25 June 2020

ASX Market Announcements Office
Australian Securities Exchange Limited

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Qantas Group Equity Raising Investor Presentation

Qantas Airways Limited attaches the "Building for a strong future: Equity raising and operational initiatives" Investor Presentation.

Yours faithfully,

Andrew Finch
Group General Counsel and Company Secretary

Authorised for release by Qantas' Board of Directors.

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Building for a strong future: Equity raising and operational initiatives

25 June 2020

QANTAS GROUP

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Important notice

IMPORTANT NOTICE: This Presentation is provided subject to the matters set out in the Important Notice and Disclaimer on slides 42 to 48. Qantas advises you to carefully read and consider the Important Notice and Disclaimer as it contains material information regarding this Presentation.

This Presentation has been authorised for release to ASX by the Qantas Board of Directors.

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Executive summary

Qantas Group takes further proactive measures to accelerate recovery from the COVID-19 crisis and create a stronger platform for future profitability, growth and long term shareholder value

Impact of COVID-19	• Global airlines severely impacted by travel restrictions and border closures • Airline sector expected to face deep structural changes and near-term outlook remains uncertain • Domestic demand expected to fully recover in FY22. International recovery anticipated to be slower with only ~50% of capacity expected in FY22 • Qantas currently operating significantly reduced flight capacity • Decisive measures implemented to minimise cash burn including employee stand-downs, capex deferrals and dividend revocation • Utilised unencumbered assets to raise $1.75b in new debt to boost cash liquidity and maintain its credit rating
Recovery Plan	• Recovery Plan tasked with ‘right sizing’ and ‘restructuring’ the business to accelerate recovery and to partially offset revenue lost as a result of the impact of COVID-19 • Targets $15b in benefits over three years, comprising: – $2.4b of ‘restructuring’ benefits, with some benefits to continue to flow in future years – Initial $2.6b ‘right sizing’ initiatives to reduce the workforce and supplier costs whilst activity is low – $4.0b in direct savings as a result of activity reductions – $6.0b of activity based fuel savings[1] • Annual ongoing ‘restructuring’ benefits estimated to be $1.0b from FY23 onwards • Estimated total costs of $1.0b to deliver ongoing ‘restructuring’ and ‘right sizing’ benefits mostly realised during FY21 • Includes a range of capital expenditure and fleet decisions to improve cash flow – Qantas’ A380 fleet (12 units) will be grounded for the foreseeable future – A321neo and 787-9 fleet deliveries have been deferred to meet the Group’s requirements
Trading update and outlook	• Expected to report a breakeven to small FY20 Underlying PBT[2] (FY19 $1.3b), statutory one-off charges of approximately $2.8b[3] and cash flow from operations of $1.2b (FY19 $3.2b)[4] • Solid recovery expected for domestic flights however most international flights cancelled through to late Oct-20 • Qantas’ earnings expected to recover at a faster pace than global peers supported by solid demand for domestic flights, strong domestic market share and Qantas Loyalty earnings • The pace of recovery is a clear focus for Qantas and represents an opportunity to restructure the business

Note: 1. Subject to fuel and foreign exchange rate movements. 2. Profit Before Tax. The items excluded from the FY20 forecast Underlying PBT result are presented in Appendix D to this Presentation. For additional guidance on the reconciliation between statutory and non-statutory metrics see the 1H20 Supplementary Presentation. 3. Refer to Appendix D for a breakdown of the impairment and restructuring one-off costs 4.FY19 restated for changes with the first time adoption of AASB 16 and the Sep-19 IFRIC decision in relation to the accounting treatment of fair value hedges of foreign currency on non-financial assets

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Executive summary (continued)

Qantas Group takes further proactive measures to accelerate recovery from the COVID-19 crisis and create a stronger platform for future profitability, growth and long term shareholder value

Equity Raising	• Qantas is seeking to raise $1,860m of equity (**Equity Raising**), comprising: – Approximately $1,360m fully underwritten institutional placement (**Placement**);[1] and – Up to $500m non-underwritten share purchase plan (**Share Purchase Plan** or **SPP**)[2] • Placement will be conducted at $3.65 (**Placement Price**) per new fully priced ordinary share (**New Share**), representing a: – 12.9% discount to last traded share price of $4.19 on 24 June 2020 – 15.1% discount to 5-day VWAP[3] of $4.30 • The issue price for New Shares under the SPP will be the lower of the Placement Price and a 2.5% discount to the 5-day VWAP of Qantas ordinary shares up to and including the closing date of SPP
Rationale	1. Support the Recovery Plan 2. Strengthen the balance sheet and improve financial flexibility, in line with its Financial Framework 3. Enable Qantas' accelerated recovery post-COVID-19 4. Position Qantas to capitalise on opportunities that align with its strategy
Balance sheet and liquidity	• Following completion of the Equity Raising: – Pro-forma net debt of $4.7b[4] as at 31 May 2020, excluding the SPP proceeds, within the net debt target range – Total liquidity position expected to be $4.6b[4], excluding the SPP proceeds • 1H20 interim dividend revoked; resumption of future dividends will be determined with reference to the Financial Framework[5] • No financial covenants on debt

Note: 1. Refer to Appendix C for a summary of the key terms and conditions of the underwriting arrangements. 2. The Equity Raising structure balances the need for certainty of proceeds received through the Placement (for the purposes described elsewhere in this Presentation) with Qantas' desire to provide its eligible shareholders in Australia and New Zealand with the opportunity to participate through the SPP. Inclusion of a SPP target is appropriate because it balances institutional investors' expectation of dilution with retail investors' ability to participate. The cap on the SPP of $500 million is considered appropriate to provide the vast majority of Qantas' eligible shareholders in Australia and New Zealand with the opportunity to achieve a pro rata allocation having regard to the total Equity Raising size, the construct of the share register and historical take-up rates in SPPs. Qantas may, in its absolute discretion, scale back SPP applications above the cap amount or apply a higher cap to the SPP and scale back applications over the higher cap. 3. Volume weighted average price. 4. Pro forma number is gross of transaction costs. 5. Refer to the announcement released to the ASX on 25 June 2020, under 'Revocation of Interim Dividends' for details

About the Qantas Group

Qantas is widely regarded as one of the world's leading airlines with a reputation for excellence in safety, operational reliability, engineering and maintenance and customer service

- Qantas is the world's second oldest airline with 100 years in operation
- Founded in the Queensland outback in 1920, Qantas has grown to be Australia's largest domestic and international airline
- The Qantas Group's main business is the transportation of customers under two complementary airline brands, Qantas and Jetstar
- Qantas Loyalty uniquely advantaged with 13.2 million members,[1] representing 50% penetration across Australian population
- Our airline brands operate regional, domestic and international services and carried more than 56 million passengers in the 12 months ending Dec-19

Note: 1. As at 31 December 2019

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Investment proposition

Integrated portfolio of mutually reinforcing businesses continues to drive strategic priorities

Airline business

– Domestic Dual Brand strategy with leading business and leisure propositions
– Structurally advantaged domestic market with network, schedule and frequency advantage
– Leading two airlines for outbound Australia through home market strength
– Growing efficiently through key airline partnerships and alliances

Loyalty business

– High penetration with equivalent of half the Australian population as members in the program
– Customer data insights collected through >30 years of the program
– ~35%[1] market share of credit card spend on a co-branded card
– Strong retail partnerships
– Diversified earnings stream from new ventures e.g. Qantas Money, Qantas Insurance, Qantas Hotels and Qantas Wine

Brand strength

– Qantas brands are a key source of competitive advantage
– Each Group brand has a sustainable competitive advantage
– Sophisticated Dual Brand strategy reinforces brand advantages

QANTAS Jetstar
QANTAS LOYALTY

Clear strategic priorities

Maximising leading domestic position through Dual Brand strategy

Building a resilient Qantas International, leveraging our home market

Aligning Qantas and Jetstar with Asia's growth

Investing in customer, brand, data and digital

QANTAS LOYALTY

Diversification and growth at Qantas Loyalty

Focus on people, culture and sustainability

Note: 1. Qantas internal analysis based on the Reserve Bank of Australia's credit card statistics as at Aug-19

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Track record of successful transformation

Transformation is inherent to our business model and is expected to continue to underpin our future success and growth

Benefits

Total benefits delivered from FY15 to date

$3.2b

FY15 – FY17

$2.1b

- Reduced fleet types from 11 to 8
- Reduction of 5,000 FTE[1]
- Deleveraged balance sheet
- Record NPS[2]
- >$1.6b returned to shareholders
- Group ROIC[3] >10%

FY18

$463m

- Record earnings
- Introduced 5 x 787-9, retired 1 x 747-400
- Net debt below target range
- NPS premium to competitor
- Returned $1b to shareholders
- Group ROIC >10%

FY19

$452m

- Added 3 x 787-9, retired 3 x 747-400
- Net debt below target range
- NPS premium to competitor
- Returned $1b to shareholders
- Group ROIC >10%

1H20

$188m

- Added 3 x 787-9, retired 1 x 747-400
- Net debt towards lower end of the target range
- NPS premium to competitor
- Returned $647m to shareholders
- Rolling 12 month ROIC >10%

Note: 1. Full-time equivalent. 2. Net promoter score used as the Group's measure of customer advocacy. 3. Return on invested capital, calculated as ROIC EBIT for the relevant financial period, divided by the 12 months Average Invested Capital

Strong financial track record

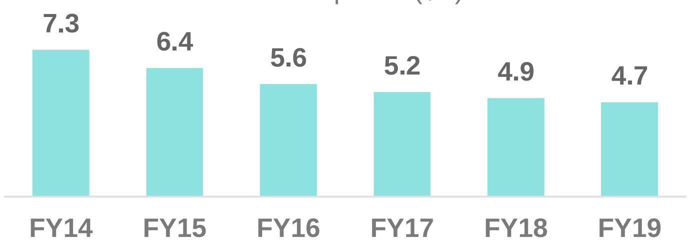
Financial Framework supports disciplined decision-making to maximise long-term shareholder value

1

Maintaining an optimal capital structure

Minimise cost of capital by targeting a net debt range of 2.0-2.5x EBITDAR[1] where ROIC is 10%

Net debt profile ($B)

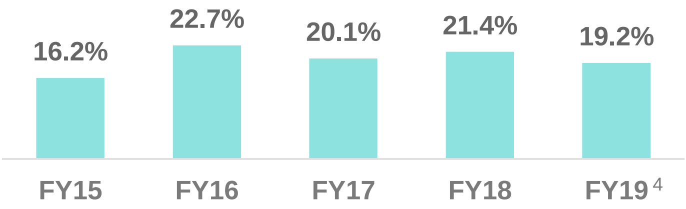


2

ROIC > WACC[2] through the cycle

Deliver ROIC > 10% through the cycle

Group ROIC[3] (%)

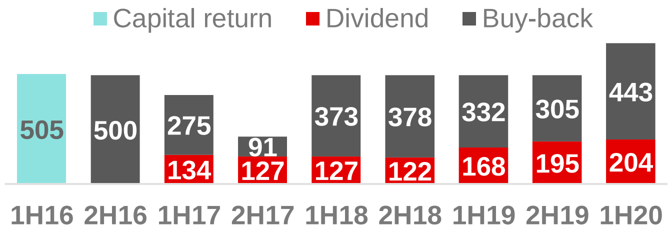


3

Disciplined allocation of capital

Grow invested capital with disciplined investment, return surplus capital

Shareholder returns ($M)



Using the Financial Framework, Qantas has reduced net debt, while providing strong returns to shareholders

Maintainable EPS[5] growth over the cycle
Total shareholder returns in the top quartile[6]

Note: 1. EBITDAR represents earnings before income tax expense, depreciation, amortisation, non–cancellable aircraft operating lease rentals and net finance costs. 2. Weighted average cost of capital. 3. Calculated as ROIC EBIT for the relevant financial period, divided by the 12 months Average Invested Capital. 4. FY19 restated for changes with the first time adoption of AASB 16 and the Sep-19 IFRIC decision in relation to the accounting treatment of fair value hedges of foreign currency on non-financial assets. 5. Earnings Per Share. 6. Target Total Shareholder Returns within the top quartile of the ASX100 and global listed airline peer group as stated in the 2019 Annual Report, with reference to the 2019-2021 LTIP

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Impact of COVID-19

COVID-19 has presented challenges across the globe with the airline industry at the forefront

Airline industry trends

- COVID-19 pandemic and containment initiatives have caused unprecedented disruption to the travel industry
- Significant capacity reductions (domestic and international) in response to travel restrictions
- International flights down ~80% by early Apr-20
- IATA estimates airline passenger revenue to decrease by US$312b[1] (A$487b[2]) in 2020, a 55% decline as against 2019 levels
- Border closures, consumer health concerns, changes in corporate travel policies and lower discretionary spending expected to constrain passenger flight demand until 2022
- Industry will undergo significant permanent structural changes

Government restrictions / support

- Many governments have imposed travel restrictions, causing substantial declines in passenger demand
- Governments worldwide have announced relief packages to directly support the aviation sector and mitigate the impact of COVID-19
- The Australian Government announced a $715m[3] relief package to the aviation industry and an additional $198m[3] towards regional air network
- Minimum domestic, regional and international network underwritten by government
- Refunds and waivers of fuel excise, air service and security charges up until Sep-20
- Wage subsidy (JobKeeper) initiative

Competitive environment

- Australia has flattened the COVID-19 curve sooner than other countries, with domestic aviation expected to recover ahead of international
- Airline failures, government interventions and consumer trends will reshape the competitive environment
- Multiple airlines globally being recapitalised and restructured
- Fewer, scaled airlines ranging between efficient operators and strategic state-supported airlines
- Qantas' key domestic competitor entered into voluntary administration in Apr-20 and currently undertaking a sale process

Note: 1. Source: IATA "COVID-19 Update Impact Assessment", 14 April 2020. 2. Conversion to AUD based on FX rates as at 14 April 2020, sourced from Bloomberg 3. Source: Australian Government, Department of Infrastructure, Transport and Regional Development website, 18 March 2020 and 28 March 2020

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Decisive COVID-19 response to date

Qantas has taken decisive action to mitigate the impact of COVID-19 including a reduction in flight capacity, workforce stand-downs, operational cost-out measures and capex deferrals

In response to COVID-19, Qantas has to date taken decisive and prompt measures to minimise cash burn, including:

Flight capacity	• Significant reductions in flight capacity (domestic and international) and flight cancellations due to border restrictions and minimal demand • Most international flight cancellations extended through to late Oct-20
Workforce	• Made the difficult decision to temporarily stand-down ~25,000 employees • Recruitment freeze • CEO, Senior Group Management Executives and the Board to take no pay during Q4 FY20
Operating costs	• Renegotiating supplier contracts, including reduced or deferred payment • Negotiating consolidation and subletting of property leases
Capital expenditure	• A321neo and 787-9 fleet deliveries have been deferred to meet the Group's requirements • Non-essential capital expenditure deferred
Liquidity	• $1.75b of 7-year and 10-year debt raised between Mar-20 and May-20 to boost cash liquidity • Cancellation of up to $150m off-market buy-back • Revocation of interim dividend • Maintained credit rating

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Trading update and FY20 guidance

Consistent with the broader travel and airline industries, the last three months of FY20 have been significantly impacted by COVID-19, partially offset by strong revenue performance in Qantas Loyalty and Qantas Freight

QANTAS
Jetstar

- Group Domestic capacity reduced to 5% until mid Jun-20 and now at 15% of pre-COVID-19 levels
- Resources sector services at 75% of pre-COVID-19 levels
- Introduction of "Fly Well" program

- Group International capacity cancelled (with the exception of some repatriation flights underwritten by government) through to late Oct-20

FREQUENT FLYER
QANTASFREIGHT

- Qantas Loyalty expected to make the largest contribution to the FY20 result, despite a 5%-10% reduction in Underlying EBIT as a result of the impact of COVID-19 on travel related products and credit card spend
- Prior to COVID-19, two-thirds of Qantas Points were earned on the ground
- Qantas Freight experienced high volumes and achieved strong revenue performance given declining belly space capacity

– Expected to report a breakeven to small FY20 Underlying PBT

– FY20 statutory results expected to include a one-off charge of approximately $2.8b[1], mostly non-cash, relating to asset impairments, hedge ineffectiveness, restructuring charges and transformation costs

– 1H20 interim dividend revoked

– The pace of recovery is a clear focus for Qantas and represents an opportunity to restructure the business

Note: 1. Refer to Appendix D for a breakdown of the impairment and restructuring one-off costs

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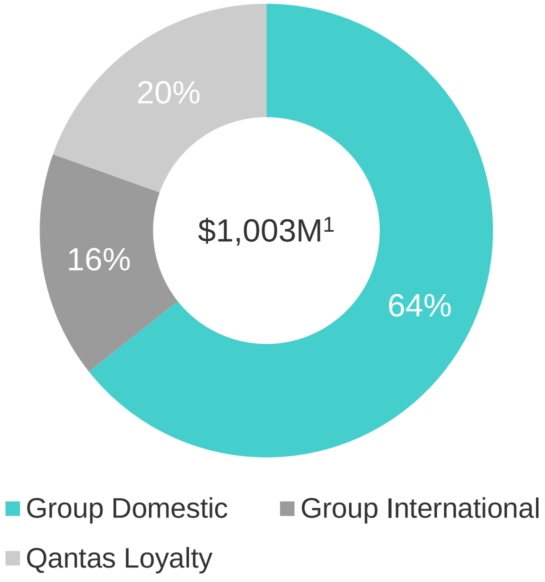
Outlook

Qantas' earnings expected to recover, supported by strong domestic market share, expected demand and Qantas Loyalty

1H20 Underlying EBIT by Segment[1]



Group Domestic

- Domestic demand expected to recover sooner than International demand
- Qantas expects average capacity of ~70% in FY21 and 100% in FY22
- Positive response to recent retail sales campaign

Group International

- Most international flight cancellations extended through to late Oct-20
- Current expectations of ~50% of capacity flying in FY22

QANTAS LOYALTY

- Demand for Qantas Points remains strong
- Diversified earning streams from new businesses

QANTAS FREIGHT

- Strong demand for dedicated freight services with less cargo flown on passenger flights
- Freight profits expected to remain solid

The pace of recovery is a clear focus for Qantas and represents an opportunity to restructure the business

Note: 1. 1H20 Underlying EBIT by segment excludes corporate and unallocated / eliminations

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Overview of Recovery Plan

Building the foundations for the next century of Qantas

Fleet & Network

- Domestic fleet optimization
- Fleet deliveries deferred to meet the Group's requirement
- Grounding up to 100 aircraft, including the A380s, for at least the next year, including most of the international fleet
- Retiring Qantas' six remaining 747s immediately, six months ahead of schedule

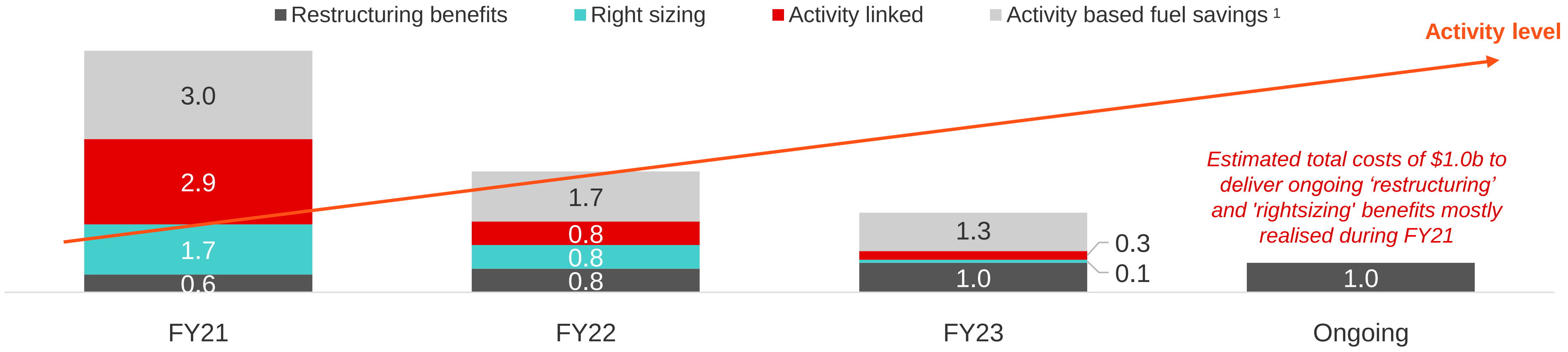
Ways of Working

- Footprint consolidation
- Distribution transformation
- Increased cost variabilisation
- Workforce flexibility and productivity:
  - Reducing the Qantas Group's pre-crisis workforce by at least 6,000 roles
  - Continuing the stand down for 15,000 employees, particularly those associated with international operations, until flying returns

Digitalisation

- Customer experience model
- IT delivery transformation

Estimated phasing of expected short-term and long-term cost savings ($B)



Note: 1. Subject to fuel and foreign exchange rate movements

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Positioning for post-COVID-19 recovery

Recovery Plan and Equity Raising expected to position Qantas to adapt to a changed operating environment and enable an accelerated recovery post-COVID-19

- Decisive actions are being taken to maintain strong financial position
- Announced Recovery Plan and initiatives to be implemented over the next 3 years
- Recovery Plan expected to generate significant cost savings and cash flow benefits
- Australian domestic market critical to national economic infrastructure (8 capital cities geographically dispersed and limited substitute modes of transport)
- Strong competitive advantage with majority market share in a large domestic market
- Qantas Loyalty providing diversification and strong positive cash flow and earnings
- Government actions and relief packages are supportive of broader recovery
- Qantas' key domestic competitor placed in voluntary administration in Apr-20
- Strong balance sheet position with \$4.6b[1] in available liquidity[2] following the Equity Raising, excluding the SPP proceeds

Note: 1. Pro forma number is gross of transaction costs. 2. Total liquidity comprises of cash & cash equivalents and undrawn facilities

Pro-forma capitalisation and liquidity

Following the Equity Raising, Qantas expects to be well capitalised with strong liquidity to respond to a range of potential recovery scenarios

Sources	$B	Uses	$B
Equity Raising	1.4	'Rightsizing' and 'restructuring' costs	1.0
		Net debt reduction	0.4
Total sources	**1.4**	**Total uses**	**1.4**

$B	Current capital structure[1,2]	Impact of Equity Raising	Pro-forma capital structure[1,3]
Interest-bearing liabilities	6.8	-	6.8
Capitalised lease liabilities	1.6	-	1.6
Gross debt	**8.3**	**-**	**8.3**
Cash & cash equivalents	2.3	1.4	3.6
Net debt	**6.1**	**(1.4)**	**4.7**
Total liquidity[4]	3.3	1.4	4.6

Funding rationale

Qantas is raising equity in order to:

1. Support the Recovery Plan
2. Strengthen the balance sheet and improve financial flexibility, in line with its Financial Framework
3. Enable Qantas' accelerated recovery post-COVID-19
4. Position Qantas to capitalise on opportunities that align with its strategy

Commentary

– Following completion of the Equity Raising:
  - Pro-forma net debt of $4.7b, excluding the SPP proceeds, within the net debt target range
  - Total liquidity position expected to be $4.6b, excluding the SPP proceeds

– 1H20 interim dividend revoked. Resumption of future dividends will be determined with reference to the Financial Framework

– No financial covenants on debt

Note: 1. Due to rounding, numbers presented may not add up precisely to the totals provided. 2. As at 31 May 2020 3. Pro forma number excludes the impact of proceeds received under the SPP and is gross of transaction costs. 4. Total liquidity comprises of cash & cash equivalents and undrawn facilities

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Maintaining an optimal capital structure

Sustainable capital structure with balanced debt maturity profile and no financial covenants

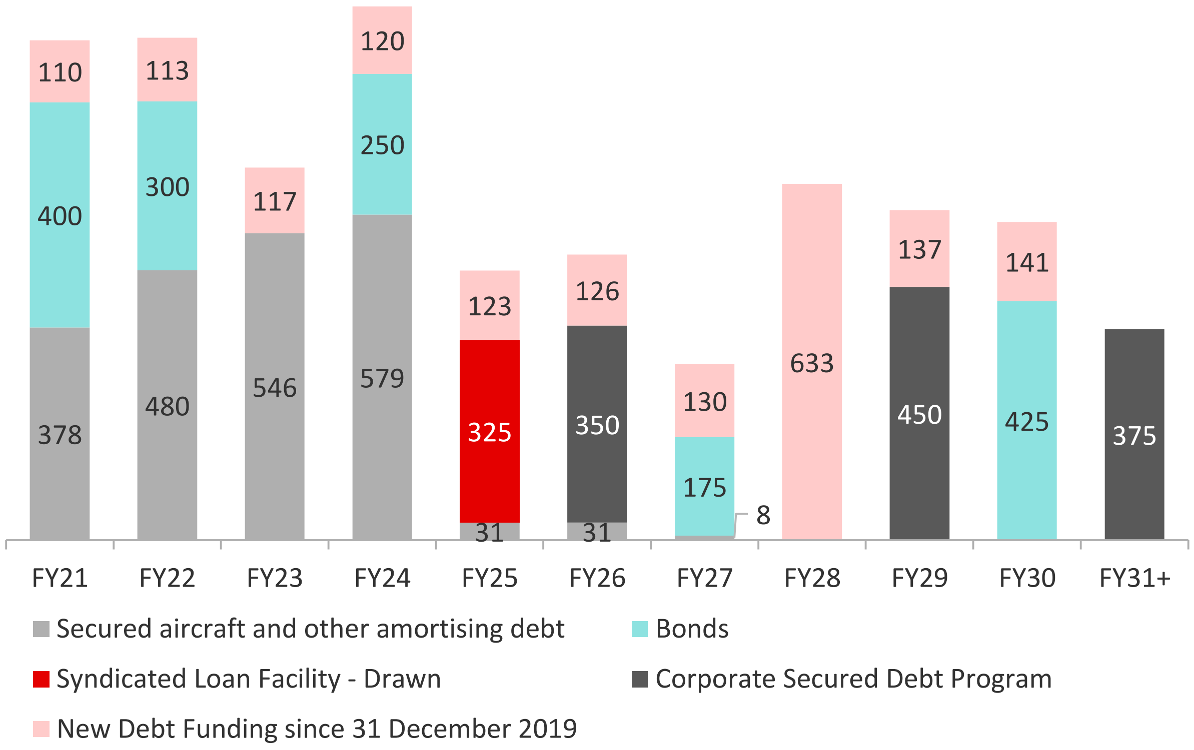
Pro-forma capital structure[1] as at 31 May 2020

- Net debt $4.7b
- Cash $3.6b, undrawn facilities $1.0b

Debt structure

- Responded quickly to increase liquidity: $1.75b in new debt funding has been secured since 31 December 2019
- Diverse funding sources
- Minimised refinancing risk
- Smooth maturity profile
- Attractive interest rates
- Prepayment options
- **No financial covenants on debt**

Debt maturity profile as at 31 May 2020 ($M)[2]



Note: 1. Pro forma number excludes the impact of proceeds received under the SPP and is gross of transaction costs. 2. Cash debt maturity profile excluding leases

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Offer details

Fully underwritten Institutional Placement to raise approximately $1,360m and non-underwritten Share Purchase Plan to raise up to an additional $500m

Offer size and structure	• Up to $1,860m Equity Raising, including: – Fully underwritten institutional placement to raise approximately $1,360m[1] – Non-underwritten Share Purchase Plan to raise up to $500m[2]
Placement size and pricing	• Shares under the Placement (**Placement Share**) will be issued at a fixed price of $3.65 per Placement Share (**Placement Price**) • The Placement Price represents: – 12.9% discount to the last traded price of $4.19 on 24 June 2020 – 15.1% discount to the 5-day VWAP of $4.30 • Approximately 372.7 million Placement Shares to be issued, representing 25.0% of Qantas' existing shares on issue
Share Purchase Plan	• Eligible shareholders in Australia and New Zealand will be invited to apply for up to $30,000 of New Shares • The issue price for New Shares under the SPP will be the lower of the Placement Price and a 2.5% discount to the 5-day VWAP of Qantas' ordinary shares up to and including the closing date of the SPP[2] • SPP offer document expected to be sent to eligible shareholders on 2 July 2020
Underwriting	• The Placement is fully underwritten by two underwriters (**Underwriters**)[1] • The SPP is not underwritten
Ranking	• New Shares issued under the Equity Raising will rank equally in all respects with Qantas' existing ordinary shares
Allocations	• It is intended that eligible institutional shareholders who bid for up to their 'pro rata' share of Placement Shares will be allocated their full bid, on a best endeavours basis[3] • For the remaining Placement Shares, Qantas will seek to prioritise allocations to existing shareholders and then introduce new shareholders, in each case based on factors including likelihood of long term support for the Qantas Group, the nature of the investor, support to date and existing holdings (if applicable) and the size and timeliness of bids into the book

Note: 1. Refer to Appendix C for a summary of the key terms and conditions of the underwriting arrangements. 2. The Equity Raising structure balances the need for certainty of proceeds received through the Placement (for the purposes described elsewhere in this Presentation) with Qantas' desire to provide its eligible shareholders in Australia and New Zealand with the opportunity to participate through the SPP. Inclusion of a SPP target is appropriate because it balances institutional investors' expectation of dilution with retail investors' ability to participate. The cap on the SPP of $500 million is considered appropriate to provide the majority of Qantas' eligible shareholders in Australia and New Zealand with the opportunity to achieve a pro rata allocation having regard to the total Equity Raising size, the construct of the share register and historical take-up rates in SPPs. Qantas may, in its absolute discretion, scale back SPP applications above the cap amount or apply a higher cap to the SPP and scale back applications over the higher cap. 3. See slides 28 and 45 to 48 for important information regarding allocations under the Placement

Offer timetable

Event	Date[1]
Record date for the SPP	7:00pm (Sydney time), Wednesday, 24 June 2020
Trading halt and announcement of Equity Raising	Thursday, 25 June 2020
Placement bookbuild	Thursday, 25 June 2020
Announcement of outcome of Placement	Friday, 26 June 2020
Trading halt lifted – trading resumes on ASX	Friday, 26 June 2020
Settlement of Placement Shares	Tuesday, 30 June 2020
Allotment and normal trading of Placement Shares	Wednesday, 1 July 2020
SPP offer opens and SPP offer booklet dispatched	Thursday, 2 July 2020
SPP offer closes	Wednesday, 22 July 2020
Announcement of results of SPP	Monday, 27 July 2020
SPP allotment date	Wednesday, 29 July 2020
Normal trading of SPP Shares and dispatch of holding statements	Thursday, 30 July 2020

Note: 1. The above timetable is indicative only and subject to change without notice

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Appendix A: Key risks

Introduction

This section describes the key business risks of investing in Qantas together with the risks relating to participation in the Equity Raising which may affect the value of Qantas shares. It does not describe all the risks of an investment. Before investing in the Issuer, you should be aware that an investment in Qantas has a number of risks, some of which are specific to Qantas and some of which relate to listed securities generally, and many of which are beyond the control of Qantas.

Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on Qantas (including information available on the ASX website) before making an investment decision.

Key business risks

1. Travel industry disruption and the impact of COVID-19

The operating and financial performance of the Qantas Group is dependent on the state of the aviation and broader travel industry. Any widespread downturn in demand for domestic and/or international air travel, whether due to particular events (such as war, terrorism, aviation incidents, natural disasters or disease), economic or geopolitical conditions or any other factors, would have a material adverse effect on the Qantas Group's business, financial condition and operations.

The COVID-19 pandemic has caused major disruption to the aviation industry through unprecedented restrictions being placed on domestic and international air travel. This has had a very significant impact on the Qantas Group's revenue since March 2020. In response to the fall in demand, the Qantas Group has significantly reduced its services. The Qantas Group has implemented cash conservation measures as outlined in Slide 10 of this Presentation and has received material levels of Australian Government assistance to date. In addition, the Qantas Group has announced significant additional Recovery Plan measures as outlined in Slide 13 of this Presentation. Despite this, the Qantas Group (as with all airlines) has high fixed overhead costs, which makes it difficult to reduce costs in line with the significant decline in passenger revenue.

As the COVID-19 pandemic is ongoing, there is considerable uncertainty as to when the Qantas Group will be able to resume its normal operations. The initial easing of government restrictions means that some domestic travel is possible prior to the end of July 2020, but initial demand levels are difficult to predict. The Qantas Group anticipates that demand for international travel will continue to be impacted for so long as Australia and/or overseas destination countries have border controls and mandatory quarantine periods in place. Even following the lifting of government restrictions, there is no certainty that demand for the Qantas Group's services will rebound to normal pre-COVID-19 levels, or how long a rebound might take.

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Appendix A: Key risks (continued)

2. General economic conditions post-crisis

As international air travel is closely linked with economic growth, the Qantas Group's operating and financial performance is influenced by a variety of general economic and business conditions in Australia and overseas. A sustained decline in consumer and business demand as part of a broader deterioration of economic conditions as currently arising is likely to have a material adverse effect on the financial condition and business of the Qantas Group.

COVID-19 has created considerable uncertainty and volatility surrounding these macroeconomic factors, and any further deterioration may have a material adverse impact on the business, financial condition and prospects of the Qantas Group.

3. Working capital requirements and liquidity risks

The Qantas Group announced on 5 May 2020 that it had secured a further $550 million in debt funding and that it has sufficient liquidity to continue operating in a range of recovery scenarios, including where current trading conditions persist until December 2021.

Slide 15 of this Presentation sets out the Qantas Group's pro-forma capitalisation and liquidity position based on the Qantas Group's initiatives, including the equity injection contemplated under the Equity Raising and Qantas' most up-to-date estimates of its working capital position. While Qantas has provided the illustrative liquidity position using all information currently available to it, there can be no assurance that this illustration will capture or predict all of the actions which may be taken by governments, customers, suppliers and debtors of the Qantas Group that impact its working capital requirements.

4. Recovery Plan

The Recovery Plan measures outlined in this Presentation have been based on cost-saving initiatives already undertaken by Qantas, together with a number of assumptions made with respect to the Qantas Group's ability to achieve further cost-saving targets, one-off costs associated with realisation of those cost savings and likely continued Government support. There can be no assurance that these cost-saving initiatives will be as effective as currently anticipated or that one-off costs required to implement the initiatives will not be larger than anticipated.

5. Reliance on key suppliers and service providers

The day-to-day functioning of the Qantas Group's business operations depends on contractual arrangements with a broad range of suppliers and providers of goods and services, including among others airport operators and service providers, travel agents, aircraft and engine manufacturers, aircraft lessors, aircraft maintenance providers, fuel providers, and software and other information technology (**IT**) service providers. The credit and fulfilment risks inherent in any supply chain are heightened in times of economic uncertainty and volatility, and will be impacted by the widespread effects of COVID-19. To the extent that any of these third parties are unable to continue supplying goods and services, or to do so on acceptable terms and conditions, the Qantas Group's operations may face disruption and its business and financial performance could be materially adversely impacted.

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Appendix A: Key risks (continued)

6. Key business partners and alliances risk

The Qantas Group has relationships and strategic alliances with a number of key business partners which are a central aspect of its business strategy. These arrangements may require the Qantas Group to incur obligations and liabilities which may continue after the termination or cessation of the joint venture, alliance or other arrangement. Participation in these arrangements may also restrict the Qantas Group's autonomy and flexibility with respect to certain business decisions.

Disagreements may occur between the Qantas Group and a strategic partner regarding the business and operations of the joint venture or alliance arrangement. Further, a strategic partner may take certain actions or become involved in circumstances which negatively impact the reputation of the joint venture and cause damage to the reputation of the Qantas Group by association. If a key business partner is unable to fulfil its obligations or experiences a decline in financial condition and creditworthiness, the performance of the joint venture or other arrangement may be adversely affected which may in turn adversely affect the performance and financial position of the Qantas Group.

Additionally, Qantas' strategic alliances with airline partners require ongoing authorisation from the ACCC and other regulatory bodies overseas. If a key alliance of the Qantas Group ceased to be authorised by all relevant regulatory bodies including the ACCC, it could have a material adverse impact on the financial performance of the Qantas Group.

7. Fleet risk

The Qantas Group's fleet depends on regularly scheduled (and occasionally unscheduled) maintenance work, which may lead to operational disruption. The cost of maintaining an aircraft typically increases with the age of the aircraft, due to normal wear and tear and the need to upgrade for technological and safety developments. From time to time, safety concerns may prompt aircraft manufacturers and regulatory authorities to recommend repairs or modifications to a particular type of aircraft which may require the temporary grounding of part of the Qantas Group's fleet. This may lead to business disruption due to temporary unavailability of aircraft as well as significant additional costs on the Qantas Group associated with updating or repairing the aircraft.

The grounding of aircraft as a result of the COVID-19 disruption will itself create risks as grounded aircraft are brought back into operation.

Further, the market price for second-hand aircraft is volatile. The Qantas Group owns approximately 86% of its fleet. Disposals of aircraft in the future, whether as part of the Recovery Plan or otherwise, could expose the Qantas Group to price risk on asset residual values, and significant movements in residual values could have a materially adverse financial impact on the Qantas Group's financial position.

Appendix A: Key risks (continued)

8. Risk of increase in airport services related-costs or change in availability of airport facilities

The Qantas Group is exposed to the risk of increases in airport services related costs (including air traffic control, airport, transit, take-off and landing fees and security charges). The availability and cost of airport facilities are fundamental to the ability of the Qantas Group to operate.

These costs represent a significant portion of the Qantas Group's operating costs and have a financial impact on its operations. Most Australian airports are privately owned and owners have flexibility to increase charges to airlines. There can be no assurance that major airport operators will not continue to increase their fees or that the Qantas Group will not incur new costs in Australia or elsewhere (for example, additional fees assessed against environmental criteria such as emissions levels or noise pollution). Further, it is likely that security and health measures around the world will continue to be increased in response to the COVID-19 experience and the perceived threat of terrorism, which may lead to increases in airport clearance and security charges. To the extent that the Qantas Group is unable to pass through any fee increases to its customers, these developments could have a material adverse effect on the Qantas Group's operational results and financial position.

In addition, health concerns during the COVID-19 crisis and in the period following it are likely to impact the availability of airport slots and facilities in ways that are difficult to predict. This too could have a material adverse effect on the Qantas Group's operations and Recovery Plan.

9. Human resources and industrial action risk

The Qantas Group operates in a highly regulated employment market and a portion of the Qantas Group's employees are represented by unions and are party to collective bargaining arrangements. Any significant enterprise bargaining dispute between the Qantas Group and its employees, including in relation to the Recovery Plan could lead employees to take industrial action, including work stoppages. This could disrupt the Qantas Group's day-to-day operations as well as lead to reputational damage.

The COVID-19 crisis has necessitated the standing down of a significant portion of employees. While the need to stand down employees will decrease over time, any significant successful legal challenge to the Qantas Group's ability to stand down employees could likely have a material adverse effect on the Qantas Group's financial performance and condition.

The Qantas Group also has certain key management personnel whose institutional knowledge, expertise, relationships and experience are considered important to the continued success of the business. The loss of key personnel could adversely impact the Qantas Group's business and future performance.

Further, given employee costs represent a significant component of the Qantas Group's operating expenses, increases in labour costs (whether as a result of enterprise agreement negotiations, union action or otherwise) would likely have a material adverse effect on the Qantas Group's financial performance and condition.

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Appendix A: Key risks (continued)

10. Fuel and foreign exchange volatility

The Qantas Group is subject to fuel and foreign exchange risks, which are an inherent part of the operations of an airline. Fuel constitutes a significant operating cost for the business and the Qantas Group's earnings are impacted by the price of fuel. Historically, fuel costs have been subject to significant price volatility based on supply and demand and broader geopolitical conditions, the interplay of which makes it very difficult to forecast the cost of fuel with any certainty.

The Qantas Group manages these risks through a comprehensive hedging program. As announced to ASX on 5 May 2020, the Qantas Group's fuel needs were 100% hedged for most of FY20, which delivered significant benefits in the first half of FY20 but resulted in some hedging losses as fuel consumption dropped and oil prices fell as a result of the significant reduction in demand due to COVID-19. In early April, the Qantas Group closed out its over-hedged position through to September 2020, which significantly lowered the Qantas Group's exposure to further hedging losses in the short-term. The Qantas Group has some hedging arrangements beyond September 2020 which are primarily in the form of outright options with a base layer of collars. The collars remain subject to market price movements. There are no margin call obligations on the Qantas Group's hedging.

On a longer-term basis, the Qantas Group's hedging program could cause it to lose the benefit of a decline in fuel prices if the decline is below the price level of its hedge positions. Any ineffective hedging activity could have a material adverse effect on the Qantas Group's financial condition.

In addition, the Qantas Group is exposed to foreign exchange rate fluctuations on the Australia dollar value of foreign currency denominated revenues and expenses. Qantas earns revenue in more than 80 currencies. The foreign currency costs of the Qantas Group are primarily denominated in US dollars and relate largely to fuel, engineering and maintenance (particularly material and subcontract services), landing fees, air navigation charges and lease rentals. The Qantas Group is also exposed to foreign exchange risk on the residual value of its aircraft, its foreign currency borrowings and on a large portion of its capital expenditures (as the Qantas Group's aircraft are purchased in US dollars).

11. Regulatory and government policy risk

The aviation industry is subject to extensive regulation, with safety, environmental, data protection and privacy, noise, labour, tax and similar regulations imposing significant requirements and compliance costs on the business of the Qantas Group. The Qantas Group is subject not only to the Australian regulatory framework, but to the laws and regulations of the other countries in which it operates. Multilateral, bilateral and local regulations determine the Qantas Group's access and the access of competitors and potential competitors to international and domestic markets. Changes in law and government policy may significantly increase the Qantas Group's operating costs, and the Qantas Group may not be able to pass these costs on to consumers.

Appendix A: Key risks (continued)

12. Customer risk

The ongoing success of the Qantas Group depends to a large degree on customer satisfaction and loyalty, particularly in light of the significant competition for passengers which characterises the aviation industry.

The significant financial and operational challenges posed by COVID-19, the impact of the pandemic on the travel industry and the response of the Qantas Group to these challenges could also impact on customer satisfaction and loyalty. In particular, a diminution of customer satisfaction due to the cancellation and refund policies of the Qantas Group in the context of COVID-19 may impact the Qantas Group's reputation and its ability to attract customers in the future.

In addition, the Qantas Group is vulnerable to longer-term changes in consumer preferences in relation to its service offerings, the markets in which it operates, and consumer sentiment towards leisure travel. Any failure by the Qantas Group to predict or respond to such changes in a timely and cost-effective manner may adversely impact the Qantas Group's future operating and financial performance.

13. Timing of financial information

The financial information set out in this Presentation includes unaudited pro forma financial information that has been prepared very close to the end of the Qantas Group's financial year. No assurance can be given that the Qantas Group's audited financial results will align with the financial information in this Presentation in respect of the relevant period.

14. Adequacy of provisions and write-downs

Aspects of the Qantas Group's financial information are prepared on the basis of management estimates and assumptions as to the calculation of provisions and write-downs arising from impairments. If the judgments, estimates and assumptions used by the Qantas Group in preparing financial statements or other information are subsequently found to be incorrect, there could be a significant loss to the Qantas Group beyond that anticipated or provided for, which may adversely impact the Qantas Group's financial performance and position.

15. Financing risk and credit rating

The Qantas Group's existing financing facilities and operating cash flows may not be adequate to fund its ongoing requirements. There can be no assurance that debt or equity funding will be available to the Qantas Group on acceptable terms (or at all) or that the Qantas Group will be able to refinance existing debt facilities on reasonable terms.

Appendix A: Key risks (continued)

16. Competitive intensity

Ordinarily, the international and domestic aviation markets in which the Qantas Group operates are highly competitive, and growth in market capacity ahead of underlying demand impacts profitability on an industry-wide basis. Its competitors include many major foreign airlines (including government-owned or controlled airlines), some with more financial resources or lower cost structures than Qantas. This competition may increase with the expansion of existing airlines, the consolidation of existing airlines and/or the creation of alliances between airlines, or new airlines entering the market.

The Qantas Group's most significant domestic competitor is currently in voluntary administration and it is impossible to predict the competitive impact that this will have on the Qantas Group if and when that situation resolves. Looking more broadly, Australia's aviation policies favour the creation of a more competitive environment, including more liberal rights of entry into Australian domestic and international markets. These policies have attracted offshore competitors (predominantly state-sponsored airlines) to the Australian international aviation market, which has further increased competition for passengers on international routes.

Additionally, the Qantas Group ordinarily faces high levels of price competition in the markets in which it operates, which places significant pressure on the Qantas Group to price-match by offering heavily discounted fares. Aggressive pricing by competitors seeking to gain market share can materially adversely affect the Qantas Group's revenues and yield performance. The financial impact of any discounting of fares as a result of competitive pressures is exacerbated by the high fixed costs and low profit margins which characterise the aviation industry. The combined effect of these factors may have a material adverse effect on the revenue and financial condition of the Qantas Group.

17. Reputational and branding risk

The Qantas brand carries significant commercial value and the continued success of the Qantas Group relies on the maintenance of a positive reputation and brand recognition among customers, suppliers, strategic partners and governments. Any negative publicity (for example, due to a safety incident, labour dispute, regulatory investigation or public customer complaint) may damage Qantas' reputation and have a negative impact on its business operations and financial performance.

18. Climate change

The Qantas Group is subject to short-term and long-term climate-related physical and transition risks. Regulatory responses to climate change may include introduction of measures such as emissions trading or carbon pricing schemes and/or mandated upgrades to technology to increase fuel efficiency. These measures may restrict the Qantas Group's operational flexibility and increase operating costs. Further, changing community values in response to climate change concerns may prompt a shift away from non-essential air travel, leading to lower demand. The occurrence of one or more of these risk factors could have a material adverse effect on the financial performance and condition of the Qantas Group.

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Appendix A: Key risks (continued)

The Qantas Group cannot predict with any certainty the potential direct physical consequences of climate change on its operations. While those impacts are likely to be geographically specific, these could include increases in the occurrence and intensity of extreme weather events (including bushfires, storms and floods). Any increase in the frequency and severity of weather events could interrupt supply chains, critical infrastructure and workforce productivity, as well as directly cause damage to the Qantas Group's fleet and other equipment. These could in turn adversely affect the Qantas Group's business, results of operations and financial position.

19. Business systems, cyber security and data governance risk

The Qantas Group is heavily dependent on the availability and reliability of the internet and its IT, communication and other business systems. Any failure or interruption to these key systems or breach of the Qantas Group's cybersecurity measures could result in significant disruptions to the Qantas Group's operations. Further, unauthorised access to the Qantas Group's IT systems could lead to customers' personal information or other sensitive data being compromised, which may lead to reputational damage, financial penalties and litigation. This could have a material adverse effect on the financial performance and reputation of the Qantas Group.

20. Risk of litigation, claims and disputes

Qantas is exposed to the risk of litigation (both as complainant and defendant). The Qantas Group may be exposed to claims or litigation by persons alleging they are owed fees, refunds or other contractual entitlements, employees, regulatory bodies, competitors or other third parties. In addition, claims may arise as a result of actions taken by the Qantas Group under its Recovery Plan or other financial and capital management initiatives and measures resulting from its response to the COVID-19 crisis, including specific financial initiatives undertaken by the Qantas Group to minimise cash burn and preserve liquidity. Even in instances where Qantas may ultimately prevail on the merits of a dispute, it may face significant costs defending itself against a claim and suffer reputational damage as a result of its involvement. There can be no assurance as to the outcome of any litigation, arbitration or other legal proceeding, and the adverse determination of material litigation could have a materially adverse effect on the Qantas Group's reputation and business, as well as its operating and financial performance.

21. Taxation risk

Any changes to the current taxation framework in Australia or overseas (including changes in interpretation of law) may affect the Qantas Group and its shareholders. Following the COVID-19 crisis, governments will need to engage in budget repair measures which may impact corporate or other tax rates and charges.

22. Insurance

The Qantas Group has industry-standard insurance policies in place across its business.   However, no assurance can be given that adequate insurance will be available in the future on commercially reasonable terms. It is also possible that the Qantas Group could suffer liability above the limit of its insurance or that certain risks could materialise which are not insurable.

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Appendix A: Key risks (continued)

23. Political, economic and social instability

The Qantas Group operates across a network spanning Australia and New Zealand, Asia, North and South America, Africa and Europe, which exposes it to the various political, economic and social risks specific to those places. These may include risks such as bribery and corruption, political instability, unsophisticated and/or unpredictable legal systems and civil unrest, as well as interruptions to critical infrastructure such as power and telecommunications. Many of these factors are outside of the Qantas Group's control and may limit its ability to operate its business effectively in those places and in turn, adversely impact its financial performance.

Offer and general risks

24. Investment in equity capital and COVID-19

Investments in equity capital carry general risks. The trading price of Qantas' ordinary shares on ASX may fluctuate in line with broader market movements or in response to specific circumstances, which may result in the market price being higher or lower than the Placement Price or SPP Price (as applicable). Some factors which may affect the market price of the Qantas Group's ordinary shares include:

- the impact of COVID-19, including with respect to travel restrictions, consumer sentiment, and global supply chains;
- the Australian and global macroeconomic outlook, including fluctuations in interest rates, currency exchange rates, inflation, commodity prices, investor sentiment, consumer demand, and employment levels;
- changes in Australian and foreign government regulation (including fiscal and monetary policies);
- force majeure events such as natural disasters, extreme weather events, pandemics (such as COVID-19), war and terrorism; and
- geopolitical instability and international hostilities.

There is considerable uncertainty as to the ongoing impact of COVID-19 on the Australian and global economy. Equity capital markets have historically and may in the future be subject to significant volatility.

No assurance can be given that the New Shares will trade at or above the Placement Price or SPP Price (as applicable), and none of the Qantas Group, its Board, the Underwriters or any other person guarantees the market performance of the New Shares.

Appendix A: Key risks (continued)

25. Equity Raising and underwriting risk

Qantas entered into an underwriting agreement with the Underwriters in respect of the Placement on 25 June 2020. The Underwriting Agreement contains representations, warranties, undertakings and indemnities in favour of the Underwriters. If certain conditions are not satisfied, or certain events occur, the Underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by both Underwriters would have an adverse impact on the total amount of proceeds that could be raised under the Placement. Key terms of the Underwriting Agreement, including the material termination events, are set out in Appendix C.

26. Allocations under the Equity Raising

a. Placement

Subject to compliance with all relevant laws and regulations (including under the Qantas Sale Act) and the Issuer's constitution (including with respect to Ownership Restrictions), it is intended that eligible institutional shareholders who bid for an amount less than or equal to their pro rata share of Placement Shares will be allocated their full bid on a best endeavours basis. For this purpose, an eligible institutional shareholder's 'pro rata' share of Placement Shares will be estimated by reference to Qantas' beneficial register on 23 June 2020 but without undertaking any reconciliation processes and ignoring any shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholder's actual pro rata share of the Placement Shares.

Nothing in this Presentation gives a shareholder a right or entitlement to participate in the Placement, and Qantas has no obligation to reconcile assumed holdings when determining a shareholder's pro rata share of Placement Shares. An eligible institutional shareholder may not receive an allocation under the Placement which is truly reflective of their pro rata share, or may receive no allocation. Institutional investors who do not reside in an eligible jurisdiction will not be able to participate in the Placement, and Qantas and the Underwriters disclaim any liability (including for negligence) in respect of any determination of a shareholder's pro rata share of Placement Shares.

See also slides 45 to 48 of this Presentation.

b. SPP

If Qantas receives applications that exceed the amount it proposes to raise under the SPP, it may decide to scale back applications or raise a higher amount, in its absolute discretion. If a scale back is applied, this means that an Eligible Shareholder may be allocated fewer SPP Shares than they apply for under the SPP. Qantas intends to conduct any scale back having regard to Eligible Shareholders' pro rata shareholding as at the record date for the SPP (7.00pm (Sydney time), Wednesday 24 June 2020) who apply for SPP Shares. However, Qantas is not required to conduct a scale back in this way and it may choose to scale back allocations to any extent and in any manner, in its absolute discretion.

Appendix A: Key risks (continued)

27. Dilution risk

Existing shareholders who do not participate in the Equity Raising will have their percentage shareholding in Qantas diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Placement or the SPP depending on the number of New Shares allocated to them.

Appendix B: International offer restrictions

This Presentation does not constitute an offer of Placement Shares in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the Placement Shares may not be offered or sold in the Placement, in any country outside Australia except to the extent permitted below.

Bahamas

This Presentation has not been, and will not be, registered as a preliminary prospectus or a prospectus under the Securities Industry Act, 2011 of the Commonwealth of The Bahamas.

The information in this Presentation is intended solely for the designated recipient. It is not an offer to the public. No distribution of this information to anyone other than the designated recipient is intended or authorized.

Bermuda

No offer or invitation to subscribe for Placement Shares may be made to the public in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for Placement Shares.

Canada (British Columbia, Ontario and Quebec provinces)

This Presentation constitutes an offering of Placement Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom Placement Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Presentation, the merits of the Placement Shares or the offering of Placement Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Placement Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Placement Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Placement Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Placement Shares.

Appendix B: International offer restrictions (continued)

The Issuer as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Issuer or its directors or officers. All or a substantial portion of the assets of the Issuer and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Issuer or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Presentation are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Placement Shares purchased pursuant to this Presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Issuer if this Presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Issuer. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this Presentation contains a misrepresentation, a purchaser who purchases the Placement Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Issuer, provided that (a) the Issuer will not be liable if it proves that the purchaser purchased the Placement Shares with knowledge of the misrepresentation; (b) in an action for damages, the Issuer is not liable for all or any portion of the damages that the Issuer proves does not represent the depreciation in value of the Placement Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the Placement Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Appendix B: International offer restrictions (continued)

Certain Canadian income tax considerations. Prospective purchasers of the Placement Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Placement Shares as any discussion of taxation related matters in this Presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Placement Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This Presentation has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Presentation may not be made available, nor may the Placement Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Placement Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any documents issued in connection with it. Accordingly, the Placement Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Placement Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Placement Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Placement Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

Appendix B: International offer restrictions (continued)

Japan

The Placement Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Placement Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Placement Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Placement Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This Presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Placement Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This Presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this Presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The Placement Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Appendix B: International offer restrictions (continued)

Singapore

This Presentation and any other materials relating to the Placement Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Placement Shares, may not be issued, circulated or distributed, nor may the Placement Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Presentation has been given to you on the basis that you are (i) an existing holder of the Issuer’s shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the Placement Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Placement Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Placement Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Presentation nor any other offering or marketing material relating to the Placement Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this Presentation nor any other offering or marketing material relating to the Placement Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Placement Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This Presentation is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the Placement Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Presentation will not be filed with, and the offer of Placement Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Appendix B: International offer restrictions (continued)

United Arab Emirates

This Presentation does not constitute a public offer of securities in the United Arab Emirates and the Placement Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this Presentation nor the Placement Shares have been approved by the Securities and Commodities Authority (**SCA**) or any other authority in the UAE.

This Presentation may be distributed in the UAE only to “qualified investors” (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the Placement Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for Placement Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this Presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Placement Shares.

The Placement Shares may not be offered or sold in the United Kingdom by means of this Presentation or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Presentation is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This Presentation may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Placement Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this Presentation relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Presentation.

Appendix B: International offer restrictions (continued)

United States

This Presentation may not be distributed or released in the United States.

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which the Issuer has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

The offer and sale of the securities referred to in this Presentation has not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may only be offered and sold:

a) outside the United States in “offshore transactions” (as defined in Rule 902(h) under Regulation S under the Securities Act) in reliance on Regulation S; and

b) in the United States, (a) to persons that are reasonably believed to be “qualified institutional buyers”, as defined in Rule 144A under the Securities Act, in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A thereunder, or (b) to dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not “U.S. persons” (as defined in Rule 902(k) of the Securities Act) for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S, in reliance on Regulation S.

Appendix C: Underwriting agreement summary

Equity Raising and underwriting risk

Qantas entered into an underwriting agreement with the underwriters (**Underwriters**) in respect of the Placement on 25 June 2020 (**Underwriting Agreement**).

Key terms of the Underwriting Agreement

Each Underwriter's obligations under the Underwriting Agreement, including to underwrite and manage the Placement, are conditional on certain matters, including the timely delivery of certain due diligence materials and Qantas having the benefit of all necessary ASIC modifications and ASX waivers (including ASX Class Waiver Decision – Temporary Extra Placement Capacity dated 23 April 2020). If certain conditions are not satisfied, or certain events occur, the Underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by both Underwriters would have an adverse impact on the total amount of proceeds that could be raised under the Placement.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- the Placement documents contain statements which are misleading or deceptive or likely to mislead or deceive, omit information required by applicable laws or contain any forecasts or other forward-looking statements, expressions of opinion, belief, intention or expectation which are not based on reasonable grounds;
- ASIC commences certain actions, proceedings or investigations in relation to the Placement, Qantas or its directors, officers, employees or agents (as applicable);
- approval is refused (or approval conditional only on customary conditions which are acceptable to the Underwriters) or not granted for quotation of the Placement New Shares or if granted, the approval is subsequently withdrawn or qualified (other than by customary conditions) or withheld;
- a government authority withdraws, revokes or amends in an adverse manner any regulatory approvals required by Qantas to perform its obligations under the Underwriting Agreement or carry out the transactions contemplated by it;
- Qantas is prevented from allotting or issuing the Placement Shares within the required timeframe;
- any adverse change or effect occurs, or an event occurs which is likely to give rise to an adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of Qantas or the Qantas Group from that existing on the day prior to entry into the Underwriting Agreement;
- any event specified in the transaction timetable is delayed for more than one business day (other than as agreed by Qantas and the Underwriters);
- Qantas does not provide a confirmatory certificate to the Underwriters in a timely manner or when given, the confirmatory certificate is false, misleading or inaccurate in any material respect;
- a Qantas Group member breaches, or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party, which is not promptly (and in any event before 9.00am on the Placement settlement date) waived by the relevant financier or financiers;
- an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar material event occurs under or in respect to any debt or financing arrangement or related documentation which is not promptly (and in any event before 9.00am on the Placement settlement date) waived by the relevant financier or financiers;
- Qantas or one of its material subsidiaries (being a subsidiary representing 10% or more of the consolidated assets or earnings of the Qantas Group) becomes insolvent or there is an act or omission which may result in one of those entities becoming insolvent;

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Appendix C: Underwriting agreement summary (continued)

- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State government or authority, including ASIC, adopts or announces a proposal to adopt a new policy or restriction (other than a law, policy or restriction which has been announced before the date of the Underwriting Agreement) which affects the Placement or SPP;
- Qantas contravenes any applicable laws, regulations, the ASX Listing Rules, its constitution or an order or request by a government authority or the Placement does not comply with applicable laws or regulations or the ASX Listing Rules;
- a government authority implements or deems effective a measure which makes it illegal for the Underwriters to satisfy an obligation under the Underwriting Agreement;
- Qantas is in breach of any term or condition of the Underwriting Agreement or any representation or warranty given by Qantas in the Underwriting Agreement becomes incorrect, untrue or misleading;
- an outbreak or a major escalation of hostilities (whether war is declared or not) involving certain countries, or the declaration by any of those countries of a new national emergency or war, or a major escalation of a national emergency by any of those countries, or a significant terrorist attack is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- a general moratorium on commercial banking activities in certain countries is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for 1 day on which that exchange is open for trading, or a Level 3 “market-wide circuit breaker” is implemented by the New York Stock Exchange on a 20% decrease against the prior day’s closing price of the S&P 500 Index only;
- any director of Qantas is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act; or
- a change in the Chief Executive Officer, Chief Financial Officer or the board of Qantas is announced or occurs.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some of the termination events will depend on whether the relevant Underwriter has reasonable grounds to believe that the event:

- has had, or is likely to have, a materially adverse effect on:
    - the marketing, outcome or success of the Placement or the likely price at which the Placement New Shares will trade on ASX or on the ability of the Underwriters to promote or settle the Placement; or
    - the willingness of investors to subscribe for Placement New Shares; or
- will or is likely to give rise to a contravention by the Underwriters or one of their affiliates of, or a liability for an Underwriter or one of its affiliates under, any applicable laws,

and none of those events may be triggered in relation to the impact of the COVID-19 crisis unless a material escalation of that crisis occurs in Australia.

Appendix C: Underwriting agreement summary (continued)

Termination by an Underwriter will discharge Qantas' obligation to pay that Underwriter any fees, costs, charges or expenses which as at termination are not yet incurred or accrued. If the remaining Underwriter or a newly appointed Underwriter elects to take up the rights of the terminating Underwriter, Qantas must pay them the fees that would otherwise have been payable to the terminating Underwriter.

For details of the fees payable to the Underwriters, see the Appendix 3B released to ASX on 25 June 2020.

Qantas also gives certain representations, warranties and undertakings to the Underwriters and an indemnity to the Underwriters and their affiliates subject to certain carve-outs.

Shortfall

The Underwriting Agreement provides that if the issue of shortfall shares to an Underwriter would cause the Ownership Restrictions (as defined on slide 46) to be exceeded, Qantas may delay the issue of those shortfall shares and will consult with the Underwriters prior to doing so and will work with the Underwriters in good faith in order to minimise the need to do so and to keep any delay to the issue of those excess shortfall shares to the minimum period necessary in the circumstances.

The Placement issue size is approximately 25.0% of the existing securities on issue. If an Underwriter is required to take up Placement Shares which would otherwise cause it to breach the Ownership Restrictions, for the purposes of ASIC Report 612 (March 2019):

- it will still fund its respective proportion of the underwritten proceeds in accordance with and subject to the terms of the Underwriting Agreement by the Placement settlement date;
- the number of excess shortfall shares would be up to its respective proportion of the number of Placement Shares to be issued pursuant to the terms of the Underwriting Agreement less its respective proportion of the number of Placement Shares that the Underwriter is able to take up without causing it to breach the Ownership Restrictions when aggregated with any additional interests the Underwriter and its affiliates hold at the Placement settlement date other than through its underwriting commitment; and
- it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the Placement at the same price as the Placement Price.

No material impact on control is expected to arise as a consequence of these arrangements.

The directors of Qantas reserve the right to issue any shortfall (including any excess shortfall) under the Placement at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to an Underwriter or to third party investors as directed by the relevant Underwriter. The basis of allocation of any other shortfall will be determined by the directors of Qantas at their discretion, taking into account whether investors are existing shareholders, Qantas' register and any potential control impacts.

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Appendix D: Impairment and restructuring one-off costs

Items outside of Underlying FY20	1H20 Impact *(previously reported)*	Estimated FY20 impact *(subject to review and audit process)*
Transformation costs and discretionary bonuses to non-executive employees awarded in prior years	$123m	~$200m
Recovery plan restructuring costs (including redundancies)	NIL	$600 - $700m
Asset impairments including the A380 fleet (non-cash)	NIL	$1,250 - $1,400m
Hedge ineffectiveness[1] (non-cash)	NIL	$550 - $600m[2]
TOTAL	**$123m**	**~$2.8b**

Note: 1. As at 23 June 2020, subject to fuel and foreign exchange rate movements, option time value movement and additional close out activity. Cash flows associated with hedge ineffectiveness are spread across FY19 - FY23. 2. As at 23 June 2020. Assumes forward market rates of jet fuel (USD 48.33/bbl and AUDUSD 0.6931 in FY21)

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Appendix E: Glossary

Capital expenditure (Capex) – Net investing cash flows included in the Consolidated Cash Flow Statement (excluding aircraft lease refinancing) and the impact to Invested Capital from acquiring or returning leased aircraft

Capitalised aircraft lease liabilities – Measured at fair value of the lease commencement date and remeasured over lease term on a principal and interest basis akin to finance lease. Residual value of capitalised aircraft lease liability denominated in foreign currency is translated at the long-term exchange rate

EBIT – Earnings before interest and tax

EBITDA – Earnings before interest, tax, depreciation and amortisation

EBITDAR – Earnings before interest, tax, depreciation, amortisation and rent/restructuring

EPS – Earnings per share. Statutory profit after tax divided by the weighted average number of issued shares, rounded to the nearest cent.

FTE – Full-time equivalent of staff

FX – Foreign exchange

Invested Capital – Net assets (excluding cash, debt, other financial assets and liabilities and tax balances) including capitalised aircraft lease assets

Net debt – includes net on balance sheet interest-bearing liabilities and capitalised aircraft lease liabilities

Net on balance sheet debt – Interest-bearing liabilities and the fair value of hedges related to debt reduced by cash and cash equivalents

Net Working capital – Net total of the following items disclosed in the Group's Consolidated Balance Sheet: receivables, inventories and other assets reduced by payables, provisions, revenue received in advance and liabilities classified as held for sale

NPS – Net promoter score. Customer advocacy measure

PBT – Profit before tax

Return on Invested Capital (ROIC) – ROIC EBIT for the 12 months ended for the reporting period, divided by the 12 months average Invested Capital

VWAP – Volume weighted average price of Qantas shares

WACC – Weighted average cost of capital calculated on a pre-tax basis

Important notice and disclaimer

SUMMARY INFORMATION

This Presentation has been prepared by Qantas Airways Limited (ABN 16 009 661 901) (**Issuer**). It is a presentation of general background information in summary form about the Issuer's activities current at the date of this Presentation. The information does not purport to be complete, comprehensive or to comprise all the information which a potential investor may require in order to determine whether to deal in Issuer securities, nor does it contain all the information which would be required in a disclosure document prepared in accordance with the Corporations Act 2001 (Cth) (**Corporations Act**). It is to be read in conjunction with the Issuer's other announcements released to the Australian Securities Exchange (**ASX**) (available at www.asx.com.au).

NO OFFER, ADVICE OR RECOMMENDATION

This Presentation is for information purposes only and should not be read or understood as an offer, invitation, solicitation, inducement or recommendation to subscribe, buy or sell Issuer securities in any jurisdiction. **This Presentation will not form any part of any contract or commitment for the acquisition of Issuer securities. This Presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law or any other law. It will not be lodged with the Australian Securities and Investments Commission (ASIC).**

Nothing contained in this Presentation constitutes financial product, investment, legal, tax or other advice. It does not take into account the investment objectives, financial situation or needs of any particular investor. You should consider the appropriateness of the information in this Presentation having regard to your own investment objectives, financial situation and needs and with your own professional advice, when deciding if an investment is appropriate.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which the Issuer has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

The release, publication or distribution of this Presentation (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Presentation, you should observe restrictions and should seek your own advice on restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Refer to the 'International offer restrictions' on slides 30 to 36 of this Presentation for more information. By accepting or viewing this Presentation you (i) represent and warrant that you are entitled to receive it in accordance with the restrictions above and those set out in the 'International offer restrictions' on slides 30 to 36 of this Presentation and (ii) agree to be bound by the limitations contained in this Presentation and not distribute it to persons outside Australia.

Important notice and disclaimer (continued)

FINANCIAL DATA AND ROUNDING

Investors should note that this Presentation contains pro forma financial information, which is provided for illustrative purposes only and is not represented as being indicative of the Issuer's (nor anyone else's) views on its future financial condition and/or performance. The pro forma financial information has been prepared by the Issuer on the basis set out on slide 15 of this Presentation. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (**AAS**) and International Financial Reporting Standards (**IFRS**). The disclosure of non-IFRS financial information and/or non-GAAP financial measures in the manner included in this Presentation may not be permissible in a registration statement under the U.S. Securities Act. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS and may therefore not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although the Issuer believes these non-IFRS financial information/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on these non-IFRS financial information/non-GAAP financial measures.

This Presentation includes certain historical financial information extracted from the Issuer's consolidated financial statements for the six months ended 31 December 2019 (**Historical Financial Information**). The Historical Financial Information in this Presentation is presented in an abbreviated form insofar as it does not include all the presentations and disclosures, statements or comparative information as required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Issuer's views on its future financial performance and/or condition.

All dollar values are in Australian dollars ($) and financial data is presented as at 24 June 2020 unless stated otherwise. A number of figures, amounts, percentages estimates, calculations of value and other fractions used in this Presentation are subject to the effect of rounding.

The historical consolidated balance sheet does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Issuer not continue as a going concern.

Important notice and disclaimer (continued)

PAST PERFORMANCE

Past performance and pro forma historical financial information is given for illustrative purposes only. It should not be relied on and is not indicative of future performance, including future security prices.

FORWARD-LOOKING STATEMENTS

This Presentation contains certain forward-looking statements. The words ‘anticipate’, ‘believe’, ‘aim’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘plan’, ‘project’, ‘will’, ‘should’, ‘seek’ and similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

These forward-looking statements are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Issuer and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management. This includes statements about market and industry trends, which are based on interpretations of market conditions. Refer to the ‘Key risks’ on slides 19 to 29 of this Presentation for a summary of certain risk factors that may affect the Issuer.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of the Issuer’s business strategies, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

To the maximum extent permitted by law, no guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to the Issuer as at the date of this Presentation. Except as required by applicable laws or regulations, none of the Issuer, its representatives or advisers undertakes to provide any additional information or revise the statements in this Presentation, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

MARKET DATA

Certain market and industry data used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Issuer nor its representatives, its advisers or the Underwriters or their respective Beneficiaries (as defined below) have independently verified any market or industry data provided by third parties or industry or general publications.

Important notice and disclaimer (continued)

DISCLAIMER

To the maximum extent permitted by law, the Issuer, the Underwriters and their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, agents and advisers (together, the **Beneficiaries**) exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any direct or indirect expenses, losses, damage or costs incurred by you as a result of your participation in, or failure to participate in, the capital raising or the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation or that this Presentation contains all material information about the Issuer or which a prospective investor or purchaser may require in evaluating a possible investment in the Issuer or acquisition of securities in the Issuer, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

The Underwriters and their respective Beneficiaries:

- have not independently verified any of the information in this Presentation and take no responsibility for any part of this Presentation or the capital raising;
- have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation;
- take no responsibility for the capital raising and make no recommendations as to whether you or your related parties should participate in the capital raising nor do they make any representations or warranties to you concerning the capital raising;
- do not make or purport to make any statements in this Presentation and there is no statement in this Presentation which is based on any statement by any of them; and
- disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Presentation.

For the avoidance of doubt, the SPP is not underwritten.

You represent, warrant and agree that you have not relied on any statements made by the Underwriters or their respective Beneficiaries in relation to the capital raising and you further expressly disclaim that you are in a fiduciary relationship with any of them or that any of the Underwriters or their respective Beneficiaries have any duty to you.

Important notice and disclaimer (continued)

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the capital raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Issuer and the Underwriters. You further acknowledge and agree that each of the Issuer and the Underwriters and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- the Issuer is required by the terms of the ASX Class Waiver Decision –Temporary Extra Placement Capacity dated 23 April 2020 to announce to the market reasonable details of the approach it took in identifying investors to participate in the institutional placement (**Placement**) and how it determined their respective allocations in the Placement, and the Issuer must within 5 business days of completing the Placement supply to ASIC and ASX (but not for public release) an allocation spread sheet showing full details of the persons to whom the Placement was allocated and for applicants for whom no new shares of the Issuer (**New Shares**) were allocated, including the name, existing holding, number of New Shares in the Issuer they applied for or were offered in the Placement and the number of New Shares they were allocated in the Placement (including any zero allocations) and this will necessitate disclosing your application and allocation;
- your existing holding will be estimated by reference to the Issuer's beneficial register on 23 June 2020 which shows historical holdings as at that date and is not up to date. There will be no verification or reconciliation of the holdings as shown in the historical beneficial register and accordingly this may not truly reflect your actual holding. The Issuer and the Underwriters do not have any obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations nor do they have any obligation to allocate pro rata on the basis of existing securityholdings. If you do not reside in a permitted offer jurisdiction you will not be able to participate in the Placement. The Issuer and the Underwriters and their respective Beneficiaries disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the determination of your allocation using your assumed holdings;
- although unlikely to arise due to the Issuer's allocations plan for the Placement, to the extent necessary and in its absolute discretion, the Issuer will not accept any applications, bids or subscriptions for, and will adjust any allocations or scaleback under, the Placement as required to avoid any contravention of Part 2.2(b) of the Issuer's constitution (**Ownership Restrictions**). You further acknowledge and agree that as required by section 7(1)(a) of the Qantas Sale Act 1992 (Cth), Part 2.2(b) of the Issuer's constitution prohibits 'Foreign Persons' from possessing securities in the Issuer which, in aggregate, exceed 49% of the issued share capital of the Issuer;[1]
- subject to the Ownership Restrictions, allocations are at the sole discretion of the Underwriters and/or the Issuer. The Underwriters, their respective Beneficiaries and the Issuer disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law; and
- the Underwriters and the Issuer reserve the right to change the timetable in their absolute discretion including by closing the Placement bookbuild early or extending the Placement bookbuild closing time (generally or for particular investor(s)) in their absolute discretion (but have no obligation to do so), without recourse to them or notice to you. Furthermore, communications that a transaction is "covered" (i.e. aggregate demand indications exceed the amount of the New Shares offered) are not an assurance that the transaction will be fully distributed.

Note: 1. See also paragraph 26(a) of the Key Risks in Appendix A

Important notice and disclaimer (continued)

The Underwriters and their respective affiliates and related bodies corporate are full service financial institutions engaged in various activities, which may include, but is not limited to, underwriting, trading, investment banking, commercial banking, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, risk management and hedging activities, lending, market making, financial planning and benefits counselling, brokerage and other financial and non-financial activities and activities and services for clients and counterparties, including companies, governments, institutions and individuals. The Underwriters and their respective Beneficiaries have provided, and may in the future provide, financial advisory, financing services and other services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Underwriters and their respective Beneficiaries may at any time purchase, sell or hold a broad array of investments and actively trade or effect transactions in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and those investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer, and/or persons and entities with relationships with the Issuer. The Underwriters and their respective Beneficiaries may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of those assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in those assets, securities and instruments.

In connection with the capital raising, one or more investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Underwriters (or their respective Beneficiaries) may, for their own respective accounts, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire securities in the Issuer in connection with the writing of those derivative transactions in the capital raising and/or the secondary market. As a result of those transactions, the Underwriters (or their respective Beneficiaries) may be allocated, subscribe for or acquire New Shares or securities of the Issuer in the capital raising and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in the Issuer acquired by the Underwriters (or their respective Beneficiaries) in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriters (or their respective Beneficiaries) disclosing a substantial holding and earning fee.

The Underwriters (and/or their respective Beneficiaries) may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as an Underwriter to the capital raising.

Important notice and disclaimer (continued)

GENERAL

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. The Issuer may in its absolute discretion, but without being under any obligation to do so, update or supplement this Presentation. Any further information will be provided subject to the terms and conditions contained in this Important Notice and Disclaimer.

The Issuer reserves the right to withdraw the capital raising or vary the timetable for the capital raising without notice.

In consideration for being given access to this Presentation, you confirm, acknowledge and agree to the matters set out in this Important Notice and Disclaimer and any modifications notified to you and/or otherwise released on ASX.