Virgin Australia Holdings Limited

Appendix 4D and Interim Financial Report

for the half-year ended 31 December 2025

27 February 2026

This announcement was authorised for release by the Virgin Australia Holdings Limited Board.

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Appendix 4D

Results for announcement to the market

i. Company details

Name of entity	Virgin Australia Holdings Limited
ABN	54 100 686 226
Reporting period	For the half-year ended 31 December 2025 (1HFY26)
Previous corresponding period	For the half-year ended 31 December 2024 (1HFY25)

ii. Results

	Movement	%		1HFY26 $m		1HFY25 $m
Revenue and other income from ordinary activities	up	9.3 %	to	3,322.9	from	3,039.1
Profit from ordinary activities after income tax attributable to members	down	(27.9)%	to	341.1	from	473.1
Underlying EBIT[1]	up	11.7 %	to	490.4	from	438.9

Comments

The Group's Statutory net profit after tax amounted to $341.1 million (1HFY25: $473.1 million). The decrease from the prior period is primarily driven by an income tax expense of $28.0 million in 1HFY26, in comparison to the income tax benefit of $224.7 million recorded in 1HFY25. This decrease is partially offset by strong revenue performance due to favourable yields and delivery of the Transformation Program.

Refer to the Operating and Financial Review section for a more detailed analysis of the operating and financial performance and position for the half-year period.

iii. Net tangible assets

	Dec-2025 $	Jun-2025 $
Net tangible assets/(liabilities) per ordinary security	(1.00)	(1.50)

Net tangible assets/(liabilities) is calculated as net assets/(liabilities), adjusted for intangible assets and deferred tax assets. It includes right of use assets and lease liabilities.

[1] Underlying EBIT is the primary reporting measure used by the Chief Operating Decision Maker (CODM), the Chief Executive Officer. Underlying EBIT is equal to profit before net finance costs, tax and Significant Items. This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

iv. Earnings per share

	1HFY26 cents	1HFY25 cents
Basic earnings per share	45.6	64.7
Diluted earnings per share	43.0	64.7

Comments

See commentary above for explanation of decrease in Profit from ordinary activities after income tax attributable to members which is the primary driver of the decrease in earnings per share when compared to the prior period.

Refer to note 4 of the financial statements for further explanation of this calculation.

v. Change in control over entities

There has been no changes in control over entities during the half-year ended 31 December 2025.

vi. Dividends

There were no interim dividends paid, recommended or declared for the half-year ended 31 December 2025. In the prior period, an unfranked interim dividend of 13.67 cents per share, totalling $100 million, was declared and paid.

vii. Details of associates and joint ventures

Not applicable.

viii. Foreign entities

The financial information of foreign entities included in the consolidated interim financial statements is prepared in accordance with the Australian Accounting Standards and Interpretations.

ix. Audit qualification

The attached Interim Financial Report has been prepared in accordance with ASX Listing Rule 4.2A.

The Interim Financial Report has been reviewed and an unmodified review conclusion has been issued.

x. Attachments

The Interim Financial Report of Virgin Australia for the half-year ended 31 December 2025 is attached, which includes an explanation of any figures necessary to understand the figures reported in this document.

This document should be read in conjunction with any public announcements made during the half-year by Virgin Australia in accordance with continuous disclosure requirements of the *Corporations Act 2001* (Cth) and ASX Listing Rules.

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 half-year ended 31 December 2025.

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 catered to various segments of the Australian aviation market, serving corporate, government, leisure, regional, and charter travellers.

Directors

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

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

Except where otherwise indicated, each Director named above held office for the whole half-year ended ended 31 December 2025.

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 Interim Financial Report are due to rounding.

Overview

Following a successful IPO in June 2025, the Group delivered strong results ahead of expectations in 1HFY26, with Underlying EBIT[1] of $490 million, an increase of 11.7% compared to 1HFY25. This was driven by solid operational performance, robust revenue growth and delivery of transformation benefits.

Customer engagement remains strong, with continued momentum in Strategic Net Promoter Scores (NPS) increasing three to 28 during 1HFY26, reflecting progress towards our ambition of becoming Australia's most loved airline – by our people, our guests, and our owners.

Revenue growth for the Group was 9.3% and the Underlying EBIT margin[1] increased 40 basis points to 14.8%. The Transformation Program delivered gross benefits of more than $200 million in 1HFY26 through specific initiatives in areas including revenue enhancements, cost improvements and Velocity optimisation. The Transformation Program, together with lower fuel costs, helped to mitigate increases in other operating costs, including higher airport charges and maintenance costs.

While inflationary cost pressures, particularly airport charges, are expected to persist, continued execution of the Transformation Program and passenger demand growth are expected to continue to drive Underlying EBIT[1] margin expansion.

Capital expenditure for the period was $235 million, reflecting continued investment in the fleet through heavy maintenance programs, aircraft pre-delivery payments (PDPs) and engine overhaul spend.

The results delivered robust cash flow despite fleet investments and increased maintenance spend. Total cash holdings increased by $223 million to $1,342 million (Jun-2025: $1,118 million), and Net Debt to Underlying EBITDA[1] remains conservative at 0.9x, slightly below our target range of 1–2x. This is appropriate ahead of increased capital spend in the second half from planned aircraft acquisitions.

In addition to strong financial performance, Virgin Australia celebrated a number of milestones in the first half of the financial year. New long-haul flights commenced, through our partnership with Qatar Airways, between Melbourne and Doha, joining Sydney, Brisbane and Perth. Virgin Australia Regional Airlines inducted the E190-E2 aircraft into its fleet - the first new aircraft in the Western Australian charter market this century, and history was made when Virgin Australia became the first airline in the country to launch Pets in Cabin flights after a trial commenced between Melbourne and the Gold and Sunshine coasts. New partnerships were also formed - including an Australian-first collaboration with Open AI. Passenger records were set after Virgin Australia marked its busiest day on record on 3 October, and its busiest December ever.

Virgin Australia published its 2025 Sustainability Report in October 2025. This report highlights the progress and the roadmap ahead as we continue embedding sustainability across our operations. It details our environmental, social and governance performance reflecting our commitment to creating a more sustainable future. This report can be viewed here: Virgin Australia 2025 Sustainability Report

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

Group result highlights

Underlying EBIT[2] of
$490 million
increased by $52 million with strong revenue growth and delivery of benefits from the Transformation Program.

Statutory net profit after tax of
$341 million
decreased by $132 million reflecting the prior period recognition of deferred tax benefits.

Strong results reflecting robust customer demand and transformation

Virgin Australia's Underlying EBIT[2] increased by $52 million from $439 million in 1HFY25 to $490 million in 1HFY26. The Group continues to build momentum following the successful IPO in June 2025, focusing on its target customer segments of premium leisure, SMEs and value-conscious corporates.

The increase in Underlying EBIT[2] was driven by a 9.3% increase in Underlying revenue and income[2] to $3,323 million. The benefits of the Transformation Program, together with lower fuel costs and benefits from the fuel hedging program partially mitigated other operating cost increases including airport charges and maintenance. The Transformation Program continues to deliver substantial benefits with a focus on revenue initiatives, cost optimisation, and Velocity enhancements. Over 1HFY26, Virgin Australia has continued to invest in fleet renewal with delivery of six additional Boeing 737-8 (MAX) and two Embraer E190-E2 aircraft, resulting in increased depreciation but with offsetting operational savings through fuel burn and maintenance.

Statutory profit before tax increased by $121 million from $248 million in 1HFY25 to $369 million in 1HFY26 driven by the increase in Underlying EBIT[2] and a favourable foreign exchange (FX) movement.

Statutory net profit after tax decreased by $132 million from $473 million in 1HFY25 to $341 million in 1HFY26, driven by the benefit of recognising a deferred tax asset in 1HFY25.

Virgin Australia carried 11.1 million passengers across the airline's domestic and international networks, an increase of 3.4% on 1HFY25.

Virgin Australia delivered strong operational performance in 1HFY26, achieving a domestic average on time performance (OTP)[3] rate of 72.6% and a completion rate of 98.5% in 1HFY26, up 100 basis points and down 20 basis points respectively on 1HFY25. Virgin Australia's completion rate was the highest of the mainline Australian domestic airlines.

Velocity's strong growth trajectory continues as increasing engagement in the program is driven by new product launches (e.g. Pay-with-Points launched mid-year), member engagement events such as the 1 Point Reward pop-up stores and expanding the partner ecosystem with new partner launches including QBE Insurance Group (QBE). Financial services continues to be a growth driver for Velocity, including a successful card transfer campaign later in the period. Approximately 700,000 new members joined the program in 1HFY26 while active members grew by 11%.

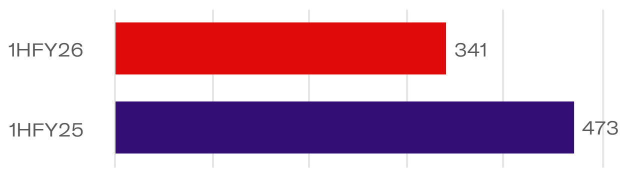
[2] This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).
[3] Based on data from the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Bureau of Infrastructure and Transport Research Economics, Statistical Report, Aviation – Domestic airline on time performance July 2025 - December 2025.

Group results highlights

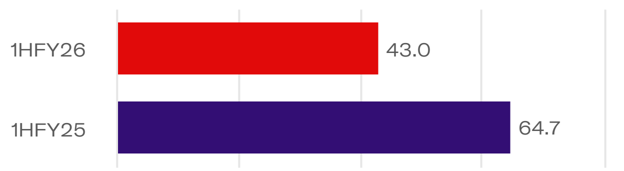
Underlying EBIT ($m)[4]

Underlying EBIT margin (%)[4]

Statutory net profit after tax ($m)



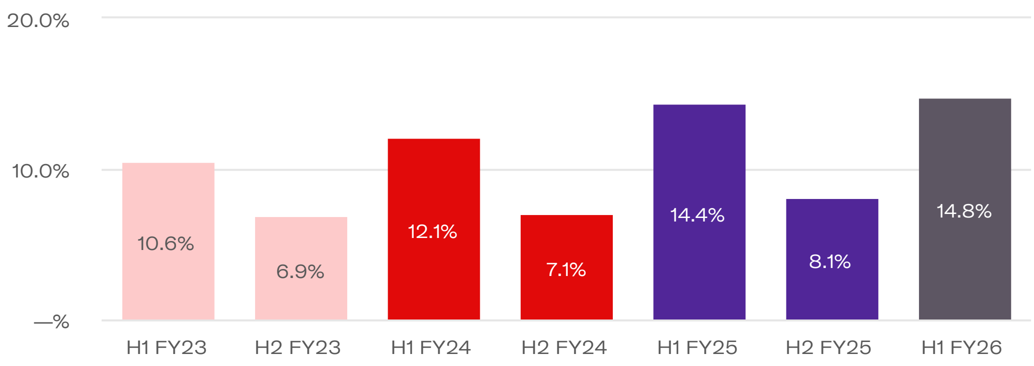
Statutory Diluted EPS (cents)



Review of operations and results

	1HFY26	1HFY25	Change	Change %
Statutory				
Revenue and income ($m)	3,322.9	3,039.1	283.8	9.3 %
Profit before net finance costs and tax ($m)	460.3	329.9	130.4	39.5 %
Net profit after tax ($m)	341.1	473.1	(132.0)	(27.9)%
Diluted earnings per share (cents)	43.0	64.7	(21.7)	(33.5)%
Underlying[4]				
Revenue and income ($m)	3,322.9	3,039.1	283.8	9.3 %
EBITDA ($m)	720.3	638.9	81.4	12.7 %
EBIT ($m)	490.4	438.9	51.5	11.7 %
Net profit after tax ($m)	278.7	230.9	47.8	20.7 %
Diluted earnings per share (cents)	35.1	31.6	3.5	11.1 %
Net Debt to Underlying EBITDA[4]	0.9x	1.2x	(0.3)x	(25.0)%

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



Group performance[5]

	1HFY26 $m	1HFY25 $m	Change $m	Change %
Underlying revenue and income	3,322.9	3,039.1	283.8	9.3 %
Aircraft variable leases	(39.6)	(45.8)	6.2	13.5 %
Fuel and oil	(554.7)	(567.8)	13.1	2.3 %
Labour and staff related	(692.3)	(642.1)	(50.2)	(7.8)%
Airport charges, navigation and station operations	(629.2)	(551.7)	(77.5)	(14.0)%
Contract and other maintenance	(241.9)	(185.6)	(56.3)	(30.3)%
Commissions, other marketing and reservations	(232.6)	(209.2)	(23.4)	(11.2)%
Communications and technology	(77.6)	(62.4)	(15.2)	(24.4)%
Other	(134.7)	(135.6)	0.9	0.7 %
Underlying operating expenditure	(2,602.6)	(2,400.2)	(202.4)	(8.4)%
Underlying EBITDA	720.3	638.9	81.4	12.7 %
Underlying depreciation and amortisation	(229.9)	(200.0)	(29.9)	(15.0)%
Underlying EBIT	490.4	438.9	51.5	11.7 %
Net finance costs	(91.2)	(81.5)	(9.7)	(11.9)%
Underlying profit before tax	399.2	357.4	41.8	11.7 %
Underlying income tax expense	(120.5)	(126.5)	6.0	4.7 %
Underlying net profit	278.7	230.9	47.8	20.7 %
Significant Items benefit/(expense)	62.4	242.2	(179.8)	(74.2)%
Statutory net profit after tax	341.1	473.1	(132.0)	(27.9)%

Financial metrics[5]	1HFY26	1HFY25	Change
Underlying EBITDA margin (%)	21.7%	21.0%	70bps
Underlying EBIT margin (%)	14.8%	14.4%	40bps
Underlying net profit margin (%)	8.4%	7.6%	80bps

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

Net finance costs

	1HFY26 $m	1HFY25 $m	Change $m	Change %
Interest earned on cash, cash equivalents and term deposits	28.4	25.9	2.5	9.7 %
Interest and finance charges	(46.2)	(48.0)	1.8	3.8 %
Interest on lease liabilities	(45.2)	(36.1)	(9.1)	(25.2)%
Unwinding of discount on provisions	(28.2)	(23.3)	(4.9)	(21.0)%
Net finance costs	**(91.2)**	**(81.5)**	**(9.7)**	**(11.9)%**

Interest earned on cash, cash equivalents and term deposits has increased with a higher cash balance held over 1HFY26. This was offset by lower interest rates earned due to a decline in global interest rates.

Interest and finance charges relates primarily to interest on external loans and has decreased with the repayment of US$150 million of pre-delivery financing using the sale proceeds of the aircraft along with a decrease in floating interest rates.

Interest on lease liabilities relates to the interest component of aircraft, property and other leases accounted for under AASB 16 *Leases* and has increased with the delivery of six leased Boeing 737-8 (MAX) aircraft, two Embraer E190-E2 aircraft and two Boeing 737-800 leased spare engines.

Unwinding of the discount on provisions is non-cash and relates primarily to the interest expense incurred on the heavy maintenance provision to increase the heavy maintenance provision liability to its future value.

The interest associated with unwinding the discount on provisions has increased due to the increased number of leased aircraft and spare engines and higher provision balances. This has been partially offset by an assessment of the discount rate which has been lowered to reflect an updated cost of debt.

Segment Performance

Airlines

virgin australia

Strong customer demand, delivery of transformation benefits and solid operational performance driving Underlying EBIT[6] up 13.5%

	1HFY26	1HFY25	Change	Change %
Financial metrics[6]				
Underlying revenue and income ($m)	3,189.1	2,919.1	270.0	9.2%
Underlying EBIT ($m)	419.3	369.4	49.9	13.5%
Underlying EBIT margin (%)	13.1	12.7	40bps	n/a
Operating metrics				
Passengers carried (m)	11.1	10.8	0.4	3.4%
Available Seat Kilometres (m)	17,818	17,410	409	2.3%
Load factor (%)	86.1	86.4	(30)bps	n/a
Revenue per Available Seat Kilometre (RASK, cents per ASK)	17.84	16.77	1.07	6.4%
Cost per Available Seat Kilometre (CASK, cents per ASK)	15.48	14.65	0.83	5.7%
Cost per Available Seat Kilometre ex Fuel (CASK ex fuel, cents per ASK)	12.37	11.38	0.99	8.7%

[6] These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).

Capacity growth was disciplined during the first half of the year, supporting strong revenue performance, particularly in the month of December. The Transformation Program progressed well and contributed to a strong RASK growth of 6.4% and overall financial performance.

Industry-wide cost pressures persisted during the period, including above-inflation airport charges as airports continued to advance their capital programs, and elevated maintenance costs driven by sustained global demand on maintenance, repair and overhaul (MRO) services. Benefits delivered through the Transformation Program and lower fuel costs helped to partly offset ongoing headwinds across both airports and maintenance costs, and accelerated investment in transformation.

Notwithstanding these pressures, the Airline delivered an increase in Underlying EBIT margin[7] increase of 40 basis points to 13.1%.

1HFY26 Airlines segment Underlying EBIT[7] increased by $50 million, or 13.5% compared to 1HFY25 to $419 million in 1HFY26, driven by:

- a 2.3% increase in ASKs and 3.4% increase in passengers carried, reflecting overall growth in passenger demand;
  - a 4.2% increase in Domestic ASKs
  - a 6.7% decrease in Short Haul International ASKs
- a 6.4% increase in RASK, driven by:
  - strong passenger yields which were supported by benefits through Transformation Program, including pricing optimisation and continuous improvement. Yield performance was further strengthened by event demand exceeding expectations for leisure customers.
  - the December month performed particularly well with the Ashes Cricket series; and
  - load factors remained broadly in line with 1HFY25 at 86.1% in 1HFY26.
- the rapid expansion of airport capital expenditure has resulted in above inflationary increases in airport fees;
- global delays in aircraft deliveries have contributed to industry-wide higher maintenance costs as airlines operate ageing fleets longer than planned. To maintain operational capacity, Virgin Australia extended aircraft leases and retained aircraft originally scheduled for retirement, resulting in similar maintenance cost pressures faced across the industry;
- 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; and
- the successful execution of the Transformation Program which delivered gross benefits[8] to the Group (Revenue/Cost/Velocity) of more than $200 million together with fuel benefits mitigated the cost headwinds.

[7] This is a non-IFRS measure. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).
[8] From transformation partly offset by investment, inflation and competition. Investments classified as significant items are decreasing.

Velocity

velocity frequent flyer

Double-digit external billings growth delivered 14.8% Underlying EBIT[9] growth on 1HFY25

	1HFY26	1HFY25	Change	Change %
Financial metrics[9]				
Underlying revenue and income ($m)	242.4	221.4	21.0	9.5%
Underlying EBIT ($m)	74.4	64.8	9.6	14.8%
Underlying EBIT margin (%)	30.7	29.3	140bps	n/a
Operating metrics				
Points earned (b)[10]	29.2	26.9	2.3	8.6%
Points redeemed (b)[10]	19.1	18.4	0.7	3.8%

[9] These include non-IFRS measures. Refer to Appendix A for further details, including definition and reconciliation to closest IFRS measure (where available).
[10] Excludes family pooling transactions where members transfer points to other member accounts.

Velocity continues to serve as a key growth driver for Virgin Australia, delivering 18.8% external billings growth compared to last year. The program attracted approximately 700,000 new members and active members grew 11% from 1HFY25 driven by member engagement events such as the 1 Point Rewards pop-up stores and adding strategic partnerships such as QBE in the insurance sector. Member engagement continues to grow with points earned increasing 8.6% and redemptions growing 3.8%, reflecting the program's ability to deliver engaging value propositions to both members and partners. Financial services continues to grow strongly and was the key driver behind generating double digit external billings growth from 1HFY25. Continued momentum from initiatives launched in 2HFY25, including new/relaunched financial services products and new consumer partnerships, also contributed to the growth.

Velocity continues to provide members with more opportunities to get value both in the air and on the ground. Pay-with-Points launched mid-year allowing members to use points for purchases onboard Virgin Australia flights and on the ground with multiple partners including DiDi and Dymocks. The partnership with Myer expanded as members can now use Velocity points in-store in over 50 Myer stores nationwide as well as in the Myer online store.

Velocity segment Underlying revenue and income[11] increased by $21 million, or 9.5%, from $221 million in 1HFY25 to $242 million in 1HFY26, while Velocity segment Underlying EBIT[11] increased by $10 million, or 14.8%, from $65 million in 1HFY25 to $74 million in 1HFY26. This growth is driven by:

- a 8.6% increase in points earned reflecting continued growth in current member activity combined with member base growth through brand campaign investment and growing the partner ecosystem (e.g. by launching new partnerships) in both existing and new sectors (e.g. in the insurance sector);
- a 3.8% increase in points redeemed reflecting increased member engagement levels by continuing to drive member value through attractive redemption options.

Velocity's Underlying EBIT margin[11] grew by 140 basis points to 30.7% compared to 1HFY25. This reflected the program's continued strong growth enabled through partner additions and expanding members' options to use points while reinvesting benefits from operating leverage into future growth initiatives. The margin also benefitted from points redemption growth being lower than points earned growth with redemption levels expected to normalise over the medium term.

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

Transformation (TX)

As Virgin Australia came out of voluntary administration, it embarked on a Transformation Program to upgrade decades old technology, legacy systems and processes, restructure every function of the business to improve efficiencies and simplify the fleet. The impact of the Transformation Program to date has been significant, as evidenced by the improvement in Virgin Australia's Underlying EBIT margin. Management expects to undertake additional transformation initiatives over the coming years which, if successfully implemented, will deliver further margin improvement.

Virgin Australia's Transformation Program delivered gross benefits of more than $200 million in 1HFY26 through specific initiatives in areas including revenue enhancements, cost improvements and Velocity optimisation. Virgin Australia is on track to deliver more than $1 billion in gross transformation benefits between FY24 and FY26. Investment in transformation is planned to continue, delivering anticipated value in FY27 and beyond.

Costs associated with the Transformation Program identified as Significant Items are lower than the comparative period with increased costs recognised in underlying results in 1HFY26.

Key TX initiatives delivered through 1HFY26 are summarised below:

1. Revenue initiatives

Increasing Virgin Australia's share of high value customers across corporate, government and SME, capturing customers' willingness to pay by offering more options to meet customer preferences, and improving offerings of ancillary products to drive increased ancillary revenue[12];

2. Cost initiatives

Building on the cost transformation activities to date, 1HFY26 has focused on delivering operational excellence with a number of productivity improvement initiatives, enabling fleet transformation through ongoing simplification as well as improved seat densification (partly completed and explained further on page 18), optimising cost of sales and cost to serve; and

3. Velocity

Driving deeper loyalty to VA Airlines with program enhancements and new products, growing active members and deepening engagement through data personalisation/analytics, and expanding the partner network by extending partnership reach (including financial services) and strengthening Velocity's core travel proposition.

[12] Ancillary flying revenue refers to revenue generated in association with airline passenger revenue. It includes revenue from services such as additional baggage, change and cancel fees, credit card surcharges, fees for seat selection, cabin upgrades, booking fees, in-flight retail, lounge access and third party ancillary sales (including travel insurance, hotels, parking and other partner sales).

Cash Flow

	1HFY26 $m	1HFY25 $m	Change $m	Change %
Cash flow summary				
Operating cash flows	644.4	604.0	40.4	6.7%
Investing cash flows	(19.6)	(110.4)	90.8	82.2%
Financing cash flows	(442.7)	(342.8)	(99.9)	(29.1%)
Cash and cash equivalents at the beginning of the period	1,035.2	875.6	159.6	18.2%
Effect of foreign exchange	(11.8)	54.4	(66.2)	(121.7%)
Cash and cash equivalents at the end of the period	**1,205.5**	**1,080.8**	**124.7**	**11.5%**
Term deposits at bank	**136.0**	**67.8**	**68.2**	**100.6%**
Cash, cash equivalents and term deposits at bank at the end of the period	**1,341.5**	**1,148.6**	**192.9**	**16.8%**

The Group generated strong operating cash flow, driven by improved operational performance and is inclusive of payments of income tax which commenced during the period.

During the half, the Group continued to invest in new fleet acquisitions, the ongoing maintenance of existing aircraft and transformation initiatives with capital expenditure of $235 million. The investing cash out flows of $20 million reflects this capital expenditure offset by the sale (and then leaseback) of three 737-8 (MAX) aircraft, with proceeds used to repay US$150 million of pre-delivery financing as noted below.

Financing activities during the half included the repayment of US$150 million in pre-delivery financing, funded by the aircraft sale proceeds, and repayment of a A$146 million unsecured loan using proceeds drawn under the revolving cash facility. Payment of lease liabilities increased with the delivery of eight leased aircraft and two leased spare engines. The Group also successfully financed three spare engines purchased during the half to support the growing Boeing 737-8 (MAX) and Embraer E190-E2 fleet. No dividends were paid during the period.

Balance Sheet

	Dec-2025 $m	Jun-2025 $m	Change $m	Change %
Cash, cash equivalents and term deposits	1,341.5	1,118.2	223.3	20.0%
Property, plant and equipment	2,887.9	2,712.6	175.3	6.5%
Other assets	961.7	1,041.3	(79.6)	(7.6%)
Total assets	**5,191.1**	**4,872.1**	**319.0**	**6.5%**
Unearned revenue and income	1,553.8	1,663.4	109.6	6.6%
Lease liabilities	1,237.0	984.3	(252.7)	(25.7%)
Interest-bearing liabilities	1,093.9	1,311.4	217.5	16.6%
Other liabilities	1,744.0	1,727.6	(16.4)	(0.9%)
Total liabilities	**5,628.7**	**5,686.7**	**58.0**	**1.0%**
Net liabilities	**(437.6)**	**(814.6)**	**377.0**	**46.3%**

Virgin Australia is in an improved net liability position at 31 December 2025 of $438 million (Jun-2025: $815 million). The balance sheet continues to strengthen, with strong financial results and cashflow, allowing the Group to invest in new fleet and value accretive growth opportunities.

Total assets were $5,191 million as at 31 December 2025, representing an increase of $319 million on Jun-2025. 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 eight aircraft and five spare engines as well as spend in relation to the interior refresh program.

The $58 million decrease in total liabilities to $5,629 million is primarily driven by the repayment of pre-delivery financing upon delivery of aircraft and a decrease in unearned revenue due to seasonality of bookings. This has been offset by an increase in lease liabilities with the delivery of eight leased aircraft and two leased spare engines during the half.

Included in the net liability position is a tax liability of $3 million (Jun-2025: $103 million). At 30 June 2025 the Group held unrecognised deferred tax assets of $131 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. The Group has 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, $88 million of carried forward tax losses have been 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 31 December 2025. Refer note 3 of the financial statements for further details.

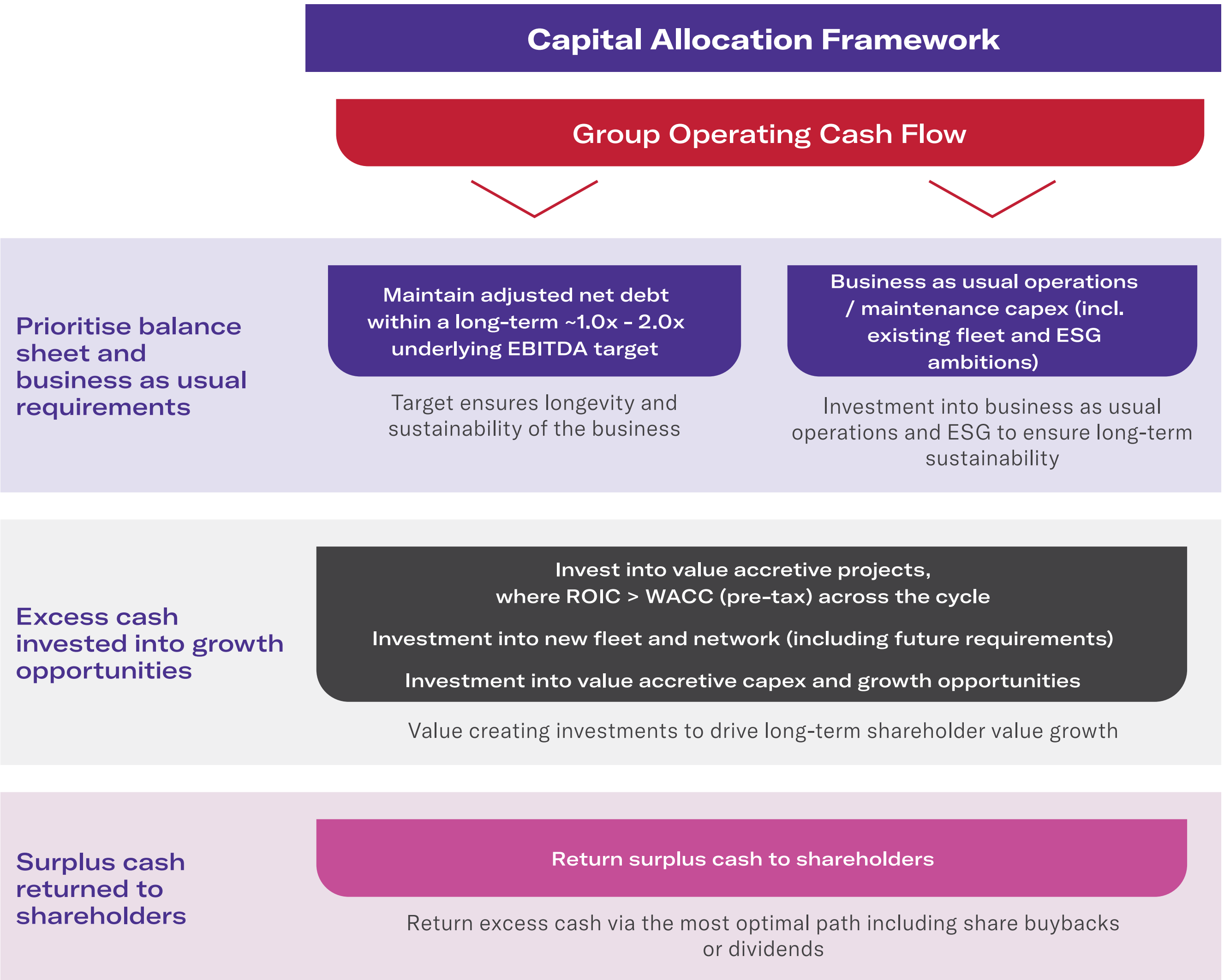
Debt analysis	Dec-2025 $m	Jun-2025 $m	Change $m	Change %
Interest bearing liabilities	1,093.9	1,311.4	217.5	16.6%
Lease liabilities	1,237.0	984.3	(252.7)	(25.7%)
Less				
Cash, cash equivalents and term deposits	1,341.5	1,118.2	223.3	20.0%
Net Debt[13]	**989.4**	**1,177.5**	**188.1**	**16.0%**
Net Debt to Underlying EBITDA[13]	0.9x	1.1x	(0.2)x	(18.2%)

[13] 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, to enable the decarbonisation impact to be included in the assessment process.[14]

[14] 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 Net Debt[15] stays within a target range of 1-2x of Underlying EBITDA[15] over the long term. When Net Debt 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 31 December 2025, Net Debt[15] was $989 million and 0.9x Underlying EBITDA[15] which is marginally below the target range. This reflects an improved balance sheet and leverage position prior to the planned second half aircraft acquisitions. After these acquisitions, Net Debt is expected to return to within the target range, albeit towards the lower end.

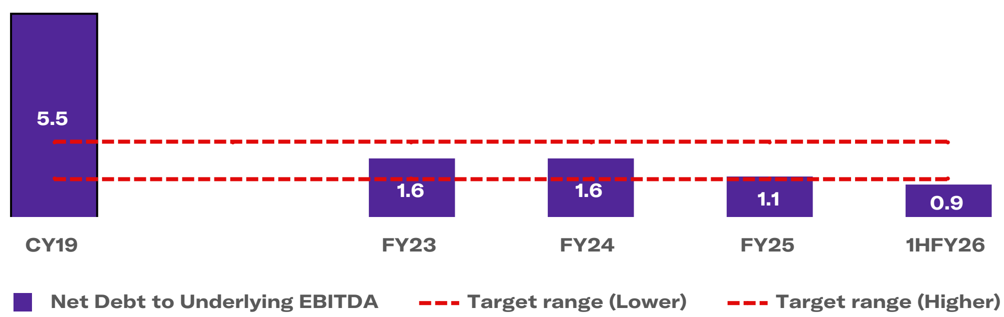
2. **Excess cash investment into growth opportunities**

- 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.
- Capital expenditure of $235 million including the purchase of new fleet, ongoing maintenance of existing assets and investment in transformation initiatives. The Group received proceeds from disposal of property, plant and equipment of $253 million primarily driven by the sale of three 737-8 (MAX) aircraft with proceeds from sale used to repay the outstanding US$150 million of pre-delivery financing.

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 buybacks or other forms of shareholder returns).
- There were no dividends paid during 1HFY26 (1HFY25: $109 million) as the Group continues to invest in its fleet replacement program. No dividend will be paid for the period ended 31 December 2025.
- As at 31 December 2025, the Group has $94 million in franking credits, providing capacity to frank future dividend distributions.

Net Debt to Underlying EBITDA[15]



[15] 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 predominantly for the Regular Passenger Transport business and moving to the Embraer E190-E2 predominantly for the Charter business. At December 2025, we held a total of 107 aircraft (excluding wet lease) across the Group. During 1HFY26, eight additional aircraft were welcomed into the fleet and five were retired from service.

Virgin Australia's short-term fleet strategy focuses on ensuring supply remains in balance with demand which is expected to grow broadly in line with GDP. It is currently envisioned that the total number of aircraft in Virgin Australia's fleet will grow by approximately 2-3% annually, in line with the longer-term trend in Australian domestic RPK growth.

Virgin Australia is undergoing a fleet renewal program and by the end of 1HFY26 had already introduced fourteen Boeing 737-8 (MAX) aircraft into its fleet. In 2HFY26, Virgin Australia will receive a further seven Boeing 737-8 (MAX) aircraft, three of which are committed to sale and leaseback arrangements, with four planned to be purchased. This is followed by a further five Boeing 737-8 (MAX) aircraft to be delivered in FY27 with firm orders and option rights retained for a number of Boeing 737-10 aircraft in the future. The Boeing 737-8 (MAX) is 19 per cent more fuel efficient and at least 40 per cent quieter than our Boeing 737-800NGs, offering a more comfortable flying experience while materially reducing fuel burn.

VARA is also renewing its fleet with the arrival of the first two Embraer E190-E2 in 1HFY26, both of which are leased. In 2HFY26, VARA will receive a further two leased Embraer E190-E2 aircraft. The introduction of these new aircraft, replacing the long-serving Fokker F100 fleet, was announced in August 2024. The Embraer E190-E2 is the most fuel-efficient aircraft in its segment and is expected to reduce emissions by approximately 30 per cent compared to the outgoing Fokker F100. The aircraft also features a significantly lower noise profile than the Fokker F100. As part of VARA's fleet transition, the phased retirement of the airline's Airbus A320 fleet was also announced.

Virgin Australia is currently progressing with an extensive cabin refurbishment program across its Boeing 737 fleet. This program includes 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 increases and standardises 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 1HFY26, 18 aircraft were refurbished, bringing the number of aircraft with refreshed interiors to 79. More than 80 percent of the Boeing 737 fleet is now equipped with Wi-Fi connectivity, with further installations planned in 2HFY26.

Of Virgin Australia's current 107 aircraft[16], 75 are under operating lease arrangements, 32 aircraft are owned by Virgin Australia and are encumbered and subject to financing arrangements.

Virgin Australia narrowbody fleet[17]

		Narrowbody fleet profile			
AOC	Aircraft	Jun-2025	Additions	Exits	December 2025
VA Airlines[18]	737-800	79	–	(3)	76
	737-700	9	–	–	9
	737-8 (MAX)	8	6	–	14
VARA	F100	3	–	(1)	2
	A320	5	–	(1)	4
	E190-E2	–	2	–	2
Total (excl. wet lease)		104	8	(5)	107
Domestic wet lease lines[19]		11			11
Total (incl. wet lease)		115			118
Average fleet age		13.4			12.6

[16] As at 31 December 2025.
[17] As at 31 December 2025. Reflects contractual positions and does not include wide body aircraft for the wet lease arrangement with Qatar Airways. Prospectus reflected operational and spare aircraft only, the difference being two Fokker 100 aircraft. Contracted fleet position aligns with the accounting treatment for recognition of aircraft leases to the financial statements.
[18] VA Airlines Air Operators Certificate (AOC) are held by Virgin Australia Airlines Pty Ltd and Virgin Australia International Airlines Pty Ltd.
[19] Wet lease lines include Fokker F70, Fokker F100, Embraer E190 and Saab 340 aircraft.

Significant risks and uncertainties

Virgin Australia operates in a dynamic and rapidly evolving environment across multiple geographies. Risk is an integral and unavoidable aspect of Virgin Australia's business. Virgin Australia aims to ensure that all activities undertaken are within the Board approved risk appetite. Virgin Australia's approach to risk management includes the identification and management of 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 the 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
Competitive landscape	Virgin Australia is exposed to competitive challenges that could adversely affect its financial performance. It competes directly and indirectly against several other airlines on the routes it operates (domestic, international and through its charter operations). The Velocity Frequent Flyer program also operates in a highly competitive market of airline and non-airline loyalty programs. New competitors may also enter Virgin Australia's markets. Virgin Australia's responses to managing this risk include: • Enhancing its customer proposition including establishment of major strategic alliance partnerships • Monitoring and responding to competitive dynamics • Rigorous cost control • Execution of fleet strategy
Transformation Program	Revenue, cost and Velocity transformation initiatives may be subject to unexpected delays, interruptions or additional costs. In addition, their success may be impacted by customer perceptions, actions of other participants in the industry, regulators and/or general economic conditions. Adverse changes in assumptions underpinning the Program could impact the achievement of planned benefits. Virgin Australia's responses to managing this risk includes: • Program and project governance processes • Maintaining a strong pipeline of initiatives and initiative prioritisation process
Fuel and Foreign Exchange	Virgin Australia's financial performance could be subject to the volatility associated with Brent Crude Oil prices (as a proxy for jet fuel prices), the cost of converting Brent Crude Oil to jet fuel (refining margins) and jet fuel transportation costs. Further, as jet fuel prices are denominated in USD, fluctuations in the AUD/USD exchange rate could also impact the Group. Virgin Australia is also exposed to foreign currency and translation risk on purchases and liabilities denominated in other currencies. Virgin Australia's responses to managing this risk include: • Managing Virgin Australia's exposure within limits outlined in the Board approved Treasury Risk Management Policy • Hedging with financial derivatives such as forwards and options • Borrowing funds in AUD and holding funds in USD
Macro-economic conditions	Customer demand for Virgin Australia's air travel services may be affected by significant changes in domestic and global economic conditions, which could adversely affect its financial performance. Further, if Virgin Australia is unable to absorb any cost increases, including from suppliers who may seek to pass on potential cost increases, demand could also be impacted. Virgin Australia's responses to managing this risk include: • ELT and Board review of financial performance • Monitoring and modelling external factors (e.g. tariffs) • Testing or modelling of downside or 'shock' scenarios

Key risk	Description
Major safety or security incident	The occurrence of, or failure to prevent or respond effectively to a major safety or security incident, across Virgin Australia's network (including flights operated by Virgin Australia's strategic alliance partners under Virgin Australia flight numbers), could impact Virgin Australia's people, customers, their families, the community and Virgin Australia's assets, leading to brand, reputational, regulatory breach and financial damage. Virgin Australia's responses to managing this risk include: • Corporate Emergency Response Plan (CERP) • CASA approved Safety Management System (SMS) • Risk-based Security Management System • Ongoing training and conducting of crisis simulation exercises • Safety assurance program • Oversight by Board Safety Committee
Significant operational disruption	Virgin Australia's performance, operations and revenue generation could be adversely affected through security or other safety incidents, geopolitical events (including warfare), weather conditions, airport incidents, power failure, unavailability of sufficient personnel or resources, unscheduled aircraft maintenance, or other causes beyond our control, such as pandemics, mandatory regulatory grounding, and industrial action by third-party suppliers/workers. Virgin Australia's responses to managing this risk include: • Corporate Emergency Response Plan (CERP) • Business continuity plans
Supply chain	Virgin Australia's financial performance and operations could be adversely affected by disruptions in its supply chain. This includes third parties it relies on to provide products and services such as aircraft and engine manufacturing, aircraft maintenance, catering, airport services, aircraft lessors, strategic alliances, fuel, software and IT services, global distribution systems and credit card issuers. Virgin Australia's responses to managing this risk include: • Proactive engagement with critical suppliers and strategic alliance partners • Business continuity plans
Industrial relations	Virgin Australia's operations could be adversely affected if negotiations with unions and employees over renewal terms and conditions become protracted or break down. Virgin Australia may also be exposed to industrial action along its supply chain as it depends on several third parties with unionised workforces, which may lead to operational disruption, adversely affecting Virgin Australia's business performance and reputation. Virgin Australia's responses to managing this risk include: • Regular engagement with frontline team members • Constructive relationships with unions • Collaborative bargaining framework • Enterprise Agreements tailored to specific workgroups • Business continuity plans

Key risk	Description
Talent attraction and retention	The tight labour market conditions in Australia, high level of demand for certain skilled labour 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, impacting its ability to deliver its strategy and Transformation Program, and resulting in adverse outcomes to Virgin Australia's revenue and / or cost base. Virgin Australia's responses to managing this risk include: • People Strategy and People & Belonging policies • Regular benchmarking of remuneration across the group and availability of a range of employee benefits • Culture and engagement surveys • Virgin Flair recognition program
Dependence on information technology systems and changes in technology	Outages or failure of Virgin Australia's information technology systems, including other systems it is substantially dependent on, could cause significant operational disruption and impact Virgin Australia's financial performance. Not investing in critical ageing applications and infrastructure, could also lead to disruption or outages. Further, while artificial intelligence (AI) presents new opportunities to drive efficiencies and enhance Virgin Australia's guest experiences, Virgin Australia needs to appropriately manage potential risks. Virgin Australia's responses to managing this risk include: • IT investment prioritisation and approval process • Redundancies, backups and restoration testing for critical systems • Business continuity plans • AI governance, including policy guardrails and training
Cyber security	Virgin Australia's systems and third-party systems and processes may be targeted by cyberattacks, ransomware attacks, data security breaches, loss or unauthorised release of data, denial of service attacks and other cyber events. Cyber security incidents may also be caused, or contributed to, by human error intentionally, or unintentionally by internal and external third parties. If a cyber security breach were to occur, this could result in significant operational disruption with financial, brand and reputation and regulatory impacts. Virgin Australia's responses to managing this risk include: • Cyber Security Strategy and Information Security Uplift Program • Layered defences to protect customer data and secure systems • Information Security Management System • Cyber Security Awareness Programs and campaigns • Regular simulation exercises • Open dialogue with Australian Signals Directorate (ASD) with respect to threat intelligence
Privacy	Virgin Australia could be exposed to privacy related incidents, arising from cyber breaches, human error, improper or inadequate security controls and/ or collection and use of personal information that is illegal or at odds with stakeholder expectations, leading to brand and reputation damage and regulatory impacts. Virgin Australia's responses to managing this risk include: • Privacy Policy • Privacy Impact Assessments • Code of Conduct • Data Breach Policy and Data Breach Response Plans • Privacy awareness and training

Key risk	Description
Climate change	Virgin Australia's operations are subject to short- and long-term climate-related physical and transition risks, which could disrupt its operations and adversely affect its financial performance. Virgin Australia's responses to managing this risk include: • Sustainability Strategy • Government and industry engagement programs • Enhancing climate related risk reporting
ESG stakeholder expectations	With the increased scrutiny on the aviation sector around sustainability claims, Virgin Australia may not meet its stakeholder expectations in relation to the commitments or statements it makes, or actions it takes around ESG matters. Not meeting Virgin Australia's stakeholder expectations could impact customer demand, ability to access debt markets, increase cost of doing business and negatively impact Virgin Australia's reputation. Virgin Australia's responses to managing this risk include: • Stakeholder engagement strategies • Customer value proposition aligned to customer expectations • Audit, Risk, Sustainability, and Compliance Committee (ARSCC) oversight of ESG risks • AASB S2 Climate-related Disclosures commencing 2026
Loss of slots	A material diminution in demand for air travel or a high rate of cancellations, could place Virgin Australia at risk of losing its slot allocations, adversely affecting Virgin Australia's competitiveness and financial performance. Virgin Australia's responses to managing this risk include: • Investment in slot tools and processes • Slot retention risk escalation process • Regulatory engagement plans
Regulatory and legal compliance	Virgin Australia may fail to meet the extensive regulatory and legal obligations its is subject to. Further, increasing obligations could adversely impact Virgin Australia's operations, increase its costs and impact Virgin Australia's business model and competitiveness. Virgin Australia's responses to managing this risk include: • Compliance policies and procedures and monitoring processes • Ongoing training and awareness sessions • Horizon scanning processes • Regulatory engagement plans
Airport Costs	Virgin Australia, like other airlines, is subject to airport and infrastructure charges. Airport and infrastructure charges above CPI may adversely impact on the affordability of travel, thus reducing demand and, impact Virgin Australia's financial performance, business model and competitiveness. Virgin Australia's responses to managing this risk include: • Stakeholder engagement strategies • Engagement in Master Planning processes with airports • Commercial negotiation strategy, framework, and process • Budgeting and forecasting process and monitoring
Interchange and Surcharge Fees	The RBA review of card payment costs and surcharging may lead to the reduction or cessation of surcharging and / or interchange fees, which could negatively impact Virgin Australia's financial performance. Virgin Australia's responses to managing this risk include: • Government Relations and Industry Affairs Strategy • Contingency planning and early engagement with partners

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 2016/191* dated 24 March 2016 and in accordance with that instrument, amounts in the consolidated interim financial statements 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
Chair

David Emerson
Chief Executive Officer

This report is made on 27 February 2026

Auditor's independence declaration

KPMG

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 review of Virgin Australia Holdings Limited for the half-year ended 31 December 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

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

KPMG

KPMG

Suzanne Bell
Partner

Brisbane
27 February 2026

Interim Financial Statements

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Consolidated statement of profit or loss

For the half-year ended 31 December 2025

	Notes	Dec-2025 $m	Dec-2024 $m
Revenue and income			
Airline passenger and freight revenue		3,104.6	2,846.4
Loyalty program revenue		204.0	190.9
Other income		14.3	1.8
Revenue and income		**3,322.9**	**3,039.1**
Expenditure			
Labour and staff related		(736.0)	(666.0)
Airport charges, navigation and station operations		(629.2)	(551.7)
Fuel and oil		(554.7)	(567.8)
Contract and other maintenance		(241.9)	(185.4)
Commissions, other marketing and reservations		(232.6)	(209.2)
Depreciation and amortisation	2	(230.9)	(204.3)
Communications and technology		(84.1)	(68.3)
Aircraft variable leases		(39.6)	(45.8)
Net foreign exchange gain/(loss)		16.1	(68.7)
Other		(129.7)	(142.0)
Expenditure		**(2,862.6)**	**(2,709.2)**
Statutory profit before net finance costs and tax		**460.3**	**329.9**
Finance income		28.5	25.9
Finance costs		(119.7)	(107.4)
Net finance costs		**(91.2)**	**(81.5)**
Statutory profit before tax		**369.1**	**248.4**
Income tax (expense)/benefit	3	(28.0)	224.7
Statutory profit		**341.1**	**473.1**

		cents	cents
Basic earnings per share	4	45.6	64.7
Diluted earnings per share	4	43.0	64.7

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 half-year ended 31 December 2025

	Dec-2025 $m	Dec-2024 $m
Statutory profit	**341.1**	**473.1**
Items that are or may be subsequently reclassified to profit or loss		
Foreign currency translation of foreign entities	–	(8.3)
Effective portion of changes in fair value of cash flow hedges[1]	11.7	23.0
Net change in hedge reserve for time value of options[1]	(15.1)	(11.5)
Transfer of effective hedging losses to profit or loss[1]	8.7	12.4
De-designation of ineffective cash flow hedges transferred to profit or loss[1]	–	0.1
Total other comprehensive income	**5.3**	**15.7**
Total comprehensive income	**346.4**	**488.8**

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

[1] Net of tax.

Consolidated statement of financial position

As at 31 December 2025

	Notes	Dec-2025 $m	Jun-2025 $m
Current assets			
Cash and cash equivalents	8	1,205.5	1,035.2
Term deposits at bank	8	136.0	83.0
Receivables		306.7	367.7
Inventories		33.1	29.0
Derivative financial instruments		10.9	11.5
Other financial assets		63.7	44.9
Total current assets		**1,755.9**	**1,571.3**
Non-current assets			
Receivables		144.3	116.2
Derivative financial instruments		3.3	–
Other financial assets		57.7	86.9
Property, plant and equipment	7	2,887.9	2,712.6
Intangible assets		40.3	41.9
Deferred tax assets		301.7	343.2
Total non-current assets		**3,435.2**	**3,300.8**
Total assets		**5,191.1**	**4,872.1**
Current liabilities			
Payables		610.1	581.9
Unearned revenue and income	5	1,553.8	1,663.4
Lease liabilities	9	238.9	230.2
Interest-bearing liabilities	10	175.8	513.3
Provisions	6	443.2	346.4
Derivative financial instruments		9.5	17.5
Current tax liabilities		2.5	102.8
Total current liabilities		**3,033.8**	**3,455.5**
Non-current liabilities			
Lease liabilities	9	998.1	754.1
Interest-bearing liabilities	10	918.1	798.1
Provisions	6	678.7	679.0
Total non-current liabilities		**2,594.9**	**2,231.2**
Total liabilities		**5,628.7**	**5,686.7**
Net liabilities	16(e)	**(437.6)**	**(814.6)**
Equity			
Share capital	11	2,243.4	2,240.2
Reserves		(507.9)	(540.6)
Accumulated losses		(2,173.1)	(2,514.2)
Total equity		**(437.6)**	**(814.6)**

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2025

	Notes	Share capital $m	Foreign currency translation reserve $m	Hedge reserve $m	Share-based payment reserve $m	Other reserves[1] $m	Accumulated losses $m	Total equity $m
Balance at 1 July 2025		**2,240.2**	**–**	**(33.6)**	**46.6**	**(553.6)**	**(2,514.2)**	**(814.6)**
Statutory profit		**–**	**–**	**–**	**–**	**–**	**341.1**	**341.1**
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedges[2]		–	–	11.7	–	–	–	**11.7**
Net change in hedge reserve for time value of options[2]		–	–	(15.1)	–	–	–	**(15.1)**
Transfer of effective hedging losses to profit or loss[2]		–	–	8.7	–	–	–	**8.7**
Total other comprehensive income		**–**	**–**	**5.3**	**–**	**–**	**–**	**5.3**
Total other comprehensive income		**–**	**–**	**5.3**	**–**	**–**	**341.1**	**346.4**
Net change in fair value of cash flow hedges transferred to initial carrying value of hedged item		**–**	**–**	**1.9**	**–**	**–**	**–**	**1.9**
Transactions with owners								
Share-based payment transactions		–	–	–	27.6	–	–	**27.6**
Share options exercised		3.2	–	–	(2.1)	–	–	**1.1**
Dividends	12	–	–	–	–	–	–	**–**
Total transactions with owners		**3.2**	**–**	**–**	**25.5**	**–**	**–**	**28.7**
Balance at 31 December 2025		**2,243.4**	**–**	**(26.4)**	**72.1**	**(553.6)**	**(2,173.1)**	**(437.6)**

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

1 Other reserves includes transactions with owners in their capacity as owners.
2 Net of tax.

Consolidated statement of changes in equity

For the half-year ended 31 December 2025

	Notes	Share capital $m	Foreign currency translation reserve $m	Hedge reserve $m	Share-based payment reserve $m	Other reserves[3] $m	Accumulated losses $m	Total equity $m
Balance at 1 July 2024		**2,240.2**	**11.9**	**(10.8)**	**26.3**	**(553.6)**	**(2,892.7)**	**(1,178.7)**
Statutory profit		**–**	**–**	**–**	**–**	**–**	**473.1**	**473.1**
Other comprehensive income								
Foreign currency translation of foreign entities		–	(8.3)	–	–	–	–	**(8.3)**
Effective portion of changes in fair value of cash flow hedges[4]		–	–	23.0	–	–	–	**23.0**
Net change in hedge reserve for time value of options[4]		–	–	(11.5)	–	–	–	**(11.5)**
Transfer of effective hedging losses to profit or loss[4]		–	–	12.4	–	–	–	**12.4**
De-designation of ineffective cash flow hedges transferred to profit or loss[4]		–	–	0.1	–	–	–	**0.1**
Total comprehensive income		**–**	**(8.3)**	**24.0**	**–**	**–**	**–**	**15.7**
Total comprehensive income		**–**	**(8.3)**	**24.0**	**–**	**–**	**473.1**	**488.8**
Net change in fair value of cash flow hedges transferred to initial carrying value of hedged item		**–**	**–**	**2.1**	**–**	**–**	**–**	**2.1**
Transactions with owners								
Share-based payment transactions		–	–	–	2.1	–	–	**2.1**
Dividends	12	–	–	–	–	–	(100.0)	**(100.0)**
Total transactions with owners		**–**	**–**	**–**	**2.1**	**–**	**(100.0)**	**(97.9)**
Balance at 31 December 2024		**2,240.2**	**3.6**	**15.3**	**28.4**	**(553.6)**	**(2,519.6)**	**(785.7)**

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

[3] Other reserves includes transactions with owners in their capacity as owners.
[4] Net of tax.

Consolidated statement of cash flows

For the half-year ended 31 December 2025

	Notes	Dec-2025 $m	Dec-2024 $m
Cash flows from operating activities			
Receipts from customers		3,624.6	3,348.9
Payments to suppliers and employees		(2,890.5)	(2,744.9)
Australian income taxes paid		(89.7)	–
Net cash from operating activities		**644.4**	**604.0**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(233.8)	(215.9)
Proceeds from disposal of property, plant and equipment		252.7	0.3
Acquisition of intangible assets		(1.1)	(0.9)
Interest received		25.7	25.9
Payments for term deposits at bank		(340.8)	(173.8)
Proceeds from term deposits at bank		287.8	235.0
Payments for deposits in other financial assets		(26.5)	(18.2)
Proceeds from deposits in other financial assets		16.4	37.2
Net cash used in investing activities		**(19.6)**	**(110.4)**
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	10	232.6	22.1
Payment of transaction costs relating to interest-bearing liabilities	10	(12.4)	(0.5)
Repayment of interest-bearing liabilities	10	(439.8)	(64.4)
Interest paid (interest-bearing liabilities)		(44.8)	(44.6)
Payment of lease liabilities		(133.1)	(110.6)
Interest paid (lease liabilities)		(45.2)	(36.1)
Dividends paid	12	–	(108.7)
Net cash used in financing activities		**(442.7)**	**(342.8)**
Net increase in cash and cash equivalents		182.1	150.8
Cash and cash equivalents at 1 July		1,035.2	875.6
Effect of exchange rate fluctuations on cash and cash equivalents		(11.8)	54.4
Cash and cash equivalents	8	**1,205.5**	**1,080.8**
Term deposits at bank	8	**136.0**	**67.8**
Cash, cash equivalents and term deposits at bank at the end of the period[1]	8	**1,341.5**	**1,148.6**

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

[1] Total movement in cash and cash equivalents and term deposits from 30 June 2025 was a net increase of $223.3 million represented by and increase in cash and cash equivalents of $170.3 million and an increase in term deposits of $53.0 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.

Dec-2025	Airlines $m	Velocity $m	Eliminations $m	Total $m
External segment revenue and income	3,118.9	199.0	5.0	**3,322.9**
Inter-segment revenue	70.2	43.4	(113.6)	–
Underlying revenue and income	**3,189.1**	**242.4**	**(108.6)**	**3,322.9**
Underlying EBITDA	**647.6**	**76.0**	**(3.3)**	**720.3**
Underlying depreciation and amortisation[1]	(228.3)	(1.6)	–	**(229.9)**
Underlying EBIT	**419.3**	**74.4**	**(3.3)**	**490.4**
Finance income				**28.5**
Finance costs				**(119.7)**
Underlying profit before tax				**399.2**
Foreign exchange revaluation on aircraft leases				**16.3**
IPO related share based payments				**(22.8)**
IT transformation projects				**(18.2)**
Restructuring and transformation costs				**(5.4)**
Profit before tax				**369.1**
Income tax expense				**(28.0)**
Statutory profit				**341.1**

[1] Total underlying depreciation and amortisation is a non-IFRS measure and excludes $1.0 million (Dec-2024: $4.3 million) of accelerated depreciation included in the 'impairment of assets and accelerated depreciation' item below underlying profit before tax.

1. Operating segments (continued)

Dec-2024	Airlines $m	Velocity $m	Eliminations $m	Total $m
External segment revenue and income	2,848.2	184.2	6.7	3,039.1
Inter-segment revenue	70.9	37.2	(108.1)	–
Underlying revenue and income	**2,919.1**	**221.4**	**(101.4)**	**3,039.1**
Underlying EBITDA	**567.3**	**66.9**	**4.7**	**638.9**
Underlying depreciation and amortisation[1]	(197.9)	(2.1)	–	(200.0)
Underlying EBIT	**369.4**	**64.8**	**4.7**	**438.9**
Finance income				25.9
Finance costs				(107.4)
Underlying profit before tax				**357.4**
Foreign exchange revaluation on aircraft leases				(57.3)
IT transformation projects				(26.6)
Restructuring and transformation costs				(20.1)
Impairment of assets and accelerated depreciation				(4.3)
IPO planning and preparation costs				(0.7)
Profit before tax				**248.4**
Income tax benefit				224.7
Statutory profit				**473.1**

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.

2. Depreciation and amortisation

	Notes	Dec-2025 $m	Dec-2024 $m
Depreciation of property, plant and equipment	7	117.6	106.1
Depreciation of right of use assets	7	110.6	95.0
Amortisation of intangibles		2.7	3.2
Total depreciation and amortisation		**230.9**	**204.3**

3. 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

	Dec-2025 $m	Dec-2024 $m
Statutory profit before tax	**369.1**	**248.4**
Tax expense at the Australian tax rate of 30% (2025: 30%)	(110.7)	(74.5)
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	–	23.6
Recognition of previously unrecognised deferred tax asset	87.5	319.7
Other non-deductible or non-assessable amounts	(4.8)	(1.4)
Income tax (expense)/benefit	**(28.0)**	**224.7**
Represented by:		
Current tax expense	(76.0)	(95.0)
Deferred tax benefit	48.0	319.7
Income tax (expense)/benefit	**(28.0)**	**224.7**

Income tax expense totalled $28.0 million for half year ending 31 December 2025 in comparison to the income tax benefit of $224.7 million recorded in half year ending 31 December 2024. An income tax benefit arose in the half year ending 31 December 2024 due to the one-off recognition of previously unrecognised deferred tax assets.

3. 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, particularly where there is a history of losses.

As at 31 December 2025, the Group continues to recognise deferred tax assets on temporary differences of $301.7 million. The reduction in recognised deferred tax assets of $41.5 million between 30 June 2025 and 31 December 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. At 30 June 2025, the quantum of these tax losses able to be used by the Group remained subject to completion of the independent administration process and an assessment of the tax impacts of the final amount of debts forgiven.

As at 31 December 2025, 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 which have been applied against the Group's 30 June 2025 income tax liability. Consequently, as at 31 December 2025 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 lodgement of the Group's 30 June 2025 income tax return.

b) 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.

c) Franking credits

The Group has franking credits of $93.9 million available at 31 December 2025.

4. Earnings per share

	Dec-2025 $m	Dec-2024 $m
Statutory profit	**341.1**	**473.1**

	No '000	No '000
Weighted average number of ordinary shares for basic EPS	748.3	731.8
Effect of share options and share rights on issue[2]	45.3	–
Weighted average number of ordinary shares adjusted for the effect of dilution	**793.6**	**731.8**

	cents	cents
Basic earnings per share	45.6	64.7
Diluted earnings per share	43.0	64.7

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 issued under the Group's equity-based remuneration schemes. 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.

[2] 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.

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 Group.

5. Unearned revenue and income

	Dec-2025 $m	Jun-2025 $m
Unearned passenger revenue	876.0	1,030.0
Unearned loyalty program revenue	674.3	630.2
Other unearned income	3.5	3.2
Total unearned revenue and income	**1,553.8**	**1,663.4**
Current	1,553.8	1,663.4
Total unearned revenue and income	**1,553.8**	**1,663.4**

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 31 December 2025, the Group holds a total of $165.1 million (Jun-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. This includes credits issued between 21 April 2020 and 31 July 2022 (COVID credits) of $93.1 million with an expiry date of 30 June 2026 (Jun-2025: $93.4 million). Remaining credits have expiry terms of 12 months from issuance date.

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, historical and future trends. Changes in this estimate are recognised as revenue. In the current half-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.

5. Unearned revenue and income (continued)

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.

6. Provisions

	Dec-2025 $m	Jun-2025 $m
Maintenance	862.3	757.3
Employee benefits	216.6	226.0
Other provisions	43.0	42.1
Total provisions	**1,121.9**	**1,025.4**
Current	443.2	346.4
Non-current	678.7	679.0
Total provisions	**1,121.9**	**1,025.4**

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.

C. Tangible assets

7. Property, plant and equipment

Dec-2025	Aircraft and aeronautic $m	Aircraft and aeronautic $m	Plant and equipment $m	Buildings and property $m	Buildings and property $m	Computer equipment $m	Work in progress $m	Other $m	Total $m
Owned/leased	**Owned[1]**	**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	54.9	384.1	4.5	0.1	2.5	3.2	177.5	–	626.8
Lease modifications	–	13.5	–	–	4.1	–	–	–	17.6
Transfers from work in progress (WIP)	239.6	–	5.0	–	–	3.6	(248.2)	–	–
Disposals	(238.7)	(1.3)	–	–	–	–	(0.9)	–	(240.9)
Depreciation	(107.2)	(92.6)	(6.3)	(0.2)	(15.8)	(3.9)	–	(2.2)	(228.2)
Balance at 31 December 2025	**1,617.3**	**976.7**	**47.8**	**4.7**	**115.0**	**19.9**	**102.5**	**4.0**	**2,887.9**
At cost	2,811.6	1,651.3	227.7	19.1	311.3	73.2	102.5	27.6	5,224.3
Accumulated depreciation and impairment	(1,194.3)	(674.6)	(179.9)	(14.4)	(196.3)	(53.3)	–	(23.6)	(2,336.4)
	1,617.3	**976.7**	**47.8**	**4.7**	**115.0**	**19.9**	**102.5**	**4.0**	**2,887.9**
Total provided as security for interest-bearing liabilities[2]	1,125.8	–	8.5	–	–	–	–	–	1,134.3

[1] Includes deposits and other costs incurred in respect of aircraft which have not yet been delivered of $159.8 million (30 June 2025: $412.3 million). These amounts are not being depreciated.
[2] 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.

D. Capital structure and financial risks

8. Cash, cash equivalents and term deposits

	Dec-2025 $m	Jun-2025 $m
Cash at bank and on hand	336.4	504.8
Short-term deposits	869.1	530.4
Total cash and cash equivalents	**1,205.5**	**1,035.2**
Term deposits at bank	**136.0**	**83.0**
Total cash, cash equivalents and term deposits	**1,341.5**	**1,118.2**

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 $121.0 million (Jun-2025: $123.8 million).

Term deposits at bank are bank term deposits with an initial term of between 4 – 6 months of which all mature before 30 June 2026. The amount of term deposits at bank not available for use of the Group is $124.4 million (Jun-2025: $76.3 million).

9. Lease liabilities

	Dec-2025 $m	Jun-2025 $m
Aircraft leases	1,093.4	829.2
Property leases	139.1	147.8
Other leases	4.5	7.3
Lease liabilities	**1,237.0**	**984.3**
Current	238.9	230.2
Non-Current	998.1	754.1
Total lease liabilities	**1,237.0**	**984.3**

In addition to the above, the Group has entered into lease commitments for the right to use aircraft and property which have yet to be delivered as at 31 December 2025. This includes aircraft and property due for delivery in 2HFY26 with an undiscounted value of contractual lease commitments of $78.7 million (Jun-2025: $386.8 million) and lease terms varying from 8 to 12 years (Jun-2025: 5 to 12 years). The related right of use assets and lease liabilities will be recognised in the period in which the leases commence in accordance with the requirements of AASB 16 *Leases*.

10. Interest-bearing liabilities

	Dec-2025 $m	Jun-2025 $m
Secured aircraft finance facilities	510.4	730.1
Secured loans	583.5	435.1
Unsecured loan	–	146.2
Total interest-bearing liabilities	**1,093.9**	**1,311.4**
Current	175.8	513.3
Non-current	918.1	798.1
Total interest-bearing liabilities	**1,093.9**	**1,311.4**

During the period ended 31 December 2025, the Group repaid its unsecured loan (Jun-2025: $146.2 million) from proceeds drawn under the secured corporate facility as described in the 2025 Annual Report.

Facility terms

			Dec-2025		Jun-2025	
	Currency	Calendar year of maturity	Carrying/ drawn amount $m	Facility limit $m	Carrying/ drawn amount $m	Facility limit $m
Secured aircraft finance facilities						
– Aircraft	AUD	2026-2037	366.4	366.4	344.1	344.1
– Aircraft	USD	2026-2036	118.4	118.4	357.9	357.9
– Aircraft	JPY	2028	25.6	25.6	28.1	28.1
Secured loans						
– Bank	AUD	2026-2030	436.8	436.8	435.1	435.1
– Bank	AUD	2028	146.7	500.0	–	500.0
Unsecured loan						
– Shareholder	AUD	n/a	–	–	146.2	146.2
			1,093.9	**1,447.2**	**1,311.4**	**1,811.4**

Assets pledged as security

The Group has $183.2 million of available standby letters of credit and guarantee facilities, of which, $125.9 million is drawn (Jun-2025: $184.2 million and $119.5 million respectively). At 31 December 2025 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 7.

11. Share capital

Ordinary share capital

	Dec-2025		Jun-2025	
	# shares (m)	$m	# shares (m)	$m
Balance at 1 July	782.0	2,240.2	731.8	2,240.2
Issued through IPO[1]	–	–	–	–
Conversion of 'A' Class Shares	–	–	50.2	–
Balance at 31 December	**782.0**	**2,240.2**	**782.0**	**2,240.2**
Less Treasury Shares[2]	**(33.0)**	**3.2**	**(35.0)**	**–**
Net ordinary share capital	**749.0**	**2,243.4**	**747.0**	**2,240.2**

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.

12. Dividends

	Dec-2025	Dec-2024
	$m	$m
Nil cents per ordinary share (Dec-2024: 13.67)	–	100.0

There were no dividends paid, recommended or declared during the current period. During the prior half year a dividend of $100.0 million was declared and paid in December 2024.

1 One new ordinary share was issued as part of the Group's IPO on 24 June 2025.
2 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.

13. 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 interim 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

There have been no changes in the nature of financial assets and liabilities or changes to the way the Group measures fair value since 30 June 2025. Refer to the 30 June 2025 consolidated financial statements for further information.

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.

	Dec-2025		Jun-2025	
	Carrying value $m	Fair value $m	Carrying value $m	Fair value $m
Financial assets carried at fair value				
Derivative financial instruments	14.2	14.2	11.5	11.5
Financial liabilities carried at amortised cost				
Secured aircraft finance facilities	510.4	506.8	730.1	726.7
Secured loans	583.5	606.5	435.1	450.0
Unsecured loan	–	–	146.2	150.7
Derivative financial instruments	9.5	9.5	17.5	17.5

E. Other items

This section sets out other disclosures that may be relevant to understanding the financial position and performance of the Group.

14. Commitments and contingencies

Capital commitments

At 31 December 2025 the Group has capital expenditure commitments of $1,971.3 million (Jun-2025: $2,017.7 million) currently payable from FY26 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 31 December 2025 closing exchange rate of 0.6673 (Jun-2025: 0.6581). Three of the firm orders for aircraft are committed to be under sale and leaseback arrangements. Aircraft are considered attractive assets by financiers so funding for 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 9.

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 31 December 2025, the total outstanding is $125.9 million (Jun-2025: $119.5 million). Refer to note 10 for further information on facility limits.

15. Events subsequent to reporting date

No 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.

16. 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, Brisbane, Queensland, Australia.

The consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the Group), and the Group's interests in associates.

b) Statement of compliance

The half-year financial statements are a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting*. The condensed half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual report. The annual report for the year ended 30 June 2025 is available at https://www.virginaustralia.com/au/en/about-us/investor-relations/.

The consolidated interim financial statements of VAH as at and for the half-year ended 31 December 2025 were authorised for issue by the Directors on 27 February 2026.

16. Other information (continued)

c) Basis of preparation

The consolidated interim 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.

The consolidated interim financial statements are presented in Australian dollars, unless otherwise noted, which is the functional currency of the Company.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2025.

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016 and in accordance with that instrument, amounts in the consolidated interim 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 interim 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 3 - Taxation – recognition of deferred tax assets
- Note 5 - Unearned revenue and income – unearned passenger and loyalty program revenue
- Note 6 - Maintenance provision

e) Going concern and net liability position

The Group has prepared the financial statements for the half-year ended 31 December 2025 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 31 December 2025 the Group's current liabilities exceeded its current assets by $1,277.9 million (Jun-2025: $1,884.2 million) including a current liability for unearned revenue of $1,553.8 million (Jun-2025: $1,663.4 million). The Group also has a net asset deficiency of $437.6 million (Jun-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.

Independent auditor's review report

Independent Auditor's Review Report

To the Directors of Virgin Australia Holdings Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Virgin Australia Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Virgin Australia Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2025;
- 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 half-year ended on that date;
- Notes 1 to 16 including selected explanatory notes; and
- The Directors' Declaration.

The ***Group*** comprises Virgin Australia Holdings Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim 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 & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001; and*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG	Suzanne Bell *Partner* Brisbane 27 February 2026

Directors' declaration

In the opinion of the Directors of Virgin Australia Holdings Limited (the Company):

(a) the consolidated interim financial statements and notes that are set out on pages 25-45 are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the Group as at 31 December 2025 and its performance for the half-year ended on that date; and
- comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001; and*

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Peter Warne
Chair
27 February 2026

David Emerson
Chief Executive Officer
27 February 2026

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 Interim 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).

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 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.

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 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 net profit margin (%) represents underlying net profit divided by underlying revenue and income and is expressed as a percentage. Management uses underlying net profit margin as a measure to evaluate the overall profitability of the business excluding Significant Items when taking into account its financing arrangements and impacts of tax.

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. For both the current and prior period there are no differences between Statutory revenue and income and Underlying revenue and income.

Statutory expenditure to Underlying operating expenditure

	1HFY26 $m	1HFY25 $m
Statutory expenditure	(2,862.6)	(2,709.2)
Statutory depreciation and amortisation	230.9	204.3
Significant Items		
IT transformation projects	18.2	26.6
Restructuring and transformation costs	4.4	20.1
Foreign exchange revaluation	(16.3)	57.3
IPO related share based payments	22.8	–
IPO planning and preparation costs	–	0.7
Total Significant Items	29.1	104.7
Underlying operating expenditure	(2,602.6)	(2,400.2)

Statutory Profit before net finance costs and tax (EBIT) to Underlying EBITDA

	1HFY26 $m	1HFY25 $m
Statutory profit before net finance costs and tax (EBIT)	460.3	329.9
Statutory depreciation and amortisation	230.9	204.3
Significant Items		
IT transformation projects	18.2	26.6
Restructuring and transformation costs	4.4	20.1
Foreign exchange revaluation	(16.3)	57.3
IPO related share based payments	22.8	–
IPO planning and preparation costs	–	0.7
Total Significant Items	29.1	104.7
Underlying EBITDA	720.3	638.9

Statutory depreciation and amortisation to Underlying depreciation and amortisation

	1HFY26 $m	1HFY25 $m
Statutory depreciation and amortisation	(230.9)	(204.3)
Significant Items		
Accelerated depreciation	1.0	4.3
Total Significant Items	1.0	4.3
Underlying depreciation and amortisation	(229.9)	(200.0)

Statutory Profit before net finance costs and tax (EBIT) to Underlying EBIT

	1HFY26 $m	1HFY25 $m
Statutory profit before net finance costs and tax (EBIT)	460.3	329.9
Significant Items		
IT transformation projects	18.2	26.6
Restructuring and transformation costs	4.4	20.1
Impairment of assets and accelerated depreciation	1.0	4.3
Foreign exchange revaluation	(16.3)	57.3
IPO related share based payments	22.8	–
IPO planning and preparation costs	–	0.7
Total Significant Items	30.1	109.0
Underlying EBIT	490.4	438.9

Statutory Profit before tax to Underlying Profit before tax

	1HFY26 $m	1HFY25 $m
Statutory profit before tax	369.1	248.4
Significant Items		
IT transformation projects	18.2	26.6
Restructuring and transformation costs	4.4	20.1
Impairment of assets and accelerated depreciation	1.0	4.3
Foreign exchange revaluation	(16.3)	57.3
IPO related share based payments	22.8	–
IPO planning and preparation costs	–	0.7
Total Significant Items	30.1	109.0
Underlying profit before tax	399.2	357.4

Statutory income tax benefit to Underlying income tax benefit

	1HFY26 $m	1HFY25 $m
Statutory income tax (expense)/benefit	(28.0)	224.7
Significant Items		
Tax impact of significant items	(5.0)	(31.5)
Recognition of deferred tax asset	(87.5)	(319.7)
Total Significant Items	(92.5)	(351.2)
Underlying income tax (expense)/benefit	(120.5)	(126.5)

Statutory Net Profit to Underlying Profit

	1HFY26 $m	1HFY25 $m
Statutory profit	341.1	473.1
Significant Items		
IT transformation projects	18.2	26.6
Restructuring and transformation costs	4.4	20.1
Impairment of assets and accelerated depreciation	1.0	4.3
Foreign exchange revaluation	(16.3)	57.3
IPO related share based payments	22.8	–
IPO planning and preparation costs	–	0.7
Tax impact of significant items	(5.0)	(31.5)
Recognition of deferred tax asset	(87.5)	(319.7)
Total Significant Items	(62.4)	(242.2)
Underlying net profit after tax	278.7	230.9

Statutory Diluted earnings per share to Underlying Diluted earnings per share

	1HFY26		1HFY25	
	Profit after tax $m	Diluted earnings per share cents[1]	Profit after tax $m	Diluted earnings per share cents[1]
Statutory	341.1	43.0	473.1	64.7
Total Significant Items (see above)	(62.4)	(7.9)	(242.2)	(33.1)
Underlying	278.7	35.1	230.9	31.6

[1] Diluted earnings per share cents is calculated using 793.6 million (Dec-2024: 731.8 million) weighted average number of ordinary shares adjusted for the effect of dilution. For further information, see note 4.

Significant Items

Significant Items in 1HFY26 and 1HFY25 included:

IT transformation projects	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.
Restructuring and transformation costs	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.
Impairment of assets and accelerated depreciation	1HFY25: Legacy Fokker F100 aircraft used by VARA were depreciated on an accelerated basis ahead of their retirement by December 2025. 1HFY26: Equipment related to Legacy A320 aircraft is being depreciated on an accelerated basis ahead of the aircraft's retirement by June 2026.
Foreign exchange revaluation	Realised and unrealised gains and losses on the revaluation of USD denominated aircraft lease liabilities.
IPO planning and preparation costs	Costs incurred in relation to planning and preparation for Virgin Australia's IPO that occurred in June 2025 that are allocated to the Income Statement.
IPO related share based payments	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.
Tax impact of significant items	Tax effect of the Significant Items listed above.
Recognition of deferred tax asset	Gain generated following the recognition of previous off balance sheet deferred tax asset.

Operating metrics and Airline glossary

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.

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 gauge customer satisfaction. Strategic NPS is based on a monthly market survey commissioned by Virgin Australia and conducted by a third party. Approximately 1,000 Australian travellers are asked 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 passengers flying on the VA Airlines or VARA network, including 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.

Points earned is the number of Velocity Frequent Flyer points issued to members.

Points redeemed is the number of Velocity Frequent Flyer points redeemed by members for available rewards.

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.

Yield is calculated as the Airlines segment RPT passenger ticket revenue divided by RPKs.