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QANTAS COMPLETES ~\$1,360 MILLION INSTITUTIONAL PLACEMENT WITH STRONG INVESTOR SUPPORT

Friday, 26 June 2020

The Qantas Group is pleased to announce the successful completion of an approximately \$1,360 million fully underwritten placement (**Placement**)¹ of approximately 372.7 million new shares (**Placement Shares**) to institutional investors at a price of \$3.65 per Placement Share (the **Placement Price**).

The Qantas Group received high levels of interest from both existing institutional shareholders and new investors, with demand to participate in the Placement significantly in excess of the funds that Qantas sought to raise.²

Priority went to eligible existing institutional shareholders, including a large number of small sophisticated institutional shareholders whose investments are managed by small to medium sized investment advisers and brokers. All existing institutional shareholders who bid for an amount up to their 'pro-rata' share of Placement Shares were allocated their full bid, on a best endeavours basis. For the remaining Placement Shares, Qantas sought to prioritise allocations to eligible existing institutional shareholders, including those small sophisticated institutional shareholders, and then to introduce new eligible institutional shareholders, in each case based on factors including likelihood of long-term support for Qantas, the nature of the investor, support to date and existing holdings (if applicable) and the size and timeliness of bids into the book.³

Approximately 94% of the Placement Shares were allocated to existing shareholders.

As far as the Qantas Group is aware, there were no significant exceptions or deviations from those objectives and criteria nor were any Placement Shares issued or agreed to be issued to any person referred to in ASX Listing Rule 10.11 (related parties) without an exception applying.

As previously announced, proceeds from the equity raising will be used to accelerate the Group's recovery, strengthen its balance sheet and position it to capitalise on opportunities aligned with its strategy.

Qantas Group CEO, Alan Joyce, said: "The fact that there was significant demand for this offer shows clear support for our recovery plan and confidence in the fundamentals of this business. The plan involves some difficult decisions but we are extremely well positioned to get through this crisis and start growing again on the other side."

The Placement Shares once issued will represent a 25% increase to total shares on issue – which itself has decreased by more than a third through share buybacks in recent years.

Qantas shares are expected to resume trading on ASX from market open today, 26 June 2020. The Placement Shares are expected to settle on 30 June 2020 and be issued and commence trading on the ASX on a normal basis on 1 July 2020.

¹ Refer to Appendix C of the Investor Presentation released to ASX on 25 June 2020 (**Investor Presentation**) for a description of the terms and conditions of the underwriting arrangements.

² The Placement bookbuild was conducted under the ASX Temporary Extra Placement Capacity Class Waiver dated 23 April 2020 (**Class Waiver**). Qantas undertook reasonable endeavours to contact eligible institutional investors having regard to the allocations criteria mentioned in this announcement.

³ In accordance with the Class Waiver, this section summarises how Qantas made respective allocations under the Placement. Until the Placement Shares are issued, it is possible that there could be adjustments to allocations. Refer to slides 28 and 46 to 48 of the Investor Presentation for important information regarding allocations under the Placement.



SHARE PURCHASE PLAN

As announced to the market on 25 June 2020, Qantas will also undertake a share purchase plan (**SPP**). An SPP booklet with further details on the SPP is expected to be despatched to eligible shareholders on 2 July 2020.

This announcement has been authorised for release by the Qantas Board of Directors

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IMPORTANT INFORMATION

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General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on slides 42 to 48 of the Investor Presentation with any necessary contextual changes.

