regional Airlines Pty Ltd        | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Velocity Frequent Flyer Holdco Pty Ltd            | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Velocity Frequent Flyer 1 Pty Ltd                 | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Velocity Frequent Flyer 2 Pty Ltd                 | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Velocity Frequent Flyer Pty Ltd                   | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Velocity Rewards Pty Ltd                          | Body corporate - Trustee of the Loyalty Trust | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Torque Solutions (Australia) Pty Ltd              | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Australia International Operations Pty Ltd | Body corporate                                | Australia                            | 100%                                                                                | Australia                          | n/a                                   |

| Entity Name                                                    | Body corporate, partnership or trust | Place of incorporation and operation | % of share capital held directly or indirectly by the Company in the body corporate | Australian or Foreign tax resident | Jurisdiction for Foreign tax resident |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------|------------------------------------|---------------------------------------|
| Virgin Australia International Holdings Pty Ltd <sup>1</sup>   | Body corporate                       | Australia                            | <0.01%                                                                              | Australia                          | n/a                                   |
| Virgin Australia International Airlines Pty Ltd <sup>1,2</sup> | Body corporate                       | Australia                            | <0.01%                                                                              | Australia                          | n/a                                   |
| ULCC Air International Pty Ltd <sup>1</sup>                    | Body corporate                       | Australia                            | <0.01%                                                                              | Australia                          | n/a                                   |
| Virgin Australia Airlines (SE Asia) Pty Ltd <sup>1</sup>       | Body corporate                       | Australia                            | <0.01%                                                                              | Australia                          | n/a                                   |
| VA Borrower 2024 Pty Ltd                                       | Body corporate                       | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| Virgin Australia Airlines (NZ) Limited <sup>1</sup>            | Body corporate                       | New Zealand                          | <0.01%                                                                              | Foreign                            | New Zealand                           |
| VA Treasury Services Pty Ltd                                   | Body corporate                       | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| VA Borrower 2026 No. 1 Pty Ltd                                 | Body corporate                       | Australia                            | 100%                                                                                | Australia                          | n/a                                   |
| The Loyalty Trust                                              | Trust                                | n/a                                  | n/a                                                                                 | Australia                          | n/a                                   |
| Key Employee Performance Plan Trust                            | Trust                                | n/a                                  | n/a                                                                                 | Australia                          | n/a                                   |
| MEP Trusts <sup>3</sup>                                        | Trust                                | n/a                                  | n/a                                                                                 | Australia                          | n/a                                   |
| Virgin Australia Share Trust                                   | Trust                                | n/a                                  | n/a                                                                                 | Australia                          | n/a                                   |

<sup>1</sup> The Company consolidates these entities in accordance with the requirements of Australian Accounting Standards, despite not being wholly owned as the Company is exposed to or has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over the entities and they are therefore controlled entities of the Company.

<sup>2</sup> Virgin Australia International Airlines Pty Ltd is incorporated in Australia and has a registered branch in Samoa. The branch operations have income tax obligations in Samoa.

<sup>3</sup> The Group has established and controls 56 bare trusts for the ordinary shares held by employees that remain subject to vesting conditions and escrow arrangements under the terms of the Legacy Incentive Schemes (refer to note 29).

### *Basis of preparation*

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with section 295(3A) of the *Corporations Act 2001*. It includes Virgin Australia Holdings Limited and the entities it controlled at 30 June 2026 under the requirements of AASB 10 *Consolidated Financial Statements*.

### *Determination of Tax Residency*

Section 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the 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*. The determination of tax residency involves judgement as this assessment 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 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.

### *Trusts*

Australian tax law does not contain specific residency tests for 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.

# Directors' declaration

In the opinion of the Directors of Virgin Australia Holdings Limited (the Company):

- the consolidated financial statements and notes that are set out on pages [129-182](#) and the Remuneration report set out on pages [48-75](#) in the Directors' report are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the financial position of the Group as at 30 June 2026 and its financial performance for the year ended on that date; and
  - complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- the Consolidated entity disclosure statement on pages [183-185](#) is true and correct; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and the Group entities identified and marked (1) in note 25 to the consolidated financial statements 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 the Company and those Group entities pursuant to ASIC Instrument 2016/785.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2026.

The notes to the consolidated financial statements include a statement of compliance with International Financial Reporting Standards (see note 33(b)).

Signed in accordance with a resolution of the Directors:



**Peter Warne**  
Chair  
28 August 2026



**David Emerson**  
Chief Executive Officer  
28 August 2026

# Independent auditor's report



## Independent Auditor's Report

To the shareholders of Virgin Australia Holdings Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of Virgin Australia Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2026;
- Consolidated statement of profit or loss, Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Key Audit Matters

The **Key Audit Matters** we identified are:

- Recognition of airline passenger revenue; and
- Recognition of unearned loyalty program revenue.

**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.

### Recognition of airline passenger revenue

Refer to Note 2 and Note 12 to the Financial Report

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Airline passenger revenue recognition is a key audit matter given its significance to the financial statements, and the audit effort and judgement we have applied in assessing the Group's revenue recognition. This was the result of:</p> <ul style="list-style-type: none"> <li>• The high volume of relatively low value transactions associated with airline ticket sales;</li> <li>• Significant judgements made by the Group in estimating revenue to be recognised from the proportion of unused tickets and credit vouchers that are expected to expire (breakage). This involves higher audit effort in assessing historical trends of customer usage as well as forward-looking assumptions relating to expectations of customer behaviour; and</li> <li>• The Group's reliance on IT systems to process, record and recognise airline passenger revenue.</li> </ul> <p>In addressing this key audit matter, we involved our IT specialists in understanding the Group's IT systems and controls.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Group's accounting policy for airline passenger revenue against the requirements of AASB 15 <i>Revenue from contracts with customers</i>;</li> <li>• With the assistance of our IT specialists, evaluating key controls relevant to the flow of information within airline passenger revenue IT systems, including ticket validation and the recognition of revenue at flight date. This included controls related to user access and preventing unauthorised changes to these systems;</li> <li>• Testing manual controls for resolution of exceptions identified from the output of the airline passenger revenue IT systems;</li> <li>• Testing the reconciliation of unearned passenger revenue balances against system reports detailing sales made to individual passengers. For a sample of airline passenger revenue transactions throughout the period and unearned passenger revenue at period end, we checked the: <ul style="list-style-type: none"> <li>- cash received to bank statements; and</li> <li>- flight date or scheduled flight date to the date of travel on the underlying ticket records to check revenue was recognised in the correct period</li> </ul> </li> <li>• Assessing the Group's estimation of revenue to be recognised from the proportion of unused tickets and credit vouchers that are expected to expire (breakage), including: <ul style="list-style-type: none"> <li>- assessing the Group's ability to reliably estimate</li> </ul> </li> </ul> |



|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>expiry of credit vouchers by comparing previous estimates to actual outcomes; and</li> <li>evaluating the Group's key assumptions against historical trends of customer usage and forecast expectations of customer behaviour, assessing for indicators of bias, using our industry knowledge and understanding of published terms and conditions.</li> </ul> <ul style="list-style-type: none"> <li>Testing expired credit vouchers impacted by the COVID-19 pandemic. For a sample of travel vouchers expired we checked the flight date to the date of travel on the underlying ticket reservation and assessed expiry against published terms and conditions.</li> </ul> |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Recognition of unearned loyalty program revenue

Refer to Note 2 and Note 12 to the Financial Report.

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Recognition of the liability for unearned loyalty program revenue is a key audit matter due to the high level of audit effort and judgement required by us in assessing key forward looking assumptions used by the Group in determining unearned revenue, in turn impacting revenue recognised in the year.</p> <p>We focused on the Group's assumptions used in its estimate of the stand-alone selling price (SSP) of Velocity loyalty points and the proportion of points not expected to be redeemed by members in the future (expected lapse rate). This included consideration of:</p> <ul style="list-style-type: none"> <li>historical redemption trends and changes made to contractual arrangements with partners in the Velocity Frequent Flyer program which have an impact on the cost of redemptions in the future, affecting the SSP; and</li> <li>the expected future behaviour of members as a result of changes to the Program Rules, impacting both the future cost of redemptions and expected lapse rate.</li> </ul> <p>The Group uses an actuarial expert in estimating the expected lapse rate.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>Assessing the Group's methodology applied to estimate the SSP of Velocity loyalty points and the expected lapse rate against the requirements of AASB 15 <i>Revenue from Contracts with Customers</i>.</li> <li>Assessing the Group's ability to form a reliable estimate of the SSP and expected lapse rate by comparing previous estimates to actual outcomes.</li> <li>Testing the accuracy of calculations in the model used to determine the SSP of Velocity loyalty points.</li> <li>Evaluating and challenging the assumptions applied by the Group in estimating the SSP of Velocity loyalty points and expected lapse rate by: <ul style="list-style-type: none"> <li>comparing expectations of the future cost of redemptions, and forward-looking assumptions relating to member behaviour impacting the lapse rate, with historical trends;</li> <li>assessing how changes made to contractual arrangements with partners in the Velocity Frequent Flyer program and changes made to Program Rules were considered in the estimated future cost of redemptions and forward-looking assumptions of member behaviour. We did this by considering trends in member behaviour and using our knowledge of the business and industry; and</li> <li>involving our actuarial specialists, assessing the methodology used by the Group's actuarial expert to estimate the expected lapse rate, including</li> </ul> </li> </ul> |



In addressing this key audit matter, we involved team members with relevant industry experience and our actuarial specialists.

independently calculating the expected lapse rate using the Group's inputs and comparing this to the Group's estimate.

- Checking the accuracy of historical points data used in estimating the stand-alone selling price and expected lapse rate against source data in the Group's loyalty IT system.
- Assessing the scope, competence and objectivity of the external expert engaged by the Group to assist with estimating the expected lapse rate.

#### Other Information

Other Information is financial and non-financial information in Virgin Australia Holdings Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinion/conclusions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

#### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, 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*, 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; and
- assessing the Group and the 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.aasb.gov.au/media/1111/1111.pdf>. This description forms part of our Auditor's Report.

#### Report on the Remuneration Report

##### Opinion

In our opinion, the Remuneration Report of Virgin Australia Holdings Limited for the year ended 30 June 2026, complies with *Section 300A of the Corporations Act 2001*.

##### 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*.

##### Our responsibilities

We have audited the Remuneration Report included on pages 46 to 75 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A of the Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Suzanne Bell  
Partner

Brisbane, 28 August 2026

# Shareholder information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. The information is current at 31 July 2026, except where otherwise indicated.

## Substantial holders

The names of substantial holders in the Company, and the number of ordinary shares which each substantial holder and the substantial holder's associates have a relevant interest in, as disclosed in substantial holding notices received by the Company, are set out below.

| Shareholder                                     | No. of ordinary shares | Date of Release |
|-------------------------------------------------|------------------------|-----------------|
| Qatar Airways Investments (UK) Ltd <sup>1</sup> | 182,939,402            | 4/3/2026        |
| BC Hart Investments, L.P. <sup>2</sup>          | 312,611,311            | 3/3/2026        |
| Virgin Australia Holdings Limited <sup>3</sup>  | 344,135,623            | 3/3/2026        |
| Pinnacle Investment Management Group Limited    | 40,272,488             | 25/5/2026       |

As required by ASX Listing Rule 4.10.4, the substantial holding information set out above is based on the information provided by the relevant substantial holder in the most recent substantial holding notice given by them to the Company and lodged with ASX. There are certain differences between this information and the details of the 20 largest shareholders provided on page 193 because the latter details reflect the position as shown on the Company's register of shareholders as at 31 July 2026. In accordance with the Corporations Act, substantial holders are only required to lodge an updated substantial holding notice where there is a movement of at least 1% in their voting power.

## Distribution of ordinary shareholders

| Category         | No. of holders of ordinary shares | Voting power % |
|------------------|-----------------------------------|----------------|
| 1 - 1,000        | 3,970                             | 0.20%          |
| 1,001 - 5,000    | 1,163                             | 0.36%          |
| 5,001 - 10,000   | 294                               | 0.29%          |
| 10,001 - 100,000 | 278                               | 1.08%          |
| 100,001 and over | 31                                | 98.07%         |

## Marketable parcels of ordinary shares

990 shareholders hold less than a marketable parcel of ordinary shares as at 31 July 2026.

<sup>1</sup> Qatar Airways Investments (UK) Ltd (QAI UK) is the registered holder of 182,939,402 ordinary shares. QAI UK also has a technical relevant interest for the purposes of the substantial holding provisions in Part 6C.1 of the Corporations Act in a further 346,099,866 ordinary shares held by BC Hart Investments, L.P., Escrowed ELT Legacy Planholders and Escrowed GLT Legacy Planholders (Escrowed Shares). QAI UK has no right to acquire the Escrowed Shares or control their voting. Refer to the initial substantial holding notices lodged with ASX on 24 June 2025, 27 June 2025 and 4 March 2026 for further information.

<sup>2</sup> BC Hart Investments, L.P. is the registered holder of 312,611,311 ordinary shares. BC Hart Investments, L.P. also has a technical relevant interest for the purposes of the substantial holding provisions in Part 6C.1 of the Corporations Act in a further 31,524,312 ordinary shares held by Escrowed ELT Legacy Planholders and Escrowed GLT Legacy Planholders. BC Hart Investments, L.P. has no right to acquire the escrowed shares or control their voting. Refer to the substantial holding notices lodged with ASX on 24 June 2025, 27 June 2025 and 3 March 2026 for further information.

<sup>3</sup> Virgin Australia Holdings Limited (VAH) has a technical relevant interest for the purposes of the substantial holding provisions in Part 6C.1 of the Corporations Act in the Escrowed Shares. VAH has no right to acquire the Escrowed Shares or control their voting. Refer to the substantial holding notices lodged with ASX on 24 June 2025 and 3 March 2026 for further information.

## Distribution of rights holders

| Category         | No. of holders<br>rights | % of total rights |
|------------------|--------------------------|-------------------|
| 1 - 1,000        | 82                       | 0.28%             |
| 1,001 - 5,000    | 7,080                    | 74.27%            |
| 5,001 - 10,000   | –                        | – %               |
| 10,001 - 100,000 | 3                        | 1.18%             |
| 100,001 and over | 8                        | 24.27%            |

## On-market share buy-back

There is no current on-market share buy-back.

No securities were purchased on-market during the financial year for the purpose of employee share schemes.

## 20 largest shareholders as at 31 July 2026

| Name                                                           | No. of ordinary<br>shares held | Capital held % |
|----------------------------------------------------------------|--------------------------------|----------------|
| BC Hart Investments LP                                         | 312,611,311                    | 39.86%         |
| Qatar Airways Investments (UK) Ltd                             | 182,939,402                    | 23.33%         |
| HSBC Custody Nominees (Australia) Limited                      | 77,345,210                     | 9.86%          |
| Citicorp Nominees Pty Limited                                  | 77,062,065                     | 9.83%          |
| J P Morgan Nominees Australia Pty Limited                      | 50,970,243                     | 6.50%          |
| BNP Paribas Noms Pty Ltd                                       | 24,416,323                     | 3.11%          |
| BNP Paribas Noms Pty Ltd <Global Markets>                      | 18,004,637                     | 2.30%          |
| HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C> | 5,915,138                      | 0.75%          |
| BNP Paribas Nominees Pty Ltd <Agency Lending A/C>              | 4,430,503                      | 0.56%          |
| Carla Jayne Hrdlicka                                           | 3,414,870                      | 0.44%          |
| Argo Investments Limited                                       | 1,462,038                      | 0.19%          |
| Mr Alistair James Thomas Hartley                               | 1,376,964                      | 0.18%          |
| Mr David Marr                                                  | 1,170,420                      | 0.15%          |
| Citicorp Nominees Pty Limited <Colonial First State Inv A/C>   | 971,298                        | 0.12%          |
| UBS Nominees Pty Ltd                                           | 801,487                        | 0.10%          |
| Mr Stuart Russell Aggs                                         | 726,964                        | 0.09%          |
| Mr Shane Burquest <S & L Burquest Inves A/C>                   | 668,247                        | 0.09%          |
| Marensa Pty Ltd <The Stewart Investment A/C>                   | 665,535                        | 0.08%          |
| Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>                 | 662,331                        | 0.08%          |
| HSBC Custody Nominees (Australia) Limited - A/C 2              | 628,255                        | 0.08%          |

The percentage holding of the 20 largest shareholders of the Company's ordinary shares was 97.71%.

## Voting rights

Virgin Australia fully-paid ordinary shares carry a voting right of one vote per fully-paid ordinary share. Rights holders do not carry any voting rights.

## Securities subject to escrow

| Class                        | Expiry date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No. of shares                                                           |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Ordinary shares              | <b>BC Hart Investments, L.P.</b><br>As announced on 17 February 2026, 25% of BC Hart Investments, L.P.'s Escrowed Shares became eligible for release from voluntary escrow subject to the conditions outlined in that announcement. These conditions were not met, therefore 100% of BC Hart Investments, L.P.'s holding will be eligible for release from voluntary escrow at 4:15pm (Sydney time) on 31 August 2026, being the trading day after the date on which the Company releases to the ASX its financial results for the financial year ending 30 June 2026.                                                                                                                                                                                                                                                                                    | 312,611,311                                                             |
| Ordinary shares <sup>4</sup> | <b>Escrowed ELT Legacy Planholders</b><br>Management Shareholders and current and former employees who are or were members of ELT (Escrowed ELT Legacy Planholders).<br><br>As announced on 17 February 2026, one-third of Escrowed Shares has been released from voluntary escrow.<br><br>Another one-third of the Escrowed Shares will be eligible for release from voluntary escrow at 4:15pm (Sydney time) on the trading day after the date on which the Company releases to the ASX its financial results for the half year ended 31 December 2026; and in respect of the final one-third of the Escrowed Shares, those will become eligible for release from voluntary escrow at 4:15pm (Sydney time) on the trading day after the date on which the Company releases to the ASX its financial results for the financial year ending 30 June 2027. | 29,560,092<br>(Escrowed)<br><br>14,780,061<br>(Released from<br>Escrow) |
| Ordinary shares <sup>4</sup> | <b>Escrowed GLT Legacy Planholders</b><br>Management Shareholders and current and former employees who are or were members of GLT (Escrowed GLT Legacy Planholders).<br><br>As announced on 21 August 2025 and 17 February 2026, two-thirds of Escrowed Shares have been released from voluntary escrow. The final one-third of the Escrowed Shares will become eligible for release from voluntary escrow at 4:15pm (Sydney time) on the trading day after the date on which the Company releases to the ASX its financial results for the half year ended 31 December 2026.                                                                                                                                                                                                                                                                             | 1,964,220<br>(Escrowed)<br><br>3,928,483<br>(Released from<br>Escrow)   |

<sup>4</sup> Shares held by Escrowed ELT Legacy Planholders and Escrowed GLT Legacy Planholders (together, the Escrowed Legacy Planholders) under the Legacy Incentive Schemes are held through an employee share trust on behalf of these Escrowed Shareholders. Escrowed Shares held by Escrowed Legacy Planholders are also subject to forfeiture in accordance with the terms of the Legacy Incentive Schemes.

# Appendix A – Non-IFRS measures and glossary

Virgin Australia uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). These measures are referred to as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information'. Non-IFRS financial measures are intended to supplement the financial information calculated in accordance with AAS or IFRS and not as a substitute for that information. These non-IFRS measures do not have a prescribed definition under AAS or IFRS and the method that Virgin Australia uses to calculate them may be different to methods adopted by other companies to calculate similarly titled measures. These non-IFRS measures are not subject to audit or review.

Management uses these non-IFRS measures to monitor and report on the financial performance of the business on an ongoing basis. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business, to make operational and investment decisions and for comparison with its business plan and operating budgets and the allocation of resources. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in the Financial Report are due to rounding.

## Financial metrics

**Net Debt** is defined as the total interest bearing liabilities and lease liabilities, net of total of cash and cash equivalents and terms deposits at bank. Management uses this measure to understand its overall credit position. This measure may be calculated differently to how other companies calculate net debt (for example, it includes term deposits at bank).

**Net Debt to Underlying EBITDA** is the leverage ratio used by Virgin Australia to assess debt levels relative to earnings. It is calculated as Net Debt divided by Underlying EBITDA.

**Net working capital** is defined as the total balance of current trade and other receivables and inventory less the total balance of current trade and other payables, unearned revenue and provisions. The net working capital of Virgin Australia is typically negative due to unearned revenue generated by both the Airlines (ticket sales in advance of carriage) and Velocity (deferral of a portion of each point's value when issued). Management uses this measure to provide insight into its short-term liquidity. This measure may be calculated differently to how other companies calculate net working capital (for example, it does not include all current assets and all current liabilities).

**Return on Invested Capital (ROIC) %** is calculated as rolling 12-month Underlying EBIT divided by Average Invested Capital. Invested Capital comprises an Adjusted Equity Value, plus Net Debt. The Adjusted Equity Value is the Group's market capitalisation at listing plus changes in reported equity since listing. The market capitalisation at listing was \$2.3 billion. Average Invested Capital is calculated as the 12-month average of each of the reported period ends for Invested Capital. ROIC measures the efficiency with which the Group generates underlying operating earnings from the capital employed in the business.

**Significant Items** are income received and expenses incurred that are considered transformational in nature, or are outside of Virgin Australia's normal operating activities, together with foreign exchange revaluation gains or losses on USD denominated aircraft lease liabilities. Refer to tables below for the specific Significant Items included in this report. Due to the nature of these items, management believes it is useful to exclude them when measuring Virgin Australia's underlying operating performance.

**Underlying depreciation and amortisation** represents depreciation and amortisation before Significant Items. Refer below for reconciliation from statutory depreciation and amortisation to Underlying depreciation and amortisation.

**Underlying diluted earnings per share** represents earnings per share before Significant Items. Refer below for reconciliation from statutory diluted earnings per share to Underlying diluted earnings per share.

**Underlying EBIT** is equal to profit before net finance costs, tax and Significant Items. Management uses Underlying EBIT for the purposes of assessing the performance of Virgin Australia. Management believes that Underlying EBIT is useful to help understand the performance of the business before Significant Items and independently of its financing arrangements and impacts of tax. However, Underlying EBIT should not be considered as an alternative to net cash flow from operating activities because it does not reflect actual cash movements or movements in net working capital. Refer below for reconciliation from statutory profit before net finance costs and tax (an IFRS measure) to Underlying EBIT.

**Underlying EBIT margin (%)** represents Underlying EBIT divided by underlying revenue and income and is expressed as a percentage. Management uses Underlying EBIT margin as a measure to evaluate the profitability of the overall business and its business segments before Significant Items.

**Underlying EBITDA** represents profit before net finance costs, tax, depreciation, amortisation and Significant Items. It excludes the cost of leases recognised on-balance sheet in accordance with AASB 16 *Leases* (for which depreciation and interest expense is incurred) but includes variable lease costs. Management uses Underlying EBITDA to evaluate the operating performance of the business before Significant Items and the non-cash impact of depreciation and amortisation, interest and tax charges, which are materially affected by Virgin Australia's capital structure and historical tax position. Refer below for reconciliation from statutory profit before net finance costs and tax (an IFRS measure) to Underlying EBITDA.

**Underlying EBITDA margin (%)** represents Underlying EBITDA divided by Underlying revenue and income and is expressed as a percentage. Management uses underlying EBITDA margin as a measure to evaluate the profitability of the overall business and its business segments before Significant Items, net finance costs, tax, depreciation and amortisation.

**Underlying operating expenditure** represents expenditure before depreciation, amortisation and Significant Items. Management uses underlying operating expenditure as a measure to evaluate the operating performance of the business before the impact of Significant Items. Refer below for reconciliation from statutory expenditure to Underlying operating expenditure.

**Underlying profit before tax** represents profit before tax and Significant Items. Management uses underlying net profit before tax to evaluate the profitability of the business excluding Significant Items. Refer below for reconciliation from statutory profit before tax to Underlying profit before tax.

**Underlying net profit after tax** represents net profit before Significant Items. Management uses underlying net profit to evaluate the overall profitability of the business excluding Significant Items when taking into account its financing arrangements and impacts of tax. Refer below for reconciliation from statutory profit to Underlying net profit.

**Underlying revenue and income** represents revenue and income before Significant Items. Management uses underlying revenue and income as a measure to evaluate the operating performance of the business before the impact of Significant Items. Refer below for reconciliation from statutory profit to Underlying revenue and income.

## Significant Items

Significant Items in FY26 and FY25 included:

|                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IT transformation projects</b>                        | Costs related to Virgin Australia's technology investment program designed to enable Virgin Australia's transformation, focusing on modern commercial technology that supports efficient competition and enhanced customer, member and partner experiences. In addition to building its technology capabilities, Virgin Australia's technology investments have also replaced and enhanced underinvested infrastructure that had not been prioritised by the Group pre-administration, limiting Virgin Australia's potential. Any IT costs that are transformational in nature and not part of the ordinary recurring IT expenditure of Virgin Australia are classified as a Significant Item. |
| <b>Restructuring and transformation costs</b>            | Restructuring costs incurred on transaction costs and the Transformation Program to deliver various transformation initiatives being pursued by the business which are considered transformational or outside of Virgin Australia's normal operating activities and are one-off in nature.                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Impairment of assets and accelerated depreciation</b> | FY26: Equipment and costs related to Legacy A320 aircraft are being depreciated on an accelerated basis ahead of the aircraft's retirement in June 2026.<br>FY25: Legacy Fokker F100 aircraft used by VARA were depreciated on an accelerated basis ahead of their retirement in December 2025.                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Foreign exchange revaluation</b>                      | Realised and unrealised gains and losses on the revaluation of USD denominated aircraft lease liabilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>IPO and transaction costs</b>                         | Costs incurred in relation to planning and preparation for Virgin Australia's IPO that occurred in June 2025 and Qatar Airways Group's investment in Virgin Australia (which completed in March 2025) that are allocated to the Income Statement.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>IPO related share-based payments</b>                  | Includes the non-cash costs associated with the Legacy Incentive Schemes, One-off IPO bonus equity grant and the VA Take-off Grant, as these equity grants are directly related to the public listing of Virgin Australia. Despite the listing occurring in FY25, due to nuances in the Australian Accounting Standards, non-cash costs associated with these equity grants will continue to be recorded until vesting, the last of which occurs in FY28.                                                                                                                                                                                                                                      |
| <b>Expiry of COVID-19 Credits</b>                        | Standard COVID-19 Credits expired on 30 June 2026 in line with published terms and conditions. In June 2026, an extension of the booking window was announced allowing customers to use COVID credits for travel until 27 May 2027, provided bookings were made by 30 June 2026.                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Tax impact of Significant Items</b>                   | Tax effect of the Significant Items listed above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Recognition of deferred tax asset</b>                 | Gain generated following the recognition of previous off balance sheet deferred tax asset.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## Reconciliation of Statutory results to Underlying results

| 2026                                                  | Statutory | Significant Items            |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          | Underlying     |
|-------------------------------------------------------|-----------|------------------------------|----------------------------------|------------------------------------------------------------|------------------------------------|-----------------------------------------------|---------------------------------|----------------------------------|-------------------------------------------------|------------|-----------------------------------------|------------------------------------------|----------------|
|                                                       |           | Non-IFRS<br>Reclassification | Expiry of<br>COVID-19<br>Credits | Impairment<br>of assets and<br>accelerated<br>depreciation | Foreign<br>exchange<br>revaluation | IPO<br>related<br>share-<br>based<br>payments | IPO and<br>transaction<br>costs | IT<br>transformation<br>projects | Restructuring<br>and<br>transformation<br>costs | Other      | Recognition<br>of deferred<br>tax asset | Tax impact<br>of<br>Significant<br>Items |                |
| <b>\$m</b>                                            |           |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          |                |
| Revenue and income                                    | 6,352.9   |                              | (75.0)                           |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          | 6,277.9        |
| Operating Expenditure                                 | (5,575.6) | 492.2                        |                                  | –                                                          | (41.3)                             | 40.8                                          | (5.0)                           | 29.6                             | 18.0                                            | 3.1        |                                         |                                          | (5,038.2)      |
| <b>EBITDA</b>                                         |           | <b>1,269.5</b>               | <b>(75.0)</b>                    | <b>–</b>                                                   | <b>(41.3)</b>                      | <b>40.8</b>                                   | <b>(5.0)</b>                    | <b>29.6</b>                      | <b>18.0</b>                                     | <b>3.1</b> | <b>–</b>                                | <b>–</b>                                 | <b>1,239.7</b> |
| Depreciation & amortisation                           |           | (492.2)                      |                                  | 5.7                                                        |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          | (486.5)        |
| <b>Profit before net finance costs and tax (EBIT)</b> | 777.3     | <b>777.3</b>                 | <b>(75.0)</b>                    | <b>5.7</b>                                                 | <b>(41.3)</b>                      | <b>40.8</b>                                   | <b>(5.0)</b>                    | <b>29.6</b>                      | <b>18.0</b>                                     | <b>3.1</b> | <b>–</b>                                | <b>–</b>                                 | <b>753.2</b>   |
| EBIT Margin %                                         | 12.2%     |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          | 12.0%          |
| Net finance costs                                     | (174.3)   |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          | (174.3)        |
| <b>Net profit before tax</b>                          | 603.0     |                              | <b>(75.0)</b>                    | <b>5.7</b>                                                 | <b>(41.3)</b>                      | <b>40.8</b>                                   | <b>(5.0)</b>                    | <b>29.6</b>                      | <b>18.0</b>                                     | <b>3.1</b> | <b>–</b>                                | <b>–</b>                                 | <b>578.9</b>   |
| Income tax benefit/ (expense)                         | (101.8)   |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            | (87.5)                                  | 14.0                                     | (175.3)        |
| <b>Net profit after tax</b>                           | 501.2     |                              | <b>(75.0)</b>                    | <b>5.7</b>                                                 | <b>(41.3)</b>                      | <b>40.8</b>                                   | <b>(5.0)</b>                    | <b>29.6</b>                      | <b>18.0</b>                                     | <b>3.1</b> | <b>(87.5)</b>                           | <b>14.0</b>                              | <b>403.6</b>   |
| Diluted earnings per share (cents)                    | 63.2      |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                         |                                          | 50.9           |

| 2025                                                  | Statutory | Significant Items            |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          | Underlying     |
|-------------------------------------------------------|-----------|------------------------------|----------------------------------|------------------------------------------------------------|------------------------------------|-----------------------------------------------|---------------------------------|----------------------------------|-------------------------------------------------|------------|------------------------------------------------------|------------------------------------------|----------------|
|                                                       |           | Non-IFRS<br>Reclassification | Expiry of<br>COVID-19<br>Credits | Impairment<br>of assets and<br>accelerated<br>depreciation | Foreign<br>exchange<br>revaluation | IPO<br>related<br>share-<br>based<br>payments | IPO and<br>transaction<br>costs | IT<br>transformation<br>projects | Restructuring<br>and<br>transformation<br>costs | Other      | Recognition<br>of deferred<br>tax asset <sup>1</sup> | Tax impact<br>of<br>Significant<br>Items |                |
| <b>\$m</b>                                            |           |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          |                |
| Revenue and income                                    | 5,809.7   |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          | 5,809.7        |
| Operating Expenditure                                 | (5,385.2) | 424.1                        | –                                | (1.1)                                                      | 2.5                                | 16.0                                          | 99.9                            | 54.5                             | 55.5                                            | 3.0        | –                                                    | –                                        | (4,730.8)      |
| <b>EBITDA</b>                                         |           | <b>848.6</b>                 | <b>–</b>                         | <b>(1.1)</b>                                               | <b>2.5</b>                         | <b>16.0</b>                                   | <b>99.9</b>                     | <b>54.5</b>                      | <b>55.5</b>                                     | <b>3.0</b> | <b>–</b>                                             | <b>–</b>                                 | <b>1,078.9</b> |
| Depreciation & amortisation                           |           | (424.1)                      |                                  | 9.6                                                        |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          | (414.5)        |
| <b>Profit before net finance costs and tax (EBIT)</b> | 424.5     | <b>424.5</b>                 | <b>–</b>                         | <b>8.5</b>                                                 | <b>2.5</b>                         | <b>16.0</b>                                   | <b>99.9</b>                     | <b>54.5</b>                      | <b>55.5</b>                                     | <b>3.0</b> | <b>–</b>                                             | <b>–</b>                                 | <b>664.4</b>   |
| EBIT Margin %                                         | 7.3%      |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          | 11.4%          |
| Net finance costs                                     | (171.7)   |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          | (171.7)        |
| <b>Net profit before tax</b>                          | 252.8     |                              | <b>–</b>                         | <b>8.5</b>                                                 | <b>2.5</b>                         | <b>16.0</b>                                   | <b>99.9</b>                     | <b>54.5</b>                      | <b>55.5</b>                                     | <b>3.0</b> | <b>–</b>                                             | <b>–</b>                                 | <b>492.7</b>   |
| Income tax benefit/ (expense)                         | 225.7     |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            | (319.7)                                              | (67.5)                                   | (161.5)        |
| <b>Net profit after tax</b>                           | 478.5     |                              | <b>–</b>                         | <b>8.5</b>                                                 | <b>2.5</b>                         | <b>16.0</b>                                   | <b>99.9</b>                     | <b>54.5</b>                      | <b>55.5</b>                                     | <b>3.0</b> | <b>(319.7)</b>                                       | <b>(67.5)</b>                            | <b>331.2</b>   |
| Diluted earnings per share (cents)                    | 65.2      |                              |                                  |                                                            |                                    |                                               |                                 |                                  |                                                 |            |                                                      |                                          | 45.1           |

<sup>1</sup> The prior period Underlying NPAT has been restated to reflect the recognition of the deferred tax asset as a Significant Item.

## Calculation of Return on Invested Capital

|                                     | FY26<br>\$m    | FY25<br>\$m    |
|-------------------------------------|----------------|----------------|
| <b>Underlying EBIT</b>              | 753.2          | 664.4          |
| Market Capitalisation at listing    | 2,302.2        | 2,302.2        |
| Movement in equity                  | 613.1          | 25.7           |
| <b>Adjusted Equity Value</b>        | <b>2,915.3</b> | <b>2,327.9</b> |
| Net Debt                            | 1,154.1        | 1,177.5        |
| <b>Invested Capital</b>             | <b>4,069.4</b> | <b>3,505.4</b> |
| <b>Average Invested Capital</b>     | <b>3,756.4</b> | <b>3,561.9</b> |
| <b>Return on Invested Capital %</b> | <b>20.1</b>    | <b>18.7</b>    |

## Operating metrics and glossary

**Active members** refers to the Velocity Frequent Flyer members who earned or redeemed Velocity points within the previous 12-month period.

**Available Seat Kilometres (ASKs)** is measured as the number of seats multiplied by the distance flown in kilometres for RPT services in the Airlines segment. This is a measure of the VA Airlines RPT capacity (i.e. excluding VARA, which does not use ASK as an operating metric).

**Block hours** represents the total time from the moment the door of an aircraft closes at departure of a flight, until the moment the aircraft door opens at the arrival gate following its landing.

**Charter services** refer to contracted air services primarily where a commercial or government customer hires a whole aircraft (or a block of seats) for their specific needs. For charter services, customers specify the routes, times and capacity required and these services are not generally open to the public. The Australian domestic charter industry predominantly comprises services provided to resources and energy companies, and government entities for the transport of their employees to and from work sites.

**Cost per Available Seat Kilometre (CASK)** is a measure of the cost to operate each seat for every kilometre. It is calculated as the Airlines segment underlying revenue and income less underlying EBIT (adjusted for costs recharged to Qatar Airways), divided by ASKs.

**CASK (excl. fuel)** is an alternative measure of the cost to operate each seat for every kilometre, excluding the variability of fuel costs. It is calculated as the Airlines segment underlying revenue and income less underlying EBIT (adjusted for costs recharged to Qatar Airways), less fuel costs, divided by ASKs.

**Completion rate** is a VA Airlines metric (i.e. excluding VARA), measured as domestic RPT flights that were not cancelled as a percentage of all services scheduled on any domestic sector. A flight is considered cancelled if it is removed from service within seven days of scheduled departure.

**External billings** refers to sales the Velocity Frequent Flyer loyalty program generates from third parties.

**Load factor** is the percentage of ASKs occupied by passengers (RPKs) for RPT services in VA Airlines (i.e. excluding VARA). This is a measure of the utilisation of available seats.

**Long haul international (LHI)** is long distance international flights, often connecting different continents and typically operated using wide-body aircraft.

**Net Promoter Score (NPS)** is a metric used to track customer advocacy, monitor brand health and gauge customer satisfaction. Strategic NPS is based on a monthly market survey commissioned by Virgin Australia and conducted by a third party to approximately 12,000 respondents annually, asking to rate their likelihood to recommend each domestic airline they have flown with in the prior 12 months. Operational NPS is based on 'Likelihood to Recommend' of approximately 160,000 passengers annually, flying on the VA Airlines or VARA network, including domestic wet lease operators, surveyed within 24 hours of their flight.

**On time performance (OTP)** is a VA Airlines metric (i.e. excluding VARA), measured as domestic flights that departed on time as a percentage of all departures operated on any domestic sector. A flight departure is considered on time if it departed the gate within 15 minutes after the scheduled departure time shown in the airline's schedule.

**Passengers carried** is the total number of passengers flown by VA Airlines (i.e. excluding VARA) on RPT services on Australian domestic and short-haul international routes.

**Revenue per Available Seat Kilometre (RASK)** is calculated as the Airlines segment underlying revenue and income, excluding recharge revenue from Qatar Airways, divided by ASKs.

**Revenue Passenger Kilometres (RPKs)** is measured as the number of seats occupied by passengers multiplied by the distance flown in kilometres for RPT services in the airlines segment. RPKs is a measure used in calculating yield and load factor. RPKs are a key indicator of demand.

**Regular Public Transport (RPT)** is scheduled passenger transport services operated for the public on fixed routes and timetables (in contrast to charter services).

**Short haul international (SHI)** is short international flights, usually between neighbouring or nearby countries and typically operated using narrow-body aircraft.

**VA Airlines** primarily operates domestic RPT services (through Virgin Australia Airlines Pty Ltd) and short-haul international services that will be supported by the limited long-haul international service arrangement with wet leased aircraft from Qatar Airways (through entities controlled by Virgin Australia International Holdings Pty Ltd), alongside its broader international airline partner network. VA Airlines is part of the Airlines operating segment.

**VARA** is Virgin Australia Regional Airlines, which primarily operates a charter business in regional Western Australia that services major resources, energy and government clients with FIFO services. VARA is part of the Airlines operating segment.

**Velocity Points earned** is the number of Velocity Frequent Flyer points issued to members.

**Velocity Points redeemed** is the number of Velocity Frequent Flyer points redeemed by members for available rewards.

**Yield** is calculated as the Airlines segment RPT passenger ticket revenue divided by RPKs.

# Corporate Directory

## Principal administrative and registered office

Virgin Australia Holdings Limited  
Level 11, 275 Grey Street  
South Brisbane, QLD 4101 Australia

Telephone:  
(07) 3295 3000 (within Australia)  
+61 7 3295 3000 (international)

Website:  
<https://www.virginaustralia.com/au/en/about-us/>

## Company Secretary

Susan Schneider

## Auditor

KPMG  
Level 11, Heritage Lanes  
80 Ann Street  
Brisbane, QLD 4000 Australia

## Share registry

Computershare Investor Services Pty Limited  
Level 1, 200 Mary Street  
Brisbane, QLD 4000 Australia  
Telephone: 1300 850 505 (within Australia)  
or +61 3 9415 4000 (international)  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

## Your security holding

To update your personal details or change the way you receive communications from Virgin Australia, please contact Computershare via the details provided. Computershare is also able to provide you with information on your holding.

## Securities exchange

The Company is listed on the Australian Securities Exchange (ASX Code 'VGN').

## Financial calendar

AGM: 20 November 2026

## Other information

Virgin Australia Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

For more information about Virgin Australia, including the latest announcements, corporate governance statement and other information, visit our website at [www.virginaustralia.com/au/en/about-us/](https://www.virginaustralia.com/au/en/about-us/)

