

Brisbane Airport Corporation Pty Limited

Annual Report

30 June 2026

ACN 076 870 650

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DIRECTORS' REPORT

The Directors present their report along with the financial statements of Brisbane Airport Corporation Pty Limited (the Company or BAC) for the year ended 30 June 2026, to comply with the provisions of the Corporations Act 2001 (Cth).

1. Principal activities

The principal activity of the Company during the year was the operation and development of Brisbane Airport.

2. Operating and financial review

Brisbane Airport continued to experience strong levels of activity during FY26, with passenger volumes remaining at historically high levels despite airline schedule adjustments and international route disruptions associated with the Middle East conflict. Growth in domestic and international travel, together with continued demand across the Group's commercial property portfolio, underpinned another year of strong financial performance.

Passenger numbers for FY26 reached 25.2 million. International passenger volumes increased by 8.1% compared with the prior year, while domestic passenger volumes grew by 2.7%. Overall passenger volumes increased by 4.1%, reflecting continued strength in demand for air travel across both domestic and international markets. This growth was achieved despite international route disruptions, airline scheduling changes and capacity constraints experienced across parts of the aviation sector

The Company's revenue from ordinary activities was a record \$1,286.5 million, up \$195.0 million (17.9%) relative to FY25. Reflecting the growth in volumes, passenger driven revenue streams delivered year-on-year performance up \$52.4 million for aeronautical (including mandated security), \$16.4 million in retail and \$18.1 million in landside transport. The Company also received one off revenue from legal settlements totalling \$90.7 million.

Retail revenue totalled \$137.4 million, exceeding FY25 by 13.6% supported by higher passenger volumes, strong performance in domestic food & beverage, the first full year of the foreign exchange contract and new arrangements with news and gifts provider at both domestic and international.

The company delivered \$230.3 million in landside transport revenue up 8.5% on FY25. Construction of several car parks were completed during the year, adding 6,000 bays across terminal and central parking areas. Car rental and ground transport operators also performed strongly, further supporting demand for BAC Group's diverse range of transport products.

Revenue for investment property increased year-on-year by \$17.8 million (12.5%). In addition, operating property was up \$2.5 million (7.3%) on the prior year.

During FY26, the Company concluded significant PFAS-related litigation and settlement activities. The related financial impacts are reflected in higher other revenue and interest income, as well as associated legal costs and settlement provisions recognised in operating expenditure.

Total operating expenses increased by \$84.8 million (27.8%) compared with FY25. This increase primarily reflects higher mandated security costs associated with Standard 3 screening operations, a provision recognised for the potential repayment of insurance proceeds following the PFAS settlement, PFAS-related legal costs and increased technology expenditure. Additional increases were driven by higher staff costs to support operational and project activities, together with higher utilities and contract service costs associated with increased airport activity.

FY26 resulted in an operating profit of \$474.8 million (profit from ordinary activities before the redeemable preference shares ('RPS') dividend, change in fair value of investment property, and income tax expense) for the Company, an increase of \$57.4 million from FY25.

DIRECTORS' REPORT (Continued)

The Company balance sheet in FY26 reflects ongoing positive operating cash flow and available liquidity, including cash and committed undrawn bank facilities. The company was in a net current liability position of \$502.0 million at 30 June 2026 (30 June 2025: net current liability of \$863.4 million) with undrawn committed bank facilities of \$1,163 million (2025: \$541.0 million). During the year, BAC further enhanced its liquidity and funding position through the issuance of a EUR 500.0 million Euro Medium Term Note on 6 November 2025 and a A\$600.0 million Asian Term Loan facility, which settled on 16 July 2025 and was split evenly across approximately 7- and 10-year tenors.

The Company's capital investment program delivered a record \$743.8 million in capital expenditure. FY26 saw the continued delivery of several of the BAC Group's largest capital projects to date, including major terminal upgrades, the progression of the Aeromedical Precinct and continued investment in commercial and industrial property developments across the airport precinct. These investments support the Group's long-term growth strategy and enhance capacity, customer experience and property returns.

At 30 June 2026, the Company recorded an increase in fair value on investment property of \$79.8 million, compared to an increase of \$143.1 million in the prior year. The total portfolio value (2026: \$2,882.9 million) increased by \$232.3 million comprising the valuation increase of \$82.7 million, and capital expenditure of \$164.9 million. The Group continues to report robust results within its industrial portfolio. The valuation incorporates comprehensive general and economic considerations, including analysis of sales and leasing transactions for comparable properties.

The year-on-year movement in the change in fair value of derivatives of \$13.3 million is predominantly attributable to changes in underlying market data (interest rates and foreign exchange rates).

BAC Group's results demonstrate resilience despite passenger-related headwinds, including airline schedule adjustments and international route disruptions associated with the Middle East conflict. The company reported a profit before income tax of \$511.5 million, down from \$517.5 million in 2025.

	2026 \$000	2025 \$000
Revenue from ordinary activities	1,286,487	1,091,496
Operating expenses	(389,947)	(305,152)
Revenue from ordinary activities less operating expenses	896,540	786,344
Depreciation and amortisation	(168,735)	(151,938)
Profit/(loss) on asset disposals	(656)	(7,246)
Impairment	(4,099)	(3,412)
Finance costs	(248,299)	(206,413)
Operating results	474,751	417,335
Redeemable preference shares dividend	(42,974)	(42,974)
Change in fair value of investment property	79,754	143,094
Unrealised foreign exchange gain	0	10
Profit before income tax	511,531	517,465
Income tax expense	(159,640)	(175,175)
Profit for the year	351,891	342,290

DIRECTORS' REPORT (Continued)

3. Dividends

Dividends declared and paid by BAC during the current financial year were \$342.9 million in the form of ordinary dividends (2025: \$292.9 million).

4. Changes in state of affairs

There were no significant changes in the state of affairs of the Company during the year.

5. Events subsequent to reporting date

Since the end of the financial year to the date of signing, there were no other subsequent events to report.

DIRECTORS' REPORT (Continued)

6. Directors

The Directors of BAC at any time during FY26 or up to the date of this report are set out below¹:

Name, qualifications, and any special responsibilities	Experience and other directorships
David Peever BEc, MSc (Mineral Economics)  Board Chair, Non-Executive Director Member of the Human Resources and Remuneration Committee and the Property Committee Appointed: 05/05/2017	David is also a Non-Executive Director of the Australian Foundation Investment Company. He was previously: • A Member of the Foreign Investment Review Board • Chair of the Naval Group • Chair of Cricket Australia and World Twenty20 2020 Ltd • A Director of the International Cricket Council • A Director of The Stars Foundation • Until July 2017, the Chair of the Minister of Defence's First Principles Review of Defence and following the acceptance of the review by Government the Oversight Board which helped guide implementation of the Review's recommendations • A Director of the Business Council of Australia • Vice Chairman of the Minerals Council of Australia • A Member of Former Prime Minister Abbott's Indigenous Advisory Council. David retired as Managing Director of Rio Tinto Australia in October 2014 after 27 years with Rio Tinto. During his career with Rio Tinto, David worked across a range of disciplines including strategy and planning, industrial relations, operations, sales and marketing, business improvement, shipping and policy. David worked in many parts of Australia and across most of Rio Tinto's commodity suites. His Rio Tinto career also saw him live in Singapore, Los Angeles and London. He travelled extensively with Rio Tinto and has done business in most parts of the world.
Robert Carsouw  Non-Executive Director Appointed: 01/04/2021	Robert is Executive Vice President and Chief Financial Officer of Royal Schiphol Group. Prior to starting his journey at Schiphol, Robert worked at Procter & Gamble and for 23 years at McKinsey & Company in various roles, since 2011 as a Senior Partner. He served clients mainly in the public sector and in the mobility/logistics sector. In addition, Robert worked with clients on digital transformations across a wide range of sectors. Since December 2025, Robert has been appointed as a member of the Supervisory Board of the Spaarne Gasthuis. Robert was co-founder and Chair of the Supervisory Board of Social Enterprise NL and co-founder and Vice-Chair of LittleBitz. Robert is a graduate of the Erasmus University in Rotterdam and has a master's degree in Econometrics/Computer Science.
Brad Geatches BComm, MAICD	Brad has more than 30 years of senior executive experience in underground mining, airports, and seaports, including 16 years as CEO of four corporations.

¹ Directors were in office for the entire period unless otherwise stated.

DIRECTORS' REPORT (Continued)

 Non-Executive Director Chair of the Terminal 3 Precinct Program Committee Member of the Property Committee and Aeronautical Pricing Policy Special Committee Appointed: 22/11/2018	From 2007 to 2016, Brad was CEO of Perth Airport and in that capacity led a \$1.1 billion capital investment program that greatly expanded the airport's capacity and transformed its customer experience. Prior to this, Brad was CEO of Cairns Port Authority, the operator of the Cairns airport and seaport. Through these capacities, Brad has developed expertise in governance, financial and risk management, land use and infrastructure planning, capital development and life cycle asset management of complex facilities with high levels of public engagement. Brad is currently a Director of MATES in Construction WA, a charity providing mental health and suicide prevention services to workers in the construction and mining industries. He is also Director of Canberra Airport and Southern Ports Authority. . Brad previously served as Deputy Chair of Pilbara Ports Authority, having served as Chair from May 2019 to June 2024.
Belinda Gibson BEc, LLB, LLM, FAICD, FGIA  Non-Executive Director Member of the Human Resources and Remuneration Committee and Terminal 3 Precinct Program Committee Appointed: 05/05/2017	Belinda is a Director of the Yalari group of companies and a Director of Stem Changemakers. She also serves as a member of the ASX Cash Equities Clearing and Settlement Advisory Group and as Chair of the Professional Conduct Oversight Committee of Chartered Accountants Australia and New Zealand. She was a Corporate and Securities Partner with the global law firm Mallesons Stephen Jaques for 20 years. She particularly focused on transaction strategies, partnerships and joint venture arrangements and governance issues. In 2007, she was appointed Commissioner and then Deputy Chair of the Australian Securities and Investments Commission ('ASIC'), with primary responsibility for oversight of the capital markets. In 2013, she left ASIC and established her independent corporate advisory and legal business. Belinda previously served as Chair of Humbli Pty Limited and as a Director of Ausgrid (representing the NSW State interests in the Ausgrid partnership). Belinda was also a former Director of Airservices Australia, the air traffic control agency, GetSwift Limited, Chief Executive Women Inc, The Sir Robert Menzies Memorial Foundation, Thorn Group Ltd and Citigroup Australian retail bank.
Tony Harrington AM, BCom  Non-Executive Director Member of the Finance, Audit and Risk Management Committee, Property Committee and Aeronautical Pricing Policy Special Committee	Tony has a distinguished career in financial and professional services, with more than 35 years of business and strategic leadership experience, in Australia and internationally. Tony was the Chief Executive of leading legal and consulting firm MinterEllison and represents Schiphol as an Alternate Director for Hobart Airport. Prior to this, Tony was Managing Director of the fast-growing and innovative global investment bank, Moelis & Company. He also held several senior roles at PwC including Global Managing Partner, Strategy & Transformation at PwC and was a member of the PwC Global Executive Leadership Team. From 2000 to 2008, Tony was Australian Senior Partner and Chief Executive of PwC, coming into the position not long after the merger of Price Waterhouse with Coopers & Lybrand, and oversaw the successful cultural integration and significant growth of the merged firm in Australia. At Coopers & Lybrand, Tony was Deputy Chair of the firm and National Managing Partner of Taxation Services.

DIRECTORS' REPORT (Continued)

Appointed Alternate Director: 01/01/2015 to 31/05/2025 Non-Executive Director: 01/06/2025	He was appointed a Member of the Order of Australia (AM) in 2011 in recognition of his charitable work.
David Kenny LLB, BCom, MBA  Non-Executive Director Chair of the Finance, Audit and Risk Management Committee and Aeronautical Pricing Policy Special Committee Appointed: 25/08/2023	David is a Senior Principal in the Global Infrastructure Division at Queensland Investment Corporation (QIC). David has extensive airport sector experience, having served on the boards of several capital city and regional airports in Australia, the United Kingdom and Turkey. David holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne, and Master of Business Administration degrees from Tulane University (USA) and Universidad de Chile.
Marigold Look BAcc, CFA, GDipAppFin, GAICD  Non-Executive Director Member of the Finance, Audit and Risk Management Committee and Human Resources and Remuneration Committee Appointed: 28/04/2023	Marigold is an Executive Director at IFM Investors and has more than 20 years of experience in investment evaluation, asset management, corporate finance, and valuations. Marigold is responsible for managing IFM Investors' low carbon infrastructure assets. Since joining IFM Investors in September 2006, Marigold has been involved in executing and managing various investments in Australia and globally across a broad range of infrastructure sectors including energy, transportation (airports, ports, toll roads) and social infrastructure. Prior to joining IFM Investors, Marigold held roles with stockbroking firm Wilsons as an equities research analyst, and with PwC specialising in corporate valuations and strategy consulting. Marigold has previously represented IFM Investors on the Boards of Airport Development Group (NT Airports), where she was also Chair of the Risk and Audit Committee, as well as Axiom Education (NSW Schools PPP) and Eastern Distributor (M1 toll road).
Alison Quinn  Non-Executive Director	Alison is a Brisbane-based, professional non-executive director with more than 25 years' experience as a CEO and senior executive in the real estate, property development and aged care / seniors sectors. Through her roles with public, private and government organisations Alison has developed valuable operational and commercial expertise in the areas of property investment, funding, infrastructure and development and stakeholder management.

DIRECTORS' REPORT (Continued)

Member of the Property Committee Appointed: 09/10/2024	
Lyell Strambi  Non-Executive Director Member of the Property Committee and Terminal 3 Precinct Program Committee Appointed: 10/10/2023	Lyell has a wealth of experience in the aviation sector both in Australia and abroad, spanning 40 years. In June 2022, Lyell concluded his tenure as CEO and Managing Director of Australia Pacific Airports Corporation (APAC). Having been appointed in September 2015, during his time at APAC he was responsible for the operation and development of both the Melbourne and Launceston airports and for overseeing a direct workforce of 300 staff and assets valued in excess of \$10 billion. Prior to his role at APAC, Lyell was the Chief Executive Officer of Qantas Airways Domestic, a role he held for three years following four years as the airline's Group Executive Operations. Between 2001 and 2008 Lyell was based in London, working in senior roles at Virgin Atlantic that included Executive Director — Airline Services and followed by six years as Chief Operating Officer. Lyell is also a director of the Aurizon group and has been appointed Chair of Aurizon Network Pty Ltd since October 2021.
Alan Wu MCom, CFA, GAICD  Non-Executive Director Member of the Finance, Audit and Risk Management Committee and Terminal 3 Precinct Program Committee Appointed: Alternate Director 03/11/2014 to 18/02/2022 Non-Executive Director: 18/02/2022	Alan is Director at Igneo Infrastructure Partners (Igneo). He is responsible for the management of transport and utilities infrastructure assets, as well as sourcing, evaluating and securing investment opportunities within the infrastructure team. He currently serves as a Director on the boards of Strait Link and coNEXA Infrastructure Partners. He has previously served as a Director of Adelaide Airport Group and Bankstown and Camden Airports and the International Parking group of companies. Alan has been involved in the investment, management and divestment of infrastructure assets, as well as portfolio management since 2000. Prior to being appointed Director, Alan held various roles within the team including Head of the Analytics. Alan was also actively involved in the establishment and growth of Igneo's flagship infrastructure funds in Australia.
Paul DeSouza BCom, BBus (Acc) (Hons), CA 	Paul is a Partner in the QIC Global Infrastructure team having been with QIC since 2006. Within QIC Global Infrastructure, Paul is a member of the Infrastructure Investment Committee and is the Chair of the Investment Management Committee. Paul has more than 25 years of experience in investment management, banking and finance and professional services, including more than 16 years in the infrastructure sector where he has been involved in a broad range of transactions in Australia, Europe, Asia and North America across the transport, energy and utility and social infrastructure sectors.

DIRECTORS' REPORT (Continued)

Alternate Director for David Kenny Appointed: Non-Executive Director 16/02/2017 to 25/08/2023 Alternative Director 25/08/2023	Prior to joining QIC, Paul was a Director in the Infrastructure Advisory and Lending team at ING Bank in London and worked in the Corporate Finance and Audit Divisions of Deloitte, both in London and Australia. Paul is on the board of the Evolution Healthcare Group. Paul previously served for more than six years on the board of the Port of Brisbane group of entities (including being the Chair of the Audit and Risk Committee). Paul has also been a Director (or Alternate Director) of the Titles Queensland group, the Epic Energy Group of entities, the Nexus Hospitals group, MI Longbeach LLC (the project vehicle for the Long Beach Courthouse PPP project), Portobar Capital (investment entity for Grup Maritim TCB, a container terminal developer and operator) Westlink M7 toll road group of entities in Sydney and the Sea Swift groups.
Calvin Ker CA, BBus, GAICD  Alternate Director for Marigold Look and Lyell Strambi Appointed: 28/04/2023	Calvin is a Vice President at IFM Investors and has more than 10 years of experience across the infrastructure sector. Calvin is responsible for the origination, execution and management of infrastructure investments with a focus on aviation, technology and social infrastructure. Prior to joining IFM Investors, Calvin held roles with EY's Financial Services Team and IBM Australia.
Alec McKenzie  Alternate Director for Alan Wu Appointed: 28/01/2026	Alec McKenzie is an Associate Director of Igneo Infrastructure Partners, based in Sydney. He currently sits on the board of directors of investee company Vertis Energy. Prior to joining the team in 2019, Alec worked at HSBC. Alec holds a Bachelor of Commerce from the University of New South Wales in Australia. He is a graduate member of the Australian Institute of Company Directors.
Gerhard Vorster BSc (Civil Engineering), MBA (Cum Laude), MAICD  Alternate Director for Robert Carsouw	Gerhard is the Managing Director of Quidni Advisory, a boutique strategy advisory firm. Working directly with boards and senior leaders, Gerhard guides businesses to reposition them in pragmatic yet unexpected ways. Previously, Gerhard was the Chief Strategy Officer for Deloitte Australia and Asia-Pacific, a position he held for five years. Prior to that, Gerhard was the Managing Partner (Consulting) for the South African, East Asian, Australian, and Asia-Pacific practice regions. He has broad sector experience with a specific focus on growth, innovation, technology, and leadership. He is published widely on these topics.

DIRECTORS' REPORT (Continued)

Chair of the Human Resources and Remuneration Committee Member of the Terminal 3 Precinct Program Committee Appointed: 01/01/2019	Gerhard trained and practised as a professional engineer and spent some time at an investment bank prior to joining Deloitte in 1987. In addition to his MBA, he also completed several executive education programs at Harvard, Stanford, Kellogg, INSEAD, IESE and IMD. Gerhard is the Chair of the Advisory Board of Bio Capital Impact Fund, a member of the Advisory Board of Intersective and the Patron Emeritus of Good Design Australia. He was a Director of Seeing Machines Limited, Georgiou Group and the inaugural Chair of the RMIT University College of Business Advisory Board. Gerhard is also: • Chair of 365 Mechanix Limited • Chair of Rise Q Consulting • A Strategic Advisor to Maximus International
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There were no director appointments that ceased during FY26

7. Company Secretary

During the financial year, each of the following individuals held the role of BAC Company Secretary:

- Melissa Hill (LLB, BEnvSc, GAICD) is General Counsel and Head of Legal Services and was appointed as Company Secretary on 19 November 2021. Melissa has more than 20 years' experience as a corporate/commercial lawyer and prior to her role at the BAC, Melissa worked in private practice and in house legal roles supporting a broad range of clients; and
- Brady Dennis (LLB, BBus) was appointed Group Company Secretary on 18 February 2022. Brady joined the BAC in June 2021 following 11 years working within the franchising sector where he developed a passion for corporate governance and the impact that good governance practice has toward the execution of organisational objectives.

DIRECTORS' REPORT (Continued)

8. Directors' meetings

The number of Directors' meetings (including meetings of Board sub-committees of Directors) and the number of meetings attended by each of the Directors during the financial year were:

Director	Board of Directors		FARM Committee		HRR Committee		BAC Property Committee		Terminal 3 Precinct Program Committee		Aeronautical Pricing Policy Special Committee		Chair Nominations Special Committee	
Total meetings held	11		5		6		5		4		1		2	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
D Peever (Board Chair)	10	11	2 [#]	-	5	6	5	5	-	-	-	-	-	-
R Carsouw	1	11	-	-	-	-	-	-	-	-	-	-	-	-
B Geatches	11	11	-	-	-	-	5	5	4	4	1	1	-	-
B Gibson	10	11	-	-	6	6	-	-	4	4	-	-	-	-
T Harrington	11	11	5	5	1 [#]	-	5	5	-	-	1	1	-	-
D Kenny	11	11	5	5	-	-	-	-	2 [#]	-	1	1	2	2
M Look	11	11	5	5	6	6	-	-	-	-	-	-	2	2
A Quinn	11	11	-	-	1 [#]	-	5	5	3 [#]	-	-	-	-	-
L Strambi	11	11	2 [#]	-	-	-	5	5	4	4	1 [#]	-	-	-
A Wu	11	11	5	5	1 [#]	-	-	-	4	4	1 [#]	-	2	2
P DeSouza (Alternate Director for D Kenny)	0	11	-	-	-	-	-	-	-	-	-	-	-	-
C Ker (Alternate Director for M Look and L Strambi)	0	11	-	-	-	-	-	-	-	-	-	-	-	-
A McKenzie (Alternate Director of A Wu)	0	7	-	-	-	-	-	-	-	-	-	-	-	-
G Vorster (Alternate Director for R Carsouw)	11*	11	-	-	6	6	-	-	4	4	-	-	2	2

A – Number of meetings attended.

B – Number of meetings held during the year where the Director held office or was a member of the relevant Committee.

[#] Attended the relevant committee meetings as an invitee.

* In capacity of invitee for one meeting.

If any Circulating Written Resolutions were passed during the year, these are included in the number of meetings held and attended.

DIRECTORS' REPORT (Continued)

9. Indemnification and insurance of officers and auditors

BAC Holdings Limited (BACH) on behalf of itself and its subsidiaries (including BAC) has entered into Deeds of Indemnity, Insurance and Access (Deeds) with each Director, Alternate Director, Company Secretary, and each member of BAC's Executive Leadership team (collectively, Officers) within the BAC Group.

BACH has agreed to indemnify and maintain insurance in favour of each Officer with respect to certain liabilities which the Officer may incur acting as an Officer in accordance with the terms of the Deeds.

During the year, the BAC Group paid insurance premiums in respect of a Directors' and Officers' Liability Insurance Contract for current and former Directors and Officers, including Officers of the BAC Group.

To the extent permitted by law, the BAC Group has agreed to indemnify its external auditor, Deloitte Touche Tomatsu (Deloitte), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte during or since the end of the year.

10. Environmental regulation

Environmental management of BAC's operations is primarily governed by the *Airports Act 1996* (Cth) and associated *Airports Regulations 2025* (Cth) and the *Airports (Environment Protection) Regulations 1997* (Cth), which address soil, air, water, preservation of habitat and excessive ground-based noise regulation.

Airport Environment Officers employed by the Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts assist with the administration of the *Airports (Environment Protection) Regulations 1997* (Cth) and have a number of specific statutory functions under the *Airports Act 1996* (Cth) and the *Airports Regulations 2025* (Cth). In addition to the Airports Act, the following applies to federally-leased airports:

- the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), which is administered by the Department of Climate Change, Energy, the Environment and Water; and
- the *Biosecurity Act 2015* (Cth), which manages biosecurity risk at Brisbane Airport and is administered by the Department of Agriculture, Fisheries and Forestry.

Environmental matters not specifically dealt with by Commonwealth legislation are regulated by applicable State legislation and local government by-laws.

BAC takes all reasonable and practicable measures to comply with its general environmental duty to avoid or minimise pollution. BAC also exercises its rights under tenant lease agreements to require entities responsible for pollution to monitor and remediate contamination on Brisbane Airport.

There have been no breaches by the BAC Group of any applicable environmental regulations.

11. Non-audit services

The BAC Group's external auditor, Deloitte may perform certain other services in addition to its statutory duties in accordance with BAC's External Audit Policy. This policy ensures controls are placed on all non-audit related services, including quarterly reporting to the Finance, Audit and Risk Management (FARM) Committee, as required.

In addition to providing an annual declaration on its compliance with independence requirements, the External Audit Policy requires the external auditor to maintain a quality control system to provide assurance that its independence will not be impaired.

Details of the amounts paid to the auditor of BAC, Deloitte, and its related practices for services provided during FY26, are set out in note 2.4 to the financial statements.

DIRECTORS' REPORT (Continued)

12. Auditor's independence declaration

The auditor's independence declaration is included on page 68 .

13. Sustainability reporting

During FY26, the BAC Group prepared its inaugural Climate-related Financial Disclosures in accordance with AASB S2 Climate-related Disclosures. As an entity captured under the Group 1 mandatory climate reporting requirements, BAC is required to report climate-related risks and opportunities and their financial impacts. The disclosures form part of the Group's annual reporting and outline BAC's climate-related governance, strategy, risk management approach, and metrics and targets.

14. Future developments

The BAC Group's future developments and operations are included in the Brisbane Airport 2026 Master Plan. Published approximately every five (5) years, the master plan sets the strategic direction for the efficient and economical planning and development of the airport, and outlines aviation and non-aviation infrastructure needs over a 20-year period. The timing of infrastructure, like passenger terminal development, is based on long range forecasts and engagement with airlines.

The 2026 Master Plan was approved by the Australian Government on 15 June 2026.

15. Rounding off of amounts

The company is an entity to which section 7 of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*, and in accordance with that instrument amounts in the financial report and the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

16. Proceedings on behalf of the Company

During the financial year, no application was made under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company was a party. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001 (Cth).

Signed in Brisbane on 25 September 2026 in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



David Peever
Director

CORPORATE GOVERNANCE

BAC is an unlisted, public company limited by shares, primarily subject to the corporate governance requirements of the BACH Shareholders' Agreement, the BAC Constitution, the *Corporations Act 2001* (Cth) and common law principles.

The Directors are committed to embracing good corporate governance policies, practices and procedures, where practicable to do so.

Role of the Board

The Board is responsible for the overall corporate governance of the BAC Group, including participation in charting its strategic direction, business planning, strategic and financial objective and priority setting, policy guidelines, goals for management and monitoring of the achievement of these matters.

It actively engages in and guides the development of strategy, as well as the approval of the business plan, operating and capital budgets each financial year. The Board also reviews matters of a major or unusual nature which are not in the ordinary course of business.

In conjunction with setting the BAC Group's strategic direction, the Board delegates management responsibility to the Chief Executive Officer. The Board has also established a risk management framework including a system of internal control, a business risk management process and a delegation of authority policy.

To augment the roles, responsibilities and functions of the Board and individual Directors, as described in the Constitution and the BAC Shareholders' Agreement, the Board has a complementary Board Charter and BAC Code of Conduct.

The Board generally holds no less than six (6) scheduled meetings each year, in addition to an annual strategy workshop and any meetings as may be necessary to address specific significant matters that may arise outside the normal Board meeting schedule. In addition, the Board utilises Circulating Written Resolutions of Directors pursuant to the Constitution and *Corporations Act 2001* (Cth) as required.

Board sub committees

To assist in the execution of its responsibilities, the Board has established a number of Board sub committees including the:

- Finance, Audit and Risk Management (FARM) Committee;
- BAC Property Committee^{[11](#)};
- Human Resources and Remuneration (HRR) Committee; and,
- Terminal 3 Precinct Program Committee.

Each Board sub-committee is governed by its respective Committee Charter that sets out the Board sub-committees' responsibilities and governance arrangements. The Board also establishes various Board sub-committees as the needs of the business require from time to time, including the Aeronautical Pricing Policy Special Committee.

Risk management

BAC Group's approach to managing its risk and governance is guided by the effective principles established within the policies and procedures that have been endorsed by the Board.

Brisbane Airport Corporation Pty Limited
Financial Statements
30 June 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$000	2025 \$000
Revenue from ordinary activities			
Aeronautical		447,778	440,167
Landside transport		230,291	212,181
Investment property		159,916	142,088
Retail		137,376	120,963
Operating property		37,428	34,881
Government mandated security		138,550	93,734
Interest		18,418	7,343
Other		116,730	40,139
Total revenue from ordinary activities	2.1	1,286,487	1,091,496
Operating expenses			
Maintenance and contract services		(84,226)	(79,575)
Government mandated security		(103,971)	(77,926)
Staff		(70,286)	(68,316)
Utilities		(34,507)	(26,182)
Corporate and administration		(95,446)	(50,333)
Doubtful debt expense	4.3(a)	(1,511)	(2,820)
Total operating expenses		(389,947)	(305,152)
Revenue from ordinary activities less operating expenses		896,540	786,344
Depreciation and amortisation		(168,735)	(151,938)
Loss on asset disposals		(656)	(7,246)
Impairment loss		(4,099)	(3,412)
Finance costs	2.2	(248,299)	(206,413)
Operating profit		474,751	417,335
Shareholder loan interest		(42,974)	(42,974)
Change in fair value of investment property	3.6	79,754	143,094
Unrealised foreign exchange gain		0	10
Profit before income tax		511,531	517,465
Income tax expense	2.5	(159,640)	(175,175)
Profit for the year		351,891	342,290
Items that will not be reclassified subsequently to profit and loss			
Defined benefit superannuation fund actuarial loss, net of tax		28	(235)
Items that may be reclassified subsequently to profit and loss			
Hedge reserve, net of tax		78,386	(42,902)
Total other comprehensive income		78,414	(43,137)
Total comprehensive income		430,305	299,153

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	2026 \$000	2025 \$000
Current assets			
Cash and cash equivalents	3.1	43,760	64,127
Trade receivables and other	3.2	134,443	111,490
Inventories		2,930	2,614
Intangible assets		374	617
Derivative instruments	4.3(d)	32,858	-
Total current assets		214,365	178,848
Non-current assets			
Trade receivables and other	3.2	35,966	26,251
Intangible assets	3.3	823,014	823,014
Property, plant, and equipment	3.4	4,426,340	3,961,266
Investment property	3.6	2,882,975	2,650,694
Derivative instruments	4.3(d)	148,021	142,944
Total non-current assets		8,316,316	7,604,169
Total assets		8,530,681	7,783,017
Current liabilities			
Trade payables and other current liabilities	3.8	274,185	213,566
Interest-bearing liabilities and borrowings	4.1	387,907	771,424
Derivative instruments	4.3(d)	-	35,171
Intercompany tax payable		54,311	22,047
Total current liabilities		716,403	1,042,208
Non-current liabilities			
Interest-bearing liabilities and borrowings	4.1	4,372,736	3,548,015
Deferred tax liabilities	2.6	980,227	914,615
Derivative instruments	4.3(d)	193,326	106,894
Other liabilities	3.10	79,766	70,472
Total non-current liabilities		5,626,055	4,639,996
Total liabilities		6,342,458	5,682,204
Net assets		2,188,223	2,100,813
Equity			
Issued capital		254,089	254,089
Reserves		46,040	(32,375)
Retained earnings		1,888,094	1,879,098
Total equity		2,188,223	2,100,813

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$000	2025 \$000
Cash flows from operating activities			
Cash receipts from customers		1,369,522	1,190,617
Cash paid to suppliers and employees		(489,606)	(432,239)
Cash generated from operating activities		879,916	758,378
Interest paid		(266,975)	(250,123)
Interest paid to shareholders		(42,974)	(42,974)
Interest received		18,267	7,507
Income taxes paid		(95,372)	(128,542)
Net cash flows from operating activities	3.1	492,862	344,246
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		186	383
Acquisition of property, plant, and equipment		(605,285)	(491,925)
Acquisition of investment property		(138,736)	(216,694)
Net cash flows used in investing activities		(743,835)	(708,236)
Cash flows from financing activities			
Proceeds from interest-bearing liabilities and borrowings		2,187,830	1,169,000
Repayments of interest-bearing liabilities and borrowings		(1,614,000)	(497,100)
Repayments of derivative structured products		-	(53,483)
Dividends paid		(342,895)	(292,910)
Subsequent measurement of lease liabilities		(329)	388
Net cash flows from/(used) used in financing activities		230,606	325,895
Net decrease in cash and cash equivalents		(20,367)	(38,095)
Cash and cash equivalents at 1 July		64,127	102,222
Cash and cash equivalents at 30 June	3.1	43,760	64,127

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Issued capital \$000	Defined benefit superannuation fund deficit reserve \$000	Hedge reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 1 July 2025	254,089	(952)	(31,422)	1,879,098	2,100,813
Profit for the year	-	-	-	351,891	351,891
Other comprehensive income					
Defined benefit superannuation fund actuarial loss, net of tax	-	28	-	-	28
Hedge reserve, net of tax	-	-	78,386	-	78,386
Total other comprehensive income	-	28	78,386		78,414
Total comprehensive income	-	28	78,386	351,891	430,305
Dividends	-	-	-	(342,895)	(342,895)
Balance at 30 June 2026	254,089	(924)	46,964	1,888,094	2,188,223

Balance at 1 July 2024	254,089	(717)	11,480	1,829,718	2,094,570
Profit for the year	-	-	-	342,290	342,290
Other comprehensive income					
Defined benefit superannuation fund actuarial loss, net of tax	-	(235)	-	-	(235)
Hedge reserve, net of tax	-	-	(42,902)	-	(42,902)
Total other comprehensive income	-	(235)	(42,902)		(43,137)
Total comprehensive income	-	(235)	(42,902)	342,290	299,153
Dividends	-	-	-	(292,910)	(292,910)
Balance at 30 June 2025	254,089	(952)	(31,422)	1,879,098	2,100,813

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

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1: BASIS OF PREPARATION

1.1 Defined terms

Entity names

BACH	BAC Holdings Limited
BACH No. 2	BAC Holdings No. 2 Pty Limited
BAC	Brisbane Airport Corporation Pty Limited
BAC Group or Group Company	The consolidated entity comprising BACH, BACH No. 2 and BAC

1.2 Reporting entity

BAC is a proprietary company limited by shares incorporated and domiciled in Australia.

The Company is a for profit entity, the principle activity of which is the operation and development of Brisbane Airport.

The Company's registered office address is shown on page 68.

1.3 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001* (Cth), Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of BAC comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB.

These financial statements were approved by the Board of Directors on 25 September 2026.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position which are measured at fair value:

- investment property – note 3.6;
- defined benefit obligation – note 3.9; and
- derivative financial instruments – note 4.2.

1.5 Presentation currency and rounding

These financial statements are presented in Australian Dollars (AUD or \$).

The company is an entity to which section 7 of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, and in accordance with that instrument amounts in the financial report and the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 1: BASIS OF PREPARATION (continued)

1.6 Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The BAC Group was in a net current liability position of \$502.0 million at 30 June 2026 (2025: net current liability position of \$863.4 million). As at 30 June 2026, BAC had \$1,163 million of undrawn committed bank facilities, providing a significant source of liquidity and financial flexibility to support ongoing operations, capital expenditure requirements and refinancing activities.

On 13 November 2025, BAC successfully completed its inaugural Euro Medium-Term Note (EMTN) issuance, raising €500 million (approximately A\$891 million). The transaction represented BAC's first Euro denominated issuance under its EMTN Programme and provided access to the European debt capital markets, further diversifying the company's funding sources and investor base.

The Directors have reviewed detailed cash flow projections prepared by management covering a period of at least 12 months after the date of signing this financial report.

These projections take into account forecast passenger numbers and the extent and timeframe by which these passenger numbers will recover, forecast revenue, forecast operating cash flows, forecast capital expenditure, and the Company's liquidity position.

Cash flow forecasts indicate a net positive cash flow position, and this position is additionally supported by the availability of significant amounts of committed undrawn bank facilities.

On the basis of the cash flow forecasts prepared, the Directors have concluded that the Company has the ability to pay their debts in full as and when they become due and payable for the period of at least 12 months from the date of signing this financial report and that it is appropriate to apply the going concern basis of accounting.

Refer to [note 4.1](#) for details of the BAC Group's finance facilities.

1.7 Use of estimates and judgements

Refer to note 4.1 for details of the Company's finance facilities.

The financial statements are subject to the use of estimates and judgements. The estimates and judgements that could have a significant impact on the financial statements are as follows:

- taxation – note 2.5;
- depreciation and amortisation – note 3.4;
- investment property – note 3.6;
- impairment – note 3.7;
- trade and other payables – note 3.8;
- derivative financial instruments – note 4.2; and
- financial risk management – note 4.3.

The Company acquired Brisbane Airport in 1997 under a 50-year lease with the option to extend 49 years. The investment property valuation, depreciation and impairment modelling are based on the assumption that the Company intends to exercise this option.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 1: BASIS OF PREPARATION (continued)

1.8 Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of BAC and each controlled entity is AUD.

Transactions and balances

Transactions in foreign currencies are translated to AUD at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the reporting date. Foreign currency differences on translation are recognised in the consolidated statement of profit or loss, or where hedge accounting is applied the cash flow hedge reserve/statement of other comprehensive income.

1.9 Prior period presentation

Changes, if any, to the presentation of transactions and balances during the current year were also made to the prior year in order to facilitate comparisons.

1.10 New and amended accounting standards

Accounting policies and disclosures

The Company has adopted new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2025 as outlined below. The adoption did not have any material impact on the financial position or performance of the Company at adoption date or period end. Several other amendments apply for the first time from 1 July 2025, however, these do not impact the annual financial statements. All other accounting policies adopted are consistent with those of the previous financial year.

Accounting standards and interpretations issued or amended but not yet effective

The accounting standards which have not been early adopted for the financial year ended 30 June 2026 but will be applicable to the Company in future reporting periods are detailed below:

AASB No.	AASB 2024-2 <i>Classification and Measurement of Financial Instruments</i>
Nature of change	The amendment provides clarification of the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment systems. The amendment also provides an exception if certain criteria are met, for the timing of derecognition of certain financial liabilities settled using an electronic payment system. Further, it provides further guidance about specific types of financial assets, specifically contractually linked instruments (CLIs); clarification of the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics; and finally, requires additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features.
Impact	This change is not expected to have a material effect on the BAC Group's financial report.
Mandatory application date	The new amendment is effective for annual reporting periods beginning on or after 1 January 2026.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 1: BASIS OF PREPARATION (continued)

1.10 New and amended accounting standards (continued)

AASB No.	AASB 2024-3 Amendments to Australia Accounting Standards – Annual Improvements Volume 11
Nature of change	The amendments are annual improvements to the following standards: • AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>; • AASB 7 <i>Financial Instruments: Disclosures</i>; • AASB 9 <i>Financial Instruments</i>; • AASB 10 <i>Consolidated Financial Statements</i>; and • AASB 107 <i>Statement of Cash Flows</i> The amendments aim to improve clarity and internal consistency.
Impact	There is no impact on the BAC Group's financial report.
AASB No.	AASB 18 Presentation and Disclosure in Financial Statements
Nature of change	The amendments to AASB 18 <i>Presentation and Disclosure in Financial Statements</i> aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. An entity will need to change how it presents its results on the face of the income statement and disclose information in the notes to the financial statements.
Impact	The BAC Group is currently assessing the impact of AASB 18 on its financial reporting. While the standard is not expected to have a material impact on the recognition or measurement of the BAC Group's assets, liabilities, income or expenses, it is expected to result in changes to the presentation of the statement of profit or loss and related disclosures. The BAC Group anticipates that additional work will be required to review the classification of income and expenses within the prescribed operating, investing and financing categories and to implement the enhanced disclosure requirements introduced by the standard.
Mandatory application date	The new amendments are effective for annual reporting periods beginning on or after 1 January 2027 and override the previous amendments.
AASB No.	AASB 2025-1 Contracts Referencing Nature-dependent Electricity
Nature of change	The amendments to AASB 9 <i>Financial Instruments</i> to are updated to include guidance on the application of 'own-use' exemption on nature dependent power purchase agreements (PPAs) and the hedge accounting requirements for purchases and sellers of PPAs that are classified as derivative financial instruments.
Impact	The BAC Group PPAs are a supplier arrangement and are not the nature of a derivative. This change does not have a material impact on the BAC Group's financial report.
Mandatory application date	The new amendments are effective for annual reporting periods beginning on or after 1 January 2026 and override the previous amendments.
AASB No.	AASB 2023-5 Lack of Exchangeability
Nature of change	The amendments to AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> provide guidance on assessing whether a currency is exchangeable into another currency and, where exchangeability does not exist, how an entity should estimate the appropriate spot exchange rate to apply. The amendments also introduce additional disclosure requirements to help users understand the impact of currencies that are not exchangeable
Impact	The BAC Group's operations are primarily conducted in Australian dollars and it is not currently exposed to jurisdictions where currency exchangeability restrictions are significant. Accordingly, the amendments are not expected to have a material effect on the BAC Group's financial report
Mandatory application date	The new amendment is effective for annual reporting periods beginning on or after 1 January 2025.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 1: BASIS OF PREPARATION (continued)

1.10 New and amended accounting standards (continued)

Sustainability reporting standards and interpretations issued or amended

The sustainability standards which have not been early adopted for the financial year ended 30 June 2026 but will be applicable to the Company in future reporting periods are detailed below:

AASB No.	AASB S2 General Requirements for Disclosure of Sustainability-related Financial Information and AASB Climate-related Disclosures
Nature of change	This standard requires the disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (i.e. prospects). Disclosure requirements cover governance, strategy, risk management and metrics, and targets.
Impact	The new amendments will have a material impact on the BAC Group's financial report, by way of new additional disclosures.

1.11 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability. Assets and liabilities for which a determination of fair value is required are as follows:

- investment property – note 3.6;
- defined benefit obligation – note 3.9; and
- derivative financial instruments – note 4.2.

Fair value measurements hierarchy

In fair value measurement, the BAC Group uses the following fair value measurements hierarchy levels 1 to 3 that are based on the degree to which the fair value is observable, being fair value measurements derived from:

- Level 1: quoted prices (unadjusted) in an active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques using inputs that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 2: RESULTS

2.1 Revenue

Aeronautical revenue

Aeronautical revenue comprises runway and terminal charges. Domestic and international flights are ordinarily charged on a per passenger basis for landings and departures. General aviation aircraft and dedicated freight flights are charged based on the maximum take-off weight of aircraft on landings only. Revenue is recognised over time when the performance obligation is satisfied (i.e. when the service is provided). Accrued aeronautical revenue is recognised as a contract asset.

Incentives are provided through incentive agreements with individual airlines and are generally based on passenger numbers, flight frequency and/or new routes. Revenues from passenger charges therefore have variable consideration and are estimated monthly. Variable revenue is only recognised when it is highly probable the revenues will not reverse.

Landside transport revenue

Landside transport revenue comprises revenue from public and staff car parks, ground facilities fees, and car rental operators. Revenue is recognised over time when the performance obligation is satisfied (i.e. when the service is provided). Car rental operation revenue is recognised on a straight-line basis over the term of each lease.

Property revenue

Investment property revenue comprises rental revenue from the Company's owned buildings and leased areas held for investment (note 3.6).

Operating property revenue comprises rental revenue from the Company's owned terminals, buildings and other leased areas.

Property rental revenue is accounted for on a straight-line basis over the term of each lease.

Retail revenue

Retail revenue comprises rental income from retail tenants whose sale activities include duty free, newsstands, food and beverage, banking and currency, and advertising services. Base rent revenue is recognised on a straight-line basis over the term of each lease. Variable lease revenue in the form of turnover rent is recognised over time as the relevant contractual thresholds are achieved and the Group's entitlement to the related lease income arises.

Government mandated security revenue

The BAC Group is required by the Australian Government to undertake certain security measures, the costs of which are generally recoverable from the airlines. Government mandated security revenue comprises recharges of expenditure incurred by the BAC Group in respect of security services such as passenger and checked baggage screening as well as a return on capital invested for the development of security related assets.

Revenue is recognised over time as the related services are provided and the Group becomes entitled to recover the associated costs and earn the related return on capital

Revenue and expenses are disclosed separately.

Interest revenue

Interest received from other parties is recognised as it accrues, taking into account the effective yield of the financial asset

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 2: RESULTS (Continued)

2.1 Revenue (continued)

Other revenue

Other revenue comprises recharge revenue from tenants and includes items such as utilities and rates. Revenue is recognised over time when the performance obligation is satisfied (i.e. when the service is provided).

Included within other revenue is proceeds received from Airservices Australia to settle the litigation brought against Airservices Australia about PFAS-related claims.

Timing of revenue recognition

Revenue can be categorised as follows:

	2026 \$000	2025 \$000
Total services revenue from contracts with customers transferred over time	802,016	737,786
Revenue not related to contracts with customers transferred over time	393,757	342,968
Revenue not related to contracts with customers transferred at a point in time	90,714	10,742
Total revenue	1,286,487	1,091,496

Revenue from contracts with customers consists of all revenue relating to aeronautical and government mandated security, as well as a portion of landside transport revenue (2026 \$189.7 million, 2025: \$174.5 million).

2.2 Finance costs

Accounting policies

Finance costs comprise interest payable on borrowings and finance leases and are calculated using the effective interest basis. Borrowing costs are either capitalised and amortised over the life or expensed as incurred and included in net financing costs unless they are capitalised to capital work in progress for qualifying assets.

	2026 \$000	2025 \$000
Interest costs	283,024	226,562
Amortisation of deferred borrowing costs	5,442	4,628
Interest on lease liabilities	590	346
Capitalised borrowing costs	(38,782)	(32,116)
Other finance costs	1,602	1,244
Total finance costs excluding hedge ineffectiveness and other hedge accounting impacts	251,876	200,664
Hedge ineffectiveness and other hedge accounting impacts	(3,577)	5,749
Total finance costs	248,299	206,413

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 2: RESULTS (Continued)

2.3 Leases

BAC as the lessor

The Company has entered commercial property leases on its property portfolio. Future minimum lease receipts under non-cancellable operating leases, excluding the recovery of outgoings, were as follows:

	2026 \$000	2025 \$000
Less than 1 year	199,942	170,691
1 to 5 years	564,755	573,043
More than 5 years	895,553	757,439
	1,660,250	1,501,173

Finance lease receivable

The finance lease receivable relates to an asset held under a finance lease recognised at the net present value of future lease payments at inception of the lease. The lease is due to expire in 2047.

	2026 \$000	2025 \$000
Less than 1 year	2,488	2,488
1 to 5 years	9,952	12,440
More than 5 years	40,015	42,503
Undiscounted lease payments	52,455	54,943
Future finance charges	(32,124)	(34,380)
Net investment in the lease	20,331	20,563

BAC as the lessee

The Company recognises right of use assets (ROUA) as a lessee. As at 30 June, the following amounts relating to ROUA were included in plant and equipment:

	2026 \$000	2025 \$000
Cost		
At beginning of year	9,709	9,092
Additions/adjustments	(753)	617
At end of year	8,956	9,709
Accumulated depreciation		
At beginning of year	3,510	2,945
Depreciation/adjustments	594	565
At end of year	4,104	3,510

Carrying amount at 30 June

Lease liabilities of \$ 0.4 million current and \$1.7 million non-current have been recognised in the consolidated statement of financial position (2025: \$0.4 million current and \$2.2 million non-current). Lease terms for applicable assets vary between 6 and 50 years.

Right of use assets are recognised on commencement of the lease as the net present value of future lease payments less any incentives received and any initial direct costs and make good provision. The cost is depreciated over the life of the underlying asset. Lease liabilities are measured by the net present value of lease payments and are allocated between lease liability and finance cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
SECTION 2: RESULTS (Continued)

2.4 Auditor's remuneration

	2026	2025
	\$	\$
Amounts received or due and receivable by the auditor for:		
Audit services		
Audit fees	487,000	472,234
Other regulatory/contract audit services	187,000	177,000
Sustainability report assurance	78,000	-
Total remuneration	752,000	649,234

The auditor of the group is Deloitte Touche Tohmatsu.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 2: RESULTS (Continued)

2.5 Taxation

Accounting policies

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except where it relates to items recognised in other comprehensive income or directly in equity.

Deferred tax is determined using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts applicable for taxation purposes. The amount of deferred tax provision is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates applicable at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets where they relate to income taxes levied, and the entities intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax consolidation

The Company's ultimate holding company is BACH.

BACH is the head entity in the tax-consolidated group comprising all wholly owned subsidiaries, being BACH No. 2 and BAC. The implementation date for the tax-consolidated company was 30 June 2004.

The tax-consolidated group has entered into a tax sharing and funding agreement that requires wholly owned subsidiaries to make contributions to the head entity for:

- deferred tax balances recognised on implementation date, including the impact of any relevant reset tax cost bases; and
- current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax sharing and funding agreement, contributions are calculated on a 'stand-alone basis' so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly owned subsidiaries. The contributions are payable as set out in the agreement and reflect timing of the entity's obligations to make tax liability payments to the relevant tax authorities. The assets and liabilities arising under the agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax benefit/(expense).

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are classified within operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 2: RESULTS (Continued)

2.5 Taxation (continued)

Taxation recognised in profit or loss and other comprehensive income

	2026 \$000	2025 \$000
Current tax expense		
Current year expense	(125,722)	(96,127)
Amendments relating to prior years	(1,912)	(1,338)
	(127,634)	(97,465)
Deferred tax expense		
Origination and reversal of temporary differences	(34,370)	(74,051)
Amendments relating to prior years	2,364	(3,659)
	(32,006)	(77,710)
Total income tax expense recognised in profit or loss	(159,640)	(175,175)
Defined benefit superannuation fund actuarial gain	(12)	101
Hedge reserve	(33,594)	18,387
Total income tax expense recognised in other comprehensive income	(33,606)	18,488

The reconciliation between income tax expense and pre-tax accounting profit is as follows:

	2026 \$000	2025 \$000
Profit for the year	351,891	342,290
Income tax expense	159,640	175,175
Profit before income tax	511,531	517,465
Income tax using the corporate tax rate of 30%	(153,459)	(155,240)
Increase in income tax due to:		
Other non-deductible expenses	(5,683)	(2,046)
Over/(under) provided in prior years	452	(4,997)
Accrued shareholder interest	(12,893)	(12,892)
CGT gain (loss)	(9,207)	-
Income subject to CGT treatment	21,150	-
Income tax expense on pre-tax accounting profit	(159,640)	(175,175)

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 2: RESULTS (Continued)

2.6 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2026	2025	2026	2025	2026	2025
	\$000	\$000	\$000	\$000	\$000	\$000
Property, plant and equipment	-	-	(988,142)	(948,554)	(988,142)	(948,554)
Finance lease receivable	-	-	(2,054)	(2,124)	(2,054)	(2,124)
Derivatives	-	-	(254,326)	(219,596)	(254,326)	(219,596)
Lease incentive asset	-	-	(5,077)	(2,053)	(5,077)	(2,053)
Inventories	-	-	(831)	(723)	(831)	(723)
Intangibles	619	76	-	-	619	76
Employee benefits	5,004	4,287	-	-	5,004	4,287
Other provisions	19,255	15,607	-	-	19,255	15,607
Interest-bearing liabilities and borrowings	235,479	235,479	-	-	235,479	235,479
Accruals	9,846	2,986	-	-	9,846	2,986
Total deferred tax assets/(liabilities)	270,203	258,435	(1,250,429)	(1,173,050)	(980,227)	(914,615)

The movement in temporary differences during the year is as follows:

	Balance at 1 July 2025 \$000	Recognised in profit or loss \$000	Recognised in other comprehensive income \$000	Balance at 30 June 2026 \$000
Property, plant and equipment	(948,554)	(39,588)	-	(988,142)
Finance lease receivable	(2,124)	70	-	(2,054)
Derivatives	(219,596)	(1,136)	(33,594)	(254,326)
Lease incentive asset	(2,053)	(3,024)	-	(5,077)
Inventories	(723)	(108)	-	(831)
Intangibles	76	543	-	619
Employee benefits	4,287	729	(12)	5,004
Other provisions	15,607	3,648	-	19,255
Interest-bearing liabilities and borrowings	235,479	-	-	235,479
Accruals	2,986	6,860	-	9,846
Total deferred tax liabilities	(914,615)	(32,006)	(33,606)	(980,227)

NOTES TO THE FINANCIAL STATEMENTS (continued)
SECTION 2: RESULTS (Continued)

2.6 Deferred tax assets and liabilities (continued)

The movement in temporary differences during the previous year is:

	Balance at 1 July 2024 \$000	Recognised in profit or loss \$000	Recognised in other comprehensive income \$000	Balance at 30 June 2025 \$000
Property, plant and equipment	(870,373)	(78,181)	-	(948,554)
Finance lease receivable	(2,186)	62	-	(2,124)
Derivatives	(239,715)	1,732	18,387	(219,596)
Lease incentive asset	(4,196)	2,143	-	(2,053)
Inventories	(728)	5	-	(723)
Intangibles		76		76
Employee benefits	3,266	921	101	4,287
Other provisions	18,557	(2,950)	-	15,607
Interest-bearing liabilities and borrowings	235,478	-	-	235,479
Accruals	4,503	(1,517)	-	2,986
Total deferred tax assets/(liabilities)	(855,394)	(77,709)	18,488	(914,615)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 3: OPERATING ASSETS AND LIABILITIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits, balances of which at reporting date are as follows:

	2026 \$000	2025 \$000
Cash in bank	43,757	64,122
Cash on hand	3	5
Cash and cash equivalents	43,760	64,127

The reconciliation of cash flows from operating activities is as follows:

	Note	2026 \$000	2025 \$000
Profit for the year		351,891	342,290
Adjustments for:			
Depreciation and amortisation		168,735	151,938
Impairment		4,099	(3,412)
Capitalised interest		(38,782)	(32,116)
Change in fair value of investment property	3.6	(79,754)	(143,094)
Hedge ineffectiveness and other hedge accounting impacts		(3,577)	5,759
Unrealised foreign exchange gain		(0)	(10)
Amortisation of borrowing costs		5,442	4,628
FEC Derivative Overlay Interest Unwind		1,876	(0)
Finance lease interest		590	(45)
Loss on sale of property, plant and equipment		656	7,246
Income tax expense	2.5	159,640	175,175
Cashflow before changes in working capital and provisions		570,816	515,183
Increase in trade receivables and other		(35,621)	(10,646)
Decrease/(increase) in inventories		(317)	(187)
Increase/(decrease) in trade payables and other		53,356	(31,562)
Income taxes paid		(95,372)	(128,542)
Net cash from operating activities		492,862	344,246

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 2: RESULTS (Continued)

3.2 Trade receivables and other assets

Accounting policies

Trade receivables and other are recognised initially at fair value and subsequently stated at their amortised cost less impairment losses. Trade receivables are normally settled within 39 days.

Trade receivables and other are as follows:

	Note	2026 \$000	2025 \$000
Current			
Trade receivables and accrued income		81,693	57,598
Provision for expected credit losses	4.3(a)	(2,068)	(3,657)
Contract assets	2.1	41,833	44,356
Prepayments		7,556	6,662
Sundry receivables		5,170	6,299
Finance lease receivable		259	232
		134,443	111,490
Non-current			
Finance lease receivable		20,073	20,331
Sundry receivables		13,008	3,067
Prepayments		547	410
Employee benefits	3.9	2,338	2,443
		35,966	26,251

3.3 Intangible assets

Accounting policies

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested annually for impairment (note 3.7).

The cost and carrying amount of goodwill is as follows:

	2026 \$000	2025 \$000
Goodwill	823,014	823,014

3.4 Property, plant and equipment

Accounting policies

Owned assets

Items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and amortisation.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased land

Leased land represents prepaid rental payments on land leased by the BAC Group from the Australian Government. The leased land is amortised over the life of the lease.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 2: RESULTS (Continued)

3.4 Property, plant and equipment (Continued)

Capital work in progress

Capital work in progress is measured at cost and includes all expenditure directly attributable to specific projects not yet commissioned and includes contractor charges, materials, and direct labour and related overheads. The most significant current projects relate to the Standard 3 Security Upgrade project across both Terminals.

Borrowing costs are capitalised to qualifying assets as set out in note 4.1.

Maintenance

Pavement surfacing costs incurred on runways, taxiways, and aprons are capitalised and depreciated over the period between surfacing projects. This recognises that the benefit relates to both current and future years.

Airfield pavements, roads, leasehold improvements, plant and equipment are required to be maintained on a periodic basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred. Other routine operating maintenance, repair and minor renewal costs are expensed as incurred.

Depreciation and amortisation

Depreciation and amortisation are charged to profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment.

The annual depreciation and amortisation rates used for each class of asset in the current and prior year are as follows:

Item	Rate %
Runways, taxiways, and aprons	
Runways, taxiways and aprons	1.0 – 8.3
Expansion, extension, line marking, earthworks and overlay	2.5 – 20.0
Runway overlay	2.5 – 8.4
Minor assets less than \$1,000	100.0
Roads and car parks	
Roads and car park infrastructure	1.0 – 10.0
Security, signage, lighting and other	2.5 – 15.0
Buildings	
Passenger terminal buildings and other permanent buildings	2.5 – 4.2
Fit-out, finishing, services, heating, ventilation and air-conditioning	2.5 – 20.0
Security, signage, lighting and other	5.0 – 20.0
Minor assets less than \$1,000	100.0
Plant and equipment	
Mains services and fences and gates	1.3 – 20.0
Mobile plant and equipment (including motor vehicles)	6.7 – 25.0
Computer equipment and software	10.0 – 33.3
Furniture and fittings, office equipment and artwork	1.3 – 33.3
Minor assets less than \$1,000	100.0
Leased land	
Operating land	1.0 – 1.3

The residual value, useful life, depreciation and amortisation methods applied to assets are reassessed annually. A review of capital work in progress at 30 June 2026 was undertaken resulting in the provision for impairment increased to \$20.9 million (2025: \$19.4 million) for projects which were deferred or are expected to change significantly.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.4 Property, plant and equipment (continued)	Runways, taxiways and aprons \$000	Roads and car parks \$000	Buildings \$000	Plant and equipment \$000²	Leased land \$000	Capital work in progress \$000³	Total \$000
Cost or deemed cost							
At 1 July 2025	1,934,130	702,329	1,218,658	1,198,257	122,636	701,990	5,878,000
Additions/transfers	13,357	145,828	265,011	94,876	14,523	103,271	636,866
Disposals	(3,779)	-	(6,234)	(2,338)	-	(514)	(12,865)
At 30 June 2026	1,943,708	848,157	1,477,435	1,290,795	137,159	804,747	6,502,001
Accumulated depreciation, amortisation and impairment							
At 1 July 2025	332,585	235,592	686,217	618,263	24,661	19,416	1,916,734
Depreciation and amortisation	36,827	19,899	56,956	53,653	1,400	-	168,735
Disposals	(3,779)	-	(6,177)	(1,412)	-	-	(11,368)
Impairment	-	-	-	-	-	1,560	1,560
At 30 June 2026	365,633	255,491	736,996	670,504	26,061	20,976	2,075,661
Cost or deemed cost							
At 1 July 2024	1,922,640	695,740	1,166,036	1,137,399	117,955	326,601	5,366,371
Additions/transfers	11,490	6,589	61,264	75,400	4,681	377,281	536,705
Disposals	-	-	(8,642)	(14,542)	-	(1,892)	(25,076)
At 30 June 2025	1,934,130	702,329	1,218,658	1,198,257	122,636	701,990	5,878,000
Accumulated depreciation, amortisation and impairment							
At 1 July 2024	301,953	216,928	642,344	578,430	23,319	19,957	1,782,931
Depreciation and amortisation	30,632	18,664	49,657	51,631	1,342	-	151,926
Disposals	-	-	(5,784)	(11,798)	-	(3,699)	(21,281)
Impairment	-	-	-	-	-	3,158	3,158
At 30 June 2025	332,585	235,592	686,217	618,263	24,661	19,416	1,916,734
Carrying amounts							
At 30 June 2026	1,578,075	592,666	740,439	620,291	111,098	783,771	4,426,340
At 30 June 2025	1,601,545	466,737	532,441	579,994	97,975	682,574	3,961,266

There were \$30.8 million borrowing costs capitalised to Property, Plant and Equipment in 2026 (2025: \$23.9 million), of this \$23.1 million relates to capital work in progress (2025: \$5.7 million).

² Plant and equipment include right of use assets with a carrying value of \$4.9 million (2024: \$6.2 million), as detailed in note 2.3.

³ Impairment of capital work in progress (WIP) is a provision for projects at risk of not proceeding.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.5 Capital commitments

Capital expenditure commitments can be analysed as follows:

	2026 \$000	2025 \$000
Less than 1 year	506,887	406,776
1 to 5 years	95,640	86,498
	602,527	493,274

3.6 Investment property

Accounting policies

Investment properties are initially measured at cost and subsequently stated at fair value with any further change recognised in profit or loss. When the use of property changes such that it is reclassified as property, plant and equipment including capital work in progress, its fair value at the date of reclassification becomes its cost for subsequent accounting.

An external, independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The basis of the valuation of the properties is fair value, being the amount for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and same condition being subject to similar leases. The determination of fair value is therefore more heavily supported by market evidence as opposed to other factors. The 2026 valuation was based on independent assessments made by CBRE, an accredited independent valuer (2025: CBRE).

In undertaking their valuation, CBRE utilised the following valuation approaches:

- discounted cash flow analysis;
- straight-line present value assessment;
- single rate capitalisation approach;
- dual rate capitalisation approach; and
- direct comparison approach (used for vacant unleased land).

CBRE used these calculation methods concurrently and then applied its professional judgement to determine the adopted fair value.

Fair market value has been adopted, taking into consideration such influencing elements as the current approved master plan, head lease tenure and conditions, location, quality of building structures, lease covenants, lease terms and conditions, fair market rental, recent transactions, the size of the market for the asset type.

Any gain or loss arising from a change in fair value is recognised in profit or loss under change in fair value of investment property.

The valuation was prepared on a leasehold basis.

Capital work in progress

Capital work in progress is measured at cost unless a fair value of developments can be determined reliably and includes all expenditure directly attributable to specific projects not yet commissioned and includes contractor charges, materials, and direct labour and related overheads.

Borrowing costs are capitalised to qualifying assets as set out in note 4.1.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.6 Investment property (continued)

The movement in investment property is as follows:

	Completed investment property \$000	Capital work in progress \$000	Capital work in progress \$000	Total \$000
Basis of measurement	Fair value	Fair value	Cost	
2026				
Balance at 1 July	2,416,898	226,376	7,420	2,650,694
Additions/(transfers) ⁴	65,585	91,352	7,997	164,934
Disposals ⁵	-	(48)	(12)	(60)
Reclassified (to)/from property, plant and equipment	(15,300)	-	-	(15,300)
Fair value adjustments	102,411	(19,704)	-	82,707
Balance at 30 June	2,569,594	297,976	15,405	2,882,975
2025				
Balance at 1 July	2,052,132	218,071	16,640	2,286,843
Additions/(transfers)	226,059	2,199	(8,524)	219,734
Disposals	-	18	(153)	(135)
Reclassified from/(to) property, plant and equipment	(4,239)	313	(543)	(4,469)
Fair value adjustments	142,946	5,775	-	148,721
Balance at 30 June	2,416,898	226,376	7,420	2,650,694

There was \$7.9 million of borrowing costs capitalised to capital work in progress in 2026 (2025: \$8.8 million).

Investment property comprises commercial properties that are leased or are intended to be leased to third parties. Contractual obligations to purchase, construct or develop investment property are included within note 3.5.

Investment property is measured at fair value and its categorisation in the fair value hierarchy is as follows:

Input	2026 \$000	2025 \$000
Level 1 Quoted prices in active markets for identical assets	-	-
Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset	-	-
Level 3 Inputs for the asset that are based on unobservable market data	2,867,570	2,643,274
	2,867,570	2,643,274

Significant unobservable inputs

Annual net property income (price per square metre): the annual rent per square metre at which space could be let in the market conditions prevailing at the date of valuation.

Capitalisation rate: the rate at which net property income is capitalised to determine the value of a property. The rate is determined with regard to market evidence. The rates used in the valuation range between 5.00% and 9.80% (2025: 4.75% and 10.37%).

Discount rate: the rate used to discount the net cash flows generated from rental and investment activities during the period of analysis. The rates used in the valuation range between 6.50% and 10.50% (2025: 6.75% and 10.50%), having regard to the cash flow risk of each property.

⁴ Net additions/transfers to investment property at fair value includes additions and land transfers for works commencing and completed in 2026. Transactions include land transfers to work in progress (\$41.5 million) and capitalised work in progress (\$96.5 million).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.6 Investment property (continued)

Sensitivity to changes in significant unobservable inputs

The relationship between the significant unobservable inputs and fair value is as follows:

- annual net property income: the higher the income, the higher the likelihood of a higher valuation;
- capitalisation rate: the lower the capitalisation rate, the higher the likelihood of a higher valuation; and
- discount rate: the lower the discount rate, the higher the likelihood of a higher valuation.

Reconciliation of change in fair value

The gain on change in fair value has been adjusted in the profit or loss for lease straight lining and incentives relating to investment properties. The reconciliation of the amounts is as follows:

	2026	2025
	\$000	\$000
Fair value adjustment from valuation by CBRE	82,707	148,721
Less: straight lining of lease income and lease incentives	(2,953)	(5,627)
Fair value recognised in profit or loss	79,754	143,094

3.7 Impairment

Accounting policies

The carrying amounts of the Company's non-current assets, other than investment property (note 3.6), derivatives (note 4.2), and deferred tax assets (note 2.6), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated on an annual or more frequent basis as may be required.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash-generating unit or CGU). The Company is treated as a single CGU and goodwill has been allocated for impairment on this basis.

Key assumptions used in value in use calculation

The BAC Group undertakes an annual assessment of the recoverable amount of the CGU based on a value in use calculation, which uses cash flow forecasts for 10 years (from its business plan) with key assumptions of a terminal growth rate of 2.5% (2025: 2.5%) and an appropriate post-tax discount rate relating to the airport. The assessment represents management's view of the most probable outcome with respect to future cash flows based on externally verified passenger forecasts.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

With consideration to the impact of current economic conditions and recovery of international travel, a downside cash flow scenario was considered as part of the impairment testing. This was consistent with the sensitivity scenarios adopted for the BAC Group's 20-year business plan. In addition, scenarios reflecting higher than expected inflation in the near future were considered. These factors then flow to associated impacts on various passenger related income streams and cost projections.

These scenarios did not have a materially different impact on the impairment result, providing management with additional comfort in the base assumptions.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.8 Trade payables and other current liabilities

Accounting policies

Trade payables and other current liabilities are stated at their amortised cost. Trade payables are non-interest-bearing and are normally settled on 23-day terms. Trade payables and other current liabilities are as follows:

	Note	2026 \$000	2025 \$000
Trade payables and accruals		202,775	142,924
Shareholder loan interest		42,974	42,974
Employment benefits	3.9	13,017	12,120
Unearned lease revenue		9,133	8,784
Contract liabilities		4,002	3,697
Retentions and deposits held on behalf of third parties		1,929	2,650
Lease liability		355	417
		274,185	213,566

The RPS dividend payable reflects the actual amount due to shareholders and is not impacted by the interest expense movement recognised in the consolidated statement of profit or loss due to the remeasurement of the carrying value (refer to note 4.1).

Contract liabilities reflect unearned revenue under contracts with customers. The amount of revenue recognised during the year relating to contract liabilities totalled \$3.7million (2025: \$1.0 million).

During the year, BAC recognised a provision in relation to amounts that may be payable under certain contractual arrangements associated with historical insurance recoveries. The provision represents management's best estimate of the expenditure required to settle the obligation as at 30 June 2026.

3.9 Employee benefits

Accounting policies

Defined contribution superannuation funds

Obligations in respect of defined contribution superannuation funds are recognised as an expense in profit or loss as incurred.

Defined benefit superannuation funds

The Company's obligation in respect of defined benefit superannuation funds is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any fund assets are deducted. The discount rate is the yield at the reporting date on Australian Corporate bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in other comprehensive income in the year in which the actuarial gains or losses arise

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.9 Employee benefits (continued).

Long term service benefits

The Company's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior years. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using the rates attached to Australian corporate bonds at the reporting date which have maturity dates approximating the terms of the Company's obligations. Re-measurements are recognised in profit or loss in the period in which they arise.

In determining the liability, consideration has been given to the Company's experience with staff departures.

Wages, salaries, and annual leave

Liabilities for wages and salaries (including non-monetary benefits and annual leave) in respect of employees' services up to the reporting date which are expected to be settled within 12 months of the reporting period, are recognised in other payables and accruals. They are measured at the amounts expected to be paid when the liabilities are settled. The obligation for non-accumulated sick leave is recognised when the leave is taken and is measured at the rates paid or payable.

Executive long term incentive plan (ELTIP)

The cost of cash settled transactions is measured initially at fair value. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in staff expenses.

Liabilities/(assets) for employee benefits can be analysed as follows:

	Note	2026 \$000	2025 \$000
Current			
Wages and salaries accrued		3,285	3,094
Liability for annual leave		4,410	4,027
Liability for long service leave		5,322	4,999
	3.8	13,017	12,120
Non-current			
Present value of unfunded obligation		4,561	4,913
Fair value of plan assets		(6,899)	(7,356)
Recognised asset for defined benefit obligation	3.2	(2,338)	(2,443)
Liability for annual leave		982	964
Liability for long service leave		3,424	2,899
Employee long term incentive provision		1,648	1,806
	3.10	6,054	5,669
Net non-current employee benefits		3,716	3,226

3.10 Other non-current liabilities

Other non-current liabilities can be analysed as follows:

	Note	2026 \$000	2025 \$000
Unearned revenue		68,317	58,496
Employee benefits	3.9	6,054	5,669
Lease liabilities		1,738	2,168
Make-good provision		3,657	4,139
		79,766	70,472

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS

4.1 Interest-bearing liabilities and borrowings

Accounting policies

Interest-bearing liabilities and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost with any difference between cost and redemption value (i.e. transaction costs) recognised in profit or loss over the period of the borrowings on an effective interest basis.

Finance costs include interest, amortisation of deferred borrowing costs and finance charges on capitalised leases. Establishment costs incurred in connection with the arrangement of borrowings are capitalised and recognised on an effective interest basis over the anticipated term of the applicable borrowings.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which generally take a substantial period of time to prepare for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets using a weighted average capitalisation rate.

	2026 \$000	2025 \$000
Current		
Secured bank loan	-	422,000
Secured bank loan transaction costs	-	(230)
Secured domestic bond issues	-	250,000
Secured domestic bond issue transaction costs	-	(281)
Secured international bond issues	336,291	100,000
Secured international bond issue transaction costs	(159)	(65)
Derivative structured products	51,783	-
Derivative structured product transaction costs	(8)	-
Total current	387,907	771,424
Non-current		
Secured bank loan	1,145,000	687,000
Secured bank loan transaction costs	(13,121)	(6,763)
Secured domestic bond issues	1,017,593	1,024,697
Secured domestic bond issue transaction costs	(5,315)	(6,197)
Secured international bond issues	1,916,974	1,484,096
Secured international bond issue transaction costs	(7,230)	(3,553)
Derivative structured products	32,349	82,277
Derivative structured product transaction costs	(8)	(36)
Shareholder loans	286,494	286,494
Total non-current	4,372,736	3,548,015
Total interest-bearing liabilities and borrowings	4,760,643	4,319,439

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.1 Interest-bearing liabilities and borrowings (continued)

Annual nominal interest rate	Financial year of maturity	Face value 2026 \$000	Carrying amount 2026 \$000	Face value 2025 \$000	Carrying amount 2025 \$000
Bank loan – AUD					
BBSY + margin - Tranche J	2028	171,000	170,791	171,000	170,838
BBSY + margin - Tranche K	2029	74,000	72,847	422,000	421,770
BBSY + margin - Tranche L	2028	-	(688)	216,000	214,827
BBSY + margin - Tranche M	2030	-	(552)	-	(397)
BBSY + margin - Tranche N	2035	- ^f	(1,591)	-	(1,780)
BBSY + margin - ATL	2033	300,000	297,150	300,000	296,748
BBSY + margin - ATL Facility A	2032	300,000	297,430	-	-
BBSY + margin - ATL Facility B	2035	300,000	296,492	-	-
		1,145,000	1,131,879	1,109,000	1,102,006
Domestic bonds – AUD					
Fixed 3.1%	2026	-	-	250,000	249,719
Fixed 4.5%	2031	600,000	515,552	600,000	522,203
Fixed 5.9%	2034	500,000	496,726	500,000	496,297
		1,100,000	1,012,278	1,350,000	1,268,219
USPP bonds – AUD					
BBSW + margin	2026	-	-	100,000	99,934
Fixed 8.3%	2027	98,863	98,854	98,863	98,731
Fixed 4.4%	2029	130,000	129,783	130,000	129,678
Fixed 5.6%	2030	152,550	152,153	152,550	152,038
Fixed 5.5%	2037	50,000	49,828	50,000	49,812
Fixed 3.5%	2030	26,000	25,948	26,000	25,913
Fixed 3.7%	2032	24,000	23,927	24,000	23,932
		481,413	480,493	581,413	580,038
USPP bonds – USD					
Fixed 3.7%	2027	94,504	94,194	99,297	98,391
Fixed 3.8%	2027	145,390	143,084	152,765	149,125
Fixed 4.2%	2028	113,404	111,888	119,157	117,339
Fixed 3.9%	2029	145,390	139,213	152,765	146,668
Fixed 3.9%	2030	36,348	35,549	38,191	37,541
Fixed 4.1%	2032	145,390	134,523	152,765	141,993
Fixed 3.6%	2030	155,567	147,911	163,459	155,754
Fixed 3.7%	2032	157,021	145,558	164,986	153,630
		993,014	951,920	1,043,385	1,000,441
EMTN bonds – Euro					
Fixed 3.9%	2036	828,950	813,465	-	-
		828,950	813,465	-	-
Derivative structured products					
Fixed 1.6%	2027	16,810	16,807	16,538	16,531
Fixed 1.7%	2027	6,264	6,263	6,161	6,158
Fixed 2.7%	2027	22,755	22,750	22,152	22,142
Fixed 0.8%	2027	2,084	2,083	2,067	2,066
Fixed 0.8%	2027	3,870	3,870	3,839	3,838
Fixed 2.6%	2028	32,349	32,341	31,519	31,506
		84,132	84,114	82,276	82,241
Shareholder loans					
Fixed 15.0%	2048	286,494	286,494	286,494	286,494
		4,919,003	4,760,643	4,452,568	4,319,439

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.1 Interest-bearing liabilities and borrowings (continued)

Finance facilities

The Company has bank facilities of \$2,308 million (2025: \$1,650 million), of which \$1,163 million is undrawn (2025: \$541 million). \$377 million expires in November 2027, \$171 million expires in April 2028, \$440 million matures in August 2028, \$60 million expires in September 2028, \$160 million expires in November 2029, \$300 million matures in June 2032, \$300 million matures in March 2033, \$200 million expires in November 2034 and \$300 million matures in June 2035.

Security for financing arrangements

The bank loan and the domestic and international bond issues are secured by a first ranking mortgage over the airport lease and a fixed and floating charge over the BAC Group's other assets and undertakings.

4.2 Derivative financial instruments

Accounting policies

The Company uses derivative financial instruments to hedge its exposure to interest rate and foreign currency risk.

Derivative financial instruments are recognised initially at fair value; with any directly attributable transaction costs recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value and changes therein are recognised in profit or loss, unless hedge accounting is adopted.

The fair value of interest rate and cross currency swaps is the estimated amount that the Company would receive or pay to terminate the swap at the reporting date, taking into account current interest and foreign exchange rates and the current creditworthiness of the swap counterparties.

Current versus non-current classification

The Company applies the maturity date approach to classify derivative financial instruments. Derivative financial instruments held as economic hedges are classified as non-current, except for those instruments that mature less than 12 months from the balance date which are classified as current.

Hedge accounting

The Company designates all economic hedges into hedge accounting relationships and documents the nature of the economic hedge relationship, the risk management objective and strategy for undertaking the hedge. Hedge relationships are assessed on an ongoing basis to determine that they are effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

Where a derivative financial instrument is designated to hedge the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction becomes a firm commitment for which fair value hedge accounting is applied, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period.

NOTES TO THE FINANCIAL STATEMENTS (continued)
SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.2 Derivative financial instruments (continued)

Hedge accounting is discontinued prospectively if the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised. If the forecast transaction is no longer expected to occur, the amount accumulated in equity is reclassified to profit or loss.

Fair value hedges

Where a derivative or financial instrument is designated as hedging, the change in fair value of a recognised asset or liability, the gain or loss on the derivative is recognised in profit or loss immediately, together with the gain or loss on the hedged asset or liability that is attributable to the hedge risk

Cross currency interest rate swaps⁶

	Average pay fixed rate %	Average pay floating rate	Average USD/AUD exchange rate	Average EUR/AUD exchange rate	Notional maturity profile USD\$000	Notional maturity profile EUR\$000	Notional maturity profile AUD\$000
Less than 1 year	5.4497	BBSW3m + 177 bps	0.8085	-	165,000	-	204,077
1 to 5 years	5.6440	BBSW3m + 196 bps	0.8011	-	310,000	-	386,988
More than 5 years	-	BBSW3m + 162 bps	0.7333	0.5612	208,000	500,000	1,174,615

Interest rate swaps

	Average pay fixed rate⁷ %	Average pay floating rate⁸	Notional maturity profile AUD\$000
Less than 1 year	-	-	-
1 to 5 years	3.5062	BBSW3m + 365 bps	1,767,000
More than 5 years	4.1961		4,566,000

⁶ Cross currency interest rate swaps are used for the purpose of swapping USD and EUR notional principal and interest for AUD notional principal and fixed/floating interest in relation to the BAC Group's non-AUD borrowings.

⁷ Interest rate swaps convert floating rate interest exposure to fixed rate obligation.

⁸ Interest rate swaps convert fixed rate exposure into floating rate obligation.

NOTES TO THE FINANCIAL STATEMENTS (continued)
SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.2 Derivative financial instruments (continued)

Fair value hedges

Cash flow hedges

Total

	Interest bearing liabilities	Interest bearing liabilities	Interest bearing liabilities	Interest rate risk on highly probable floating rate debt	Interest bearing liabilities	Interest bearing liabilities	
	Interest rate swap	Cross currency interest rate swap USD ¹¹	Cross currency interest rate swap EUR ¹¹	Interest rate swap	Cross currency interest rate swap USD ⁹	Cross currency interest rate swap EUR ¹⁰	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2026							
Carrying amount of hedging instruments							
Assets	-	74,113	-	95,396	17,590	-	187,0989
Liabilities	(85,363)	(17,588)	(77,820)	(11,038)	(1,283)	(6,452)	(199,544)
	(85,363)	56,525	(77,820)	84,358	16,307	(6,452)	(12,446)
At 30 June 2025							
Cumulative fair value adjustment on hedged item ¹¹	(82,407)	(39,453)	(10,659)	N/A	N/A	N/A	(132,519)
Effective portion recognised in reserves ¹²	-	(3,615)	(3,089)	79,718	45	(5,968)	67,091
During the year							
Change in fair value of the hedging instrument for effectiveness testing	(7,256)	(29,188)	(77,820)	76,745	(20,208)	(6,452)	(64,179)
Change in fair value of the hedged item	7,104	30,943	72,657	(80,308)	20,822	6,331	57,549
Effective portion of hedging instrument recognised in cash flow hedge reserve ¹⁴	-	(3,924)	(3,089)	70,129	(1,970)	(5,968)	55,178
Change in effective portion of discontinued hedges recognised in cash flow hedge reserve	-	-	-	56,803	-	-	56,803
Hedge ineffectiveness recognised in profit or loss ¹³	(152)	5,679	(2,074)	6,616	(59)	(484)	9,526
Amount recognised in profit or loss for discontinued hedges	-	-	-	(56,803)	-	-	(56,803)
Unwind of inception fair values recognised in profit or loss	135	-	-	50,165	553	-	50,853
Amount reclassified from hedging reserves to profit or loss	-	-	-	(30,455)	(70,862)	(19,724)	(121,041)

⁹ Cross currency interest rate swaps are split designated in cash flow and fair value hedge relationships in order to hedge against risks associated with USD and EUR borrowings.

¹⁰ Cross currency interest rate swaps are split designated in cash flow and fair value hedge relationships in order to hedge against risks associated with USD and EUR borrowings.

¹¹ The cumulative fair value adjustment is included in the BAC Group's interest-bearing liabilities.

¹² Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve. Cost of hedging reserve at 30 June 2026 amounts to \$7.5 million (gain), a \$8.2 million (gain) movement for the financial year.

¹³ Hedge ineffectiveness, reclassification of cash flow hedge reserve for continued and discontinued hedges and unwinding of inception fair value has been recognised within line item of "Hedge ineffectiveness & other hedge accounting impacts" of "Finance costs" on the face of the statement of profit and loss account. Key sources of hedge ineffectiveness for the BAC Group are (1) changes in credit risks inherent within the hedging instruments' fair values that are not offset by the fair value movement of the hedged item; and (2) designating the non-zero fair values hedging instruments in hedge accounting relationships post trade date (late designations). The non-zero fair value at inception is a source of ineffectiveness.

NOTES TO THE FINANCIAL STATEMENTS (continued)
SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.2 Derivative financial instruments (continued)

	Fair value hedges		Cash flow hedges		Total
	Interest bearing liabilities	Interest bearing liabilities	Interest rate risk on highly probable floating rate debt	Interest bearing liabilities	
2025	Interest rate swap	Cross currency interest rate swap USD ¹⁵	Interest rate swap	Cross currency interest rate swap and interest rate swap USD ¹⁴	
	\$000	\$000	\$000	\$000	\$000
Carrying amount of hedging instruments					
Assets	-	102,869	21,261	36,978	161,108
Liabilities	(78,243)	(17,157)	(63,813)	(1,016)	(160,229)
	(78,243)	85,712	(42,552)	35,962	879
At 30 June 2025					
Cumulative fair value adjustment on hedged item ¹⁵	(75,303)	(40,702)	N/A	N/A	(116,005)
Effective portion recognised in reserves ¹⁶	-	309	(47,214)	2,015	(44,890)
During the year					
Change in fair value of the hedging instrument for effectiveness testing	34,307	50	(119,034)	1,548	(83,129)
Change in fair value of the hedged item	(35,228)	(6,801)	133,108	(1,345)	89,734
Effective portion of hedging instrument recognised in cash flow hedge reserve ¹⁷	-	182	(118,143)	(131)	(118,092)
Change in effective portion of discontinued hedges recognised in cash flow hedge reserve	-	-	56,803	-	56,803
Hedge ineffectiveness recognised in profit or loss ¹⁷	(921)	(6,933)	(891)	84	(8,661)
Amount recognised in profit and loss for discontinued hedges	-	-	(56,803)	-	(56,803)
Unwind of inception fair values recognised in profit or loss	135	-	50,358	(2,187)	48,306
Amount reclassified from hedging reserves to profit or loss	-	-	1,780	(53,454)	(51,674)

¹⁴ Cross currency interest rate swaps are split designated in cash flow and fair value hedge relationships in order to hedge against risks associated with USD borrowings.

¹⁵ The cumulative fair value adjustment is included in the BAC Group's interest-bearing liabilities.

¹⁶ Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve. Cost of hedging reserve at 30 June 2025 amounts to \$0.7 million (gain), a \$0.2 million (gain) movement for the financial year.

¹⁷ Hedge ineffectiveness, reclassification of cash flow hedge reserve for continued and discontinued hedges and unwinding of inception fair value has been recognised within line item of "Hedge ineffectiveness and other hedge accounting impacts" of "Finance costs" on the face of the statement of profit and loss account. Key sources of hedge ineffectiveness for the BAC Group are (1) changes in credit risks inherent within the hedging instruments' fair values that are not offset by the fair value movement of the hedged item; and (2) designating the non-zero fair values hedging instruments in hedge accounting relationships post trade date (late designations). The non-zero fair value at inception is a source of ineffectiveness.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management

Overview

The Company's principal financial instruments comprise receivables, payables, bonds, bank loans, cash and short-term deposits, and derivatives.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk.
- liquidity risk; and
- market risk.

The Company manages its exposure to key financial risks, including interest rate and currency risk, in accordance with the Company's financial risk management policies. The objective of these policies is to support the delivery of the Company's financial targets, while protecting future financial security and reducing volatility on financial performance.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The FARM Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the BAC Group. The FARM Committee is assisted in its oversight role by regular internal audits conducted by KPMG. The internal audit reviews risk management controls and procedures and the results are reported to the FARM Committee.

The Company's policy is not to enter, issue or hold derivative financial instruments for speculative trading purposes. Derivative transactions are entered into to hedge the risks relating to underlying physical positions arising from business activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company has policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. However, as an operator of large infrastructure assets, the Company is exposed to credit risk with its financial counterparties through undertaking financial transactions intrinsic to its business. These include funds held on deposit, cash investments and the market value of derivative transactions.

The Company assesses the credit strength of potential financial counterparties using objective ratings provided by multiple independent rating agencies. Board-approved limit allocation rules allow higher limits to be granted to higher rated counterparties. The Company also seeks to mitigate its total credit exposure to counterparties by only dealing with counterparties meeting certain credit criteria, limiting the exposure to any one counterparty, minimising the size of the exposure where possible through netting offsetting exposures, diversifying exposures across counterparties, closely monitoring changes in total credit exposures and changes in credit status, and taking mitigating action when necessary.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographic of the customer base, including default risk of the industry and country in which the customer operates, has less of an influence on credit risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

The BAC Group Board has established a credit policy under which customers are analysed individually for creditworthiness before the standard payment terms and conditions are offered. The review of creditworthiness includes external ratings, when available, and/or the possible requirement of bank guarantees or cash deposits of up to six months' rent plus outgoings in the case of property tenants. The majority of customers have been transacting with the Company for over 10 years and losses have been incurred infrequently. In monitoring customer credit risk, customers are classified according to their credit characteristics.

An allowance for impairment has been prepared that represents the Company's expected credit loss (ECL) in respect of trade and other receivables. The ECL is estimated using a provision matrix with reference to past default experience and an analysis of the current financial position of the trade receivables, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date.

The following amounts were included in the statement of profit or loss for the year relating to ECL:

Description	2026 \$000	2025 \$000
General ECL from provision matrix	305	-
Other specific provisions for doubtful debts	1,206	2,820
	1,511	2,820

Cash and swaps

Cash, interest rate and cross currency swaps, and bank loans are held with bilateral banks with credit ratings of not less than either A- (Standard & Poor's) or A3 (Moody's) in line with the BAC Group's External Debt Funding and Liquidity Policy.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposure. The financial assets at the reporting date were as follows:

	Classification	Note	2026 \$000	2025 \$000
Cash and cash equivalents	Current	3.1	43,760	64,388
Trade receivables, accrued income, and contract assets	Current	3.2	121,458	98,297
Sundry receivables	Current	3.2	5,170	6,299
Finance lease receivable	Current	3.2	259	232
Sundry receivables	Non-current	3.2	13,008	3,067
Finance lease receivable	Non-current	3.2	20,073	20,331
Derivative instruments	Current/Non-current	4.3(d)	180,879	142,944
			384,607	335,558

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

The maximum exposure to credit risk for trade receivables, accrued income, and contract assets at the reporting date by customer type was:

	2026 \$000	2025 \$000
Aeronautical	89,430	65,184
Property	30,319	32,179
Other	1,709	933
	121,458	98,296

The most significant customer accounted for 33.0% of the trade receivables, accrued income, and contract assets carrying amount at 30 June 2026 (2025: 26.6%).

Impairment losses

The ageing of the trade receivables, accrued income and contract assets at reporting date is as follows:

	2026 Gross \$000	2026 Impairment \$000	2026 Net \$000
Not past due (0 – 30 days)	74,744	(8)	74,736
Past due (31 – 60 days)	32,929	(116)	32,813
Past due (61 – 90 days)	3,509	(161)	3,348
Past due (more than 90 days)	12,344	(1,783)	10,561
	123,526	(2,068)	121,458

	2025 Gross \$000	2025 Impairment \$000	2025 Net \$000
Not past due (0 – 30 days)	75,269	(11)	75,258
Past due (31 – 60 days)	19,714	(89)	19,625
Past due (61 – 90 days)	1,680	(77)	1,603
Past due (more than 90 days)	5,290	(3,480)	1,810
	101,953	(3,657)	98,296

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unreasonable costs or risking damage to the Company's reputation.

The Company actively monitors cash flow requirements to manage liquidity risk. Typically, the Company ensures that it has sufficient cash and available debt facilities to meet expected operational requirements for a minimum period of 12 months, including the servicing of financial obligations and the funding of the capital expenditure program.

Funding

The Company minimises exposure and refinance risk with anyone lending source. This is achieved by having a range of lending sources and financial guarantors (if a necessity of the lending instrument). To minimise refinance risk, the Company ensures that no more than 20% of total debt matures within a 12-month period, and no more than 50% in any 36-month period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

The following are the principal and interest contractual maturities of net financial liabilities. The derivative positions are net asset and liabilities:

2026	Note	Less than 1 year \$000	1 – 5 years \$000	More than 5 years \$000	Total \$000
Floating bank loan		66,653	468,875	1,028,666	1,564,194
Floating bonds		-	-	-	-
Fixed bonds		487,610	1,827,379	1,980,467	4,295,456
Derivative structured products		52,561	33,326	-	85,887
Derivatives		(1,547)	75,556	112,555	186,564
Shareholder loan		42,974	171,897	1,017,054	1,231,925
		648,251	2,577,033	4,138,742	7,364,026
Trade payables and accruals	3.8	205,523	-	-	205,523
Lease liabilities	3.8/3.10	355	1,738	-	2,093
Cross currency interest rate swap - outflow		311,507	710,147	1,445,539	2,467,193
Cross currency interest rate swap - inflow		(309,401)	(658,999)	(1,301,109)	(2,269,509)
Interest rate swaps		(3,653)	24,409	(31,875)	(11,119)
2025	Note	Less than 1 year \$000	1 – 5 years \$000	More than 5 years \$000	Total \$000
Floating bank loan		462,636	461,974	348,386	1,272,996
Floating bonds		102,860	-	-	102,860
Fixed bonds		381,382	1,533,745	1,665,688	3,580,815
Derivative structured products		-	85,887	-	85,887
Shareholder loan		42,974	171,897	1,060,029	1,274,900
		989,852	2,253,503	3,074,103	6,317,458
Trade payables and accruals	3.8	153,733	-	-	153,733
Lease liabilities	3.8/3.10	417	2,168	-	2,585
Cross currency interest rate swap - outflow		45,419	714,047	310,986	1,070,452
Cross currency interest rate swap - inflow		(40,182)	(834,128)	(339,358)	(1,213,668)
Interest rate swaps		56,699	83,977	(11,797)	128,879

Interest payments (and receipts) on the floating interest instruments are paid quarterly, at BBSW or BBSY plus the applicable margin. Interest payments on the fixed rate bonds are paid semi-annually. Trade and other payables are generally payable in less than six months.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company enters into derivatives in order to manage market risk. All such transactions are carried out within the guidelines set by the Board. Components of market risk to which the Company is exposed are discussed below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's borrowings are sourced from a number of financial markets covering domestic and offshore, as well as short-term and long-term funding. These borrowings are managed in accordance with targeted currency, interest rate, liquidity, and debt portfolio maturity profiles.

Currency and interest rate risk on foreign currency borrowings are hedged by entering cross currency principal swaps and interest rate swaps at inception to maturity, which have the economic effect of converting foreign currency borrowings into AUD borrowings.

Company policy

The Company's intended long term interest rate cover target is to maintain the following minimum levels of economic hedging of its forecast average debt exposure in each year:

Period	%
Year 1	85 - 100
Year 2	75 - 100
Year 3	65 - 100
Year 4	60 - 90
Year 5	50 - 90
Year 6	45 - 80
Year 7	40 - 80
Year 8	30 - 80
Year 9	20 - 80
Year 10	10 - 80

Minimum economic hedging requirement under finance documents

BAC must implement or maintain interest rate hedging arrangements that are in accordance with the Interest Rate Hedging Policy that has been approved by the Board.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments, ignoring economic hedging, was as follows:

	2026 \$000	2025 \$000
Nominal fixed interest rate instruments		
Financial liabilities	(3,774,003)	(3,427,568)
Nominal variable interest rate instruments		
Financial assets – cash and cash equivalents	43,760	64,388
Financial liabilities	(1,145,000)	(1,209,000)
Net financial liability	(1,101,240)	(1,144,612)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The source and nature of the risk arise from operations, capital expenditure and translation risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

Foreign exchange risk (continued)

Cross currency swaps are used to convert long-term foreign currency borrowings into AUD to meet the principal and interest obligations under the swaps. These foreign currency borrowings typically have an initial maturity between 10 and 20 years.

Company policy

The Company's policy is to minimise foreign exchange exposures where practical, and to hedge back to AUD any combination of foreign exchange exposures to avoid unhedged foreign exchange exposures in excess of AUD \$5 million.

Fixed interest rate secured international bonds denominated in USD and EUR

At the reporting date, the Company had the following foreign exchange exposures which had been economically hedged back to AUD for the duration of the issue:

	Face value 2026 USD\$000	Face value 2026 EUR\$000	Face value 2026 AUD\$000	Face value 2025 USD\$000	Face value 2025 EUR\$000	Face value 2025 AUD\$000
Total foreign exchange exposures hedged	683,000	500,000	1,821,964	683,000	-	1,043,385

Sensitivity on interest rate and foreign exchange risk

The tables below summarise the gain or loss impact of reasonably possible changes in market risk, relating to existing financial instruments, on profit before tax and equity before tax. For the purpose of this disclosure, the following assumptions were used:

- 100 basis point increase and decrease in all relevant interest rates;
- 10% USD depreciation and USD appreciation; 10% EUR depreciation and EUR appreciation;
- isolation of sensitivity analysis for each risk. For example, the interest rate sensitivity analysis assumes the foreign exchange rates remain constant; and
- the effect of credit risk and hedge ineffectiveness has been held constant for purposes of the sensitivity analysis.

The 30 June 2026 foreign exchange rate of AUD 1 to USD 0.6878 (2025: AUD 1 to USD 0.6546) has been used in the translation of USD denominated borrowings.

Analysis for fixed interest rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, however it has designated some derivatives into hedge relationships under a fair value hedge accounting model. The impact of a change in interest rate (holding all other variables constant) on the fair value of the hedging instruments and fair value adjustment on the fixed rate financial liabilities are expected to be equal and offsetting in magnitude based on the methodology prescribed. Therefore, a change in interest rates at the reporting date would not affect profit before tax for fixed rate instruments.

Analysis for variable interest rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax and equity before tax by the amounts shown below. This analysis assumes that all other variables remain constant. An increase/(decrease) in interest rates (holding all other variables constant), impacts interest expense on variable rate instruments and fair value of interest rate swaps and currency swaps as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

Movement in interest rates	Profit/(loss) before tax		Equity before tax	
	2026 \$000	2025 \$000	2026 \$000	2025 \$000
100 basis point increase in interest rates				
Net impact	(17,050)	(4,531)	177,087	148,490
100 basis point decrease in interest rates				
Net impact	17,050	4,531	(177,087)	(148,490)

Analysis for variable interest rate instruments

Movements in interest rates over time influence the rate of return achievable on the aeronautical assets. The effect of such movements may be impacted by the length of aeronautical pricing agreements, which have been typically up to five years. Once pricing is determined for a period, movements in interest rates may not affect aeronautical revenues but an alteration in rates may impact actual results.

Analysis for foreign rate movements

Cross currency exposures for the BAC Group predominantly arise from foreign denominated interest-bearing liabilities. For such liabilities, the BAC Group's policy is to hedge 100% of cross currency risk for both principal and interest for the life of the exposure. As at 30 June 2025 and 2026, these foreign currency exposures were 100% hedged through cross currency swaps until maturity, resulting in no other material cross currency risk exposure. The cross currency interest rate swaps have been designated into hedge accounting relationships.

In FY26, the event of a +/- 10% appreciation/depreciation of the AUD against USD exchange rate would be a corresponding impact to other comprehensive income of \$5.2 million loss and \$4.3 million gain respectively (FY25: \$7.3 million gain / \$5.9 million loss).

In FY26, the event of a +/- 10% appreciation/depreciation of the AUD against EUR exchange rate would be a corresponding impact to other comprehensive income of \$12.2 million loss and \$10.0 million gain respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

4.3 Financial risk management (continued)

(d) Fair value

Fair value versus carrying amounts

The carrying amounts shown in the statement of financial position, together with the fair value of financial assets and liabilities are as follows:

	Note	Carrying amount 2026 \$000	Fair value 2026 \$000	Carrying amount 2025 \$000	Fair value 2025 \$000
Assets carried at fair value					
Interest rate and cross currency swaps – current		32,858	32,858	-	-
Interest rate and cross currency swaps – non-current		148,021	148,021	142,944	142,944
		180,879	180,879	142,944	142,944
Assets carried at amortised cost					
Cash and cash equivalents	3.1	43,760	43,760	64,127	64,127
Trade receivables and accrued income	3.2	79,625	79,625	53,941	53,941
Contract assets	3.2	41,833	41,833	44,356	44,356
Finance lease receivable – non-current	3.2	20,072	20,072	20,331	20,331
Employee benefit – non-current	3.2	2,338	2,338	2,443	2,443
		187,628	187,628	185,198	185,198
Liabilities carried at fair value					
Interest rate and cross currency swaps – current		-	-	35,171	35,171
Interest rate and cross currency swaps – non-current		193,326	193,326	106,894	106,894
		193,326	193,326	142,065	142,065
Liabilities carried at amortised cost					
Secured bank loan	4.1	1,131,879	1,141,506	1,102,006	1,107,825
Secured domestic bond issues	4.1	1,012,278	1,075,226	1,268,219	1,350,334
Secured USPP bond issues	4.1	1,432,411	1,443,781	1,580,479	1,598,941
Secured EMTN bond issue	4.1	813,465	828,178	-	-
Derivative structured products	4.1	84,114	82,677	82,241	80,981
Unsecured shareholder loan	4.1	286,494	286,494	286,494	286,494
Shareholder loan interest	3.8	42,974	42,974	42,974	42,974
Trade payables and accruals	3.8	202,775	202,775	142,924	142,924
Contract liabilities	3.8	4,002	4,002	3,697	3,697
Lease liability – non-current	3.10	1,738	1,738	2,168	2,168
		5,012,130	5,109,351	4,511,202	4,616,338
Net liabilities		4,483,949	4,934,170	4,325,125	4,430,261

(e) Capital management

The Board's policy is to maintain a strong capital base to preserve shareholder, lender and market confidence, and sustain future development of the business.

There were no changes to the capital management approach during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.4 Changes in liabilities arising from financing activities

	1 July 2025 \$000	Cash flows \$000	Non-cash transaction \$000	Foreign exchange movement \$000	Fair value movement \$000	Capitalised interest \$000	30 June 2026 \$000
Secured bank loan	1,109,000	36,000	-	-	-	-	1,145,000
Secured domestic bond issues	1,274,697	(250,000)	-	-	(7,104)	-	1,017,593
Secured USPP bond issues	1,596,395	(100,000)	-	(50,372)	1,249	-	1,447,272
Secured EMTN bond issue	-	887,830	3,118	(61,998)	(10,659)	-	818,291
Derivative structured products	82,277	-	-	-	-	1,856	84,133
Shareholder loan	286,494	-	-	-	-	-	286,494
Lease liabilities – non-current	2,168	(736)	175	-	-	-	1,607
Total liabilities from financing activities¹⁸	4,351,031	573,094	3,293	(112,370)	(16,514)	1,856	4,800,390

	1 July 2024 \$000	Cash flows \$000	Non-cash transaction \$000	Foreign exchange movement \$000	Fair value movement \$000	Capitalised interest \$000	30 June 2025 \$000
Secured bank loan	-	1,109,000	-	-	-	-	1,109,000
Secured domestic bond issues	1,589,468	(350,000)	-	-	35,229	-	1,274,697
Secured USPP bond issues	1,675,099	(87,100)	-	(23,165)	31,561	-	1,596,395
Secured EMTN bond issue	-	-	-	-	-	-	-
Derivative structured products	138,692	(58,498)	-	-	-	2,083	82,277
Shareholder loan	286,494	-	-	-	-	-	286,494
Lease liabilities – non-current	1,848	320	-	-	-	-	2,168
Total liabilities from financing activities	3,691,601	613,721	-	(23,165)	66,790	2,083	4,351,031

¹⁸ Reconciliation of opening to closing balance excludes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.5 Equity and reserves

Dividends are recognised as a liability in the year in which they are declared.

There has been no movement in issued shares.

	2026	2025
Ordinary shares	'000	'000
On issue at 30 June	2,865	2,865

The holders of ordinary shares in BAC are entitled to receive dividends as declared from time to time and one vote per share at meetings of BAC. In the event of winding up of BAC, ordinary Shareholders rank after all other shareholders and creditors and are entitled to any net residual proceeds of liquidation.

Defined benefit superannuation fund deficit reserve

The defined benefit superannuation fund deficit reserve is used to recognise actuarial gains and losses.

Hedge reserve

The hedge reserve comprises of both the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss, and the fair value impact of movements in foreign currency basis spreads designated as cost of hedging.

Reconciliation of hedge reserves is as follows:

	2026 \$000	2025 \$000
Balance at the beginning of the financial year	(31,422)	11,480
Gain/(loss) recognised on cross currency and interest rate swaps	(59,790)	(166,887)
Income tax related to amounts recognised in other comprehensive income	17,937	50,066
(Gain)/loss on cash flow hedges transferred to profit and loss	171,770	105,598
Income tax related to amounts reclassified to profit and loss	(51,531)	(31,679)
Total	46,964	(31,422)

Dividends

The Company has no franking credits as it is not the head entity in the tax consolidation group. The head entity in accordance with tax consolidation legislation assumes the benefit of franking credits.

During the current financial year, BAC declared and paid ordinary dividends of \$342.9 million (2025: \$292.9 million). The franking account is held at a parent entity level, BAC Holding Limited, as the head entity in the income tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 5: OTHER

5.1 Related parties

The Directors of the Company at any time during the reporting year are disclosed in the Directors' report. The Key Management Personnel (KMP) of the Company at any time during the reporting year were the following:

Executives

Gert-Jan de Graaff	Chief Executive Officer
Warren Briggs	Chief Financial Officer
Henry Tuttiett	Executive General Manager Communications & Public Affairs
Jane Dionysius	Executive General Manager People, Culture & Governance
Raechel Paris	Executive General Manager Strategy, Planning & Sustainability
Krishan Tangri	Executive General Manager Infrastructure
Ryan Both	Executive General Manager Aviation
Scott Norris	Executive General Manager Commercial

Transactions with Key Management Personnel

In addition to the salaries of KMP, the Company contributes to a post-employment defined benefit superannuation fund or a post-employment defined contribution superannuation fund on behalf of certain KMP. In accordance with the terms of the defined benefit superannuation fund, KMP are entitled to receive their retirement benefits up to age 70, calculated as a multiple of their salary plus members' contributions made to the fund.

Executive Long Term Incentive Program (ELTIP)

KMP also participate in the BAC ELTIP.

The ELTIP is a bonus incentive plan that provides eligible employees with the opportunity to receive bonus remuneration which is calculated with reference to long term increases in the value of BAC, based upon a proxy valuation developed for internal management purposes. The plan is settled in cash.

The plan includes a mechanism for calculating the bonus remuneration in the event certain requirements as set out in the plan rules are satisfied. The plan does not confer upon eligible employees any right, entitlement, or interest in shares in BAC or an option to acquire shares in BAC.

Eligibility has been determined by the Board based on the individual's ability to influence the future growth, direction, and performance of the Company. Entitlement to this payment is conditional upon continuous employment during the period.

The grant date of units for the ELTIP 24 (Plan 24) was 1 July 2023, with an initial base value of \$1 per unit. Total units outstanding under Plan 24 were 1,138,333 (2025: 1,138,333). The value of entitlements under Plan 24 payable at 30 June 2026 was \$898,470 (2025: \$580,983).

The grant date of units for the ELTIP 25 (Plan 25) was 1 July 2024, with an initial base value of \$1 per unit. Total units outstanding under Plan 25 were 1,690,545 (2025: 1,690,545). The value of entitlements under Plan 25 payable at 30 June 2026 was \$441,869 (2025: \$419,743).

The grant date of units for the ELTIP 26 (Plan 26) was 1 July 2025, with an initial base value of \$1 per unit. Total units outstanding under Plan 26 were 2,367,427. The value of entitlements under Plan 26 payable at 30 June 2026 was \$307,621.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 5: OTHER (Continued)

5.1 Related parties (continued)

Key Management Personnel compensation

The KMP compensation for the year was as follows:

	2026 \$	2025 \$
Short term employee benefits	7,837,946	7,083,787
Post-employment benefits	457,932	421,163
Other long-term benefits	926,596	878,054
Termination benefits	1,851	154,456
	9,224,325	8,537,460

The terms and conditions of transactions with KMP were no more favourable than those available or which might reasonably be expected to be available, on similar transactions with non-Key Management Personnel or their related parties on an arm's length basis.

Other related party transactions

Amounts recognised during the year pertaining to other related parties, excluding shareholder payments that relate directly to shareholdings, were as follows:

Technical Services Agreement

BAC has a Technical Services Agreement with Schiphol Nederland BV which provides:

- advisory services including staffing, planning, operations, marketing, and third-party liaison; and
- qualified personnel to fulfil various management positions.

The total fee for the year was \$476,206 (2025: \$874,396). As at 30 June 2026, the amount payable was \$nil (2025: \$359,893).

Intellectual Property Agreement

BAC has an Intellectual Property Agreement with Schiphol International BV that provides BAC with a licence to use any intellectual property rights owned or licensed by Schiphol International BV which may be applied in operating and developing Brisbane Airport, including in relation to marketing, operations, planning, staffing and third-party liaison.

The total fee for the year was \$4,618,685 (2025: \$4,526,889). As at 30 June 2026, the amount payable was \$nil (2025: \$nil).

Board fees and travel expenses

In accordance with the Board Governance Policy, the Board's remuneration is set through independent market assessment, evaluation of comparable boards of similar scope, size and skill and a desire to attract and retain high quality directors.

During 2026, the Board reviewed Director remuneration taking into consideration remuneration benchmarks, and market movements.

Board fees and travel expenses paid to the Directors for the year amounted to \$1,836,991 (2025: \$1,911,972).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SECTION 5: OTHER (Continued)

Board fees, on behalf of the Directors, were paid to the following companies:

- First Sentier Investors (Australia) IM Ltd, a company related to Alan Wu, received \$157,038 for the year (2025: Alan Wu \$155,198);
- QIC Private Capital Pty Ltd, a company related to David Kenny, received \$164,576 for the year (2025: David Kenny \$159,011); and
- IFM Investors (Nominees) Limited, a company related to Lyell Strambi, and Marigold Look, received \$312,596 for the year (2025: Lyell Strambi and Marigold Look, \$314,375).

Related entities

The Company has a related party relationship with its ultimate holding and immediate holding companies, BAC and BAC No. 2 respectively. The Company has a loan payable to BAC No. 2 for \$286,494,200 (2025: \$286,494,200) and loan receivable with BACH for \$2,747,440 (2025: \$2,747,440).

The interest rate under the loan is 15% per annum and interest accrues daily and is received annually in arrears. However, interest only accrues, and the Company is only obligated to pay interest upon the principal outstanding for an interest period to the extent that there is Free Cash (as defined in the loan agreement) available to it as at the last day of that interest period, and in the Company's reasonable opinion, the payment of that amount of interest would not be likely to threaten the viability of the Company.

In relation to the Free Cash requirement, for each interest period the Company is required to procure that the auditor certifies the amount of Free Cash available to the controlled entity.

5.2 Other matters

Per- and Polyfluoroalkyl Substances (PFAS)

In recent years, there has been increased media and regulator attention towards PFAS used by aviation related tenants and Airservices Australia at Brisbane Airport. The BAC Group has continued to exercise its rights under tenant lease agreements to require entities responsible for pollution to monitor and remediate contamination at Brisbane Airport.

5.3 Events subsequent to reporting date and other matters

Since the end of the financial year to the date of signing, there were no other subsequent events to report

DIRECTORS' DECLARATION

In the opinion of the Directors of Brisbane Airport Corporation Pty Limited:

- (a) the financial statements and notes set out on pages 18 to 62 are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Act 2001* (Cth); and
- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to note 1.3 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in Brisbane on 25 September 2026 in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001* (Cth).



David Peever
Director

Independent Auditor's Report to the Members of Brisbane Airport Corporation Pty Limited

Opinion

We have audited the financial report of Brisbane Airport Corporation Pty Limited (the "Company") which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report and corporate governance statement for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

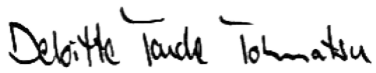
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



R G Saayman

Partner

Chartered Accountants

25 September 2026

25 September 2026

The Board of Directors
Brisbane Airport Corporation Pty Limited
11 The Circuit
BRISBANE AIRPORT QLD 4008

Dear Board Members

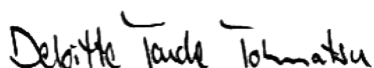
Auditor's Independence Declaration to Brisbane Airport Corporation Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brisbane Airport Corporation Pty Limited.

As lead audit partner for the audit of the financial report of Brisbane Airport Corporation Pty Limited for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



R G Saayman
Partner
Chartered Accountants

ADDITIONAL INFORMATION

Brisbane Airport Corporation Pty Limited, ACN 076 870 650 incorporated and domiciled in Australia, is an unlisted proprietary company limited by shares.

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