





**Our purpose** is to ensure everyone can take on the world.

**Our vision** is to be the *most loved travel company*.

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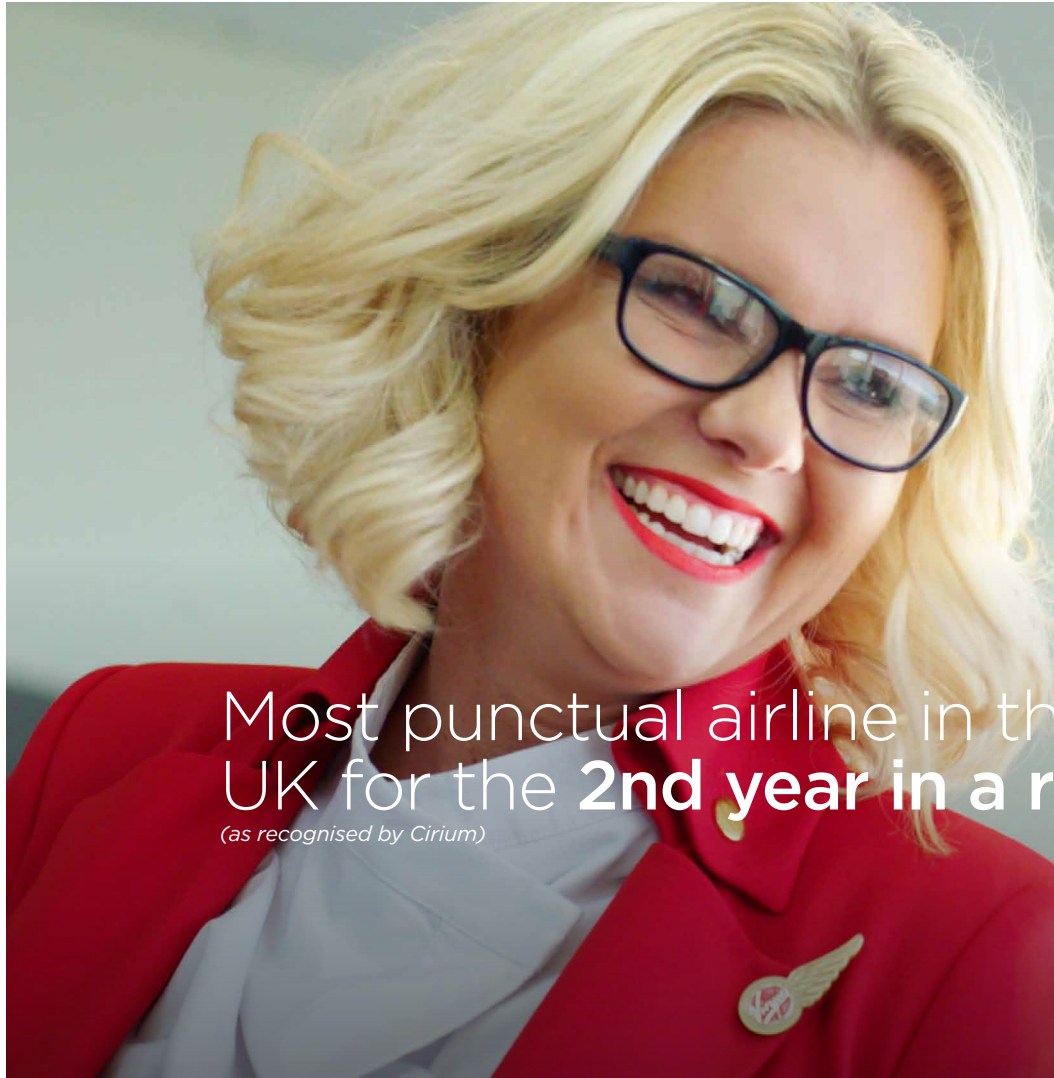
Strategic report

# Non-financial highlights

BRITAIN'S ONLY  
FIVE STAR AIRLINE  
FOR PASSENGER  
EXPERIENCE FOR  
THE **9TH YEAR**  
IN A ROW



COMPLETION  
FACTOR  
**98.8%**  
FY 2024 98.6%



Most punctual airline in the  
UK for the **2nd year in a row**  
*(as recognised by Cirium)*



FEMALES IN  
LEADERSHIP  
ROLES  
**47%**  
FY 2024 47%



AVERAGE  
AIRCRAFT AGE  
**7.5**  
years



Strategic report  
Financial results

REVENUE

£3.4bn

FY 2024 £3.3bn

CASH

£630m

FY 2024 £443m

includes restricted cash and undrawn available facilities

EBIT

£74m

FY 2024 £230m

EBIT before exceptional items, see page 124 for reconciliation

LOSS BEFORE TAX AND EXCEPTIONAL ITEMS

£127m

FY24 PBTEI £20m

See page 123 for reconciliation





### Red Spirit

#### Ange |

Fraud,  
Chargeback and  
Refund Manager



WATCH VIDEO

With 28 years at Virgin Atlantic, Ange embodies the company, full of heart, fun, and flair. She's always the first to raise her hand, whether it's for a project, a cause, or a laugh. Her energy extends far beyond work - from volunteering in the community to doing headers in heels.



Strategic report

# Virgin Atlantic at a glance



**43**  
total aircraft



**79%**  
load factor

**32**  
destinations

**5.9m**  
passengers flown annually



**9,313**  
employees



**17**  
countries



**79**  
daily departures



**212,000**  
tonnes of cargo carried annually



Strategic report

# Virgin Atlantic comprises the passenger airline and three hero products



Delivering premium holidays across our heartlands in Florida, the Caribbean and beyond



Transporting freight in our aircraft throughout our network, including catering to specialist and time-sensitive cargo



Rewarding our loyal customers with an elevated Virgin experience, Flying Club unlocks access to rewards across the Virgin family through Virgin Red



A bold commitment to transform our fleet with 100% next-generation aircraft by 2028 fully equipped with Starlink Wi-Fi

2025 fleet



Virgin Atlantic has been committed to driving ambition and innovation in sustainability for more than 15 years, committing to Net Zero by 2050 and continuous action that reduces environmental impact. The airline operates one of the youngest and most fuel-efficient fleets in the skies. 86% of our aircraft are next generation, with an average fleet age of just 7.5 years compared to a competitor average of 13. By 2028, once all of our 19 A330neos arrive, we will be 100% next generation, emitting 13% less CO<sub>2</sub> per revenue tonne km than we did ten years ago.



# Our values

## THINK RED

When we think red we connect to the true spirit of Virgin. Innovation, passion, positivity. From day one we've hunted new ways to champion our customers, changing the game with style and a smile. We don't just push boundaries, we break through them. We are our future and we think about that in every decision we take. Red is us at our blazing best.

## MAKE FRIENDS

Virgin loves people. It's how we treat one another that makes us special. We embrace our teammates, customers and partners. We celebrate everyone's individuality and look for the good in everyone, while following through on what we say we'll do. And we never forget what makes us special.

## BE AMAZING

When you're a Virgin brand, people expect more from you. So we expect more from ourselves. The small details are as important to us as the grand gestures. We act with the greater good of the business in mind. We're here to be amazing. Because life's too short to be anything less.

## Strategic report

# Chairperson's statement

**In 2021, we created a new four year strategic plan in anticipation of the end of the pandemic phase of Covid. Our business had suffered massive damage in the pandemic. The tenets of the plan were straightforward: continuing structural transformation to raise productivity, a return to sustainable profitability, and maintained progress towards our objective to be the most loved travel company.**

Good progress has been made towards these objectives. By the end of 2025, we had repaid c.£600m of Covid-related debt. In 2024, we made a return to a modest level of profit<sup>1</sup>, although this could not be sustained in 2025. Our brand is stronger than ever, as we set new standards for service and for innovation in service. These achievements have been grounded in the unstinting efforts of our people in every one of our teams. Resilience and commitment are their watchwords.

In 2026, we have started a new five year plan which will finish at the end of 2030. Three months into this plan, a number of its core opening assumptions and data points have been upended by the renewal of major hostilities against Iran by the US and Israel. Long haul aviation is an industry particularly exposed to geopolitical shocks and supply chain disruption. These always have a direct and immediate effect on near-term operating conditions and often longer-term effects on consumer confidence and therefore demand. In 2025 we saw some of this after "Liberation Day" in the US – US point of sale demand was noticeably weaker than forecast in our plan, which depressed our operating profit contribution.

At the time of writing, it is impossible to make a confident prediction of the lasting effect of the war in the Gulf. Our industry has sustained a very large price shock in fuel, its major input cost, quite apart from direct effects on traffic. For the longer term, major damage has been inflicted on important energy infrastructure, which is likely to prevent a full resumption of normal supply for a lengthy period. And consumer confidence in long haul travel, certainly on a regional basis, may well be depressed. While only c. 3% of our flight operations are directly affected, as we curtail service to regional airports, all of our operations have needed to be re-planned for the rest of this year to take account of the change in macro conditions. We have re-planned on conservative assumptions about the duration of the conflict and the spike in costs and are confident of our resilience in this scenario.

Looking further into the 2030 plan, our major objectives are to continue to raise productivity, taking advantage of new AI capabilities; to continue to invest in our fleet and engine types to reduce carbon emissions and improve customer experience; and to do what we can to help to achieve the changes needed at Heathrow to allow profitable growth at the UK's major hub at acceptable cost to our passengers.

<sup>1</sup> Profit before tax and exceptional items (PBTEI) – see page 123 for a full reconciliation of all alternative performance measures



## Strategic report

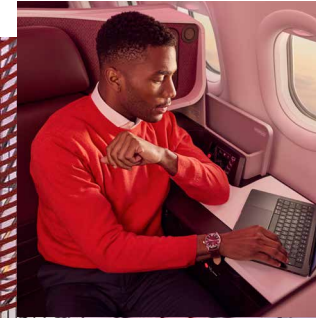
### Chairperson's statement continued

At the end of 2025, Shai Weiss, our CEO for seven years, spanning extraordinary macro events, stood down and we welcomed Corneel Koster as our new CEO. Shai did a truly remarkable job leading our company through Covid and its aftermath. He is a natural leader, with extraordinary reserves of personal resilience. He led from the front and put our customers, our staff and the communities in which we operate first. On behalf of our shareholders and Board, I give Shai all our thanks and my own personal thanks for my great personal and working relationship with him.

We are very fortunate to have had Corneel as an integral member of Shai's senior team for several years and he is the natural successor. He has seen it all in aviation, is a great champion of our brand and led our operations successfully through Covid and into our recovery in our business plan just ended. We have great confidence in him as our new leader and look forward to working with him and his leadership team with great anticipation.

There is a randomness in human affairs at the moment which is somewhat unusual in a historical context and most unwelcome. But I have confidence that we have the right plan, other things being equal, the right management team, and the right approach to our business and its role in our economy. I believe we will prosper as we deserve, while serving our customers in a way which is unsurpassed in our industry.

**Peter Norris**





**APEX (Airline Passenger Experience Association) 2026 Five Star Global Airline for the ninth year running**




**UK's most punctual airline**




# Recent awards

**World's Best Airline Rewards Programs 2025**

Flying Club has been chosen by point.me, as **#2** airline reward program in Europe and **#4** globally



**2025 Business Traveller awards**

- Best Airline lounge in Europe
- Best European Airline Economy Class
- Best European Airline Premium Economy Class
- Best European Airline In-Flight Entertainment




**Recommended provider**

Virgin Atlantic is your best choice for a transatlantic trip - with five stars for customer service. This makes it one of only two Which? Recommended Providers for long-haul economy airlines






## Strategic report

## Outgoing CEO's statement

**Leaving Virgin Atlantic is hard to do. It has been 21 years since I first met Richard Branson, 13 years since I joined the Virgin Atlantic board, 11 years since I joined Virgin Atlantic as an executive and seven years ago, I became CEO. Some of the best days of my life have been spent at this amazing company, powered by the best team in aviation. It's been a remarkable journey and together we've built something truly special.**

**Velocity & momentum**

Ambitious plans were put in place, centred around velocity and momentum, a sense of purpose and seeing the world differently. Where everyone is welcome to be who they truly are. Yes, we did not achieve everything we set out to accomplish. Yet, over time, through thick and thin, we transformed Virgin Atlantic and now are better and stronger.

2019, the first year of my tenure as CEO, was a good year but little did we know a global pandemic was looming, leading to some of our toughest days together. As airports fell silent and lives were lost, we faced huge challenges, while always putting health and safety first. United by a singular mission of ensuring the survival of Virgin Atlantic and saving as many jobs as possible. We have never been more united, agile and determined. The pandemic changed the world as we knew it. Our shareholders, creditors and new investors stepped up with unwavering belief and support. Together, we achieved our mission, one that many thought impossible, and that is down to the efforts and sacrifices of our people.

On 8 November 2021, after 602 days, US borders reopened. With survival assured, we moved on to rebuilding and transformation, based on the twin pillars of becoming most loved and sustainably profitable. Our north star: protect the core, stimulate progress.

We've invested millions in our fleet, and in October 2022, took delivery of the A339neo. "Billie Holiday" debuted our reimagined Upper Class with the first Retreat Suites - a bold step forward in customer experience. Younger, cleaner, quieter aircraft that are central to profitable growth and our path to Net Zero.

2023 was the year we proved a transatlantic flight can run on 100% Sustainable Aviation Fuel. Flight100 showed that if enough SAF is made, we will fly it. A world first. Innovation is a team sport and this was the ultimate team including government officials and regulators, partners, engineers, pilots, and our incredible people. Celebrating our 40<sup>th</sup> birthday in 2024 and leading Virgin Atlantic during this moment in time is something I will never forget.

Our performance in 2024 marked a big step forward in our mission to become the most loved travel company and sustainably profitable, with record revenues and operating profit achieved in our fortieth year. We returned to profitability for the first time since the pandemic, repaid a large chunk of debt and faced into operational challenges by taking decisive action. Proving that our people make the difference. The red thread that keeps us flying miles above the competition.

**2025**

In 2025, my final year as CEO and the final year of the plan, we launched new routes including Toronto, which strengthens our reach in North America and connectivity from India; and Cancun, taking advantage of the market for premium Winter sun. And, after 25 years of flying to India, we've grown to one million seats - now our third largest market.

We flew a record 25,567 sectors with 81.4% on-time departures, an 8 point improvement year on year, which contributed significantly to a continued increase in customer satisfaction scores. Overall, revenue grew by 2.2% year on year to £3.4bn in 2025, up £75m on 2024, driven by network expansion and strong contributions from Virgin Atlantic Cargo and Virgin Atlantic Holidays, with the latter delivering revenue growth of 4.2% to £539m. Progress was made with airline capacity increasing by 2.4% and load factors improving by two percentage points to 79%.

The impact of heightened geopolitical and macroeconomic uncertainty commencing in the second quarter impacted consumer sentiment, most keenly felt in US point of sale. Higher costs were exacerbated by ongoing engine availability challenges and inflation, resulting in an Operating Result (EBIT<sup>1</sup>) of £74m, £156m lower than the prior year.

Accounting for interest and the repayment of debt, this resulted in a significant pre-tax loss (PBTEI<sup>2</sup>) of £127m, which was disappointing following a return to profit in 2024.

In November, the successful \$745m refinancing of our take-off and landing slots at London Heathrow bolstered our balance sheet and provides the funds required to further enhance our customer experience in the years to come.

**Be a rainbow**

Our new brand campaign was launched in 2025 with a message of optimism, inspired by Maya Angelou, reflecting the warmth of our people. "Be a Rainbow", she says. This is exactly what it means to be the most loved travel company. We have set the foundations for the next exciting chapter - as a confident, premium, flag carrier.

Completing our multi-million fleet transformation, with the retrofit of our 787 aircraft and growth in premium seats. Welcoming the next 10 A339neos. Taking onboard connectivity to the next level through free, fast Wi-Fi by Starlink. Giving our customers the world of Virgin Atlantic in their pocket with our new app and Concierge. By 2028 a 100% next-generation fleet. We all have much to be proud of.

<sup>1</sup> EBIT before exceptional items. See page 124 for a reconciliation of all alternative performance measures

<sup>2</sup> Refer to Alternative Performance Measures on pages 123-126 for definitions and reconciliations of these metrics

**Strategic report**

## Outgoing CEO's statement continued

**A new era**

My view of the role of a CEO is simple. Do everything you can to make your company better or even great, so you can hand it over to the next generation in a better state than you received it, knowing they will do the same. I'm passing the baton with pride to Corneel. He is one of us, a leader of people and Virgin to the core. He knows our people, our operation, our guests, our partners - and how to take us to the next level.

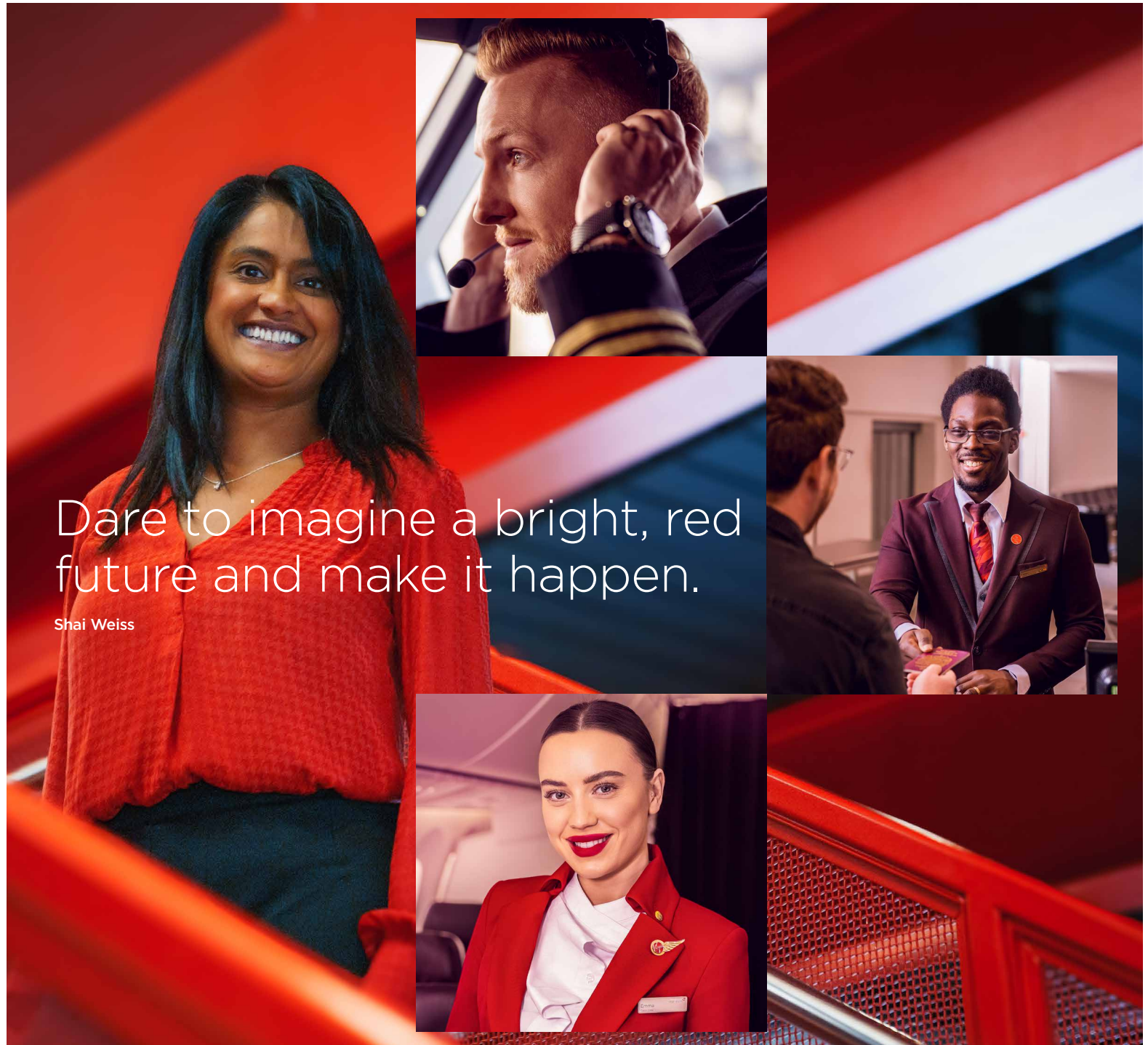
**Deep gratitude**

I'd like to thank our Chairman, Peter Norris, for his friendship, guidance, challenge and belief. To our shareholders — Delta Air Lines and Virgin Group — thank you for your unwavering support. To Ed Bastian - the greatest partner and airline CEO in the business. To Sir Richard Branson, our founder, who continues to inspire us every day. To my determined and talented leadership team. And to my family for their love, patience and support throughout the journey.

But the biggest thank you goes to our incredible people who keep Virgin Atlantic flying miles above the rest. The amazing team who preserve what makes us Virgin Atlantic and the most loved travel company. As we fly into the future, we do so with the same tail. Greater thrust. Higher altitude.

Dare to imagine a bright, red future and make it happen.

**Shai Weiss**



Dare to imagine a bright, red future and make it happen.

**Shai Weiss**



## Strategic report

# Incoming CEO's statement

**It's an honour to step into the role of Chief Executive and I'm proud to be leading Virgin Atlantic into its next era. I have spent three decades working in aviation, at four carriers, but I always dreamt that one day I would be asked to lead this special airline.**

Virgin Atlantic has always been defined by our people and it always will be – their unmistakable red spirit, professionalism, resilience, creativity and unwavering care for our customers and each other. I know together we will lead with heart and be true to our challenger spirit, every day, in the air and on the ground.

### Thank you Shai

I would like to thank Shai, who led Virgin Atlantic with energy, skill, courage and conviction through one of the toughest chapters our industry has known. He set our ambition to be most loved, while strengthening the foundations of this company and positioning us for the future ahead. Shai's passion and perseverance set the bar high and we will make him and ourselves proud.

### The opportunity ahead

Our new five year plan matters to every one of us. The foundations we stand on today are strong because of the discipline, resilience and belief shown across the organisation. Together, we will build on them and we will improve financial returns, working as one team to be the most loved travel company, and to fly with a level of performance that gives us real freedom for the future.

Safety and security will always underpin everything we do. That is non-negotiable. From there, our focus is clear.

### Platform for growth

Consumers need a strong and competitive premium flag carrier. We are doubling down on our premium experience, with a 30% increase in Upper Class and Premium seating and our customers will see this in the beautiful new cabins on Airbus A330neo deliveries this year, with a full cabin refit of our Boeing 787-9s to follow. We will strengthen partnerships, unlocking connecting and ancillary revenue, and we will build the power of Virgin Atlantic Holidays and Cargo. Our model gives us a solid platform, bolstered by our partnerships with Delta Air Lines and Air France-KLM, SkyTeam and Virgin Red.

Our future at London Heathrow, and the future of the airport, matters deeply to us. We will work with and challenge our partners there to provide infrastructure fitting of a premium flag carrier, allowing us to grow and offer choice to UK consumers. We support expansion at Heathrow and the contribution it will make to the UK economy, however to ensure it delivers value for money for the travelling public, substantial regulatory reform will be required.

### The most loved customer experience

Our customers are at the heart of everything we do – we exist to innovate and delight them. We'll play to our heritage as a challenger – bold, distinctive and always with a warm human touch. The launch of our new app, the refresh of our iconic Clubhouses at London Heathrow and New York JFK and the introduction of Starlink Wi-Fi across our fleet will elevate the end to end experience. Together, our brand, our people – and the award-winning experience they deliver – will ensure that customers are enticed to fly with us and come back for more, whether it's for business or leisure travel, or their dream escape through Virgin Atlantic Holidays.

### People and purpose

We truly have the best people in the industry. High performance and accountability go hand in hand with personality, care and a sparkle of fun and flair. We will continue working to be the best employer we can be – listening carefully and acting thoughtfully. Our purpose remains unchanged: we use our business as a force for good for our communities and for the planet. We encourage everyone to take on the world. Our precious culture is our advantage, and we will nurture it.

### Operational excellence

As the UK's most punctual airline for two consecutive years, we have demonstrated what disciplined execution looks like. Operational performance is our licence to grow and we will continue to raise the bar – improving reliability, productivity and resilience while never compromising on the foundations of health, safety and security. Precision and warmth are not opposites. They define us.

**Our purpose remains unchanged: we use our business as a force for good for our communities and for the planet. We encourage everyone to take on the world.**



## Strategic report

### Incoming CEO's statement continued

#### Investing in our future

We will maintain and enhance our focus on growing and improving our operating results, so that we can close the gap to our full potential and deliver consistent value. Our path to sustainable profitability is the enabler of long-term success and the strength of our performance allows us to continue investing in our people, fleet, product and experience.

#### Technology and innovation

From modernising our systems and building our new app, to advanced analytics and AI, technology is a powerful enabler. It helps us plan smarter, operate more efficiently and serve our customers more personally. It unlocks revenue opportunities while improving the experience and it will undoubtedly shape the next decade.

Our fleet remains one of our greatest advantages. By 2028, we will operate a fully next-generation fleet, among the youngest across the Atlantic with an average age of just 7 years. These aircraft are more fuel-efficient, they offer an elevated experience on board and will keep our customers connected. Combined with Sustainable Aviation Fuel advocacy and continued collaboration across the industry, this positions us to play our part responsibly in the decarbonisation of aviation.

#### Our flight path forward

As evidenced by the intense escalation of conflict between the US and Israel, and Iran, in the first quarter of 2026, the years ahead will bring challenges. But this team knows how to navigate uncertainty like no other. Virgin Atlantic has evolved continuously yet our essence remains the same. We connect people to opportunity. We bring competition and choice. We create premium experiences that feel brilliantly different. Above all, it's our people who set us apart.

**To our teams: thank you for your energy, professionalism and heart.**

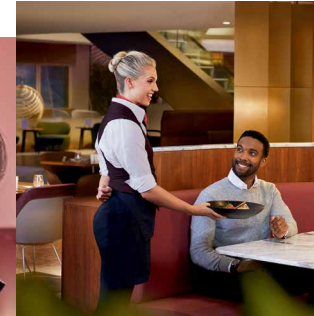
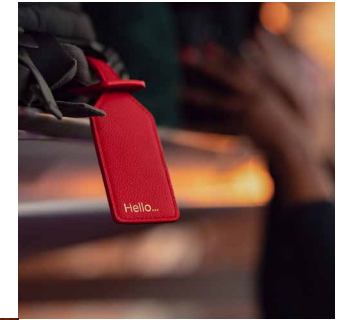
**To our partners and our shareholders at Delta and Virgin: thank you for your trust.**

**To our customers: thank you for choosing us. We won't let you down.**

The years ahead are ours to shape. We will strive to fly higher than ever — admired for our performance, most loved for our experience, and trusted by all who fly with us.

#### Corneel Koster

Chief Executive Officer





## Strategic report

## Our key performance indicators

The Directors have outlined below the key performance indicators that they rely on to manage the business. These key metrics focus on volume, efficiency and cost performance within our business operations. The financial indicators are stated at constant currency.

## Virgin Atlantic Airways

	2025	2024	2023	2022	YoY
Passenger numbers (m)	6.0	5.7	5.3	4.4	5%

**Definition and purpose:** A key volume measure used to assess volume growth and relative market share. Calculated as the total number of passengers who flew on Virgin Atlantic aircraft.

**Performance:** Passengers numbers have increased year on year in line with increased capacity and the strong demand for business and premium leisure travel

	2025	2024	2023	2022	YoY
ASK (km m)	50,369	49,221	45,748	39,383	2%

**Definition and purpose:** An industry standard measure of passenger carrying capacity. Calculated as the number of available seats in each flown sector multiplied by the sector distance in km.

**Performance:** ASKs grew 2%, primarily driven by significant expansion in India alongside new routes

	2025	2024	2023	2022	YoY
Sectors	25,567	24,832	23,720	21,835	3%

**Definition and purpose:** An industry standard measure of capacity. Calculated as the number of one-way revenue flights flown between two points.

**Performance:** Sectors grew 3%, reflecting new route starts and increased frequencies

	2025	2024	2023	2022	YoY
PRASK (p)	5.18	5.23	5.24	5.26	-1%

**Definition and purpose:** An industry measure of operational efficiency that encompasses both passenger yield and load factor performance. Calculated as the total passenger revenue divided by total ASKs.

**Performance:** Passenger unit revenues are 1% behind 2024, reflecting global uncertainty

	2025	2024	2023	2022	YoY
Load factor (p)	79	77	77	73	3%

**Definition and purpose:** An industry standard capacity utilisation measure that assesses how efficiently we fill our aircraft seats. Calculated as the total number of passengers divided by total available seats.

**Performance:** Load factors remained strong throughout the year aligned with increased passenger numbers

	2025	2024	2023	2022	YoY
Fuel CASK (p)	1.54	1.66	1.93	2.25	-7%

**Definition and purpose:** A key fuel metric, Fuel CASK (p) measures our unit fuel spend and assesses our aircraft fuel efficiency and fuel hedging effectiveness. Calculated as the total fuel spend divided by total ASKs.

**Performance:** Fuel costs are down year on year due to the reduction in fuel price versus the highs seen in 2024

	2025	2024	2023	2022	YoY
Non-fuel CASK (p)	4.36	3.99	4.05	3.84	9%

**Definition and purpose:** Our key volume-adjusted operational cost metric that indicates our cost control performance excluding fuel. Calculated as the total operational costs and overheads (ex-financing costs) divided by total ASKs.

**Performance:** Non-fuel costs impacted by inflations and a number of non trading related one-off items



## Strategic report

Our key performance indicators continued

### Virgin Atlantic Holidays

	2025	2024	2023	2022	YoY
Virgin Atlantic Holidays customers ('000)	259	255	231	250	2%

**Definition and purpose:** A key measure of volume and activity which drives holiday revenues. Calculated as the total number of customers served in the year, across all holiday types.

**Performance:** Customer growth reflects a softer demand environment

	2025	2024	2023	2022	YoY
Virgin Atlantic Holidays revenue (£m)	539	517	471	487	4%

**Definition and purpose:** A key financial metric, underlying overall performance and reflecting growth and market share.

**Performance:** Revenue growth outpaced volume, driven by destination mix (Florida strength relative to city breaks) and associated higher average booking values

### Virgin Atlantic Cargo

	2025	2024	2023	2022	YoY
Chargeable weight (m kg)	212	199	158	191	6%

**Definition and purpose:** Utilisation of bellyhold cargo capacity helps drive overall profitability of the airline. Calculated as the revenue generating chargeable weight carried on Virgin Atlantic Cargo's network measured in kg.

**Performance:** Tonnage growth was driven by a strategic focus on expanding connecting traffic, alongside increased capacity out of India. Favourable market conditions provided additional support

	2025	2024	2023	2022	YoY
Yield (£/kg)	1.11	1.19	1.24	1.97	-7%

**Definition and purpose:** Used to measure revenue performance (£) per kilogram carried on Virgin Atlantic Cargo's network. It's a measure of pricing execution that has a direct impact on the overall profitability of the business.

**Performance:** Yields moderated as Red Sea-driven rate spikes unwound, particularly ex-India, and capacity increased. Strategic price increases and premium mix supported performance



## Red Spirit

Lee |  
Engine Workshop  
Supervisor



WATCH VIDEO

Lee's passion for engines is infectious. Whether he's mentoring apprentices or sharing knowledge with anyone eager to learn, Lee with his enthusiasm, guidance, and generosity inspires the next generation of engineers and makes a lasting impact on those starting out.

## Strategic report

# CFO statement

### Overview of financial performance

**In 2025, the final year of the current four year plan, our financial performance was impacted by renewed geopolitical developments in the second quarter and inflationary cost pressures, resulting in a loss before tax and exceptional items of £127m (2024: profit of £20m<sup>1</sup>).**

Prior to the geopolitical disruption in Q2, trading reflected continued improvement in profitability on 2024, with encouraging momentum across all key markets. However, increased macroeconomic uncertainty in the second half of the year weighed on consumer confidence, particularly in the US, and moderated demand in certain segments.

Whilst it is disappointing to report a loss following our return to profitability in 2024, we are proud to have grown our load factors and

increased our capacity despite significant spare aircraft engine availability challenges. Notwithstanding, our teams stepped up and delivered exceptional operational performance, which was recognised at the end of the year with Cirium naming us the most punctual airline in the UK for the second year in a row.

Revenue increased to £3.4bn, up £75m year on year, but was lower than expected, reflective of the softer US demand.

We have recorded an operating result (EBIT)<sup>2</sup> before exceptional items of £74m, £156m lower than 2024. Whilst revenues increased year on year, inflationary pressures impacted our NFCASK<sup>1</sup> from 3.99p to 4.36p – a 9% increase, materially impacting our results. EBITDA<sup>2</sup> is £375m vs £504m in 2024 and our statutory loss for the year is £205m (2024: £91m).

### Financial results and key metrics<sup>1</sup>

£m	2025	2024	2023	2022
Revenue	<b>3,370</b>	3,301	3,111	2,854
EBITDA <sup>2,3</sup>	<b>375</b>	504	320	300
EBIT <sup>2,3</sup>	<b>74</b>	230	48	61
PBTEI <sup>3</sup>	<b>(127)</b>	20	(171)	(145)
Statutory loss	<b>(205)</b>	(95)	(226)	(342)
EBIT Margin (%)	<b>2</b>	7	2	2
Sectors	<b>25,567</b>	24,832	23,720	21,835
ASK (km bn)	<b>50.4</b>	49.2	45.8	39.4
Passengers (000)	<b>5,952</b>	5,615	5,285	4,380
Load factor (%)	<b>79.2</b>	77.3	77.1	73.4
PRASK (p)	<b>5.18</b>	5.23	5.24	5.26
NFCASK (p) <sup>1</sup>	<b>4.36</b>	3.99	4.05	3.84

<sup>1</sup> Refer to Alternative Performance Measures on pages 123 to 126 for definitions and reconciliations of these metrics

<sup>2</sup> EBIT and EBITDA before exceptional items. See page 123 for a reconciliation of all alternative performance measures

<sup>3</sup> 2022 and 2023 results restated to remove unrealised FX gains and losses from reported results



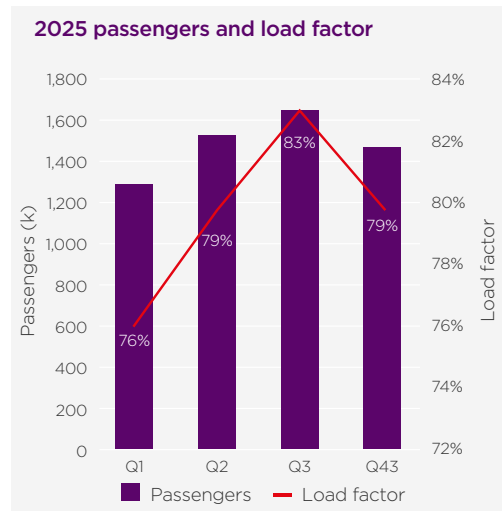
Strategic report

CFO statement continued

Capacity and passenger revenue

The network continued to grow in 2025 with the launch of Toronto and the return to Cancun. ASKs grew 2.4% to 50.4bn; despite the impact of a lack of spare engines in 2025, we protected our operations through additional resilience aircraft, delivering a strong completion factor of 98.8% (2024: 98.6%).

Passenger revenue increased year on year to £2.61bn vs £2.57bn, representing a record for a successive year. Whilst load factors increased 2 points, yields were down, reflecting industry-wide suppression in pricing.



Cargo revenue

Cargo remained market-leading in the UK and delivered £235m of revenue, in line with 2024 (£236m). We improved revenue quality through a greater focus on premium, higher-yield shipments, with record pharmaceutical volumes, reflecting strong customer trust.

Market demand stayed resilient amid geopolitical disruption and Red Sea-related supply chain issues, driving continued shift from sea to air. We managed capacity tightly and prioritised yield over volume to protect profitability.

Virgin Atlantic Holidays<sup>1</sup>

Virgin Atlantic Holidays delivered revenue growth of 4.2% to £539m in 2025, despite a challenging consumer backdrop and search algorithm changes that impacted digital traffic acquisition across the industry.

We further strengthened our number one position in Florida, driven by exceptional performance with key strategic partners Disney and Universal. During the year, we also completed detailed planning for targeted investment in customer acquisition, positioning the business for measured, sustainable growth through to 2030.

Capital Investment

Our total capital expenditure of £117m, is down two thirds on the previous year. In readiness for our full fleet transformation to “next generation” by 2028, in 2025 we returned two of our Airbus A330-300s to their lessors and did not take delivery of any new aircraft (vs six in 2024). In 2026 four more Airbus 330neos will arrive, ahead of another seven in 2027. Expenditure in year mainly relates to pre-delivery payments for aircraft as well as investment into both our fleet-wide Wi-Fi programme and the retrofits that we will perform across our Boeing 787 aircraft from 2027 onwards.

Fuel costs

Physical fuel costs of £774m were down 5% on 2024, reflecting global reduction in oil prices and continued improvements in fuel efficiency from new aircraft. Our hedging cover is in line with board approved policy to protect against adverse price fluctuation of Jet Fuel.

Our policy enables us to hedge an average of 50% of our exposure in the next 12 months and an average of 25% of our exposure across months 13 - 18 with higher hedging cover in the near term and declining to 18 months out.

Aircraft costs

Aircraft costs of £210m were 8% higher than 2024, predominantly driven by higher depreciation costs due to the full year impact of the six new aircraft which were delivered in the prior year. Engineering costs also increased by £18m to £249m (2024: £231m), impacted by inflation, growth in sectors flown and several one-off expenses incurred as we exit leases on our older aircraft.

Other non-fuel costs

Cost control continues underpin our overall financial performance - since the Pandemic we have kept increases in overhead and operating costs below UK inflation. In 2025, our NFCASK<sup>2</sup> increased by 9% vs 2024 predominantly driven by inflationary increases in labour costs as well as the one-off costs within engineering and continued investment in technology. We remain focused on controlling the controllables.

Finance costs

By the end of 2025, we have repaid c.£600m of pandemic related debt and expect to fully repay all pandemic financing by the end of Q1 2026. A major milestone. Finance costs of £330m were £8m higher than 2024, predominantly driven by interest rate increases on leases. In November 2025 we signed a \$745m facility agreement with Apollo managed funds secured against our valuable London Heathrow slots portfolio. This landmark transaction enabled us to repay our previous bonds, add resilience to our balance sheet and underpins the investment planned to elevate customer experience; fleet-wide free streaming quality Wi-Fi on board, retrofits of the 787-9 fleet and the expansion of our Premium and Upper-Class cabins.

<sup>1</sup> Virgin Holidays Limited is trading as Virgin Atlantic Holidays under our unified brand

<sup>2</sup> Refer to Alternative Performance Measures on pages 123 to 126 for definitions and reconciliations of these metrics



## Strategic report

### CFO statement continued

#### Results for the year

EBITDA<sup>1</sup>, which excludes exceptional items, was £375m in 2025 (2024: £504m) and EBIT<sup>1</sup> excluding exceptional items of £74m was down on our record EBIT<sup>1</sup> of £230m in 2024, reflecting the overall reduction in performance in 2025. The gap between the loss before tax and exceptional items<sup>1</sup> of £127m (2024: profit of £20m) and statutory loss after tax for the year of £205m, is largely driven by the non-cash financing costs incurred on shareholder debt.

Total unrestricted cash and committed undrawn facilities at the end of the year was £554m, of which £201m represents committed undrawn facilities. In addition we held £76m (2024: £64m) of restricted cash. Excluded from our cash balances is £50m (2024: £51m) of unremitted cash which is recognised within our receivables balances.

Net positive operating cash flows of £173m are down on prior year (£386m) due to the reduction in operating results and a smaller increase in working capital (£35m vs £106m). Total cash and available facilities increased by £187m, driven by the refinancing completed at the end of the year.

Notwithstanding the refinancing, long-term borrowings are £91m down year on year due to a reduction on our shareholder loan and the impact of foreign exchange changes on our USD denominated loans. A portion of our long-term borrowings are secured against our UK slot portfolio which had a year-end market value of circa £1.2bn.

#### Balance sheet, cash flow and financing

£m	2025	2024	2023	2022
Cash from operating activities	173	386	332	119
Cash (used in) investing activities	(104)	(155)	(98)	(100)
Cash (used in)/from financing activities	(82)	(188)	(215)	(217)
Cash increase/(decrease)	(13)	43	19	(198)
Effects of exchange rate differences	(13)	-	(12)	23
Unrestricted cash & available facilities	554	379	335	329
Total cash & available facilities	630	443	406	399
Debt	(3,616)	(3,807)	(3,573)	(3,401)
Net debt <sup>2</sup>	(2,531)	(2,737)	(2,651)	(2,576)
Net (liabilities)	(1,641)	(1,657)	(1,538)	(1,454)

#### Adjusted balance sheet metrics<sup>3</sup>

£m	2025	2024	2023	2022
Reported net (liabilities)	(1,641)	(1,657)	(1,538)	(1,454)
Slot portfolio valuation (fair value, less cost) <sup>4</sup>	1,108	1,179	626	541
Adjusted net assets/(liabilities) <sup>2</sup>	123	149	(396)	(487)
Unrestricted cash & available facilities	554	379	335	329
Unremitted cash	50	51	70	208

<sup>1</sup> EBIT and EBITDA before exceptional items. See page 123 for a reconciliation of all alternative performance measures.

<sup>2</sup> 2024, 2023 and 2022 net debt and adjusted net (liabilities)/assets figures restated to remove shareholder loan balances.

<sup>3</sup> Refer to Alternative Performance Measures on pages 123 to 126 for definitions and reconciliations of these metrics.

<sup>4</sup> 2024 slot portfolio valuation restated using same valuation model as in 2025.



#### Outlook

In 2026 we plan to maintain capacity growth of 3-5%, consistent with 2025. This will be delivered with the launch of new routes, Seoul and Phuket. A stable operation delivered whilst maintaining tight cost discipline remain fundamental cornerstones of our performance.

We expect 2026 to be a transitional year in which we will focus on our fleet and premium cabin investment to continually improve our customer experience. This will be pivotal in fulfilling our vision of becoming the most loved travel company.

At the time of writing, whilst the conflict in the Middle East continues to create broader macroeconomic uncertainty and has contributed to volatility in energy markets, demand for our network remains resilient. Q1 bookings are up year on year, supported by incremental demand from customer re-routing on to our direct services to India, the Maldives and South Africa. Demand on our transatlantic services continues to be robust. We continue to monitor developments closely and are actively mitigating the impact of fuel price and jet crack increases through our established fuel risk management and hedging approach, alongside ongoing operational and commercial actions.

**Ansar Hussain**  
Chief Financial Officer

23 March 2026



## Strategic report

## Creating value for our stakeholders

**Our people**

**At 31 December 2025 we had 9,313 people based in the UK and in key destinations around the world. Of this, 12% were pilots and 47% cabin crew.**

**How we engage:** We promote a transparent, two-way multimedia communication approach with our people, both in-person and virtually. In 2025 we introduced Microsoft Viva Engage as our enterprise social media platform to help our people connect and stay informed. Viva Engage integrates deeply with our Microsoft suite of apps and is optimised for use on mobile devices, allowing everyone across the business, including front-line and operational teams, to access and contribute. The Viva Engage communities provide an open forum where our people regularly post and share updates or questions, keep up to date on the news flow of the Company, and can engage in discussions with their colleagues and leaders, including regular Q&A and video content. Always-on engagement is complemented by regular in-person leadership forums and our annual Altitude leadership conference, which aids understanding of our strategic plan and the part our people play in delivering it. We engage in formal communications with our people through trade union and employee committee representation.

**In 2025:** Effective communication has been critical to delivery - growing a sense of pride and belonging through storytelling with our people at the heart. In our end-of-year Glint survey, we saw a 10-point increase from our people responding that Virgin Atlantic does a good job of communicating with colleagues.

Our incredible people are the red thread that makes Virgin Atlantic so special, and colleague feedback is critically important in our journey to become the most loved travel company, enabling us to focus on the moments that truly matter, and take meaningful actions.

Throughout 2025, our people remained at the heart of everything we did. By listening closely to colleague feedback and investing in wellbeing, learning and career development, we strengthened engagement and performance across the business. Our employee satisfaction score increased by 11 points, reflecting the positive impact of our continued focus on supporting colleagues to grow, feel valued and perform at their best, while recognising great contribution through both formal and everyday moments of appreciation.

We continued to deliver our Be Yourself strategy in 2025, accelerating progress towards a more diverse, equitable and inclusive workplace. Through a sustained focus on belonging, development and future skills, we are building a workforce that supports delivery of our long-term strategy. We remain committed to creating a workplace at Virgin Atlantic where everyone feels supported, able to belong and empowered to thrive.

**Customers**

**Our customers are at the heart of everything we do. We served over 5.9 million airline passengers and almost 260,000 holiday makers.**

**How we engage:** Virgin Atlantic has built its reputation on unique and individual customer experience, a rich design history, and an innovative approach to our products. As well as our people's direct personal engagement every day, we listen to our customers through a range of satisfaction and market research surveys, with net promoter score (NPS) being a key measure of success used across the Company.

**In 2025:** We continued to raise the bar across the end-to-end customer journey, combining innovation with tangible improvements that enhanced the Virgin Atlantic experience. At our first Customer Experience Showcase in London in Summer 2025, we announced a number of major initiatives shaping the future of our customer proposition, including a full fleet rollout of Starlink, the launch of our industry-first AI Concierge, and a brand-new app platform — “The World of Virgin Atlantic in your pocket”. The new app was successfully delivered into customer testing in December 2025, with full rollout planned for Q1 2026.

In-year activity also contributed to measurable improvements across the customer journey. We delivered the highest customer satisfaction scores since 2019 across check-in, with a streamlined experience at our Heathrow Terminal 3 hub, boarding and pre-flight

communications, supported by the introduction of WhatsApp messaging to proactively prepare guests for travel. We also saw record performance across food and beverage, following the launch of new signature food and beverage items. We commenced a multi-million pound upgrade to our award-winning Clubhouse at Heathrow, with further works continuing through 2026, and building on the launch of our brand-new Clubhouse in LAX in March 2025.

We continued to strengthen Flying Club by making loyalty easier to realise, more rewarding, and more relevant for our members. The success of Unlimited Availability drove growth in the number of Flying Club members redeeming points, increasing engagement by unlocking greater choice and certainty when using rewards.

We launched High Five as a distinctive Flying Club proposition, recognising member tenure across all tiers and rewarding long-term commitment alongside ongoing engagement. Flying Club continued to grow faster than key competitors, underpinned by our promise of the fastest and simplest tier progression, making status more attainable and supporting sustained member growth.

In parallel, we grew our consented marketing base while increasing value per permission, driven by improvements in personalisation, content quality and relevance. This was demonstrated through more sophisticated campaign execution, including highly personalised variants during peak trading periods such as Black Friday.



## Strategic report

Creating value for our stakeholders continued

### Joint Venture partners, SkyTeam members and other airline agreements

Our airline partnerships include the expanded Joint Venture with Delta Air Lines, Air France, and KLM, together with 69 codeshare and interline partners. In March 2023, we became a member of the SkyTeam Global Alliance and through 2025 expanded our codeshare scopes with Kenya Airways, Korean Air, SAS Scandinavian Airlines and Saudia. Alongside our existing SkyTeam agreements, these partnerships offer our customers the ability to travel to nearly 1,000 destinations in more than 15 countries on over 13,800 daily flights.

In 2025 we also expanded our codeshare relationship with WestJet adding additional destinations in Canada, signed a partnership agreement with IndiGo, India's largest airline, and expanded our codeshare with Saudia as part of the launch of flights to Riyadh.



**How we engage:** Our partnership with Delta Air Lines has been in place for over a decade, and in 2020 this expanded into a new Joint Venture between Delta Air Lines, Air France and KLM. Our Joint Venture focused on an aligned Flight Plan which aimed to make it the most preferred, integrated and profitable Transatlantic Joint Venture through focus on our customers, our employees, and sustainability. We aimed to reinvest our success to strengthen the Joint Venture network and products long-term by focusing on four key pillars within the partnership.

**In 2025:** Throughout the year, we continued our full Joint Venture governance at leadership and working group levels with both in person and virtual meetings, collaborating effectively with our partners Delta Air Lines, Air France, and KLM on strategic, commercial and operational deliverables. We focused on prioritising aligned customer journeys, cross-functional delivery and sustainability while we reinvested in the JV to strengthen the network and product offering.



### Suppliers

**Our suppliers make it possible to serve our customers with the flair and high standards that are akin to our brand, they are the backbone of our operation. We have a global supply base spanning airframe and engine manufacturers, airports and operational suppliers along with suppliers supporting our back-office infrastructures that enable our teams to operate at their best.**

**How we engage:** We seek to maintain open and constructive relationships across our supplier network, recognising that the performance of our suppliers is integral to everything we do. We have a structured supplier relationship framework that supports engagement between our people and our suppliers. Policies and standards, including our Responsible Supplier Policy, are regularly reviewed to ensure they align with our supply chain sustainability criteria.

**In 2025:** The continued macroeconomic climate continued to present challenges and maintaining positive supplier relationships and open communication is crucial for maintaining our high standards of service and delivery. Despite ongoing labour, supply, and cost challenges, our collaboration with suppliers has been instrumental in upholding these standards.

Throughout 2025, our structured Supplier Relationship Management framework across key strategic and critical suppliers further matured, driving sustained value creation, reinforcing governance, and providing robust enterprise-level insight into supplier performance and risk.

### Communities

**We work closely with the local communities in each of our major locations, partnering with schools, business groups and community organisations.**

**How we engage:** Our Passport to Change programme focuses on outreach into schools near our main operations centres to help inspire the next generation, particularly on STEM skills. We supplement these actions with charitable and business network activities in many of our locations and holiday destinations. We also use the power of our people and planes to support humanitarian crises in our communities.

**In 2025:** We had a successful first year with our charity partnerships with STEM Learning who support our Passport to Change programme and Save the Children as our disaster relief partner. Our Passport to Change programme expanded into Barbados; our first partner school in the Caribbean.

Through our Passport to Change programme and other community initiatives, we reached 2,220 young people across 55 school locations in the UK, US and Caribbean, supported by 260 Virgin Atlantic Volunteers, who collectively volunteered 1,639 hours of their time.

We deployed our disaster relief response in aid of Hurricane Melissa, delivering 24,000kg of humanitarian aid to Jamaica free of charge.



## Strategic report

Creating value for our stakeholders continued

### Shareholders and other financial stakeholders

Our vision is to be the most loved travel company. Our shareholders, Virgin Group and Delta, are represented on the Group Board and play a critical role in helping us achieve this vision. Whilst shareholders are core providers of capital to support and invest in the Company, we work with a number of capital providers, hedging and leasing counterparties who are key to supporting the short and longer term objectives of the Group.

**How we engage:** In addition to regular meetings of the Board and its sub-committees, there are frequent meetings with shareholder representatives as well as their Board representatives. These include in person meetings, where possible, in addition to both routine and ad hoc conference calls. We maintain active, open and frequent communications with our financial stakeholders to ensure they are well informed in respect of our financial and operational performance, plus any specific or emerging topics.

**In 2025:** We have maintained regular and significant engagement with our shareholders and financial stakeholders.

### Regulators and governments

We operate within a complex and evolving regulatory environment across our international network, where we engage with a wide range of government and regulatory stakeholders, including members of national parliaments, ministers and officials of national governments across multiple departments (including Transport, Business and Trade, Treasury and Tourism). In the UK we are regulated by the Civil Aviation Authority (CAA), and we maintain constructive and transparent relationships across the organisation to ensure the highest standards of safety, operational resilience and regulatory compliance.

Through engagement with the UK Government as well as trade associations and tourism bodies, our objective is to help shape policy frameworks that support a safe, competitive and sustainable aviation sector, recognising the critical role connectivity plays in enabling economic growth and strengthening the UK's global competitiveness. The teams also support the Company to secure the necessary market access through participation in international air service agreement negotiations.



**How we engage:** Our government affairs, sustainability, operations, and commercial teams are in regular and close contact with relevant regulatory bodies, UK Government departments and their agencies, and elected representatives. We host and engage in meetings, events and visits – including visits to our corporate bases at Heathrow and Crawley – to enhance stakeholders' understanding of our operations and the potential impact of policy proposals. We support our policy positions by providing evidence-based insight and operational expertise to promote a consistent and strong evidence base to inform policymaking.

This allows us to engage proactively and constructively with regulatory and political stakeholders on policy developments that affect our customers, our people and our long-term strategy, where we strongly advocate for a competitive, level playing field for UK aviation, proportionate regulation and efficient investment.

**In 2025:** Our engagement focused on supporting the Government's growth agenda, showcasing the critical role airlines like Virgin Atlantic play in enabling UK economic activity, while ensuring the transition to Net Zero aviation is underpinned by credible, investable policy frameworks.

### Showcasing aviation's role in UK competitiveness

Throughout 2025, we intensified our efforts to demonstrate aviation's foundational role in enabling trade, tourism and high-growth sectors of the UK economy. As Government progresses its industrial strategy and wider economic reforms, we have advocated for a cross-Government approach to create greater policy stability, proportionate taxation and regulatory frameworks that enhance the UK's attractiveness as a global aviation hub.

Our engagement has focused on ensuring that the aviation sector is recognised not only as a transport provider, but as a strategic enabler of economic growth and international competitiveness.



## Strategic report

Creating value for our stakeholders continued

### Heathrow regulation and expansion

As the UK's primary hub airport, Heathrow plays a central role in our network and in the UK economy. In February 2025, we launched our Heathrow Reimagined campaign alongside airline and industry partners (including IAG, American Airlines, IATA and Arora Group) to make the case for fundamental reform to Heathrow's economic regulation. We argue for a modernised approach to airport regulation and expansion — one that balances the need for future capacity and operational resilience with robust cost discipline and fair risk allocation.

The Chancellor's public support for Heathrow expansion as a centrepiece of the Government's economic growth programme highlighted the urgent need for a new approach. Through engagement with the CAA and across Government, the campaign has successfully made the case for change and in November, the CAA published a consultation on options for reform. Our focus remains on ensuring a regulatory environment that encourages competition so that investment at Heathrow, including for an expanded airport, is efficient, affordable and delivers tangible benefits for consumers without undermining airline competitiveness.

We continue to engage closely with the CAA, Government and parliamentary stakeholders as the next phase of economic regulation progresses.

### Sustainable Aviation Fuel and Net Zero

Sustainable aviation fuel (SAF) remains central to our decarbonisation strategy. With the SAF Mandate now in force and achieving more than a 2% supply in 2025, our engagement has concentrated on the implementation of the Revenue Certainty Mechanism (RCM) and the passage of legislation through Parliament. This will be critical to unlocking investment in UK SAF production and we work closely with industry and the Department for Transport to share understanding of market development and its potential impact on airlines and supplier compliance.

During the year, we worked closely with policymakers to help shape the detailed design of the RCM to ensure it attracts long-term capital and supports domestic supply chains while maintaining a focus on affordability and the international competitiveness of UK airlines. We continue to serve as Co-Chair of the Jet Zero Taskforce Expert Group, working alongside Government and industry to advance practical policy solutions across SAF, zero-emission aircraft and greenhouse gas removals.

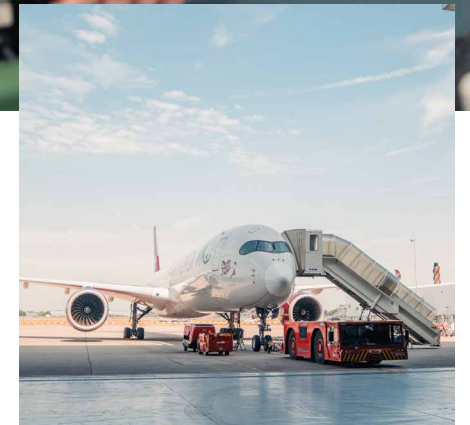
### Skills and workforce

Addressing sector-wide skills challenges remains a priority. During 2025, we continued to work with the Department for Transport and the Department for Education through the Aviation Industry Skills Board to develop policies that support workforce development, including reform of the apprenticeship levy to provide greater flexibility and better align training provision with industry needs.



### Responsible and transparent engagement

Our engagement with political and regulatory stakeholders is conducted transparently and in accordance with all relevant laws and codes of conduct. We believe that open, evidence-based dialogue with policymakers is essential to delivering a safe, sustainable and globally competitive aviation sector that benefits our customers, our people and the wider UK economy.





## Strategic report

# Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard to (amongst other matters) the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

The Directors understand that how we behave matters not only to our people but also to the many stakeholders who have an interest in our business.

We believe that productive business relationships with our suppliers, customers and other key stakeholders are key to the ongoing success of the Group and that the interests of relevant parties should be considered when making decisions that may impact them.

Though engagement is carried out by those most relevant to the stakeholder or issue in question, the Directors receive updates on the engagement that has been undertaken, the reoccurring questions, concerns raised and the feedback provided by the Group's key stakeholders.

When making decisions the Directors take the course of action that they consider best leads to the success of the Group over the long term. When doing so, they also consider the interests of the stakeholders that we interact with.

The Directors acknowledge that every decision made will not necessarily result in a positive outcome for all our stakeholders, but by considering the Group's purpose and values together with its strategic priorities the Directors aim to make sure its decisions are consistent and predictable.

We set out throughout the Strategic Report some examples of how the Directors have had regard to the matters set out in section 172(1) (a) to (f) when discharging their section 172 duty and the effect of that on certain of the decisions taken by them, in particular on pages 21-24.

By considering these matters the Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty under section 172.



## Strategic report

## Non-financial and sustainability statement

The table below sets out where information relating to non-financial and sustainability matters can be found in our Annual Report.

All policies are available on the intranet for all employees to view.

Reporting requirements	Relevant initiatives and policies	Where to read more in this report about our impact, including principal risks relating to these matters	Page (s)
Climate change and sustainability	Commitment to Net Zero by 2050 Sharing Flight100 results with industry (page 63) Responsible supplier policy Member of: Jet Zero Council Cleaner Skies for Tomorrow Aviation Climate Taskforce Sustainable Aviation	Climate-related Financial Disclosures (Companies Regulations 2022) Taskforce on Climate-related Financial Disclosures Sustainability approach, strategy, focus and targets Risk - Sustainability & climate transition Modern Slavery Act statement	47-56 47-56 28-46 76 <a href="#">Here</a>
Employees	Employee handbook 'Red Book' Equal opportunities and anti-discrimination policy Data protection policy Travel and expenses policy	Diversity, equity and inclusion Employee wellbeing and happiness Talent acquisition, management, development and retention Purpose and vision Risk - Customer demand & brand positioning Risk - Health, safety and security Modern Slavery Act statement	61 58 59 2 75 70 <a href="#">Here</a>
Human rights	Employee handbook 'Red Book' Responsible Supplier policy	Modern Slavery Act statement	<a href="#">Here</a>
Social matters	Passport to change Humanitarian relief efforts Gifts and hospitality policy	Communities	63 - 67
Compliances	Civil Aviation Authority licensing compliance Anti-bribery and corruption policy Competition law compliance Whistleblowing policy Anti-Facilitation of Tax Evasion policy	Risk - Health, safety and security Risk - Compliance	70 73-74
Non-financial metrics		Operations Scope 1-3 Greenhouse Gas emissions	3 53



# Business as a force for good

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## Red Spirit

### Vicki |

Property and  
Facilities Business  
Partner



WATCH VIDEO

Even in the face of personal tragedy, Vicki's compassion and caring nature shine through. Through the Homes for Ukraine scheme, she opened her heart and home to Slavik, a young aspiring dentist, creating a beautiful bond built on support, travel, and shared laughter.

Queen of the Skies



# Introduction

As a global airline, we recognise the impact of our operations and confront it head-on, taking responsibility for harnessing our airline and the power of our people to create positive change for the communities we serve and the planet we share. Guided by our purpose that everyone can take on the world, and our unwavering belief that business can be a force for good, we are committed to driving meaningful and lasting change.

Virgin Atlantic's mission is to become the most loved travel company, underpinned by a commitment to challenge the status quo and innovate forward. Not just in the experience of our customers and our people but in ensuring transparency, accountability and taking responsibility for the impact of our operations, environmentally and socially. Climate change and social inequality demand action – and as an airline connecting people and economies across the world, we recognise the responsibility of taking action and doing what's right. Not just for today, but for the generations who come after us.

As an airline and purpose-led brand, we remain focused on change through advocacy, action through partnering and accountability through transparency. Serving our customers, communities and people brilliantly whilst tackling the challenge of decarbonisation, biodiversity loss and a growing gap in social and economic equality globally. We recognise that the system change needed in the decades ahead can only be achieved through radical collaboration, and our commitment to lean into that challenge is unwavering.

SECTION	CONTENTS	MATERIAL TOPICS	LINKED TO THE UN SUSTAINABLE DEVELOPMENT GOALS
<b>Our planet</b>	Decarbonisation strategy	Climate mitigation	
		Energy	
		Air quality	
	Product, waste and supply chain management	Waste	
	Data and technology	Consumer data protection	
	Climate-related Financial Disclosures	Climate adaptation	
<b>Our people</b>	Happiness and wellbeing of our people	Corporate culture	
	Empowering career growth		
	Diversity and belonging		
<b>Our community</b>	Passport to change	Disaster relief	
	Disaster relief		



Introduction

# Governance

**As an airline, effective governance sits at the heart of our organisation. This approach extends to understanding and embedding clear accountability for the impact we have on our people, communities and planet. This responsibility sits firmly with the Board of Directors, ensuring sustainability is embedded into long-term strategy, risk management and decision-making.**

In 2025, our newly established Responsible Business Committee met for the first time. The committee reports into our Board of Directors to ensure Virgin Atlantic manages its impact on climate and natural resources, understands the costs and opportunities associated with the transition to Net Zero, fosters an inclusive and supportive workforce and creates a positive outcome for the communities we serve. Meeting twice a year, the committee makes recommendations to the Board to guide long-term priorities and decision-making.

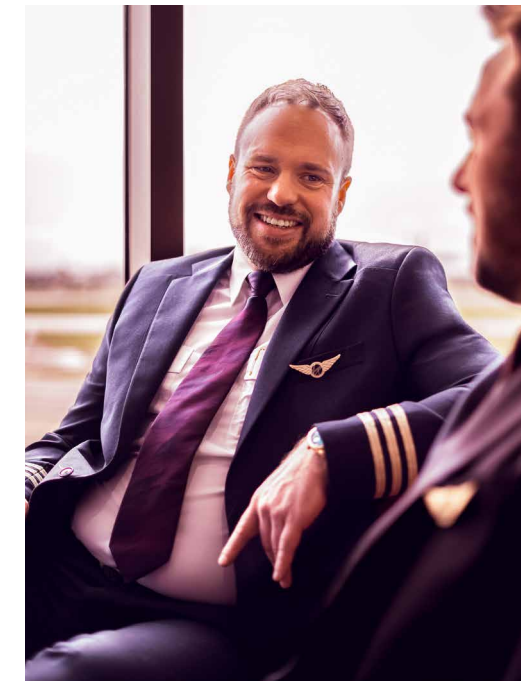
Our Audit Committee is accountable for internal controls and monitoring risks, including sustainability-related risks, supported by external auditors including KPMG. The committee meet quarterly to discuss the key risks to the business and review the principal risk register.

Our Remuneration Committee is responsible for ensuring that incentives are in place to drive responsible business practices. The senior leadership team including and above the Vice President community are incentivised through Long-Term Incentive plans (LTIPs) to improve our carbon performance. In 2025, carbon intensity (kgCO<sub>2</sub>/RTK) was used in the LTIP which supported in a reduction in kgCO<sub>2</sub>/RTK from 0.680 in 2024 to 0.658 in 2025.

Business functions are delegated responsibility for implementing the Board's sustainability and climate-related strategy and for embedding it into day-to-day operations, financial planning and decision-making.



Senior leaders oversee the delivery of transition initiatives, monitor climate-related risks and opportunities, and ensure progress against targets is tracked and reported. Cross-functional taskforces meet quarterly to support coordination across fleet, fuel, procurement, finance and commercial teams, enabling management to assess transition costs, and opportunities, and to integrate these considerations into business planning and performance management.

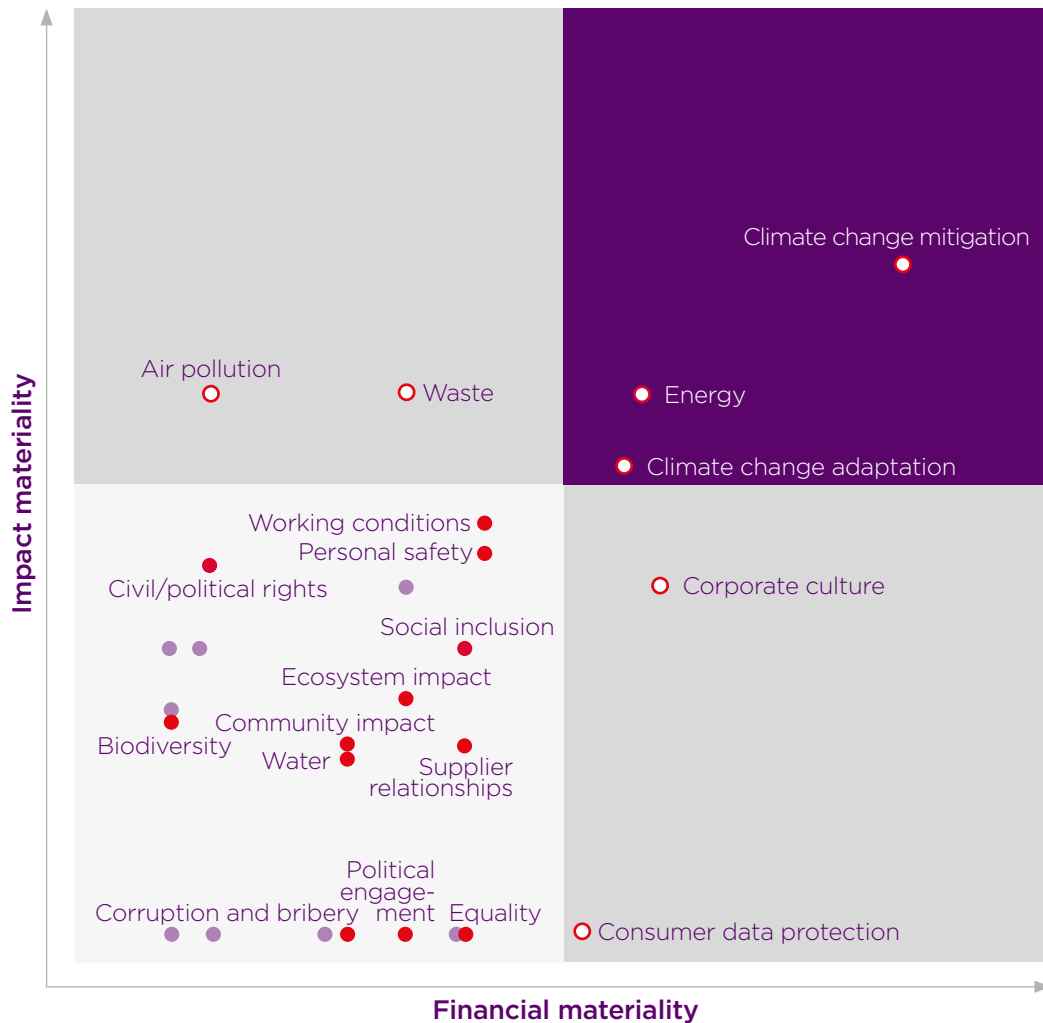




Introduction

# Double materiality assessment

Double materiality matrix



**In 2025, we updated our double materiality assessment (last completed in 2022) to ensure our view of impact and priority actions continues to align with our stakeholders. The assessment considered the social, environment and people impact of our activities, as well as the financial implications these issues have for Virgin Atlantic's long-term performance, resilience and value creation.**

The assessment took account of views from within, across and beyond the Virgin Atlantic and Virgin Atlantic Holidays businesses. Including engagement with our people, travel management company (TMC) partners and corporate accounts, flying club members, senior leaders and shareholders. Their perspectives were considered alongside external benchmarks, industry trends and regulatory developments to reflect the impact and actions that Virgin Atlantic should be focused on as a global airline operating in a fast changing landscape.

Through this process, we identified over 200 potential impacts, risks and opportunities. These were assessed for relevance, significance and strategic importance with 20 top risks and opportunities meeting our materiality threshold. The outcomes were mapped across seven European Sustainability Reporting Standards (ESRS) topics, reflecting the breadth of considerations shaping our long-term sustainability strategy.

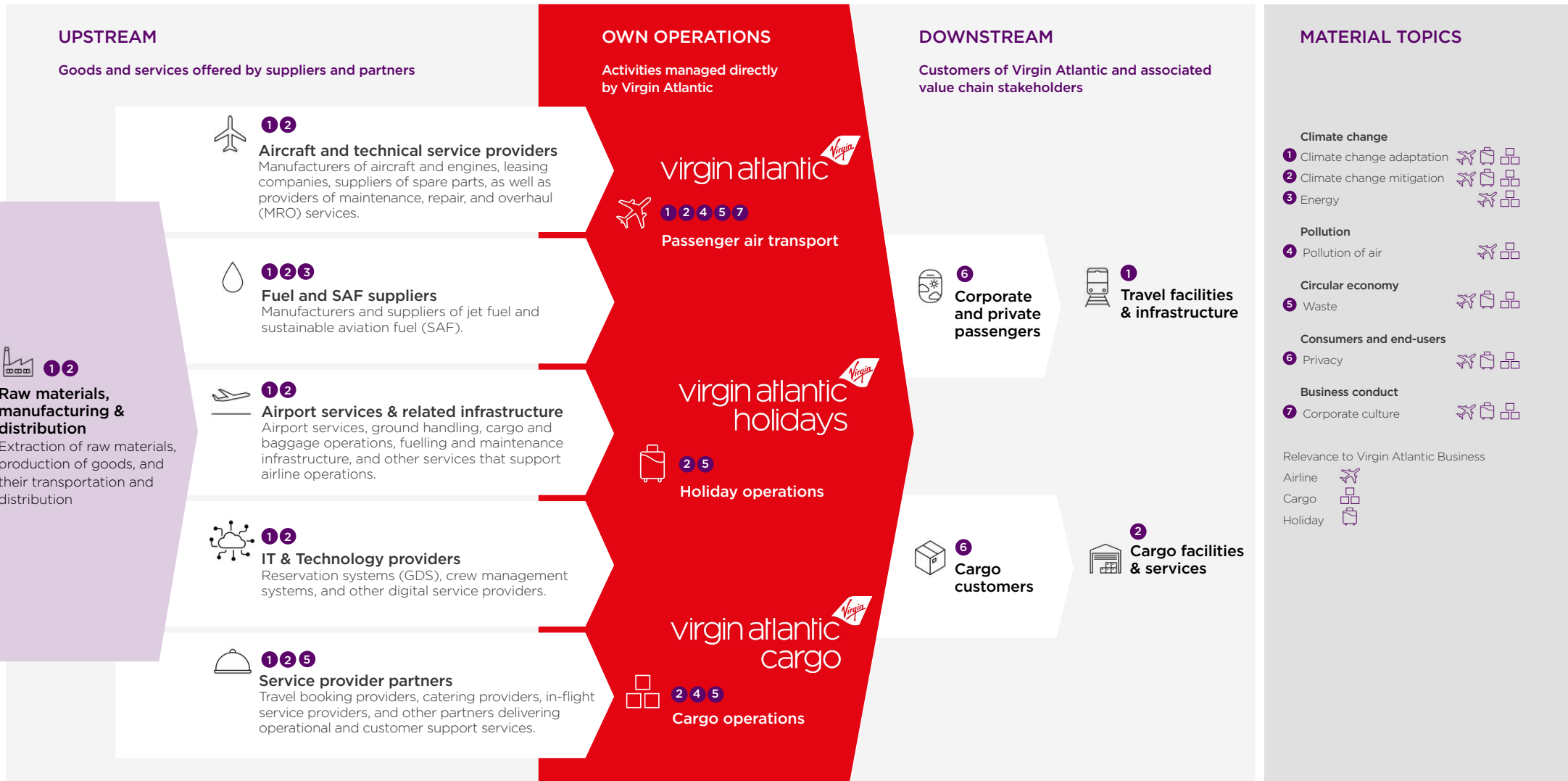
The most material topics included climate change, energy use, waste and air pollution, alongside critical social and governance themes such as culture and data and technology enablement. These topics reflect the focus areas the business is prioritising and are directly informing where we are increasing investment. This includes our fleet transition, SAF usage, AI and technology transformation to deliver the greatest value for our customers, our people and the planet.

- material topics
- non-material topics



Introduction




# Virgin Atlantic's value chain





## Introduction

## Progress against targets summary table

	TARGET	BASELINE	TARGET YEAR	PROGRESS
 <b>Our planet</b>	15% gross reduction CO <sub>2</sub> per revenue tonne kilometre	2019	2026	9% <b>15%</b>
	15% net reduction CO <sub>2</sub>	2019	2030	8% <b>15%</b>
	10% SAF use	2022	2030	1% <b>10%</b>
	40% net reduction CO <sub>2</sub>	2019	2040	8% <b>40%</b>
 <b>Our people</b>	46% of leadership roles held by females	2021	2025	47.1%* <b>15%</b>
	15% ethnic diversity across total workforce	2021	2025	15.1%* <b>11%</b>
	11% ethnic diversity in leadership	2024	2027	10.3%* <b>11%</b>
 <b>Our community</b>	£2.5m raised for charitable initiatives	2021	2025	£2.56m
	20,000 young people reached across 10 schools	2021	2025	13,871 <b>20,000</b>
	80 Virgin Atlantic volunteers for community initiatives	2021	2025	55 <b>695</b>
	600 volunteer hours delivering community initiatives	2021	2025	4,979

\* KPMG LLP has issued independent limited assurance, using assurance standard ISAE(UK)3000, over selected data indicated. KPMG's assurance statement and Virgin Atlantic's Reporting Methodology are available [here](#)



# Our planet

## Virgin Atlantic involvement in industry / government forums:

### Jet Zero Taskforce

Industry Chair & Working Group Member

### IATA Sustainability & Environment Advisory Council

Member

### Sustainable Aviation

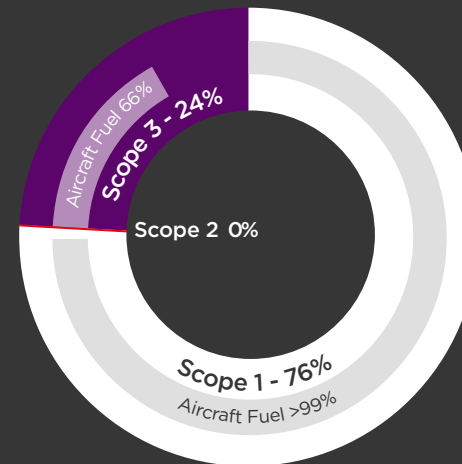
Council Joint Vice Chair

### SkyTeam Sustainable Advisory Group

Member

Climate change is the defining challenge for aviation and one of the most material risks and responsibilities facing Virgin Atlantic. As a long-haul airline, over 91% of our Scope 1-3 carbon dioxide emissions come from jet fuel, and decarbonising aviation is therefore central to our long-term resilience, competitiveness and licence to operate.

## Total footprint



Jet fuel accounts for over 91% of our Scope 1 to 3 emissions when including the well-to-wake impacts of jet fuel production and use.

## Our role in aviation decarbonisation

Virgin Atlantic is committed to playing a leading and credible role in the decarbonisation of aviation. We recognise that no single solution will deliver the transition required, and that progress depends on coordinated action across industry, government and the value chain. Our approach prioritises real, in-sector emissions reductions, with Sustainable Aviation Fuel (SAF) as the most significant near-term lever for long-haul flying, alongside fleet modernisation, operational efficiency and the development of future technologies.

We use our position as a challenger airline to accelerate progress where collective action is needed. Through partnerships with manufacturers, fuel producers and policymakers, and our participation in initiatives such as the UK Jet Zero Council, we continue to advocate for the policy frameworks, investment and sustainability standards required to scale solutions at pace.



## Our planet

### What this means to us

Environmental performance is embedded into how we operate and plan the airline. Sustainability considerations are integrated into operational and financial decision-making, with oversight from senior leaders across the business. This ensures that the financial, operational and environmental implications of our activities are managed together, rather than in isolation.

We track performance against a defined set of KPIs, including fuel efficiency, carbon emissions intensity and SAF uptake. These metrics are used to monitor progress, identify performance improvement opportunities and inform operational and investment decisions across the business.

Operational teams play a central role in delivering environmental outcomes, with performance tracked through day-to-day operations and continuous improvement initiatives focused on fuel efficiency, network optimisation and fleet utilisation. This enables us to translate strategy into measurable action and maintain accountability for delivery.

We are clear about the scale and complexity of the challenge facing aviation. Our focus is on transparency, credibility and delivery – taking action where impact is greatest today, while preparing for the technologies and infrastructure required to decarbonise in the future.

Virgin Atlantic is recognised for its advocacy, transparency and practical leadership on aviation decarbonisation. While we do not claim to have all the answers, we consistently push for higher ambition, particularly on SAF, where long-term certainty and collaboration are critical. We also actively contribute to evolving expectations on sustainability governance, reporting and assurance across the sector.

### Our planet focus areas (informed by double materiality assessment)

Our planet strategy in 2026 is shaped by the environmental topics that are most material to both our impacts and our business risks and opportunities:

- **Climate change and decarbonisation** – reducing greenhouse gas emissions from our operations in line with our long-term Net Zero ambition.
- **Sustainable Aviation Fuel (SAF)** – supporting scale-up while managing cost, availability and sustainability risks.
- **Resource use and circularity** – reducing waste across onboard products and operations.
- **Responsible value chain and data transparency** – improving environmental performance and data quality across our suppliers.

Together, these focus areas define how we are responding to the environmental challenges facing aviation today, while building a more resilient and sustainable airline for the future.



### Red Spirit

**Shyam |**  
Cabin Crew



WATCH VIDEO

Shyam embodies the energy and vibrancy that defines our Delhi team. He has a special gift for lifting the spirits of everyone he flies with, whether he's dazzling customers with his warmth or leading an impromptu Zumba session in the galley for his fellow crew.



Our planet

# Decarbonisation strategy

## Net Zero roadmap

Virgin Atlantic’s pathway to Net Zero by 2050 prioritises the actions that cut emissions at source. Completing our transition to a 100% next-generation fleet by 2028, accelerating Sustainable Aviation Fuel (SAF) adoption, and continually improving operational efficiency. Over time, these will be complemented by high-integrity greenhouse gas removals to address residual emissions as the standards and technologies mature.

We assess every decarbonisation lever through the balance of what we control, what we can influence, and what requires system-wide change. While fleet and operations sit firmly within our remit, other solutions, such as affordable SAF or scalable removals, depend on global supply chains, investment and supportive regulation.

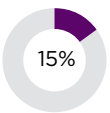
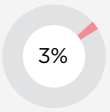

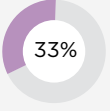
Where influence is needed, we lead. As industry chair of the UK Jet Zero Taskforce, we work closely with government and industry partners to help design policy frameworks that accelerate

SAF production, develop robust standards for carbon removals, and ensure the UK aviation sector remains competitive internationally.

While our decarbonisation strategy is focused on reducing CO<sub>2</sub> emissions, we recognise the broader climate impacts of aviation, including non-CO<sub>2</sub> effects. We are therefore investing in research and operational trials to improve understanding and inform when and how non-CO<sub>2</sub> considerations, such as contrail mitigation, could be responsibly incorporated into future transition planning.

*Decarbonisation targets:*

- **By 2026:** 15% gross reduction in carbon emissions per revenue tonne kilometre (RTK) achieved through continued fleet transformation and operational efficiency.
- **By 2030:** 15% net reduction in total CO<sub>2</sub> emissions, including 10% SAF use.
- **By 2040:** 40% net reduction in total CO<sub>2</sub> emissions.

Decarbonisation lever	Total share of decarbonisation by 2050	Virgin Atlantic’s actions in 2025	Enabling actions required to unlock further decarbonisation
<b>Fleet transformation</b>		In 2025, we retired two A330s, reflecting our transition away from older-generation aircraft. Our A330-300s are being replaced by our A330neos which based on manufacturers data deliver an 11% fuel efficiency saving. Virgin Atlantic are on track for 100% next-generation aircraft by 2028. See details on page 40.	<ul style="list-style-type: none"> <li>■ Continue retirement of older aircraft and deployment of the most fuel-efficient aircraft available</li> <li>■ New airframe design such as blended wing aircraft in operation by 2035 - 2040</li> <li>■ Investment cycle into new aircraft is aligned with introduction of new aircraft design</li> </ul>
<b>Operational efficiencies</b>		In 2025, we explored new ways to become more efficient with project GEESE and continued our flight optimisation resulting in 5,200 tonnes of fuel saved - equating to approximately 17,904 tonnes of CO <sub>2</sub> - through targeted efficiency measures. See details on page 38.	<ul style="list-style-type: none"> <li>■ Continued international and cross-industry collaboration to optimise flight planning</li> <li>■ Airspace modernisation to support efficient routing and continuous descent and climb</li> <li>■ Continued R&amp;D in operational &amp; digital optimisation</li> <li>■ Non-CO<sub>2</sub> mitigation is applied constructively</li> </ul>
<b>SAF</b>		In 2025 Virgin Atlantic took delivery of 11,688 tonnes of SAF under the UK SAF mandate, delivering 37,672 tonnes of CO <sub>2</sub> e reductions. See details on page 36.	<ul style="list-style-type: none"> <li>■ Price competitive UK based advanced SAF plants</li> <li>■ Increased global SAF investment international alignment on sustainability standards to continue decarbonisation</li> <li>■ Scale SAF supply by 21-26 times at an affordable price</li> </ul>
<b>Out-of-sector actions (removals and offsets)</b>		Virgin Atlantic supported government efforts to create the policy ecosystem for emerging high integrity greenhouse gas removals in the UK. See details on page 37.	<ul style="list-style-type: none"> <li>■ Long-term global policy certainty and alignment</li> <li>■ Standardised project methodologies</li> <li>■ High-integrity certification and use cases for removals</li> <li>■ Scalable and affordable supply</li> </ul>



## Our planet

### Decarbonisation strategy continued

## Sustainable Aviation Fuel (SAF)

**SAF is a sustainable drop-in alternative to fossil jet fuel, produced from biomass feedstocks such as used cooking oils, fats, waste paper, wood and plants, as well as captured industrial waste gasses. While SAF generally emits the same CO<sub>2</sub> during combustion, it recycles carbon already in the system rather than releasing new fossil carbon like traditional jet fuel, typically reducing lifecycle emissions by c.70%.**

With zero emissions aircraft technologies still decades away from viability for long-haul aviation, SAF represents the most significant lever available today – after fleet efficiency – for reducing lifecycle emissions.

Virgin Atlantic has been a long-standing supporter of the SAF Mandate and, in its first year of operation, has used the introduction of compliance requirements as an opportunity to actively support the delivery of SAF into the UK market. In 2025, the airline worked closely with its fuel suppliers to align ambition and increase SAF use to 2% of total fuel uplift in the UK, taking delivery of 11,688 tonnes of SAF and delivering 37,672 tCO<sub>2</sub>e of lifecycle emissions reductions.

The SAF Mandate represents an important milestone within Virgin Atlantic's decarbonisation roadmap and builds on the airline's early voluntary action, including the delivery of 13.6 thousand tonnes of SAF between 2022 and 2024, ahead of any regulatory obligation.

**“In 2025 Virgin Atlantic took delivery of 11,688 tonnes of SAF aligned with the UK SAF mandate, delivering 37,672 tonnes of CO<sub>2</sub>e reductions”**

From 1 January 2025, the UK Sustainable Aviation Fuel (SAF) Mandate came into force, obligating jet fuel suppliers to reduce the lifecycle emissions of their total UK jet fuel supply by 2% through the use of SAF. The mandate increases to 10% by 2030 and 22% by 2040.

The UK Sustainable Aviation Fuel (SAF) Mandate is a critical policy lever for sending a long-term demand signal to fuel suppliers and supporting the scale-up of SAF. While the obligation formally sits with suppliers, its costs and operational impacts are largely borne by airlines. The first year of the mandate highlighted a number of challenges, including higher compliance costs than voluntary SAF, limited transparency on cost pass-through, and delays in the provision of documentation required to evidence SAF use.

Mandate ambition rises sharply through the late 2020s, including a cap on Hydroprocessed Esters and Fatty Acids (HEFA) SAF from 2027. These measures are intended to accelerate the transition towards advanced and synthetic fuels. However, delivery of second-generation SAF has fallen materially behind expectations with Power to Liquid (PtL) SAF production in the UK being uneconomical given the cost of renewable energy. As at the end of 2025, no UK advanced SAF production facilities had reached Final Investment Decision (FID) stage despite Government ambition to have five plants under construction by 2025. This increases the likelihood that advanced SAF will need to be imported and increases the risk of near-term mandate compliance for advanced fuels being met through buy-out mechanisms rather than physical SAF uplift, driving higher costs without delivering decarbonisation benefits.

In this context, a supply-side Revenue Certainty Mechanism (RCM) is essential to unlock the private capital required to finance construction, production and commercialisation of SAF in the UK. In 2025, the UK Government progressed development of the RCM through legislation in the Sustainable Aviation Fuel Bill and consultation on its design and funding options, with completion of primary and secondary legislation targeted by the end of 2026. While this represents an important step forward, progress must accelerate to enable early UK advanced SAF projects to reach FID in time to support mandate requirements from 2027.

Beyond revenue certainty, further policy coherence will be required to support SAF scale-up, including alignment across UK and international schemes, clarity on feedstock eligibility, and reduced administrative complexity across SAF certification, carbon pricing and international offsetting frameworks. Without coordinated delivery across demand-side obligation and supply-side support, there is a growing risk that mandate ambition continues to outpace market readiness.

At present, global supply of non-HEFA SAF, including alcohol-to-jet and synthetic fuels such as Power-to-Liquid (PtL), remains extremely limited and materially below the volumes required to meet the UK Mandate trajectory from 2027 onwards. Without near-term project progression and improved investment conditions, there is a risk that mandate ambition outpaces physical supply availability. In this context, a degree of agility in the implementation of the Mandate – particularly in relation to advanced fuel sub-targets and compliance mechanisms – will be important to balance long-term ambition with market readiness.

The cost differential between HEFA and non-HEFA SAF remains significant, with advanced and synthetic fuels currently between 4 to 9 times the price of kerosene jet fuel. Ensuring the UK remains competitive will require coordinated policy design that supports domestic production while avoiding disproportionate cost exposure for UK airlines relative to international peers.



## Our planet

### Decarbonisation strategy continued

## Out-of-sector carbon mitigation

**While our priority remains reducing emissions within our own operations, we recognise that out-of-sector carbon mitigation, particularly high-integrity greenhouse gas removals (GGRs), is essential for aviation's pathway to Net Zero. Residual emissions from long-haul flying cannot be fully eliminated with current technology, making credible removals and robust market frameworks critical to the sector's transition.**

Over the past year, Virgin Atlantic has played a leading role in shaping the emerging removals ecosystem. As industry chair of the UK Jet Zero Taskforce's Expert Group, we have contributed to policy design, responded to government consultations, and helped develop standards that will underpin the integrity, scalability and long-term credibility of removals. Our position is clear: acceptable GGRs must be additional, permanent, independently verified, environmentally responsible and based on transparent methodologies. Only removals meeting these criteria should be recognised within voluntary or compliance frameworks.

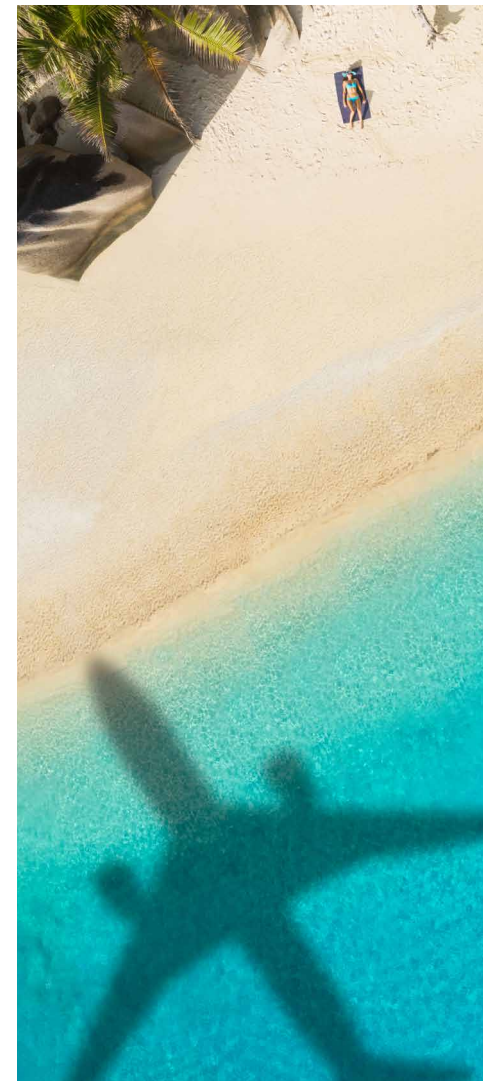
As we look ahead, Virgin Atlantic will continue to advocate for a removals ecosystem that is effective, investable and grounded in high integrity. Out-of-sector mitigation is not a substitute for cutting emissions, but it is a critical component of a credible, long-term Net Zero pathway for aviation.

Policy developments in 2025 reflected growing recognition that residual aviation emissions will need to be addressed through durable greenhouse gas removals. The Department for Energy Security and Net Zero published further detail on the proposed GGR business model, including a commercial framework to support investment, the integration of removals into the UK Emissions Trading Scheme (UK ETS), and the development of British Standards Institution (BSI) standards for Direct Air Carbon Capture and Storage and certain forms of Bioenergy with Carbon Capture and Storage (BECCS). Together, these measures are intended to enable private investment through revenue stabilisation and standards-based governance.

The UK Emissions Trading Scheme remains a central pillar of aviation decarbonisation policy, and in 2025 the UK signalled its intention to link the UK and EU ETS. While linkage could support market alignment, it also introduces material uncertainty and policy asymmetry for UK long-haul airlines. In particular, UK carriers face potential exposure to EU carbon pricing without access to the equivalent benefits available to EU airlines, including the ringfencing of EU ETS revenues to support aviation decarbonisation through SAF incentives, innovation funding and infrastructure investment. This asymmetry risks competitive distortion and undermines policy coherence at a critical point in the sector's transition.

For emissions outside the scope of both ETSs, the UK continues to support the International Civil Aviation Organisation (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) as the primary global mechanism. In parallel, the EU launched a review of CORSIA in 2025, due to conclude in 2026, which may include consideration of expanding the EU ETS to cover all international flights. Such an outcome would exacerbate existing asymmetries for UK long-haul operators and risks weakening the international consensus underpinning CORSIA at a time when policy stability is essential to enable long-term decarbonisation investment.

Virgin Atlantic remains supportive of CORSIA as a globally aligned mechanism to address international aviation emissions and to provide a level playing field across the sector. While we are fully committed to meeting our CORSIA obligations, the current market for CORSIA-eligible emissions units remains constrained, with limited availability and evolving eligibility criteria. As a result, credit procurement to date has been appropriately cautious and focused on availability and quality as the market continues to mature. Limited supply in the near to medium term, combined with increasing demand, creates a risk of cost volatility and potential shortages, which could increase compliance costs beyond current expectations. Differing levels of state participation also add uncertainty, making long-term planning and forecasting more challenging. Virgin Atlantic continues to engage with policymakers, industry bodies and suppliers to support the development of a robust, transparent and scalable supply of eligible emissions units.



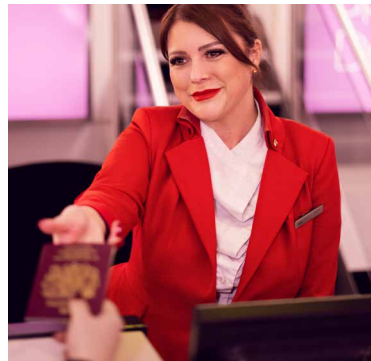


## Our planet

Decarbonisation strategy continued

### Operational efficiencies

Virgin Atlantic's journey to Net Zero is underpinned by a comprehensive, evidence-led operational efficiency strategy. In 2025, we continued to build on the foundations laid in previous years – expanding the use of predictive technologies, deepening collaboration with partners, and strengthening our research into non-CO<sub>2</sub> climate impacts such as contrails. Our focus remains firmly on in-sector reductions, optimising how we fly, how we operate on the ground, and how we work across the industry to deliver real, measurable environmental improvements. In 2025, the total fuel saving from all operational efficiency initiatives totalled 5,200 tonnes of jet fuel, saving 16,527 tonnes of CO<sub>2</sub>e.



Operational efficiency reduced fuel burn by 5,200 tonnes

# 3,023t

**Inflight optimisations**

Partnering with industry partners to create a cross-fleet speed optimisation tool allowing crews to operate efficiently inflight.

# 242t

**Flight crew technique**

Industry first behavioural science application with the aim to improve flight crew's fuel efficiency without compromising safety.

# 121t

**Ground operations**

Working with airports on providing sustainable equipment to reduce the Auxiliary Power Unit (APU) burn during turnarounds.

# 1,814t

**Operational Control Centre / Flight planning**

Continually monitoring fuel usage and using statistics to improve fuel loading policies and operational efficiency.

**Intelligent flight optimisation across cruise and climb**

FliteDeck Advisor (FDA) continues to be a key tool for Virgin Atlantic pilots, providing actionable insights and tail-specific, data-driven recommendations that support more efficient flying. Building on its successful deployment across our Boeing 787 fleet, where it has been central to optimising cruise performance and reducing CO<sub>2</sub> emissions, 2025 marked the first full year of FDA use across our Airbus aircraft. This expansion followed close collaboration with Boeing Global Services to adapt the tool for Airbus operations, integrating aircraft-specific performance data to deliver the same high-quality advisory capability that has benefited our Boeing fleet since 2022.

By advising crews on the most efficient cruise speed based on real-time conditions and statistical tail performance, FDA enables measurable emissions reductions while maintaining operational reliability.

In its first full year of Airbus operation, the system delivered an average fuel saving of around 1% per flight, contributing to an estimated annual CO<sub>2</sub> reduction of approximately 11,800 tonnes. These results build on the strong foundation established in previous years, reaffirming FDA as one of our most effective operational efficiency tools and a core component of our long-term strategy to drive down in-sector emissions across the fleet.

To ensure we continue unlocking efficiencies across the entire flight envelope, we also partnered with Boeing on a detailed analysis of climb performance, applying the same tail-specific datasets that underpin FDA. This research demonstrated that optimising climb-speed profiles could deliver up to a further 1% fuel saving, highlighting a new area of opportunity for operational refinement. Our teams are now reviewing implementation pathways to embed these improvements into day-to-day flying, extending the benefits of data-driven optimisation beyond the cruise phase.





## Our planet

# Pioneering wake energy retrieval through project GEESE

In 2025, Virgin Atlantic helped deliver a world-first demonstration of synchronised commercial flight operations – an essential breakthrough towards future Wake Energy Retrieval (WER). As part of the EU-funded Single European Sky ATM Research (SESAR) GEESE project, we joined a coalition of airlines, manufacturers and air traffic partners to synchronise aircraft departing from different airports and operated by different airlines to arrive at the same waypoint over the North Atlantic, just 1,000 feet apart. Fourteen flights were planned across September and October, six achieved full synchronisation, and Virgin Atlantic proudly operated four of these successful missions from London Heathrow, pairing with partner aircraft departing from Paris Charles de Gaulle (CDG).

This achievement represents the first real-world validation that dynamic, cross-airline formation-ready operations can be performed safely within today's regulatory and operational frameworks. By demonstrating that two commercial aircraft can be re-sequenced in live airspace across different Air Navigation Service Providers (ANSPs), airport systems and airline operations, the trials confirm the feasibility of WER – a concept in which a trailing aircraft can safely capture aerodynamic benefit from the wake of a lead aircraft to reduce drag, fuel burn and emissions.

## Project GEESE has already influenced broader industry thinking, strengthening collaboration among airlines, ANSPs, airports and manufacturers

Earlier research suggested savings of up to 5% per flight, and this year's trials marked the first step towards realising that potential under operational conditions.

The project brought together a unique collaboration of partners. Airbus, as consortium lead, developed the digital synchronisation and situational-awareness tools used across airline and air traffic operations. NATS, DSNA, AirNav Ireland and other ANSPs provided regulatory approvals, dynamic airspace management and real-time oversight, with Heathrow and Paris CDG airport operations supporting the precise departure timing required to enable synchronisation.

Airlines including Delta, Air France and French Bee contributed through coordinated and individual test flights, demonstrating the strong cooperation needed to execute this complex operation. Through this collective effort, the trials successfully moved WER from simulation to real-world execution, proving that meaningful fuel and emissions savings can be achieved through smarter, more coordinated use of existing airspace.

Beyond its immediate technical success, the project offers a scalable blueprint for future adoption. The synchronisation procedures, communication protocols and decision-support tools validated in the trials can be adapted for use in other regions and traffic environments, from oceanic routes to high-density continental corridors. Airbus's digital synchronisation tool – already integrated with Europe's Network Manager – provides a transferable foundation for harmonised international deployment and wider industry adoption. The trial also reinforced the need for future automation and streamlined coordination to unlock WER's full potential at scale.

Project GEESE has already influenced broader industry thinking, strengthening collaboration among airlines, ANSPs, airports and manufacturers, and informing ongoing SESAR work on formation-based flight. The trust and shared operational understanding built through this work demonstrate that sustainability breakthroughs depend not only on new technology but on close partnership and aligned priorities across the aviation ecosystem. Virgin Atlantic is proud to have played a leading role in this milestone, advancing innovation that brings aviation closer to a Net Zero future.





## Our planet

### Decarbonisation strategy continued

### Operational efficiencies continued

#### Data-driven fuel and ground optimisation

Virgin Atlantic's commitment to enhancing operational efficiency extends to the decisions made before departure, the processes that shape aircraft turnarounds on the ground, and the behaviours that support fuel-efficient flying across our pilot community. In 2025, we continued to strengthen these foundations through the integration of advanced analytics, targeted ground-efficiency initiatives and a maturing behavioural-insights programme that is now embedded across our operations.

Recognising the potential for predictive technologies to improve operational decision-making, we advanced work on AI-enabled fuel planning to support the Operations Control Centre (OCC). Trials in late 2025 evaluated how machine-learning models can provide more accurate recommendations for discretionary fuel, taking into account expected delays, holding patterns and weather uncertainty. By shifting towards a more dynamic and data-informed approach to fuel uplift, we aim to further balance operational resilience with emissions reduction, ensuring safety remains paramount while avoiding unnecessary fuel carriage.

Progress on the ground continued in parallel, with our ongoing efforts to reduce emissions during aircraft turnarounds. Enhanced monitoring of Auxiliary Power Unit (APU) usage and increased deployment of sustainable ground-power equipment supported further reductions in fuel burn and reinforced our commitment to cutting emissions across all phases of operation. These initiatives reflect our broader goal of minimising the environmental impact of ground activities while maintaining efficient, reliable airport operations.

Alongside these technological and operational measures, 2025 saw continued success with Signol, our behavioural-insights platform now adopted by all Virgin Atlantic captains. By providing personalised feedback on fuel-efficient actions, the programme has helped embed a culture of continual improvement across the pilot community. Uptake of techniques such as single-engine taxi, used on more than 60% of flights, and more consistent optimisation of discretionary fuel demonstrates how data-driven behavioural insights can deliver meaningful, sustained emissions reductions through everyday decisions.

Together, these developments illustrate how Virgin Atlantic is taking a holistic approach to operational efficiency - combining technology, ground innovation and human insight to drive long-term, in-sector emissions reductions across the entire journey.

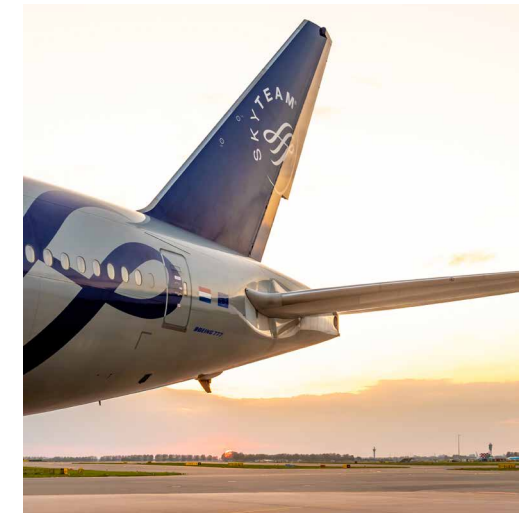
#### Delta Carbon Council & SkyTeam Partnership

Collaboration remained central to our operational strategy in 2025. Through the Delta Carbon Council and the SkyTeam Operational Efficiency Working Group, we partnered with Delta, KLM, Air France, Korean Air and Aeromexico to exchange best practices in fuel and emissions management.

These discussions spanned weight-reduction initiatives, ground operations, and enhancements to flight procedures - ensuring consistent, scalable operational improvements across alliance members. This shared approach reflects our wider belief that aviation's pathway to Net Zero will be achieved through collective action and transparent cooperation.

In 2025, the UK Government confirmed the establishment of the UK Airspace Design Service as part of the Airspace Modernisation Strategy, intended to deliver more coordinated, efficient and environmentally optimised airspace design. These reforms are expected to support emissions reductions through improved flight efficiency and reduced airborne holding, while also forming part of the infrastructure context for any future airport capacity changes.

Investment in aerospace research and development remained a key component of industrial and sustainability policy. Long-term funding commitments to the Aerospace Technology Institute were reaffirmed, supporting work on ultra-efficient aircraft, zero-emission propulsion technologies and cross-cutting systems needed for long-term decarbonisation.





## Our planet

Decarbonisation strategy continued

## Fleet

**Our fleet transformation remains the single most significant lever in lowering carbon emissions, improving operational resilience and elevating the customer experience.**

2025 saw the retirement of two Airbus A330-300s, reflecting our ongoing transition away from older-generation aircraft. Based on manufacturer data the next generation A330neos deliver a 11% fuel efficiency saving compared to the A330-300s they replaced. Following these retirements, at year end our 2025 fleet comprised of six Airbus A330-300s, eight Airbus A330-900neos, twelve Airbus A350-1000s, and seventeen Boeing 787-9s, resulting in a fleet with an average age of 7.5 years compared to a peer widebody aircraft average of 13 years old\*.

87% of our available seat kilometres (ASKs) were completed with next-generation aircraft. Next-generation aircraft are comprised of new composite materials, aerodynamics, and/or new engine technology and by 2028, we expect to operate a 100% next-generation fleet. This will complete more than a decade of transformation and position Virgin Atlantic with a fully modernised fleet that is quieter and more fuel efficient.

We continue to monitor fleet advancements to ensure we are aware of latest technology available to us. Looking forward to 2050 we expect new fleet technology and efficiency to provide additional carbon saving in our route to Net Zero.

\*Peer fleet composition analysis used planespotter.net fleet details on our peers' widebody aircraft including Air Canada, Aer Lingus, British Airways, Delta, Norse, and United Airlines.



## Our planet

### Decarbonisation strategy continued

## Non CO<sub>2</sub>

**The science of contrails remains an area of uncertainty, particularly when it comes to predicting their formation and understanding their wider climate impact on any given flight. These impacts can be both positive and negative, affected by numerous variables which may include weather conditions, altitude, fuel, aircraft and engine type, and thrust settings.**

While Virgin Atlantic does not currently incorporate non-CO<sub>2</sub> impacts into its Net Zero roadmap – a position aligned with wider industry approaches, including the UK Government's Jet Zero Roadmap – we recognise that non-CO<sub>2</sub> emissions have an overall detrimental effect on the climate.

Building on the foundations established through Flight100 and our 2024 research, Virgin Atlantic continues to explore how airlines can incorporate contrail mitigation into flight planning while balancing operational efficiency and fuel use. In 2025, we advanced this work through one of the most detailed operational contrail-avoidance studies undertaken in commercial aviation to date.

Over a six-month period, we conducted a research programme across 76 flights on our Barbados-London Heathrow route in collaboration with Imperial College London. The trial used high-resolution GOES-16 satellite imagery, including one-minute mesoscale observations, to assess contrail formation potential with unprecedented temporal and spatial clarity. This enhanced dataset enabled planners to identify areas with a high likelihood of producing climate-warming contrails and evaluate whether avoidance could be incorporated seamlessly into day-to-day flight planning.

Fourteen flights employed pre-planned avoidance actions, rerouting around forecast polygons representing regions where persistent, high-warming contrails were expected to form. These polygons were displayed within our flight planning system in a similar way to turbulence or significant-weather advisories, allowing pilots and dispatchers to integrate contrail considerations directly into operational decision-making.

The avoidance measures resulted in an average fuel increase of approximately 0.5%, demonstrating that targeted contrail mitigation can be operationally feasible with minimal efficiency impact when supported by accurate forecasting.



While initial results indicate that contrail avoidance can be incorporated without major operational impact, challenges remain. Improving forecast accuracy, validating avoidance outcomes, and ensuring mitigation strategies do not lead to unnecessary fuel burn are key areas of continuing research. To support this, our teams have developed an expanded pilot reporting system and collected more than 400 in-flight observations to strengthen model validation. A technical paper summarising the methodology and results is forthcoming.

Throughout 2025 Virgin Atlantic continued to participate in broader non-CO<sub>2</sub> forums, workshops and initiatives such as the Contrails Impact Taskforce, Sky Team Contrail Impact Workshop and Dialogue Days and collaborating with global stakeholders including governments, airline industry, academics and technology partners to develop best practice and accelerate readiness for contrail mitigation and to explore the practical and scientific challenges associated with contrail avoidance, to help build a more collective industry understanding of how contrail avoidance can be effectively and responsibly integrated into flight operations.

Through these efforts, Virgin Atlantic is contributing to the development of a more robust, evidence-based approach to reducing aviation's non-CO<sub>2</sub> climate impacts, reinforcing our broader commitment to driving forward practical climate action across the sector.



## Our planet

### Decarbonisation strategy continued

## Performance vs targets

In 2021, Virgin Atlantic announced its commitment to achieve Net Zero carbon emissions by 2050, alongside interim targets set against a 2019 baseline:

- **By 2026: 15% gross reduction in carbon emissions intensity (CO<sub>2</sub>/RTK), primarily through fleet transformation**
- **By 2030: 15% net reduction in total CO<sub>2</sub> emissions, including 10% SAF use**
- **By 2040: 40% net reduction in total CO<sub>2</sub> emissions**

These targets focus on our largest source of emissions: direct Scope 1 emissions from the combustion of aviation fuel, in line with industry decarbonisation roadmaps.

We track carbon performance on both an absolute and intensity basis to assess progress in reducing emissions and improving efficiency over time. In addition, we monitor and report on fuel consumption, electricity and gas use, and waste (see page 54 for further details).

### Carbon efficiency performance

In 2025, our CO<sub>2</sub>/RTK efficiency performance improved to 0.658 kgCO<sub>2</sub>/RTK, representing a 3% improvement versus 2024 (0.680 kgCO<sub>2</sub>/RTK) and outperforming our original forecast of 0.665 kgCO<sub>2</sub>/RTK published in our 2024 Annual Report. This improvement was driven by:

- continued fleet transformation and operational efficiency initiatives, including the retirement of two Airbus A330-300 aircraft and a full year of operating their more efficient A330neo replacements
- a 0.6% increase in passenger load factor
- a 7% increase in cargo load factors

Our 2025 performance represents a 9% improvement versus our 2019 baseline (0.723 kgCO<sub>2</sub>/RTK). Looking ahead, an additional 6% improvement is required in 2026 to meet our CO<sub>2</sub>/RTK target of 0.615 kgCO<sub>2</sub>/RTK, equivalent to a 15% reduction versus 2019. Our current outlook for 2026 is 0.643 kgCO<sub>2</sub>/RTK, reflecting a materially changed operating and policy environment compared with when the target was set in 2021.

When our 2026 target was set in 2021, several assumptions were made that have not materialised as expected:

- **SAF availability:** SAF supply has scaled more slowly than anticipated. IATA forecasts global SAF production of 1.9 million tonnes in 2025, up from 1.0 million tonnes in 2024, with growth slowing to 2.4 million tonnes by 2026
- **SAF affordability:** SAF prices remain materially higher than forecast, with mandated compliance costs typically double those of voluntary SAF, limiting the ability to increase uplift beyond regulatory requirements
- **Revenue Certainty Mechanism:** Continued evolution of RCM design and timelines has constrained investor confidence and delayed UK SAF project development
- **Regulatory alignment:** Differences in eligibility and certification across schemes continue to limit the ability to utilise SAF efficiently across multiple regulated markets

### Absolute emissions

While carbon efficiency improved, our absolute Scope 1 emissions increased by 1% in 2025 compared to 2024. This reflects network growth, with the number of sectors flown and available seat kilometres (ASKs) both increasing by 2% year on year. Despite higher fuel burn in 2025 our absolute emissions have reduced by 9% versus 2019. As we continue to progress towards our 2030 and 2040 reduction targets, we remain focused on the key levers that will drive further reductions:

### Expanded carbon intensity metric

From 2025, we have introduced an additional emissions intensity metric: CO<sub>2</sub> equivalent per revenue tonne kilometre (CO<sub>2</sub>e/RTK). This measure reflects the full scope of emissions (Scopes 1-3) associated with both conventional and sustainable aviation fuel use and is increasingly relevant as SAF volumes scale.

On this basis, our 2025 CO<sub>2</sub>e/RTK performance was 0.796 kgCO<sub>2</sub>/RTK, with a 2026 outlook of 0.771 kgCO<sub>2</sub>e/RTK. Rebased against our original 15% reduction target, the 2026 target equates to 0.749 kgCO<sub>2</sub>e/RTK, compared to a 2019 baseline of 0.882 kgCO<sub>2</sub>e/RTK. We intend to report on this basis going forward following completion of our 2026 target period, to ensure transparent reporting of the full impact of our in-sector decarbonisation actions.

### Ground operations

Across our ground operations, we continued to procure 100% renewable electricity for our UK sites, resulting in zero Scope 2 emissions in 2025 on a market-based basis. Progress also continued in decarbonising our UK vehicle fleet, with 53% fully electric and 38% plug-in hybrid vehicles. The remaining 9% are retained for specialist towing and payload requirements. We continue to work with partners to identify opportunities to further electrify our fleet as technology develops.



## Our planet

# Product, waste and supply chain management

**Beyond fuel, Virgin Atlantic is building a more circular, resource-efficient cabin operation by rethinking how products are sourced, used, recovered and reloaded across our network. Working closely with partners, suppliers and customers, we are reducing waste and investing in smarter, more sustainable products and services.**

This commitment is reflected in our Responsible Procurement Policy and in our Thoughtful Food Journey, where we prioritise responsible sourcing and continue to eliminate unnecessary single-use plastics. The following sections highlight the progress achieved this year and the partnerships that help embed sustainability throughout our procurement and inflight services.

### EcoVadis & The Aviation Initiative for Responsible Procurement (AIRPro)

Virgin Atlantic continued its collaboration with EcoVadis and the wider industry through the Aviation Initiative for Responsible Procurement (AIRPro), a coalition working to improve ethical, social and environmental standards across the aviation supply chain. In 2025, two new airlines – Air Canada and American Airlines – joined the initiative, strengthening its global reach. Since its inception, AIRPro members have collectively assessed more than 1,500 suppliers as of December 2025, a significant increase from approximately 1,000 the previous year. We remain committed to enhancing supplier engagement and scaling positive impact as we drive continued progress in responsible procurement practices.

### Driving Circularity Across the Cabin

Since our 2019 baseline, Virgin Atlantic has replaced 90% of virgin single-use plastic by weight across inflight services – an ongoing achievement equivalent to removing 61.4 million single-use items flown each year. For example, through our partnership with BambuuBrush, since September 2019, we have stopped over 150,000 kg of plastic toothbrushes from entering commercial circulation.

In 2025, we continued this work by focusing on how cabin products and materials are used, reused and recovered, helping reduce waste and improve efficiency across our operation. By extending product life, improving recycling and loading only what is needed, we are lowering our environmental impact while strengthening the resilience of our supply chain. Our long-standing partner MNH supports this work through refurbishment, material recovery and data-led tools that help optimise cabin loading.

Refurbishment remains one of the most effective ways to cut waste and avoid new production. In 2025, more than 600 tonnes of cabin products were refurbished or recovered and returned to service through MNH-supported programmes. This includes our headset refurbishment scheme, which achieved an 86% repair and return rate, extending the life of inflight entertainment equipment while maintaining quality for customers. Similar repair processes for amenity kit components ensure materials stay in use for longer rather than becoming waste.

Improved recycling and material recovery also prevented more than 700 tonnes of cabin waste from entering landfill. Textiles, plastics and amenity kit components were separated into their core materials to support high-quality recycling and reuse. These efforts help preserve resources and reduce waste across the cabin.

We also improved waste and fuel efficiency by loading smarter. Using ROTIX, a data platform developed by MNH, we identified opportunities to remove more than 700,000 unnecessary items from annual loading without affecting service. Aligning galley plans more closely with customer demand helps prevent waste before it occurs.

Reducing weight has delivered further benefits for both emissions and fuel efficiency. Across the operation, we are now removing 1.7 tonnes of weight per day. Nearly 40% of this saving comes from using fewer aluminium containers for storing meal trays and service items, reducing weight by 696 kg per day, with further reductions from optimised carts, glassware and beverage loading.

### Eating onboard

Our menu pre-ordering service allows customers to choose their meals in advance, helping ensure preferences are met while reducing food waste. In 2025, we extended pre-ordering to Flying Club members travelling in Economy on routes where the service is already available in Upper Class and Premium, including flights departing from the UK, US, Caribbean and India.

Between January and October 2025, pre-ordering saved an estimated 20,361 kg of food in Upper Class and 8,903 kg in Premium. Looking ahead, we will continue to refine the programme in 2026 by exploring expanded route coverage and menu options, supporting greater uptake and further reductions in onboard food waste.

### Making a difference with social plastic

Working with Plastic Bank and Linstol, Virgin Atlantic's use of ocean-bound plastic in headset production continues to deliver meaningful social and environmental outcomes. By incorporating Social Plastic® – recycled material collected by people in vulnerable coastal communities – we help reduce ocean pollution while supporting fair-value recycling systems that create stable, income opportunities. Since the start of the programme in April 2024, more than 11 tonnes of oceanbound plastic have been removed, contributing to poverty alleviation, expanding access to responsible work, increasing the use of recycled materials, and supporting healthier marine ecosystems. Through refurbishment and reuse, we also extend headset lifespan, reduce waste, and enhance the onboard experience, demonstrating how thoughtful product design can drive positive impact across the value chain.



## Our planet

# Data, AI and Technology

**In 2025, Data, AI and Technology were applied deliberately to strengthen how Virgin Atlantic makes sustainable, responsible decisions. The focus was not experimentation for its own sake, but building decision capability that delivers measurable environmental, social and governance outcomes while keeping accountability clear and decision-making firmly in human hands.**

Across the year, this approach delivered tangible results: improved fuel efficiency and reduced emissions, lower waste and cost through smarter provisioning and maintenance, and strengthened customer and colleague trust through transparent, governed use of AI. Technology was deployed only where it demonstrably improved decisions and scaled selectively where governance and controls were robust.

### Data & AI initiatives:

#### Smarter provisioning and logistics

Improved forecasting by route, cabin and onboard item tightened aircraft provisioning and extended the benefits of our pre-order system. Fewer surplus meals, simpler loading plans and reduced logistics movements lowered operating cost and embodied carbon, without compromising customer choice or service quality.

#### Predictive maintenance

By bringing aircraft defect data into a single, governed view, engineering teams gained earlier visibility of emerging issues across the fleet. More targeted interventions reduced unexpected disruptions, improved aircraft availability and cut waste, supporting more reliable operations.

#### Customer service designed for humans

A customer AI concierge was introduced across Virgin Atlantic's website and apps, designed with accessibility, transparency and human oversight. Routine queries are resolved quickly, while complex or sensitive cases are routed to colleagues. Customers retain choice and clarity, improving responsiveness without eroding trust.

### Data and AI governance

#### Governance was treated as a customer promise, not a compliance exercise.

Clear operating controls ensure accountability throughout the lifecycle of data and AI solutions, including risk-based decision gates, mandatory human review where potential impact is highest, and continuous validation in live environments. Privacy-preserving analytics, strengthened access controls and a consolidated governed platform protect customer data while providing a secure foundation for responsible scale.

#### Commercial responsibility - fair and explainable decisions

Commercial decision-making was enhanced through the core data platform and designed with explicit guardrails to balance performance and trust.

Pricing and inventory tools embedded fairness, explainability and availability commitments alongside revenue optimisation. Clear rationale supports transparent customer communication and regulatory confidence, ensuring commercial outcomes and trust reinforce rather than compete with each other. Improved capacity and inventory decisions have reduced avoidable flying while improving seat availability, aligning commercial performance with sustainability outcomes.

### Looking ahead

2025 focused on proving what works under real Virgin Atlantic now has credible foundations, a clear governance baseline and evidence of where data and AI materially improve environmental, social and governance outcomes.

In 2026, the focus will be converting proven initiatives into governed rollouts with defined owners and measurable outcomes; maintaining clear limits on automation with human decision rights retained where risk is highest; and strengthening outcome measurement and external reporting for transparency and auditability

The approach remains simple and intentional: deploy pragmatically, measure what matters, govern tightly and keep people at the centre. This is how data, AI and technology become a durable capability supporting sustainable performance, regulatory confidence and long-term trust.



## Our planet

### Data, AI and Technology continued

#### Information and Cyber Security as a Foundation for Sustainable, Responsible Growth

As our organisation continues its digital transformation, safeguarding our information and technology estate is fundamental to how we operate responsibly and sustainably. Information and cyber security is not only a technical capability, it is a key enabler of long-term value creation, underpinning trust, operational resilience, and responsible growth across our business. By investing in secure and resilient digital foundations, we support our people, protect our customers, and ensure the continued availability of the systems that enable safe, efficient, and sustainable aviation.

Looking ahead, we will continue to embed cyber resilience into the way we design, operate, and evolve technology, ensuring it supports sustainable outcomes while keeping accountability and decision-making firmly in human hands.

#### Protecting our colleagues, customers, and communities

A secure digital environment supports the wellbeing of our people and reinforces trust with our customers, partners, and communities. Our ongoing investments in cyber resilience help ensure that personal information, operational systems, and digital services are protected throughout their lifecycle. By embedding secure-by-design principles into technology development, change, and operations, we create safer, more reliable digital experiences for everyone who engages with us.

During the year, we strengthened our ability to detect and respond to cyber threats by expanding managed detection and response capabilities and improving situational awareness across our technology estate. These capabilities are designed to support timely, proportionate response, with human oversight retained where potential impact or risk is highest. Together, these improvements help minimise disruption for colleagues and customers, supporting smoother journeys, more reliable services, and sustained trust.

#### Trust-based governance, transparency, and long-term resilience

Strong governance and ethical stewardship are central to how we manage cyber security and digital resilience. Cyber governance is treated as an enabler of trust and transparency, not simply a compliance exercise. Oversight is provided by the Information Security Board, which sets strategic direction, strengthens governance, and ensures investment decisions support long-term resilience, regulatory readiness, and responsible growth.

We remain aligned with recognised regulatory and industry frameworks, including the Civil Aviation Authority's CAP1753 and PCI-DSS, and continue to prepare for evolving cyber resilience expectations across the aviation and critical-infrastructure sectors. Enhanced security reporting and a consistent assurance model provide clearer insight into control effectiveness, supporting accountability, informed decision-making, and continuous improvement.

Alongside preventative and detective capabilities, we maintain robust business continuity and disaster recovery arrangements to ensure essential services can continue with minimal impact in the event of disruption. Strategic partnerships with trusted technology and managed service providers enable us to access specialist expertise, accelerate improvement, and scale our capabilities responsibly and securely.

#### A secure, sustainable digital future

By continuing to strengthen cyber resilience, modernise our technology foundations, and embed responsible governance across our organisation, we are building a secure and sustainable digital future.

Cyber security enables reliable operations, responsible data stewardship, and long-term value creation supporting the expectations of our people, customers, regulators, and stakeholders, today and into the future.

Over the next reporting period, we will continue to strengthen security awareness and accountability across the organisation, reinforcing the shared responsibility for protecting information and digital assets.





## Our planet

## Climate-related financial disclosures

Virgin Atlantic has prepared these Climate-related Financial Disclosures in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. The disclosures are aligned to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and cover all the required disclosure points across the four core pillars of Governance, Strategy, Risk

Management, and Metrics and Targets. The information presented describes how climate-related risks and opportunities are identified, assessed and managed across the business, and how these considerations are integrated into our strategy, financial planning and risk management processes. Disclosures can be found throughout the annual report.

Non-Financial and Sustainability Information Statement (NFSIS)	Relevant TCFD disclosure	Relevant CFD disclosure	2025 activity	Page ref
<b>Governance</b>	<p><b>A</b> Disclose the organisation's governance around climate-related risks and opportunities.</p> <p><b>B</b> Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p><b>A</b> A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.</p>	Our Board governance was strengthened with the addition of the new Responsible Business Committee. The Carbon Taskforce continued the management of climate-related risks and opportunities.	29
<b>Strategy</b>	<p><b>A</b> Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p><b>B</b> Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</p> <p><b>C</b> Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p><b>A</b> A description of the principal climate-related risks and opportunities arising in connection with the company's operations, and the time periods by reference to which those risks and opportunities are assessed.</p> <p><b>B</b> A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy.</p> <p><b>C</b> An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios.</p>	<p>This year we continued to monitor and manage the financial impacts of the transition to Net Zero. In October the most material financial impacts were shared with the Responsible Business Committee who made final recommendations on the next five-year plan.</p> <p>Scenario analysis has been completed on our most material risks to ensure we are resilient in multiple future scenarios.</p>	48-51
<b>Risk management</b>	<p><b>A</b> Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p><b>B</b> Describe the organisation's processes for managing climate-related risks.</p> <p><b>C</b> Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p><b>A</b> A description of how the company identifies, assesses, and manages climate-related risks and opportunities.</p> <p><b>B</b> A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process.</p>	We continue to use a range of tools, including our carbon model, to identify, assess, and manage our climate-related risks.	52
<b>Metrics and targets</b>	<p><b>A</b> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p><b>B</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p><b>C</b> Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p><b>A</b> The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.</p> <p><b>B</b> A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.</p>	We continue to report our full scoped GHG inventory and the main levers to decarbonising the airline.	32, 43 53-57



**Our planet**

Climate-related financial disclosures continued

**Strategy**

**Our approach to assessing and managing climate-related risks and opportunities**

Climate-related issues are integral to our business, shaping operational performance, fleet and fuel strategy, network planning, commercial optimisation and financial decision-making. Our sustainability commitments, investments and strategic choices are informed by the identification and assessment of climate-related risks and opportunities.

We continue to focus on fleet investment, utilisation and efficiency, alongside commercial partnerships that will support the scaling of breakthrough solutions.

Virgin Atlantic continues to use scenario analysis as a tool to identify, assess and manage risks and opportunities across the business and have further strengthened our internal capabilities in 2025. This analysis plays a key role in financial planning and supports the development of our adaptation and transition strategy.

**Virgin Atlantic climate-related planning horizons**

Time horizon	Timeframe	Rationale
<b>Short term</b>	1-3 years	This timeframe allows Virgin to be agile when monitoring and assessing physical and transitional risks/opportunities that may materialise in the short term.
<b>Medium term</b>	4-14 years	Our medium-term planning horizon allows us to consider the economic and social environment when we will be making our most significant purchases in fleet.
<b>Long term</b>	15-35 years	Virgin Atlantic's long-term planning horizon is used to stress our strategy in various physical, economic and regulatory scenarios on the route to Net Zero.





## Our planet

### Climate-related financial disclosures continued

## Strategy: risks

TCFD risk category	Risk summary	Potential impact	Material time horizon	Stakeholders
Policy & legal	<b>UK SAF policy</b> The UK SAF mandate fails to achieve suitable investment to enable supply to be delivered at scale.	<b>SAF costs increases</b> compared to conventional jet fuel for mandated SAF. <b>Market failure</b> in the event of failing to achieve sufficient supply of SAF; enforced buyer pay practices, passing through higher costs to airlines and consumers. <b>Competitive disadvantage</b> for UK airlines compared to EU peers due to higher SAF-related costs.	Short & Medium	Sustainability, Government Affairs, Fuel, Treasury, Financial Planning
Technology	<b>SAF supply, technological and feedstock risks</b> The SAF market's limited supply, volatile costs and nascent technologies impact Virgin Atlantic's ability to meet our decarbonisation targets.	<b>SAF cost premium</b> In 2024 SAF prices were at a significant premium to fossil-derived jet fuel. HEFA 2-4x cost of jet fuel, AtJ/FT 3-7x cost of jet fuel, PtL 8-10x cost of jet fuel. <b>Environmental impacts</b> Feedstock supply issues result in unsustainable sourcing practices and failure to meet industry SAF usage and carbon reduction targets.	Short & Medium	Sustainability, Fuel, Treasury, Financial Planning
Market	<b>CORSIA credit availability</b> CORSIA costs increase as airlines face competition to buy limited number of credits.	<b>CORSIA costs</b> , as demand for CORSIA Eligible Emissions Units outstrips supply, causing a market failure with potential penalties for airlines for non-compliance. <b>Environmental impact</b> , failure of a CORSIA credit market to develop will result in significant loss of out-of-sector decarbonisation potential.	Medium	Sustainability, Treasury, Financial Planning
Market	<b>Regional aviation demand</b> Cost of decarbonisation impacting demand for aviation.	<b>Changing in regional demand</b> , in the event of aviation becoming unaffordable for UK consumers and UK airlines lose competitiveness globally.	Medium	Treasury, Fuel, Route Planning, Financial Planning, Sustainability
Reputation	<b>Carbon removal and offset efficacy and acceptance</b> Uncertainty around carbon removals/offset effectiveness and consumers' willingness to accept removals/offsets as part of a decarbonisation strategy.	<b>Technological risks</b> prevent investment and the scaling of removals to meet market demand and affordability. <b>Reputational impact</b> from poor quality offsets or removal projects, affecting the perception on out of sector decarbonisation. <b>Higher cost of carbon removal</b> compared to carbon offsets.	Medium	Sustainability, Government Affairs, Financial Planning
Reputation	<b>Customer sentiment and brand perception</b> Changes in consumer sentiment and opinion that can directly or indirectly result in changing customer behaviours.	<b>Changing customer behaviour</b> , including a potential shift in preferences towards competitors and alternative transport, can reduce demand and revenue across all segments.	Short & Medium	Public Relations, Sustainability, Brand, and Customer
Physical risk, acute and chronic	<b>Physical climate risks impacting our operations</b> Our routes, airports and hotels facing increased operational disruption due to climate change.	<b>Disruption costs</b> due to extreme weather, flooding, and rising temperatures can affect flight operations, damage airport infrastructure, and reduce tourism, leading to higher expenses and lost revenue.	Short, Medium & Long	Operational Control Centre, Sustainability, Pilots, Holiday, Customer Care



## Our planet

Climate-related financial disclosures continued

### Strategy: opportunities

TCFD risk category	Risk summary	Potential impact	Material time horizon	Stakeholders
<b>Energy source &amp; Resource efficiency</b>	<b>Future aircraft technology</b> Future innovations in aviation technology driving emissions and fuel reductions.	<b>Reduced carbon pricing exposure</b> (CORSIA and ETS) by the identification of carbon reduction technologies. <b>Environmental benefits</b> through reduced emissions, contrail and noise production and improved air quality.	Medium & Long	Sustainability, Fleet, Inflight services, Fuel, Financial Planning teams
<b>Energy source</b>	<b>Harness new fuel sources</b> Explore the use of new novel SAF pathways and new suppliers.	<b>New transitional industry</b> cutting lifecycle carbon emissions, with SAF offering wider benefits like route flexibility and UK job creation.	Medium & Long	Sustainability, Fleet, Inflight services, Treasury
<b>Products and services</b>	<b>Innovations in on-board products</b> New innovation in on-board products and services on board our fleet.	<b>Improved fuel efficiency</b> through reduced weight from onboard products. <b>Reputational benefits and revenue opportunities</b> from alternative revenue streams and more tailored products.	Short	Sustainability, Fleet, Inflight services, Fuel
<b>Resource efficiency</b>	<b>Lower emission air travel</b> Fleet transformation benefits result in lower carbon intensity air travel compared to our competitors' less efficient fleet.	<b>Improved fuel efficiency</b> through advanced technology in our modern fleet, lowering fuel costs.	Short, Medium & Long	Customer, Sustainability, Fleet, Fuel, Inflight services
<b>Physical risk</b>	<b>Physical hazard preparedness</b> Robust disaster management planning and adaptation planning.	<b>Increased operational resilience</b> by reducing disruptions and improving customer journeys through effective climate risk management.	Short, Medium & Long	Sustainability, Holiday, Customer Care



**Our planet**

Climate-related financial disclosures continued

**Strategy: scenario analysis**

**Summary of Virgin Atlantic’s approach to climate scenario analysis**



We respond to climate risks and opportunities using multiple different methods alongside our scenario analysis. Transition risks arising from policy, market and technology change are identified, assessed and managed through forward-looking financial planning, active engagement with policymakers and industry, and strategic investment decisions. Climate-related costs, including those associated with sustainable aviation fuel (SAF) and carbon pricing mechanisms, are incorporated into financial planning using our carbon model and managed through our carbon surcharge. Reputational, demand and customer-related risks are addressed through continued fleet transformation, product and service innovation, and transparent sustainability reporting and communication. Physical climate risks are managed through established operational resilience and disruption planning processes, with climate scenario informing the development of longer-term adaptation planning.

**Our Carbon Model**

Our Carbon Model is an internal tool with the primary function of forecasting our future CO<sub>2</sub> emissions from flying, and model the trajectory and costs associated with our transition to Net Zero. The Carbon Model has been in use across the business since 2020 and is also used to provide insights on our material climate-related risks. We regularly update, project, and monitor these CO<sub>2</sub> emissions from a risk perspective to inform business decision-making and assess their impact, while also forecasting future carbon emissions and financial implications.

Two of our most significant financial risks – the UK SAF mandate and CORSIA compliance – form the foundation of our financial cost modelling and are integrated into both Virgin Atlantic’s future business strategy and financial planning processes.



## Our planet

Climate-related financial disclosures continued

### Risk management

**Our risk management process is integrated into our sustainability strategy, corporate risk management process, enterprise risk management framework and risk governance model. Our enterprise risk management (ERM) framework ensures that the most significant risks are escalated to our leadership team. The process is carried out quarterly at a minimum and ensures that climate-related risks and opportunities are consistently managed against the other risks faced by the organisation.**

During the ERM process each quarter, scenarios are evaluated for a range of identified risks, scored for both likelihood and potential impact, and how the business would respond to the risk. Material risks exceeding a threshold of £25-50m are escalated to the Leadership Team Group Risk Register, which is reviewed by the CEO and Leadership Team quarterly and presented to the Audit Committee Board Meeting biannually.

Annually, we disclose our most material risks. Sustainability is a designated Top Risk, encompassing consumer expectations for sustainable aviation, financial challenges in meeting carbon reduction commitments, and the physical impacts of climate change on operations.





## Our planet

## Sustainability performance and data

GHG table (tCO<sub>2</sub>e)

Type of emissions	Activity	2019	2020	2021	2022	2023	2024	2025	2025 (%)	2025 vs. 2024 (%)	2025 vs. 2019 (%)
Direct (Scope 1)	Conventional aviation fuel	4,190,727	1,597,905	1,768,189	3,084,627	3,513,204	3,778,682	3,812,727	76%	1%	-9%
	Sustainable aviation fuel - CH <sub>4</sub> & N <sub>2</sub> O	-	-	-	62	55	318	372	0%	17%	
	Natural gas	2,428	1,808	1,467	1,244	822	916	809	0%	-12%	-67%
	Ground vehicles	575	229	235	164	206	421	140	0%	-67%	-76%
	Refrigerant	-	827	309	246	32	57	545	0%	861%	
	Other fuels	498	164	232	267	366	164	348	0%	112%	-30%
	<b>Subtotal</b>		4,194,229	1,600,932	1,770,432	3,086,610 <sup>▲</sup>	3,514,685 <sup>▲</sup>	3,780,559 <sup>▲</sup>	3,814,942 <sup>●</sup>	76%	1%
Indirect energy (Scope 2)	Location-based	3,225	2,101	1,440	1,246 <sup>▲</sup>	1,326 <sup>▲</sup>	1,291 <sup>▲</sup>	1,029 <sup>●</sup>	0%	-20%	-68%
	Market-based	N/A*	N/A*	N/A*	- <sup>▲</sup>	- <sup>▲</sup>	- <sup>●</sup>	- <sup>●</sup>	0%		
Indirect other (Scope 3)	Category 1 - Purchased goods and services	240,503	126,511	103,818	108,067	153,418	150,970	161,998	3%	7%	-33%
	Category 2 - Capital goods	211,469	39,099	10,401	14,206	15,645	62,917	32,203	1%	-49%	-85%
	Category 3 - Fuel and energy related, well to tank (WTT)	868,920	331,600	366,922	639,787**	732,741**	792,059**	802,374	16%	1%	-9%
	Category 4 - 9	158,433	39,608	60,845	127,907	143,366	139,651	131,875	3%	-6%	-17%
	Category 11 - Use of sold products	249,844	37,676	23,744	86,262	88,001	109,596	87,577	2%	-20%	-65%
	<b>Subtotal</b>		1,729,168	574,494	565,730	976,438 <sup>▲</sup>	1,133,164 <sup>▲</sup>	1,256,063 <sup>▲</sup>	1,216,027 <sup>●</sup>	24%	-3%
<b>Total emissions location-based (tCO<sub>2</sub>e)</b>	<b>Total</b>	5,926,622	2,177,526	2,337,603	4,064,294	4,649,175	5,037,913	5,031,998	100%	0%	-15%
<b>Total emissions market-based (tCO<sub>2</sub>e)</b>	<b>Total</b>	N/A	N/A	N/A	4,063,048	4,647,849	5,036,622	5,030,969	100%	0%	

<sup>▲</sup> In 2022, 2023 and 2024 KPMG provided a limited assurance in line with ISAE(UK)3000 and ISAE 3410.

<sup>●</sup> KPMG LLP has issued independent limited assurance, using assurance standard ISAE(UK)3000 and ISAE 3410, over selected data indicated. KPMG's assurance statement and Virgin Atlantic's 2025 Non-Financial Reporting Criteria are available [here](#).

\* Market-based emissions not previously reported.

\*\* This figure has been restated from last year to reflect updated methodology.



## Our planet

Sustainability performance and data continued

### Outside of scopes – biogenic emissions and emissions reductions from Sustainable Aviation Fuel use

Year	Tonnes	TTW SAF biogenic emissions (tCO <sub>2</sub> e)	WTW SAF emissions reductions (tCO <sub>2</sub> e)
2022	1,952	6,148	7,179
2023	1,719	5,414	6,674
2024	10,000*	31,642	35,944
2025	11,688	36,819	37,672
<b>Total</b>	<b>25,359</b>	<b>80,022</b>	<b>87,470</b>

Direct emissions from the combustion of biomass (biogenic emissions) are not included in Scope 1 but reported separately outside of scopes in line with GHG Protocol standards. WTW emissions reductions also reported as additional disclosure, using actual lifecycle values.

\* This figure has been updated from last year to reflect the final confirmed data provided by the supplier.

## Sustainability metrics

Sustainability metric	2019	2020	2021	2022	2023	2024	2025	YoY % change
Scope 1 carbon intensity (kgCO <sub>2</sub> /RTK)	0.723	0.826	0.825	0.695	0.708*	0.680*	0.658	-3%
Operational carbon intensity (kgCO <sub>2</sub> e/RTK )	0.882	1.007	1.006	0.845	0.862	0.823	0.796*	-3%
Aircraft CO <sub>2</sub> (g) per passenger kilometre	78.9	119.0	137.8	77.0	76.3	74.2	71.9	-3%
Aircraft CO <sub>2</sub> (g) per cargo tonne kilometre	470	496	494	460	449	437	427	-2%
Aircraft fuel, tonnes	1,317,271	502,263	555,784	971,524	1,107,068	1,198,876	1,211,276	1%
Electricity use, kWh	12,409,002	9,011,904	6,606,327	6,440,825	6,405,319	6,234,426	5,811,421	-7%
Gas use (excluding airport properties), kWh	8,524,419	8,749,654	6,415,359	3,223,052	3,448,457	3,960,359	3,549,909	-10%
Vehicle, kWh	2,217,604	886,916	925,624	659,875	829,676	665,956	565,036	-15%
Combined electricity and gas, (tonnes) CO <sub>2</sub> e (location-based)	4,739	3,710	2,615	1,838	2,149	2,207	1,838	-17%
Average aircraft noise (decibels)	95.1	93.3	92.8	93.0	93.0	93.0	92.8	0%

\* In 2023 and 2024 KPMG provided limited assurance in line with ISAE(UK)3000 and ISAE 3410 over our Scope 1 kgCO<sub>2</sub>/RTK metric.

\* In 2025 KPMG LLP has issued independent limited assurance, using assurance standard ISAE(UK)3000 and ISAE 3410, over selected data indicated. KPMG's assurance statement and Virgin Atlantic's 2025 Non-Financial Reporting Criteria are available [here](#).



**Our planet**  
Sustainability performance and data continued

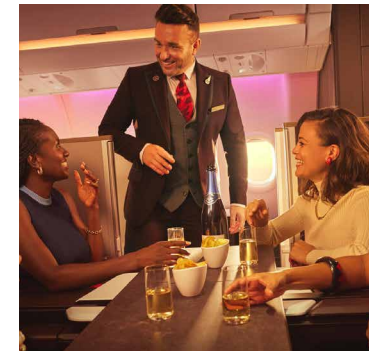
**Waste**

Operation	Activity	Source	Unit	Recycled	Landfill	Energy recovery	Anaerobic digestion	Total
<b>Ground operations<sup>1</sup></b>	VHQ office, LHR hangar, Clubhouse & Vhols retail store waste	CBRE (& estimated)	Tonnes	170 (3%)	0 (0%)	169 (3%)	0 (0%)	339 (7%)
<b>Aircraft - onboard<sup>2</sup></b>	Onboard catering and production waste	Gate Gourmet	Tonnes	570 (11%)	0 (0%)	3,440 (68%)	0 (0%)	4,010 (79%)
<b>Aircraft - onboard<sup>3</sup></b>	Cabin and amenities waste	MNH	Tonnes	638 (13%)	0 (0%)	62 (1%)	0 (0%)	701 (14%)
<b>Total</b>			Tonnes	1,377 (27%)	0 (0%)	3,672 (73%)	0 (0%)	5,050 (100%)

<sup>1</sup> Data is provided for all sites from our waste contractor based on a mixture of actual weighed bins and industry averages.

<sup>2</sup> Data is provided by UK caterer Gate Gourmet based on our services at UK airports. Data is estimated apportioning weights based on Virgin Atlantic volumes at operating units. It includes waste generated during meal preparation at Gate Gourmet's facilities, as well as catering waste returned from the aircraft. Cat 1 waste: By law, anything that touches meat or other animal products (such as dairy), which arrives in the UK from outside the European Union, is classified as Cat 1 waste and has to be completely isolated and destroyed.

<sup>3</sup> Cabin waste collected from provider MNH Cabin Services. This data relates to specific cabin waste items collected and returned to MNH for refurbishment and recycling including headsets and amenity kits, plastics, cardboard, paper, fabrics and textiles.



**Our planet**

Sustainability performance and data continued

**Sustainability Accounting Standards Board**

Topic	Accounting metric	Category	Unit of measurement	Page reference or value
<b>Greenhouse gas emissions</b>	Gross global Scope 1 emissions	Quantitative	Metric tonnes CO <sub>2</sub> e	3,814,942
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	Pg. 32, 35-42, 47-54
	(1) Total fuel consumed, (2) percentage alternative, (3) percentage sustainable	Quantitative	Gigajoules (GJ), Percentage (% of volume)	53,181,074, 1%, 1%
<b>Labour practices</b>	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	56%
	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, days idle	0, 0
<b>Competitive behaviour</b>	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Quantitative	Reporting currency	0
<b>Accident safety &amp; management</b>	Description of implementation and outcomes of a Safety Management System	Discussion and analysis	n/a	Virgin Atlantic maintains an SMS that is proactive, predictive, and data-driven, ensuring effective risk management and continuous improvement. Outcomes of the SMS are continually monitored through the various internal Health, Safety, Security, and Compliance committee structures. Virgin Atlantic's Safety Management System continues to be approved by the UK Civil Aviation Authority.
	Number of aviation accidents	Quantitative	Number	0
	Number of governmental enforcement actions of aviation safety regulations	Quantitative	Number	0

Sustainability activity metric	Category	Unit of Measure	Page reference or value
Available seat kilometres (ASK)	Quantitative	ASK	54,430,930,167
Passenger load factors	Quantitative	%	78.7*
Revenue passenger kilometres (RPK)	Quantitative	RPK	43,268,830,527
Revenue tonne kilometres (RTK)	Quantitative	RTK	5,797,874,094
Number of departures	Quantitative	Number	26,606
Average age of fleet	Quantitative	Years	7.5

\*Includes non-revenue passengers



# Our people

## Key focus areas

Happiness and wellbeing  
Empowering career growth  
Diversity and belonging

### 47.1%

females in leadership positions (D+) •

### 15.1%

ethnic diversity across total workforce •

### 72

employee satisfaction score (11pt increase)

### 107

colleagues enrolled onto an apprenticeship and

### 76

graduated

**Our people are the red thread that sets us apart. We know that a great people experience drives a great customer experience, which is why we're committed to creating thoughtful, meaningful moments that feel brilliantly different at every opportunity.**

At Virgin Atlantic, we see the world differently. Our incredible people make us who we are. We strive to create an environment where everyone can bring their true selves to work, using their unique perspectives to shape the exceptional experiences our customers value. This connection between our people and our customers sits at the heart of our identity and underpins our distinctive approach.

This year, our people have remained at the centre of everything we do, enabling us to deliver on our promise of brilliance and individuality as part of our vision to become the most loved travel company. By investing in our people, we supercharged performance and delivered meaningful results for the business. We broadened our learning and development offering, strengthened our commitment to wellbeing and an inclusive culture where everyone feels supported and able to belong, and continued to champion open feedback across the organisation, unlocking opportunities for growth, enhancing development, and elevating performance.

• KPMG LLP has issued independent limited assurance, using assurance standard ISAE(UK)3000, over selected data indicated. KPMG's assurance statement and Virgin Atlantic's Reporting Methodology are available [here](#)



## Our people

# Happiness and wellbeing of our people

**Continuous improvement underpins our performance culture, and we empower our people to share their views through a confidential employee satisfaction (eSat) survey. The insights we gather help us understand colleague sentiment across the Company and take meaningful action to enhance happiness and engagement. This survey also provides important visibility of inclusivity, wellbeing and retention.**

This year, our eSat score increased by 11 points, reflecting the positive impact of our continued focus on listening and acting.

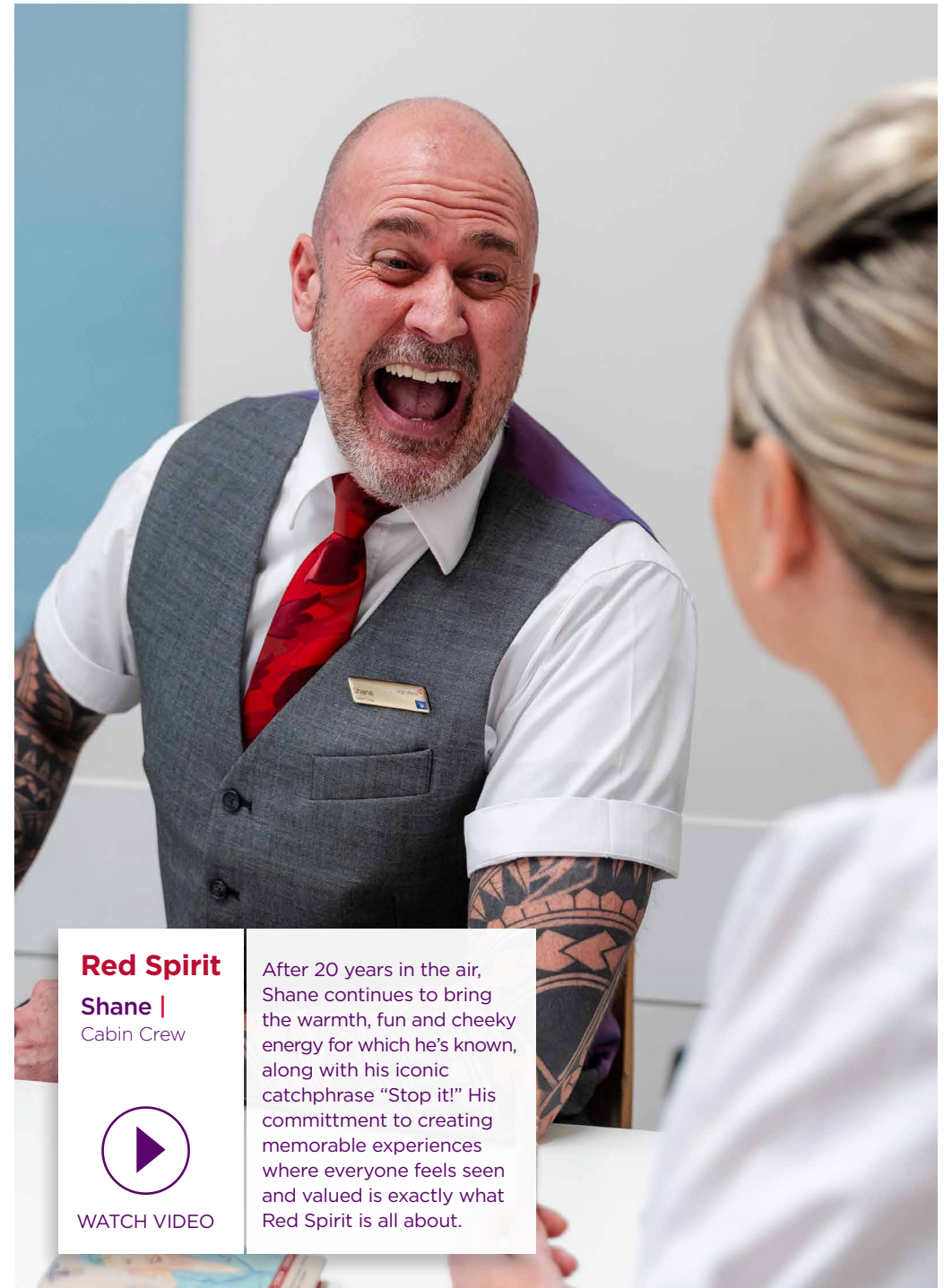
Wellbeing remains a core pillar of our people strategy, ensuring we have the right foundations in place so that our people feel supported and know that we genuinely care. This year, we strengthened our employee wellbeing offering through partnerships with two best-in-class healthcare providers, introducing a broader range of personalised, accessible and holistic support.

We launched a partnership with TELUS Health, giving colleagues 24/7 access to confidential employee assistance services and a comprehensive wellbeing app. TELUS also provides a digital hub with resources on family, life, health, money and work, as well as specialist consultation and toolkits to help our leaders support their teams effectively.

We also expanded our support through Peppy, a service designed to support our colleagues' health needs at every life stage. Peppy offers dedicated guidance across men's health, women's health, menopause, fertility, pregnancy and early parenthood, ensuring that colleagues and their loved ones can access meaningful support whenever they need it. Together, these enhanced services demonstrate our continued commitment to creating a workplace where everyone can thrive.

Recognising great work and contribution remains central to our journey to be the most loved travel company. Following the success of last year's launch, we delivered the VS100 awards once again in 2025. Colleagues continued to embrace the programme, submitting more than 600 nominations this year. Our 100 finalists enjoyed another spectacular celebration, where we announced six winners at our February 2026 event. The continued enthusiasm and participation show how deeply the VS100 has resonated across our organisation.

To recognise extraordinary performance and service in the moment, we also continued to reward our people with instant recognition awards, a Red Moment, with over 3,476 awards made by leaders to colleagues across the organisation during 2025.



## Red Spirit

Shane |  
Cabin Crew



WATCH VIDEO

After 20 years in the air, Shane continues to bring the warmth, fun and cheeky energy for which he's known, along with his iconic catchphrase "Stop it!" His commitment to creating memorable experiences where everyone feels seen and valued is exactly what Red Spirit is all about.



## Our people

# Empowering career growth

**In 2025, we placed a strong focus on how we help our colleagues grow and develop their careers at Virgin Atlantic. As part of this commitment, we introduced two significant initiatives designed to empower colleagues to take ownership of their development and explore new opportunities across the Company.**

We have launched a dedicated Careers Hub – a dedicated online space where colleagues can access everything they need to support their career goals. The hub brings together a wide range of resources, including:

**Internal podcasts** sharing inspiring career stories from across the Company and a new podcast series hosted by our Chief People Officer featuring expert insights on topics such as resilience, growth mindset, and purpose.

**Practical tools** to help individuals understand their career motivations and plan their next steps.

**Support** for essential career skills, from interviewing to CV building.

**Confidential 1:1 career advice** and a single, seamless gateway to all learning available across Virgin Atlantic.

We also introduced our Career Explorer App, enabling colleagues to discover career pathways aligned to their skills. The app provides tailored role matches, including opportunities beyond their current directorates, and highlights relevant learning that could support a future move. By broadening the visibility of career possibilities, the tool helps colleagues navigate development options that may not have previously been on their radar.

These initiatives have already made a meaningful impact. Since their introduction, we have seen a 9-point increase in our annual engagement survey on items relating to career and growth, demonstrating the difference these tools are making in helping colleagues feel supported, inspired, and empowered to shape their futures at Virgin Atlantic.





## Our people

### Empowering career growth continued

#### A place to learn and grow

Our approach to people performance is underpinned by our belief in the power of the team, the importance of continuous conversations, and meaningful personal development.

We value and recognise the importance of feedback in driving forward individual performance, learning along the way and enabling our people to reach the highest levels of performance. Throughout 2025, over 400 of our people completed one of our learning programmes, as they strived for personal excellence.

We have continued to make significant progress in the learning and development opportunities we offer across all our teams. We now provide nine unique learning programmes from mindset to managing others and everything in between, including this year's introduction of Elevate, our first-of-its-kind core skills programme. Elevate gives learners the opportunity to build essential capabilities in areas such as communication, resilience, project management and prioritisation. Since its launch in April, more than 100 colleagues have already completed the programme, increasing their confidence in these key topics from an average of 3.5 out of 5 to a strong 4.8.



Building on the success of our female-only development programmes, such as Springboard, this year we have focused on creating dedicated support for our male colleagues. The Navigator programme provides a safe space for men to explore topics including men's mental health and the role of the modern man, helping them to enhance their personal effectiveness. Early indicators show that this programme is already having a positive impact, enabling our male colleagues to grow and reach their full potential.

We continue to innovate in our learning approach, experimenting with new technologies and software to enhance the experience for all our people. A strong example of this is the introduction of podcast-based learning into our portfolio. We are using this format to redesign elements of our compliance training and cultural awareness programmes. This method has resonated particularly well with our remote and operational teams, who may not have regular access to a laptop as part of their daily workflow.

Following the successful launch of LIFT, our first leader induction programme in 2024, we are now expanding it to all existing leaders. Over the next two years, LIFT will be rolled out company-wide, providing essential, practical manager training.

To date, over 190 new leaders have started the programme, and we are further tailoring the content for our onboard managers to strengthen leadership capability in the areas that most directly influence customer satisfaction. Leaders have currently rated this programme a score of 91 NPS, with a 25% average increase in confidence when leading their team. 90% of our learners would highly recommend this programme to their peers.

This investment ensures we continue to develop outstanding leaders who drive performance, wellbeing and exceptional experiences across Virgin Atlantic.

#### Apprenticeships

It's vital that we ensure our people remain skilled and equipped to deliver against our future ambitions. This year, our Apprenticeship team focused on building these future capabilities through the creation of our first-of-its-kind AI and Data Academy, a learning community that brings together apprentices across programmes to share knowledge, collaborate and learn together. As part of this, we launched our first AI Champion apprenticeship in partnership with Cambridge Spark.

To further strengthen our early careers pipeline, we also introduced our first Future Skills cohort, welcoming nine graduates and students from A-level and degree pathways into 18-month placements in high-growth areas such as cyber security, data visualisation and sustainability. These emerging capabilities are essential as we build the skills needed to support our next five-year strategy.



## Our people

# Diversity and belonging

**Our identity at Virgin Atlantic is shaped by our people, which is why we aim to build a workforce that represents the communities we serve. A more diverse workforce enriches our collective perspectives and enhances the experiences for both our people and our customers. Since we were founded in 1984, Virgin Atlantic has had a rich history and a strong culture of embracing the human spirit without prejudice or boundaries. We proudly stand behind our Be Yourself manifesto, encouraging our people to be themselves and at their best, regardless of things like their gender, background, neurodiversity, beliefs, race, physical ability or sexual orientation.**

Our belonging networks play a vital role in enhancing our understanding of colleague experiences and promoting equity by ensuring every voice is recognised and represented, and that our policies and processes support our people to be at their best. There are five networks with a combined membership of over 8,000 – DEN (Disability Engagement Network), Family First, Pride (LGBTQ+), Scarlet (women's network) and VALUED (Virgin Atlantic Loves Unity and Ethnic Diversity). Each of our belonging networks also have an executive ally, which is a member of our leadership team to advocate for change and to demonstrate leadership commitment. Our belonging networks actively support intersectional wellbeing initiatives such as mental health awareness, national inclusion week and coffee and confidence drop-in sessions and workshops to increase the psychological safety of our colleagues.

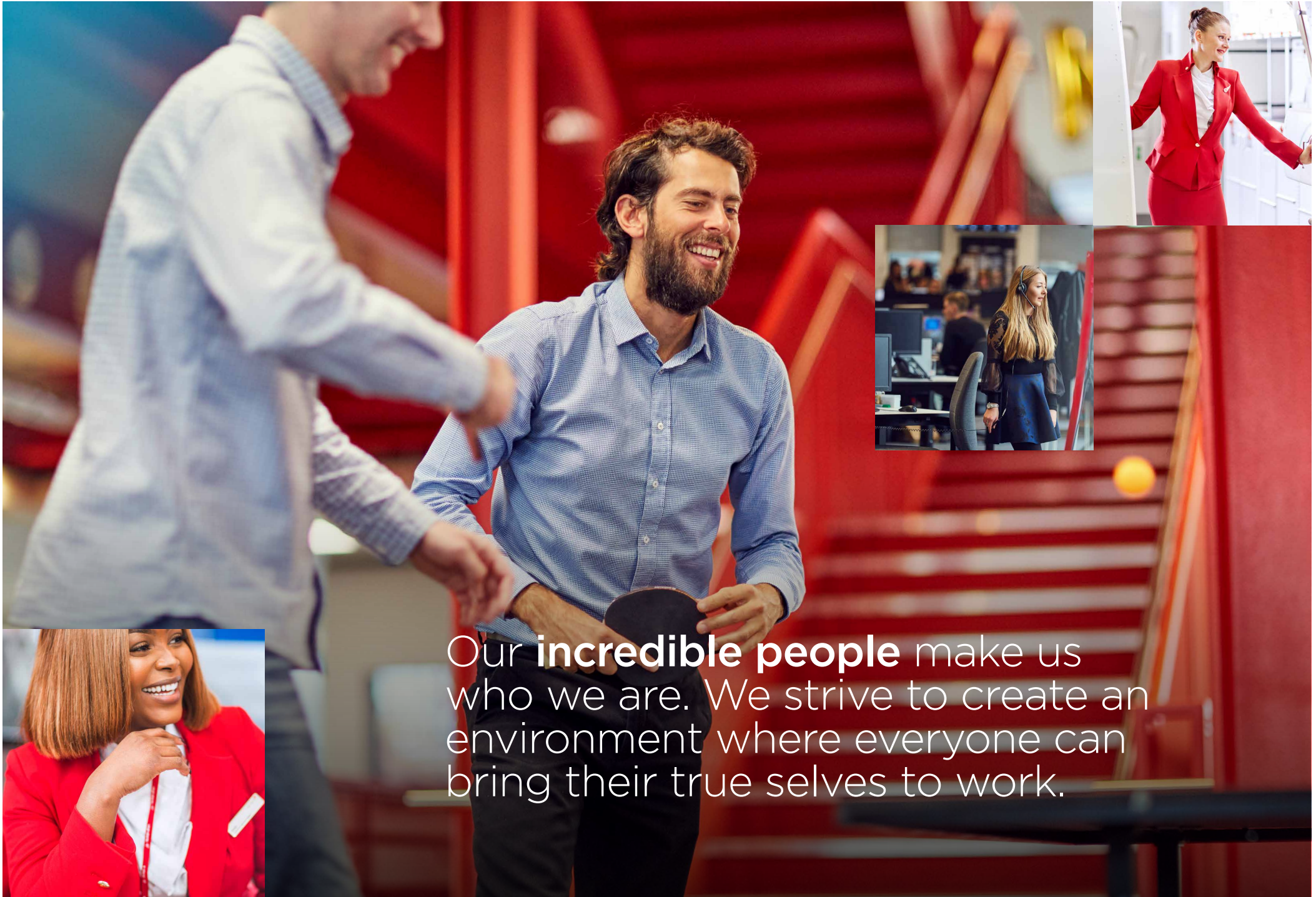
We continued to celebrate important events including Black History Month, International Women's Day, Brighton Pride and Diwali.

Gender imbalances persist in aviation, and we are committed to changing this by leading from the front. By 2023 we had achieved our 2025 target for females in leadership roles of 46%. In 2025 we increased this further to 47.1%. Supporting the growth of emerging female talent is at the heart of this plan with over 150 female colleagues completing one of our dedicated development programmes, Springboard or Elevating Women in Leadership.

As part of our commitment, we are active signatories of both the FTSE Women's Leaders Review and the Parker Review focussing on Women and Ethnic Diversity at Senior leadership level respectively.

We continue to review progress on both metrics, alongside a comprehensive action plan, to ensure continuous improvement and regular monitoring of the 2027 target we established in 2024 as part of our Parker Review commitment.

We are a Disability Confident Employer which further reaffirms our commitment to supporting those with disability within the workplace. We continue to partner with the British Disability Forum to strengthen our support even further.



Our **incredible people** make us who we are. We strive to create an environment where everyone can bring their true selves to work.



# Our community

## Community Velocity<sub>x</sub>

Targets: 2021 - 2025

£2.5m

20,000 young people reached  
across 10 schools

80 Virgin Atlantic volunteers  
600 volunteer hours

Progress: 2021 - 2025

£2.56m

13,871 people across 55 schools

695 volunteers 4,979 volunteer hours

Progress: 2025

£511,623

2,220 people across 55 schools

260 volunteers 1,639 volunteer hours

Guided by our belief that business can be a force for good, 2025 marked an important milestone as we completed the final year of our five-year Velocity<sub>x</sub> community strategy. Over this period, we strengthened our commitment to empowering young people through STEM education and supporting communities when crisis strikes, drawing on the passion of our people, the reach of our planes and the impact of long-standing partnerships.

This year, we also celebrated the first full year of our new charity partnerships with STEM Learning and Save the Children, both of which have brought fresh energy and expanded scope to our community work. These organisations share our ambition to inspire young people, remove barriers to opportunity and provide support when emergencies unfold. Their partnership has enabled us to deliver greater impact across the twin pillars of our community approach: STEM education through Passport to Change, and humanitarian assistance delivered through the power of our people and operations.



## Our community

In 2025, we delivered over £510,000 in funding to support our charity partners and community initiatives, expanded Passport to Change to new locations including Barbados, and reached 2,220 young people across 55 schools and public events. A total of 260 Virgin Atlantic volunteers dedicated 1,639 hours of their time to mentoring, career engagement and community sessions. We also mobilised support for Jamaica following Hurricane Melissa, contributing funds and resources to aid local relief efforts - demonstrating once again how our people step forward when communities need us most.

These achievements bring the Velocity<sub>x</sub> strategy to a close on a strong foundation. Between 2021 and 2025, Virgin Atlantic delivered over £2.5 million in community investment through charitable grants, in-kind support, volunteer time and payroll giving. We are proud of the progress made and grateful to the colleagues and partners who enabled us to reach thousands of young people, strengthen STEM pathways and provide immediate support in times of crisis. With Velocity<sub>x</sub> concluding, we now look ahead to our next five year strategy which will formalise in the first six months of 2026.

	Progress 2021-2025	2025
<b>Charitable grants</b>	£1,525,168	£196,518
<b>In-kind donations</b>	£468,156	£160,297
<b>Volunteer time</b>	£143,241	£47,316
<b>Payroll giving and staff fundraising</b>	£422,013	£107,493
<b>Total</b>	<b>£2,558,578</b>	<b>£511,624</b>

### Community manifesto

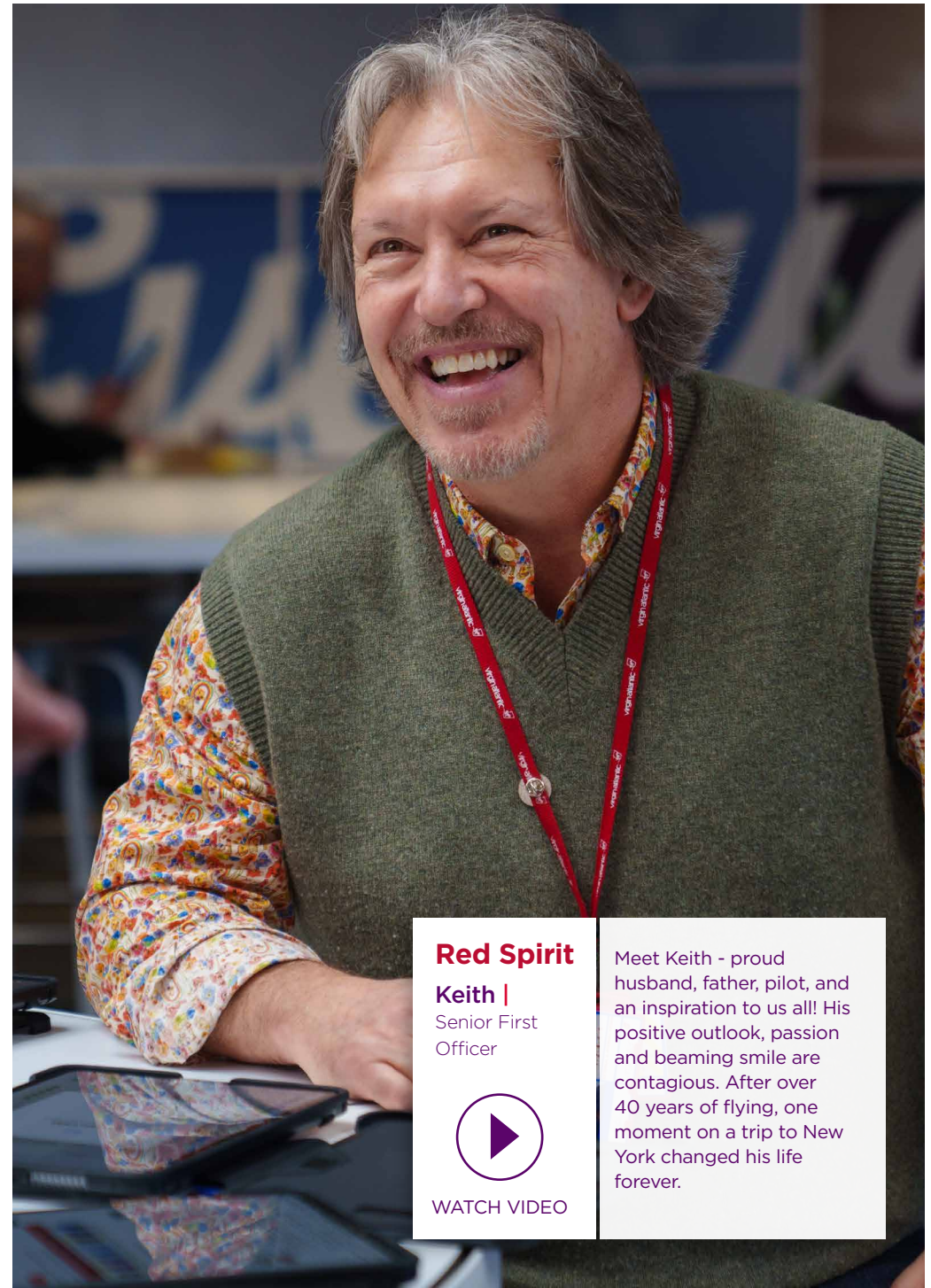
At Virgin Atlantic, we believe everyone can take on the world - whatever their background or starting point. We strive to create an inclusive environment where people feel a sense of belonging; where our people, our customers, our partners and our communities are united and minority groups are represented.

We call this Be Yourself. Passport to Change is how we achieve our Be Yourself ambitions in the long term. Through Passport to Change, we're investing in the hearts and minds of the young people who will define the future.

We recognise the urgency for a cleaner, greener future. So we view all our initiatives through a lens of environmental sustainability.

We know there's a huge gender gap in STEM, and that young people from disadvantaged backgrounds are disproportionately impacted.

So, we focus on social mobility, closing the gap between majority and minority groups and create opportunities to address inequality in educational learning.



### Red Spirit

#### Keith |

Senior First Officer



WATCH VIDEO

Meet Keith - proud husband, father, pilot, and an inspiration to us all! His positive outlook, passion and beaming smile are contagious. After over 40 years of flying, one moment on a trip to New York changed his life forever.



## Our community

## Passport to change

**Passport to Change is our community outreach programme that inspires young people, particularly those from disadvantaged backgrounds, by creating meaningful opportunities that address educational inequality and gender gaps in STEM.**

Our ambition is to empower young people through STEM, careers awareness and skills development, helping them to shape their futures by opening up pathways into potential careers.

In partnership with STEM Learning, we deliver the core year-long programme to up to 500 students across our five partner schools in Crawley, Heathrow, Swansea, Atlanta and Barbados. With the support of our Virgin Volunteers, we bring real world careers to life, giving students insight into the inner workings of an airline through talks and interactive activities. At the start of the programme, students are challenged to design their own airline as a team; an idea they bring to life and pitch at their end of year graduation.

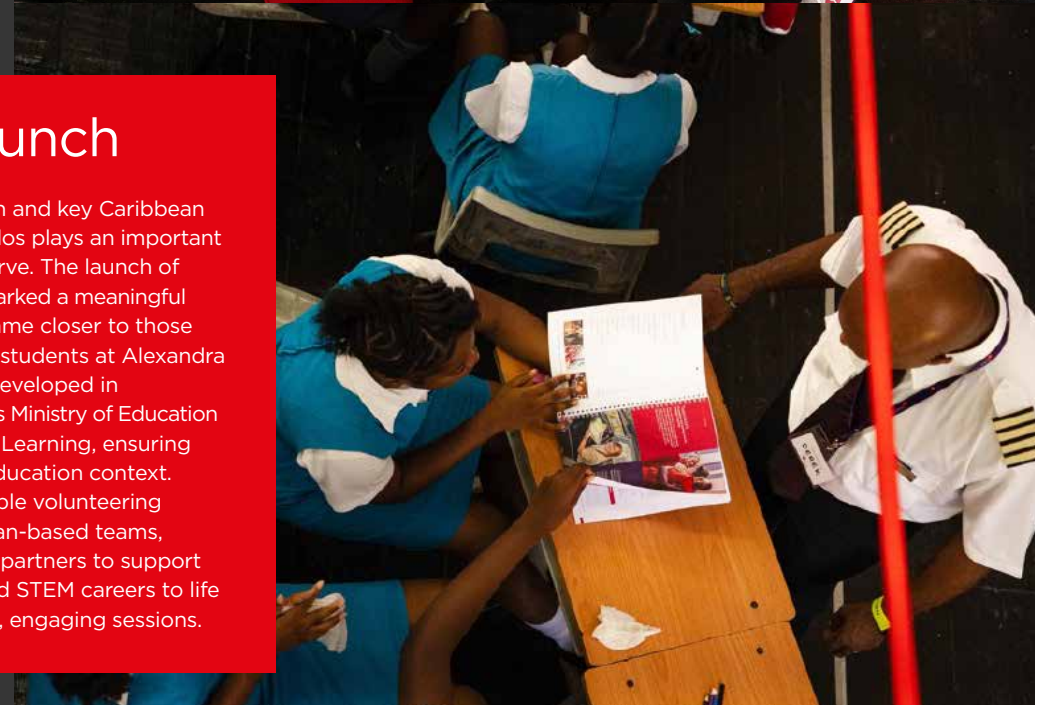
This year Passport to Change has strengthened its foundations by placing greater emphasis on measurement, quality and scalability. STEM Learning supported the design and implementation of new evaluation tools for students, educators and volunteers, giving us a clearer, evidence-based understanding of impact across the 2024/25 academic year.

This strengthened insight confirmed positive shifts in students' confidence, communication skills and awareness of STEM careers, while also demonstrating the programme's value for volunteers, who reported personal development in areas such as collaboration and communication. These outcomes were reflected in an exceptional Net Promoter Score of 96.9%.

With a stronger evidence base in place, the partnership enabled Passport to Change to expand and evolve. The programme took its first step into the Caribbean with a successful launch at Alexandra School in Barbados.

## Barbados launch

As a long-standing destination and key Caribbean hub for Virgin Atlantic, Barbados plays an important role in the communities we serve. The launch of Passport to Change in 2025 marked a meaningful step in delivering the programme closer to those communities. Delivered to 60 students at Alexandra School, the programme was developed in collaboration with the Barbados Ministry of Education and our charity partner STEM Learning, ensuring activities reflected the local education context. The launch also created valuable volunteering opportunities for our Caribbean-based teams, enabling colleagues and local partners to support delivery and bring aviation and STEM careers to life for students through practical, engaging sessions.





## Our community

### Passport to change continued

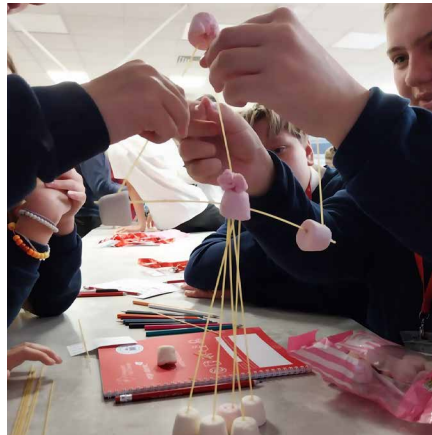
#### STEM Learning partnership

As the UK's leading provider of STEM education and careers support, STEM Learning is uniquely positioned to help us scale and deepen the programme's impact. In the first year of our partnership STEM Learning have supported the Passport to Change programme at multiple school events and helped embed coding and engineering activities as core elements of delivery. This included facilitating a national engineering panel during Apprenticeship Week, reaching more than 800 students across 48 schools. They also provided the evaluation tools to measure engagement and impact in our core passport to change programme.

This year, we expanded our commitment to youth development through the rollout of the STEM Ambassador Programme, offering a secure online mentoring platform that enables our people to support young people across the UK on a one to one basis.

To further broaden the programme's reach and impact, we have designed and prepared new initiatives including after-school STEM Clubs and dedicated STEM Days which will launch in 2026. Over the past year, significant work has gone into developing these activities to ensure they are ready for effective delivery in the year ahead.

These developments show how the partnership with STEM Learning has enabled Passport to Change to do more with greater clarity and purpose – strengthening impact measurement, expanding into new geographies, enriching technical content and embedding longer-term engagement through after-school clubs. As the programme moves into its next phase, these foundations position it well for continued growth and deeper impact.



## Our community

### Passport to change continued

#### Save the Children partnership

In 2025, we entered the first year of our strategic partnership with Save the Children, strengthening our approach to disaster relief and humanitarian response. As global crises become more frequent, complex and prolonged – and with reductions in international aid placing increasing pressure on frontline services – this partnership enables Virgin Atlantic to play a more consistent and targeted role in supporting children and families affected by emergencies.

As our disaster-relief charity partner, Save the Children directs our financial grant to its Emergency Fund, which provides flexible, rapid funding to respond where needs are greatest. This fund allows Save the Children to support children before, during and after crises, delivering life-saving assistance to children when faced with climate and conflict disasters, while also helping communities recover and rebuild. Through customer donations onboard and wider fundraising activity, our support helps ensure aid can reach children quickly when emergencies strike.

The four areas where spend is allocated to are: resilience building, child protection, health & nutrition and education. In 2025, our donation to the Emergency Fund enabled support for over 16,000 children in 58 countries worldwide.

This partnership has also created opportunities for our people to support Save the Children's work, with 119 colleagues volunteering their time supporting events and activities both in and beyond the UK. Colleagues took part in challenge events such as the Berlin Marathon, while the Virgin Atlantic Football Club and Virgin Adventures teams raised funds through organised matches, expeditions and team-led challenges collectively raising £10,970 in support of Save the Children. These activities not only generate vital donations but also help embed the partnership across the business. Together, these activities allow us to combine funding, customer generosity and colleague engagement to support children affected by crisis – using our platform, partnerships and people to respond when it matters most.

#### International Volunteering - India

Following an exciting new connection with Save the Children India (Bal Raksha Bharat), this Diwali we expanded our employee engagement in India through the Bal Raksha Bharat volunteer initiative, aimed at creating lasting change for the children and communities across the country. The initiative came to life thanks to the incredible generosity and commitment of our India team, who brought joy to over 90 children through fun-filled activities including diya painting, paper plane making and the distribution of Diwali gifts and meal boxes.





## Our community

# Remembering Princess Diana

## Special edition jumper

In November, we marked a meaningful moment of purpose and nostalgia by relaunching the iconic navy “Fly Virgin Atlantic” jumper – made famous by Princess Diana in the 1990s.

The limited-edition People’s Pullover reimagines the original design with its oversized fit and vintage Flying Lady motif, blending British heritage with timeless Virgin Atlantic style. For every jumper sold, £10 is donated to Save the Children’s Emergency Fund, supporting vital food, shelter, education and healthcare for children affected by crises around the world. Thanks to the support of our retail partner Tourvest, which waived its usual fees, an even greater share of proceeds went directly to the cause. The collaboration also included a donation to The Diana Award, honouring Princess Diana’s legacy of youth advocacy and compassion.



## Our community

# Hurricane Melissa in the Caribbean

In late October 2025, Hurricane Melissa swept across Jamaica as a powerful Category 5 storm, causing catastrophic damage to homes, infrastructure and essential services. Entire communities were displaced, access routes were cut off, and thousands of people were left without electricity, clean water or shelter. The scale of destruction created an urgent need for humanitarian assistance and safe evacuation for those stranded on the island. In response to this crisis, we stepped forward to provide critical support, drawing on our people, our planes and our long-standing partnerships to deliver relief where it was needed most.



Working closely with UK Aid (part of the Foreign, Commonwealth & Development Office), we transported essential humanitarian cargo to support emergency responders on the ground. To date, our flights have carried 24,000 kg of critical supplies – including hygiene kits, shelter kits and lanterns. These supplies are providing immediate relief to families affected by the storm, supporting safe shelter, sanitation and essential needs during the early stages of recovery.

Alongside delivering aid, we operated four relief flights via Miami, bringing almost 1,000 customers safely back to the UK from Montego Bay, including all Virgin Atlantic Holidays guests. These operations required careful coordination across teams in the UK, the US and Jamaica, navigating rapidly changing local conditions and ensuring customers received clear information and support throughout their journey home.

The hurricane also had a profound impact on local communities, with several hotel partners sustaining severe damage and shortages in essential supplies. The Jamaican Government has established a national Hurricane Melissa Recovery Task Force and Tourism Resilience Coordination Committee to oversee reconstruction and restoration efforts. In support of these initiatives, and out of respect for local recovery priorities, we temporarily reduced service to Montego Bay.

Throughout this crisis, our teams have shown extraordinary resilience and compassion. From airport and resort colleagues in Jamaica, to operational teams in Miami and the UK, every individual played a role in ensuring customers were safe, informed and supported. Their commitment embodies the Virgin Atlantic spirit – stepping up in times of need, caring for our people and customers, and making a positive difference in the communities we serve.



## Business as a force for good

## Risk management

## Our risk management philosophy

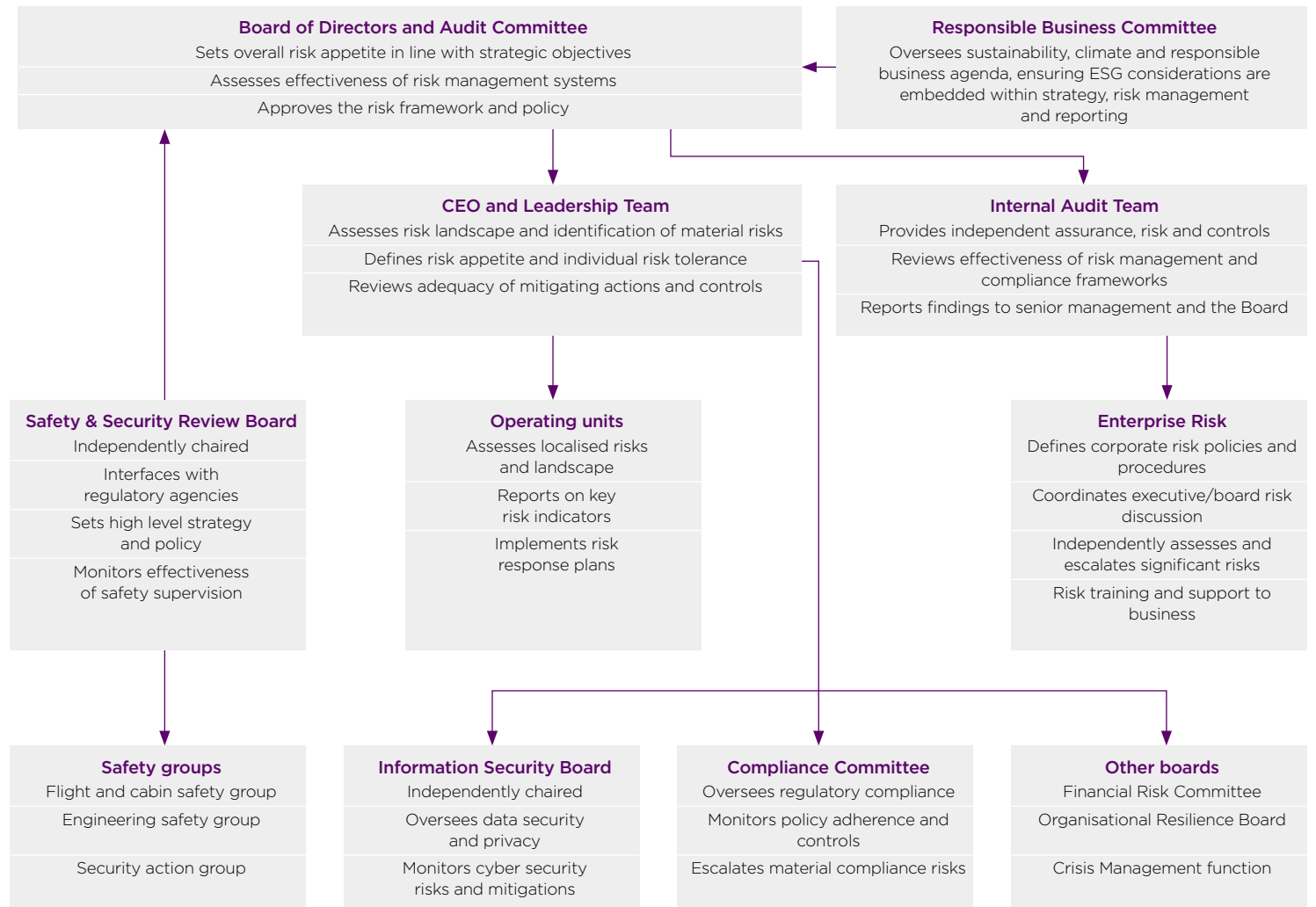
We believe corporate risk processes create value and protect the organisation by allowing us to be better prepared and more flexible; providing oversight of opportunities; helping us prioritise and deploy resources; and minimising the revenue, cost and/or reputational impacts of risks that may crystallise.

Our risk processes are focused on both (1) providing effective short term risk management in a dynamic macroeconomic, political and operating environment, and (2) ensuring medium- and longer-term risk horizon scanning activity is identifying new and emerging threats in a timely manner. Throughout, we place the health and safety of our people, customers and partners at the heart of our decision-making.

We now use a framework utilising both quantitative and qualitative information to inform our risk understanding. This has better equipped our business owners, management team and Board to assess movements in our risk landscape during the year. As a result, time and focus is better directed to priority risk areas representing the issues that matter most from a materiality and likelihood perspective

## Governance and Risk oversight

The Board maintains ultimate risk oversight, supported by Internal audit, Enterprise risk management and Executive committees. Key risks are monitored through regular reporting and are integrated into strategic planning.





## Business as a force for good

### Risk management continued

#### Management of risk

Our risk processes enable risk escalation and de-escalation from divisional, programme and process risk registers into a central Top Risk Register. We assess risks for likelihood of occurrence, and impact on our corporate objectives and strategy by using a number of lenses. We align and deploy risk taxonomy, risk language and risk assessment scales consistently across the business. This provides a reliable and comparative method to focus our management team's attention on the aspect of risk management that matters the most - identifying additional mitigation activity or investment needed to maintain our risk profile within our appetite.

As health, safety and security is our number one priority, underpinning everything we do, this risk category has its own reporting structure and escalation procedures. The Safety and Security Review Board (SSRB) is independently chaired and has a direct reporting line to the Chair of the Virgin Atlantic Airways Board, providing independent oversight and assurance. The Accountable Manager, together with Nominated Persons and Responsible Managers, is responsible for ensuring that health, safety, security and compliance risks are effectively managed across their respective areas.

The SSRB maintains oversight of a dynamic risk log and a suite of Safety Performance Indicators, enabling continuous monitoring of risk exposure and performance against defined standards. All Safety and Security Action Groups (SSAGs) report into the SSRB, ensuring structured escalation, coordinated management of principal risks and alignment with the Group's corporate risk framework. These integrate with our corporate risk processes through shared membership, aligned frameworks and a cadence of regular meetings. A number of additional risk committees and working groups have also been established where needed, to provide additional governance over top risks, such as information and cyber security, and crisis management.

We operate in a complex and dynamic environment, with long-haul aviation exposed to many structural, operational, financial and regulatory risks. The Board and Executive Leadership team maintain a risk framework that identifies, assesses, manages and monitors key risks, in line with the disclosures in previous annual reports.

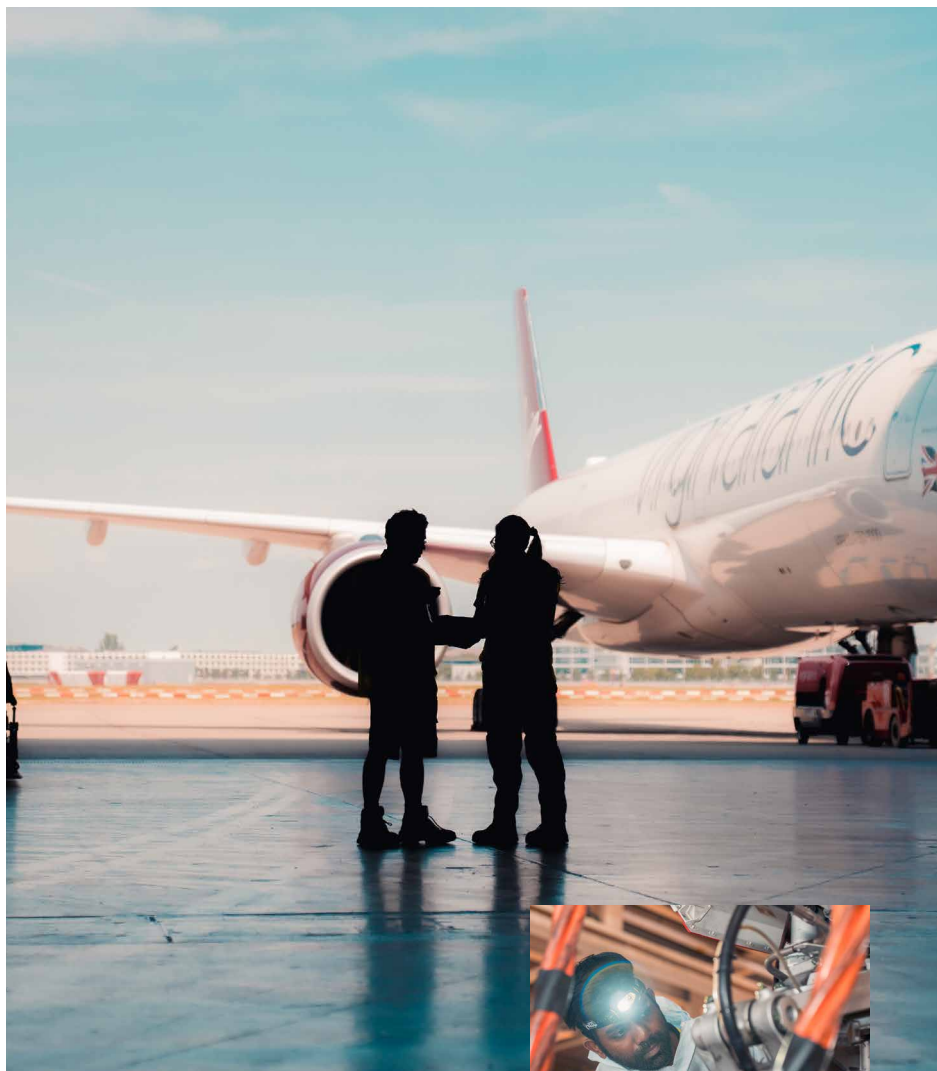
We continually strive to improve our risk culture by encouraging open, honest and upward communication of risks as well as sharing knowledge and best practice. By working together on risk management, we can demonstrate a strong commitment to ethical and responsible business behaviour and decision-making.



The inherent risk environment we face changes over time, as emerging trends and factors may impact on our short- or long-term plans both operationally and commercially. Under the leadership direction and oversight of the Board, these risks are carefully assessed and managed to achieve our annual priorities. Our approach focuses on maintaining a clear understanding of our risk profile and managing inherent risks appropriately. The emphasis is on applying effective risk management strategies, so that all our material risks are identified and mitigated to within acceptable tolerance levels.

#### Risk profile

Our risk environment is continually evolving and consequently we need to remain alert to longer-term operational, economic, and financial factors that increase uncertainty, many outside of our control. The Executive Leadership team believe that the risks and uncertainties which are described below are the ones which may have the most significant impact on our long-term performance.



## Business as a force for good

### Risk management continued

#### 1 Risk Category: **Operational:** Health, Safety & Security Risk

**Risk: Operational disruption and detrimental customer experience resulting from a safety or security incident.**

##### Risk context:

A major flight or ground safety event could have a significant impact on our ability to operate or attract customers. Failure to prevent, detect, or respond promptly and effectively to such an incident could have a material adverse effect on Virgin Atlantic's reputation, business, and financial condition. Additional adverse consequences of any such events, and the threat of any such events, could include a complete or partial closure of UK airspace or other airspace affecting our routes, reduced demand for air travel, increased costs associated with security precautions, other flight restrictions and, to the extent Virgin Atlantic is or could be involved, significant liability and litigation costs.

In addition, all aviation and tour operation businesses are exposed to security threats, including the threat of terrorism. Aircraft crashes or other safety incidents, even if they do not directly involve Virgin Atlantic, could still impact passenger confidence and have a material adverse effect on the airline and holiday industries in general, and/or lead to reduced demand for our services.

##### Main controls and mitigations:

Safety and security is our number one priority. It is the cornerstone of our corporate strategy and underpins everything that we do. The UK Civil Aviation Authority (CAA) authorises us to conduct our activities following assessments of safety, ownership and control. In addition to complying with all regulatory and airworthiness directives and processes, we have an independently chaired SSRB comprising Executives and Senior Managers from across the business, which reports directly and regularly to our Board on our safety and security position. The SSRB provides oversight of a dynamic safety and security risk log, monitors key Safety Performance Indicators and reviews compliance performance through a dedicated regulatory scorecard.

To ensure the robustness of our security regime we operate a self-inspection and test programme. Joint audits and inspections are also conducted with regulators. We adopt a holistic approach to security, with the Corporate Security team having overall responsibility for security matters linked to aviation, border security, cargo, facilities, personnel and asset protection. In view of the ongoing targeting of civil aviation and the potential impacts of global geopolitical events, much focus is placed on threat monitoring and assessment to ensure that we have the most current and accurate data to make informed judgements about the security of our people and our physical assets. .

**Business as a force for good**

## Risk management continued

**2 Risk Category: Operational - Aircraft Availability & Technical Reliability****Risk: Other high impact/low likelihood adverse events.****Risk context:**

Constraints and risks to fleet availability arising from reliability challenges associated with original equipment manufacturers (OEMs), ongoing global supply chain constraints, and fleet concentration. These factors may result in aircraft being unavailable for service for extended periods or limit our ability to secure appropriate replacement capacity at short notice.

Such disruption could adversely impact our operational performance through schedule disruption, higher operating and leasing costs, reduced network flexibility, and lost revenue opportunities, as well as potential impacts to customer satisfaction and brand reputation.

**Mitigations and controls:**

We proactively mitigate this risk by engaging with OEMs and suppliers, diversifying supply chains when possible, and investing in digital technologies to strengthen capacity planning and support informed operational decisions. Additionally, we regularly review and adapt our operating models to enhance flexibility and resilience in the face of disruptions.

We maintain robust governance and oversight of fleet availability and technical performance, supported by the engagement with OEMs and key suppliers to monitor reliability, maintenance performance, and delivery schedules. Where possible, contractual arrangements include performance and support provisions to mitigate the impact of reliability issues and supply constraints.

We have transitioned to a fully digital maintenance and engineering system, enabling improved control and management of the maintenance schedule and enhanced oversight of aircraft spares inventory. This supports better planning, faster decision-making, and increased resilience in the event of disruption.

Fleet and maintenance planning aims to maximise aircraft use and keep aircraft available, supported by proactive forecasting for both capacity and maintenance requirements. Advanced analytics are used to track aircraft performance, reliability trends, and maintenance schedules, providing improved visibility and enabling early identification of emerging issues.

Supply chain risks are addressed by diversifying wherever possible, alongside continuous monitoring of key supplier dependencies. Contingency planning arrangements, including access to short-term replacement capacity and operational flexibility within the network, support our ability to respond to periods of reduced availability.

We continually review our operating models to improve resilience and flexibility, enabling us to respond effectively to evolving reliability and availability challenges while minimising impacts on customers and financial outcomes.

**3 Risk Category: Operational - Operational Resilience & Disruption Management****Risk: Failure to maintain operational resilience and continuity across the flying programme.****Risk context:**

We are exposed to the risk of operational disruption arising from a range of internal and external factors, including shortages in crew and engineering resources, failure of key suppliers or business partners, outages or cyber-related incidents affecting critical IT systems, and physical climate-related risks driven by the increasing frequency and severity of extreme weather events. These include severe storms, flooding, snow and ice, wildfires and periods of extreme temperature, which may disrupt airport and airspace operations, reduce operational capacity and impact aircraft performance, ground handling activities and critical infrastructure.

The occurrence of such events may adversely impact our ability to operate the flying programme as planned, resulting in flight cancellations or delays, reduced schedule reliability, increased operating costs and lost revenue. Prolonged or significant disruption could also adversely affect customer satisfaction, brand reputation and the Group's overall financial performance.

**Main controls and mitigations:**

We maintain a comprehensive business continuity and crisis management framework designed to enhance operational resilience and support a coordinated response to disruption. This framework is supported by business continuity plans covering the loss of critical people, technology, systems and physical locations, alongside documented crisis playbooks and emergency procedures.

To maintain readiness, we conduct annual, business-wide resilience exercises to validate our playbooks and enhance colleagues' capability and confidence to respond effectively during a disruption.

Workforce planning processes are in place to manage crew and engineering capacity, supported by engagement with employee representatives and ongoing recruitment and training programmes. We also maintain diversified supplier and partner arrangements where feasible, with contractual performance management and oversight of critical third parties.

Operational controls and forecasting help us monitor and address severe weather and external disruptions, enabling initiative-taking responses and schedule adjustments. Additionally, by investing in robust IT infrastructure, ongoing system monitoring, and strong cyber security measures, we ensure that essential operational systems remain available.

Our Organisational Resilience Board and Safety and Security Board meet regularly to assess the risks associated with crisis management and business continuity.

Our active monitoring includes the incorporation of additional resilience into our operations with appropriate measures to have staff on standby should there be an incident. Our resilience measures are designed to ensure customer and employee safety and to minimise any impact on operations.

**Business as a force for good**

## Risk management continued

**4 Risk Category: Operational: Technology and Cyber Security****Risk: Failure or non-availability of a critical IT system, including due to cyber security threats.****Risk context:**

We rely on technology systems to conduct our principal business processes. A compromise, loss of integrity, or loss of availability of these systems could cause significant operational disruption, financial loss, reputational damage, or regulatory non-compliance. Financially motivated crimes such as ransomware and data extortion remain the most common types of cyber attacks affecting our industry, whether directly or through our supply chain. Third-party threats, including supply chain and software compromises, have increased in likelihood since the last reporting period, as has the cyber security threat associated with the current geopolitical landscape.

**Mitigations and controls:**

The Information Security Board (ISB) continues to strengthen governance, set risk appetite, validate security plans, and review investments to ensure focus on the highest-impact risk-reduction initiatives. Our multi-year Information Security programme is delivering resilience improvements and operational efficiencies through several key activities:

This includes advancing managed detection and response capabilities, strengthening our cloud security posture, and introducing attack path monitoring to proactively identify and disrupt potential routes an adversary could exploit. Enhanced security reporting supports a more consistent assurance model across the organisation, reinforcing our ability to anticipate, withstand, and recover from cyber threats.

We maintain compliance with regulatory frameworks including the CAA's CAPI753 and PCI-DSS and continue preparing for evolving cyber resilience requirements across aviation and critical infrastructure sectors.

In parallel, we maintain disaster recovery and business continuity arrangements to help minimise operational impact in the event of a system failure or cyber incident. Our structured programme of capital investment focuses on modernising critical systems and infrastructure to reduce risks from ageing technology and support long-term stability. Strategic partnerships with leading technology and managed service providers continue to accelerate transformation, improve resilience, and strengthen our ability to respond effectively to emerging threats.

**5 Risk Category: Operational: People and Workforce Capability****Risk: Failure to attract, develop, and retain a suitably skilled and engaged workforce to support the safe, resilient, and effective delivery of our strategy and operations.****Risk context:**

Our operational performance and strategic objectives are dependent on the availability of a capable workforce across operational, technical, leadership, and specialist roles. We operate within a competitive global labour market characterised by industry-wide skills shortages and evolving employee expectations, which may impact the attraction and retention of critical capabilities.

We have a unionised workforce, and while no industrial action has been experienced historically, the potential for industrial action by employees or key third-party service providers represents an inherent operational and financial risk. In addition, ineffective workforce planning, talent management, succession planning, or failure to progress inclusion and diversity ambitions could reduce workforce capability and resilience.

If this risk is not effectively managed, it could result in skills gaps in safety-critical roles, increased recruitment and retention costs, higher attrition, loss of institutional knowledge, operational disruption, reduced customer satisfaction, and delays to strategic and transformation initiatives.

**Mitigations and controls:**

Our people strategy is designed to ensure effective workforce planning, capability development, and colleague engagement, supported by defined governance structures and Executive-level oversight.

We maintain regular and constructive engagement with recognised trade unions and colleague representative bodies to support positive employee relations and mitigate the risk of workforce disruption.

Structured recruitment, talent management, and succession planning processes are in place to ensure continuity of critical skills and leadership capability. These are supported by clear performance management and reward frameworks aligned to business objectives.

We invest in training and development across operational, leadership, and specialist roles, including mandatory training for safety-critical positions. Inclusion, diversity, wellbeing, and occupational health initiatives, alongside proactive fatigue risk management, support colleague engagement, retention, and long-term workforce resilience.

Remuneration, reward, and wellbeing initiatives are kept under regular review, to ensure competitiveness and support retention, while resourcing and capacity plans are aligned to operational and strategic requirements. These controls help maintain workforce resilience and support the safe and effective delivery of our operations.

**Business as a force for good**

## Risk management continued

**6 Risk Category: Compliance: External/Political/Regulatory Environment****Risk: Failure to adapt to political, regulatory or trade developments impacting aviation operations and market access.****Risk context:**

We operate within a complex and evolving political and regulatory environment across multiple jurisdictions. Changes in domestic or international regulation, political developments, trade disputes, or shifts in government policy may adversely affect aviation operations, market access, or the economic viability of certain routes.

Such changes may include the introduction of new environmental or sustainability requirements, amendments to bilateral air service agreements, or the imposition of sanctions, tariffs, or other trade restrictions. These developments could increase operating and compliance costs, restrict route rights, disrupt operations, or reduce our competitiveness in key markets, with potential impacts on financial performance and long-term strategic objectives.

**Mitigations and controls:**

We maintain active monitoring of political and regulatory developments across our network, supported by engagement with relevant government bodies, regulators, industry associations, and alliance partners. This enables us to anticipate regulatory change, assess potential impacts, and contribute to policy discussions where appropriate.

Regulatory compliance frameworks are in place to ensure adherence to applicable laws and aviation regulations, supported by specialist legal and compliance functions. Governance frameworks are in place to manage environmental and sustainability responsibilities, which are integrated into both strategic planning and investment activities.

Scenario planning and route profitability analysis help assess how regulatory or geopolitical changes may affect network choices and commercial strategy. We seek to maintain flexibility within our operating model to respond to changes in market access or regulatory conditions, mitigating the impact of external disruption on operations and performance.



**Business as a force for good**

## Risk management continued

**7 Risk Category: Compliance: Regulatory Compliance & Litigation****Risk: Failure to comply with applicable laws and regulations, or to effectively manage legal and litigation risk.****Risk context:**

We conduct our operations in a complex and stringently regulated environment that spans multiple jurisdictions, subject to comprehensive requirements in areas such as consumer protection, employment, competition, aviation safety, and data privacy. Failure to comply with these obligations, or exposure to litigation from customers, employees, suppliers or other third parties, may adversely affect our operational and financial performance.

Key regulations cover many of our activities, including safety, security, route flying rights, airport slot access, data protection, environmental controls, government taxes and levies. Regulatory non-compliance or adverse legal outcomes could result in financial penalties, operational disruption, reputational damage, or restrictions on future commercial activity, including limitations on licences or operating approvals. Such events may also increase management time and costs associated with remediation and legal proceedings.

To operate from most airports internationally, airlines are required to hold “slots” in order to take off and land. There are various international and local application of rules governing slot award, ownership and use. For example, if a slot is not sufficiently used in a season (the so-called “use it or lose it” rule) it can be lost for future use. The loss of slots carries financial, commercial and operational risks, affecting Virgin Atlantic’s ability to fly its planned schedule, utilise aircraft efficiently or serve all destinations in the network.

**Mitigations and controls:**

The CAA authorises us to continue our activities following assessments of safety, ownership and control as well as financial fitness criteria. We have a dedicated internal compliance function which both conducts and supports a significant level of internal and external audits, reviews and assessments required by the CAA and other bodies including IOSA and IASA, to ensure we remain compliant. This function reports into our Safety and Security Review Board.

We maintain and operate a comprehensive legal and compliance framework designed to support adherence to applicable laws and regulatory requirements. This includes policies, procedures, and training programmes across key risk areas, supported by specialist legal function and compliance and data protection oversight and assurance.

In 2025, as part of our enhanced corporate compliance governance, we have established a new Corporate Compliance Committee comprised of senior leaders from different part of the business. The Committee meets on a quarterly basis and maintains effective oversight of the corporate compliance framework, promotes a culture of compliance and monitors compliance threats.

Compliance breaches are centrally logged and tracked to ensure they are promptly investigated and resolved. Root causes are analysed so that underlying issues are identified and addressed, with lessons learned shared to prevent recurrence. Management information is produced from this process to provide effective oversight, support informed decision-making, and strengthen ongoing compliance governance.

Regulatory developments and compliance obligations are tracked, supported by continuous engagement with regulatory bodies and industry organisations to ensure timely identification and robust management of emerging requirements. Legal risks and significant litigation are addressed through established governance frameworks, with escalation and reporting to Executive Management and the Board, as necessary.

These measures support effective risk management and help mitigate the financial, operational, and reputational impacts of regulatory and litigation risk.

We have comprehensive training schemes and controls in place to both prevent and detect non-compliance. Mandated training courses for all employees cover topics including competition compliance, data protection and anti-bribery policy, and must be completed annually and on joining the Company.

We closely monitor our slot usage versus the requirements of slot utilization at coordinated airports, to ensure that we protect our historic precedents over our slots. If necessary, we identify options to lease or lend slots to other operators to ensure such slots are used both to serve destinations/consumers and to protect historic rights and future use of such slots.

**Business as a force for good**

## Risk management continued

**8 Risk Category: Strategic: Market & Competitive Dynamics****Risk: Failure to respond effectively to changing market and competitive conditions.****Risk context:**

We operate in a highly competitive and dynamic aviation market characterised by aggressive pricing, capacity deployment by competitors, alliance consolidation, and evolving customer preferences. In addition, the emergence of new market entrants and alternative travel options may further intensify competitive pressures across key routes and customer segments.

These factors may adversely affect our ability to maintain yield, load factors, and revenue stability, potentially impacting profitability and long-term financial performance. Sustained competitive pressure could also influence strategic network decisions and our market positioning.

**Mitigations and controls:**

Our approach to commercial strategy prioritises careful management of capacity, initiative-taking revenue oversight, and selective pricing methods aimed at maximising returns while maintaining a strong competitive edge in key markets. Ongoing tracking of competitive dynamics is achieved by utilising market intelligence, analysing performance data, and evaluating profitability at the route level.

Strategic partnerships and alliance participation support network reach, connectivity, and customer proposition, helping to mitigate the impact of competitive pressure in key markets. We also continue to invest in our brand, customer experience, and loyalty proposition to differentiate our offering and strengthen customer engagement.

Regular review of network performance, cost base, and product offering enables us to respond to changes in market conditions and consumer behaviour. These actions support informed decision-making and help maintain resilience in a competitive and evolving market environment.

**9 Risk Category: Strategic: Customer Demand & Brand Positioning****Risk: Failure to sustain customer demand and brand differentiation in a changing travel and economic environment.****Risk context:**

Customer demand for air travel, particularly in the premium segment, is influenced by macroeconomic conditions, consumer confidence, and evolving travel preferences. Economic downturns, changes in customer behaviour, or a reduction in the perceived differentiation of our brand may adversely affect demand, booking patterns, and customer loyalty.

A sustained reduction in premium travel demand or customer engagement could result in lower revenues and yields, reduced market presence, and longer-term impacts on brand equity and customer trust. These factors may also affect our ability to compete effectively in key markets.

**Mitigations and controls:**

Our commercial and brand strategies are focused on maintaining a strong and differentiated customer proposition, particularly within the premium and leisure segments. These include ongoing investment in product, service quality, and the end-to-end customer experience across both physical and digital touchpoints.

Customer demand and booking trends are closely monitored through data analytics, market research, and customer insight, enabling timely adjustments to pricing, capacity, and marketing activity. Our revenue management and network planning processes support agile responses to changes in demand and market conditions.

The Virgin Atlantic brand continues to be actively managed and promoted through targeted marketing, partnerships, and loyalty initiatives, supporting customer engagement and repeat travel.

We focus on retaining one powerful brand which stands out and inspires our customers to trust and transact with us.

We constantly monitor a wide range of indicators to help us understand how our customers feel about us and our brand, and to update our services and offerings to reflect this. This includes looking at NPS and other survey results from customers who have transacted with us, and also by tracking external brand metrics - such as brand power - with the support of third parties.

These actions, alongside disciplined cost management and flexible operating models, help mitigate the impact of demand volatility and support long-term brand value.

**Business as a force for good**

## Risk management continued

**10 Risk Category: Strategic: Sustainability & Climate Transition**

**Risk: Failure to manage climate transition risks and decarbonise operations in line with regulatory, market and stakeholder expectations.**

**Risk context (Climate Transition Risk):**

We are exposed to climate-related transition risks arising from the global shift towards a lower-carbon economy. Key drivers include limited availability and high cost of Sustainable Aviation Fuel (SAF), uncertainty around the pace of development and deployment of low-carbon technologies, and evolving regulatory, policy and market expectations relating to aviation decarbonisation.

These transition risks may increase operating and compliance costs, including fuel and carbon pricing, and could result in regulatory penalties or restrictions if climate commitments are not met. Failure to effectively manage these risks may also lead to reputational damage, reduced stakeholder confidence, constrained access to sustainable finance, and a potential weakening our competitive position as the industry transitions to lower-carbon operations.

**Mitigations and controls:**

Climate-related risks and opportunities are governed through established Executive and Board-level oversight, with accountability embedded within our sustainability governance framework. Climate transition considerations are integrated into strategic planning, capital allocation, and risk management processes, consistent with our climate commitments and relevant reporting frameworks.

We continue to progress our decarbonisation strategy through engagement with SAF suppliers, aircraft manufacturers, regulators and industry partners, supporting the scaling of SAF supply and the development of low-carbon technologies. Where feasible, long-term SAF offtake arrangements and participation in industry initiatives are used to improve supply certainty and influence market development.

Near-term emissions reduction is supported through fleet modernisation, operational efficiency initiatives, and investment in digital tools to improve fuel efficiency and emissions monitoring. Regulatory developments and stakeholder expectations are actively monitored, with transparent climate-related reporting used to support informed decision-making and stakeholder confidence.

**11 Risk Category: Strategic: Global Macroeconomic & Geopolitical Shocks**

**Risk: Failure to respond effectively to global macroeconomic or geopolitical events impacting demand and operations.**

**Risk context:**

We operate in a global environment that is highly sensitive to macroeconomic and geopolitical conditions. Economic downturns, pandemics, armed conflict, terrorism, or significant energy price shocks may adversely affect consumer confidence and demand for air travel, particularly on long-haul and international routes.

Such events may disrupt key markets or routes, necessitate capacity reductions or route suspensions, and result in revenue and profitability pressures. Prolonged or severe disruption could also lead to liquidity challenges, operational inefficiencies, and extended uncertainty over the timing and pace of demand recovery, impacting our financial performance and strategic objectives.

**Mitigations and controls:**

We actively monitor macroeconomic and geopolitical developments across our network, supported by scenario planning and stress testing to assess potential impacts on demand, revenue and liquidity. These insights inform network planning, capacity deployment, and commercial decision-making.

Operational flexibility is supported through disciplined capacity management, fleet and crew planning, and the ability to adjust schedules in response to changing market conditions. We also maintain contingency and business continuity arrangements to support operational resilience during periods of disruption.

Financial resilience is supported through liquidity management, cost control measures and access to diversified funding sources. Engagement with key stakeholders, including governments, regulators, alliance partners and suppliers, supports coordinated responses to external shocks and helps mitigate the impact of prolonged disruption.

**Business as a force for good**

## Risk management continued

**12 Risk Category: Financial: Fuel Price & FX Volatility****Risk: Failure to effectively manage exposure to fuel price and foreign exchange volatility.****Risk context:**

We are exposed to volatility in global jet fuel prices and foreign exchange movements, particularly the GBP/USD exchange rate. Fuel represents a significant proportion of our operating costs, and prices may be affected by geopolitical events, supply disruptions, and broader market dynamics. Foreign exchange movements can further impact costs, revenues, and cash flows due to the international nature of our operations.

Ineffective hedging strategies or prolonged adverse market movements may result in increased operating costs, earnings volatility, and pressure on liquidity. Sustained volatility in fuel prices or exchange rates could adversely affect financial performance and limit the Group's financial flexibility.

**Mitigations and controls:**

We manage exposure to fuel price and foreign exchange volatility through a structured risk management framework, supported by defined hedging policies and oversight at Executive and Board level. Hedging strategies are designed to provide an appropriate balance between cost certainty and flexibility, considering market conditions, liquidity considerations, and our risk appetite.

Fuel and foreign exchange exposures are monitored on an ongoing basis, with regular reporting and stress testing used to assess the potential financial impact of adverse movements. Treasury activities are governed by approved limits, controls and counterparty credit requirements to manage financial risk.

In addition, we seek to mitigate fuel cost exposure through operational efficiency initiatives, fleet modernisation, and disciplined capacity and network planning. These actions support cost management and help reduce the sensitivity of financial performance to fuel and foreign exchange volatility.

**13 Risk Category: Risk Category: Financial: Liquidity & Funding****Risk: Failure to maintain sufficient liquidity and access to funding to support operations and strategic commitments.****Risk context:**

We are exposed to liquidity and funding risk arising from fluctuations in cash flows, adverse financial performance, or constrained access to debt and capital markets. These factors may affect our ability to meet financial obligations as they fall due or to secure, refinance or extend funding required to support operations, fleet commitments, and strategic initiatives.

A deterioration in liquidity or funding capacity could increase cash flow pressure, limit financial flexibility, and require refinancing or covenant negotiations. Prolonged liquidity stress may also adversely impact our relationships with lenders, investors, and suppliers, and affect confidence in our financial resilience.

**Mitigations and controls:**

Liquidity and funding risk is managed through a disciplined financial planning and treasury framework, with oversight at Executive and Board level. We maintain detailed cash flow forecasting and liquidity monitoring processes, including stress testing under a range of scenarios, to assess funding requirements and resilience.

We seek to maintain adequate liquidity headroom through a combination of cash balances, committed facilities and diversified funding sources. Funding arrangements and covenant compliance are monitored regularly, with proactive engagement with lenders and other financing partners to manage refinancing risk and maintain access to capital.

Capital expenditure and fleet commitments are subject to robust approval processes, aligned to liquidity forecasts and funding availability. These controls support prudent financial management and help ensure we can continue to operate and invest through periods of financial volatility.



# Governance

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## Red Spirit

**Francesca |**  
Cabin Service  
Supervisor



WATCH VIDEO

Celebrating 20 years with Virgin Atlantic, Francesca is known for her unwavering kindness. From supporting the LA community after the fires to being a passionate mental health first aider she leaves a lasting impression wherever she goes.



## Governance

## Corporate governance

## Overview

The Board has overall responsibility for the Group's success and provides strategic oversight and direction to the Leadership Team. Its role includes strategic decision-making and oversight, holding the Leadership Team to account on delivery and proactively monitoring the ongoing commercial and financial performance of the Group.

The Board (and its sub-committees) convenes regularly so that the Leadership Team can update the Board on the Group's performance. In addition, the Executive Directors meet regularly with representatives of both shareholders as well as with their Board representatives to support open dialogue, maintain alignment on strategic priorities and performance, and ensure feedback is considered in decision-making.

## Governance Code

For the year ended 31 December 2025, under The Companies (Miscellaneous Reporting) Regulations 2019, the Group applied the Wates Corporate Governance Principles for Large Private Companies ("Wates Principles"). The Wates Principles represent a "best in class" framework for corporate governance arrangements for a private company of this size. The application of these principles is set out in more detail in various sections of this Annual Report and the key principles summarised in the table opposite.

## Purpose &amp; Leadership, Stakeholder Engagement

## Purpose &amp; leadership

The Group's vision, values and strategy are set out throughout this Annual Report and described in the Chairperson's Statement and CEO's Review.

The Group's purpose – "Everyone can take on the world" – captures its ambition to create opportunity through travel and reflects its inclusive, challenger spirit. The Board ensures that the Group's purpose, strategy and cultures remain aligned to deliver exceptional experiences, sustainable growth and progress towards the vision of being the most loved travel company.

## Stakeholders

The Board oversees meaningful engagement with stakeholders, including the workforce, and considers their views when making decisions. A summary of the Group's stakeholder engagement is provided on pages 21 to 24.

## Opportunities And Risks; Remuneration

## Strategy

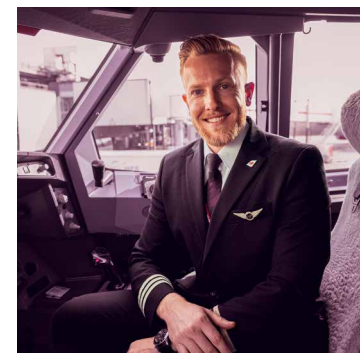
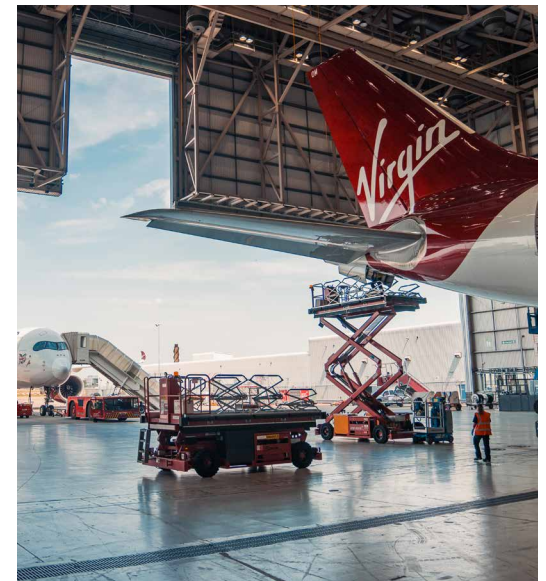
The Board supports the Leadership Team in delivering the Group's strategy to achieve a return to profitability and long-term success. Strategic priorities are reviewed regularly to ensure they remain aligned with the purpose, vision and operating environment.

## Risk

The Board ensures the long-term success of the Group and oversees the identification and management of key risks. These include safety, security, sustainability and liquidity, as outlined on pages 68 to 77. The Board, through the Audit Committee, reviews existing and emerging risks twice each year.

## Remuneration

The Board ensures that executive remuneration is structured to support the delivery of long-term, sustainable success. Executive Director incentives are linked to clear performance measures and milestones aligned with the Group's strategy and are broadly consistent with those applied to the wider Leadership Team.





## Governance

### Corporate governance continued

#### Board composition

The Board comprises seven Non-Executive Directors and two Executive Directors. Four Non-Executive Directors are appointed by Virgin Group (51% shareholder) and three by Delta Air Lines, Inc. (49% shareholder). In addition, there are two Alternate Executive Directors and several Alternate Non-Executive Directors, appointed in accordance with the Company's Articles of Association.

As at 31 December 2025, the two Executive Directors were the Chief Executive Officer and the Chief Customer & Operating Officer. In addition, the Chief Commercial Officer and the Chief Financial Officer each act as Alternate Director to the two Executive Directors. All four are full-time employees of the Group.

The composition of the Board reflects the Company's ownership structure and therefore does not include a designated independent director. The Board collectively demonstrates a broad range of skills, experience and sector knowledge, supporting effective governance and the overall success of the Company.

The Board believes its composition, together with the Leadership Team, provides a diverse, varied and well-balanced mix of experience and skills that are highly relevant to the Group's needs and challenges. This supports strong strategic decision-making and effective oversight of performance.

**The Board is supported by three committees that focus on key areas of oversight. Each committee operates under defined terms of reference and reports to the Board after each meeting.**

#### Audit Committee

##### Role of the Committee

The Audit Committee oversees the suitability of the Group's accounting policies, ensures continued compliance with accounting standards, and monitors the adequacy and effectiveness of internal reporting and control systems. The Committee also supervises the scope and execution of internal audit programmes.

The Committee meets a minimum of three times a year and receives regular updates on the internal audit programme from the Group Head of Internal Audit. It meets with the Group Head of Internal Audit and the external auditors without Management present at least once a year.

##### Members of the Audit Committee

The Audit Committee comprises two Virgin appointed Non-Executive Directors and two Delta appointed Non-Executive Directors. As at 31 December 2025 the Committee members were Andreea Ene Murphy (Chair), Peter Norris, Peter Carter and Alain Bellemare. Andreea Ene Murphy serves as Sir Richard Branson's Alternate.

#### Key responsibilities

- The approval of the Group's annual consolidated financial statements, including the appropriateness of accounting policies, compliance with accounting standards and material matters;
- The scope of work for external audit, actions required as a result of the Auditor's findings and conclusions, the Auditor's remuneration and the reappointment or replacement of the Auditors; and
- The adequacy and effectiveness of the Group's internal systems concerning reporting and control, including ensuring that the internal audit function is adequately resourced, has appropriate standing within the Company with a primary reporting line to the Chair of the Audit Committee, and to review and approve internal audit plans of activity.

#### Board composition and skills

##### Composition

The composition of the Board and its sub-committees is set out on pages 80 to 82.

##### Skills

The Board maintains a balanced mix of skills aligned to the Group's strategy and risk profile. Collectively, the Directors bring expertise in strategy, financial management, aviation, customer and brand, technology and ESG.

#### Directors' responsibilities

##### Responsibilities

The Board and individual Directors have a clear understanding of their accountability and responsibilities (see page 85). These are underpinned by the Group's policies and procedures.

##### Areas of focus

In 2025, five board meetings were held providing support, review and challenge across a number of key areas, in particular:

- The airline's financial performance plans to deliver sustainable revenue growth and improved profitability
- Opportunities to strengthen and maintain the Group's liquidity position
- The Group's strategic priorities and longer-term planning



## Governance

### Corporate governance continued

#### Remuneration Committee

##### Role of the Committee

The Remuneration Committee advises the Board on the remuneration and benefits of the Company's senior management. It also oversees the design, implementation, and any amendments to long- and short-term incentive plans.

##### Key responsibilities

- The setting and monitoring of a fair and appropriate remuneration policy and its application for senior management;
- To ensure that policies, plan designs and reward decisions align with business strategy, are well cost governed and support sustainable business performance; and
- To balance the needs of Executive and shareholder interests and to ensure alignment of reward policies with the Executive talent management strategy..

##### Members of the Remuneration Committee

The Remuneration Committee is made up of two Virgin appointed Non-Executive Directors and two Delta appointed Non-Executive Directors. As at 31 December 2025 the Committee members were Peter Norris (Chair), Luigi Brambilla, Ed Bastian and Alain Bellemare.

#### Responsible Business Committee

##### Role of the Committee

The Responsible Business Committee advises the Board on the Group's approach to sustainability, people and responsible business practices. Its remit includes oversight of the Group's climate and decarbonisation strategy, ESG compliance and reporting, diversity and inclusion objectives, and the wider social impact the Group has on the communities it serves.

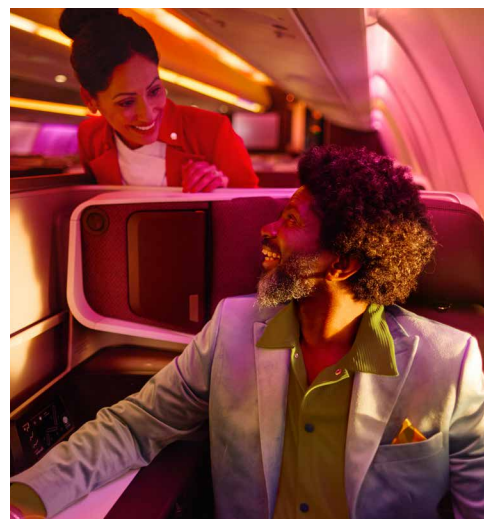
##### Key responsibilities

- Oversee the Group's climate, sustainability and social responsibility strategy, including progress against decarbonisation targets.
- Monitor compliance with ESG regulations and reporting requirements, ensuring transparency and effective identification of emerging risks and opportunities.
- Review how sustainability, diversity, inclusion and social impact objectives are embedded across the organisation, ensuring clear governance, policies and accountability.

##### Members of the Responsible Business Committee

The Responsible Business Committee is made up of two Virgin appointed Non-Executive Directors and one Delta appointed Non-Executive Director. As at 31 December 2025 the Committee members were Peter Carter (Chair), Peter Norris and Andreea Ene Murphy. Andreea Ene Murphy serves as Sir Richard Branson's Alternate.

Management committees support the Leadership Team with day-to-day oversight of key risks and controls and provide information and assurance to the Board and its committees. The Group has a wider set of management committees, but the key ones for the governance framework described in this report are set out below.



#### Safety and Security Review Board

##### Role of the Virgin Atlantic Safety and Security Review Board

The Safety and Security Review Board provides strategic oversight of safety and security management across the airline and Virgin Atlantic Holidays. It monitors performance, drives continuous improvement and ensures that the highest standards of health, safety, security, compliance and resilience are maintained for customers, our people and all operational activities.

##### Key responsibilities

- Set the strategic direction for health, safety and security, including policies, resource allocation and performance monitoring, ensuring effective oversight of all operations.
- Review health, safety and security data, risk management practices and incident learnings to promote continuous improvement.
- Uphold robust assurance and compliance with aviation and health & safety standards.
- Oversee emergency response, threat management and resilience planning, and provide regular updates to the Board on health, safety, security and compliance performance.

##### Members of the Safety and Security Review Board

The Safety and Security Review Board is led by Virgin Atlantic's Accountable Manager and primary Post Holder and is chaired by an independent third-party advisor to the Board. It is supported by Virgin Atlantic's Nominated Post Holders and Health, Safety, Security and Compliance specialists across the Group.



## Governance

### Corporate governance continued

#### Information Security Board

##### Role of the Virgin Atlantic Information Security Board (ISB)

The Information Security Board (ISB) provides oversight of information and cyber security across the Group, ensuring the confidentiality, integrity and availability of the Group's information assets. Its remit covers strategy, governance, risk management and compliance relating to information security, cyber security, data protection and the safeguarding of technology infrastructure.

##### Key responsibilities

- Oversee the Group's information and cyber security strategy, including policies and controls designed to protect information assets and technology infrastructure.
- Monitor compliance with relevant information and cyber security regulations and standards, including GDPR, PCI and CAP 1753, ensuring clear governance and effective risk management.
- Review the Group's preparedness and response frameworks for serious information security incidents, including oversight of cyber events with potential implications for corporate or aviation safety.
- The Board receives regular updates and reports from the ISB and its Independent Chair.

##### Members of the Information Security Board

The Information Security Board is sponsored by the Chief Executive Officer and chaired by a third-party advisor to the Board. It is supported by representatives from the Leadership and Technology teams. As at 31 December 2025, the ISB was chaired by James Hunt, with Oliver Byers serving as the Executive Board member.

#### Corporate Compliance Committee

##### Role of the Corporate Compliance Committee

The Corporate Compliance Committee was introduced in 2025 to provide centralised oversight of the Group's corporate compliance risk management framework, embed and evolve the Group's compliance maturity and to monitor compliance health threats. It supports the establishment of best practice and monitors progress against target milestones; reviewing reported compliance matters, providing assurance to the Leadership Team and, where appropriate, the Audit Committee.

##### Key responsibilities

- Oversight of the corporate compliance governance framework and regulatory risk assessment;
- Review and escalation of reported compliance incidents as appropriate;
- Set the compliance risk appetite and monitor key compliance risk indicators;
- Monitor compliance training and culture initiatives; and
- Oversight compliance reporting arrangements and supporting systems.

##### Members of the Corporate Compliance Committee

As at 31 December 2025, the Corporate Compliance Committee was sponsored by the Chief Financial Officer and supported by the Chief Customer and Operating Officer and General Counsel.



**Governance****Directors' report****Registered number: 08867781**

The Directors present their Annual Report and the audited financial statements for Virgin Atlantic Limited ("the Company") and subsidiary companies (together with the Company, "the Group") for the year ended 31 December 2025. The comparative amounts are stated for the year ended 31 December 2024.

Pages x to x comprise the Directors' report that has been drawn up and presented in accordance with English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

The Company was incorporated on 29 January 2014 as Virgin Atlantic (Holdings) Limited and changed its name to Virgin Atlantic Limited on 30 May 2014. The Group was formed as part of a reorganisation in March 2014 with the Company at its head.

The consolidated financial statements have been prepared using the principles of merger accounting and present the results for the Group.

**Directors and Directors' interests**

The Directors who held office during the year were as follows:

Directors:

<b>Sir Richard Branson</b>	(President and Virgin nominated Director)
<b>Peter Norris</b>	(Chairperson and Virgin nominated Director)
<b>Luigi Brambilla</b>	(Virgin nominated Director)
<b>Joshua Bayliss</b>	(Virgin nominated Director)
<b>Edward Bastian</b>	(Delta nominated Director)
<b>Alain Bellemare</b>	(Delta nominated Director)
<b>Peter Carter</b>	(Delta nominated Director)
<b>Shai Weiss</b>	(Executive Director)(resigned 31 December 2025)
<b>Cornelis Koster</b>	(Executive Director)
<b>Juha Jaervinen</b>	(Executive Director alternate)
<b>Oliver Byers</b>	(Executive Director alternate)
	(resigned 31 December 2025)
<b>Andreea Ene Murphy</b>	(Virgin nominated Director alternate)
<b>Christopher Bennett</b>	(Virgin nominated Director alternate)
	(resigned 10 May 2025)
<b>Hirad Horoufchin</b>	(Virgin nominated Director alternate)

Subsequent to the year end, Ansar Hussain and Rebecca Woodmansee were appointed as Executive Directors with effect from 1 January 2026.

**Virgin Atlantic Independent Board observer**

Following the successful recapitalisation in September 2020, Klaus Heinemann was appointed on behalf of certain creditors as an independent board observer to Virgin Atlantic Limited's subsidiary Virgin Atlantic Airways Limited. As part of his appointment as board observer he has rights to receive all board materials and to attend and speak at Virgin Atlantic Airways Limited board meetings but does not hold any voting rights.

**Share-based payments: long-term incentive plan**

The Group has a long-term Incentive scheme for Executive Directors and other invited participants to incentivise and recognise execution of the Group's strategic plan. The details of this share appreciation rights (cash settled) scheme can be found in note 7.

**Results, business review and future developments**

The Group's results for the period are on page 91, with commentary in the Strategic Report on pages 18-20. The report also reviews the business and future developments.



## Governance

### Directors' report continued

#### Employees

In considering applications for employment from disabled people Virgin Atlantic seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the job for which he or she has applied. Employees who become temporarily or permanently disabled are given individual consideration. Where possible equal opportunities for training, career development and promotions are given to disabled persons.

Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of our business and are of interest and concern to them as employees. Virgin Atlantic also encourages employees, where relevant, to meet on a regular basis to discuss matters affecting them.

#### Dividends

The Directors did not declare or pay preference dividends in respect of the year ended 31 December 2025 (2024: paid £nil). The Directors did not declare or pay interim ordinary dividends in respect of the year ended 31 December 2025 (2024: paid £nil). The Directors recommend that no final ordinary dividend be paid in respect of the year ended 31 December 2025 (2024: £nil).

#### Overseas branches

The Group provides services to multiple countries and has established overseas branches in many of these locations. Additionally, Virgin Atlantic has set up branches in some countries where it does not operate flights.

#### Political contributions

No company in the Group made any political donations or incurred any political expenditure during the year (2024: £nil).

#### Going concern

The Directors have satisfied themselves that it is reasonable for them to conclude it is appropriate to adopt the going concern basis for preparing these financial statements. The business activities, performance, strategy, risks and financial position of the Group are set out elsewhere in this report and financial statements. The Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, although material uncertainties do exist that may cast significant doubt on the Group's ability to continue as a going concern as set out in Note 3 to the financial statements.

#### Auditors

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP as existing auditors will be deemed to be reappointed and will therefore continue in office.

#### Disclosure of information to Auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

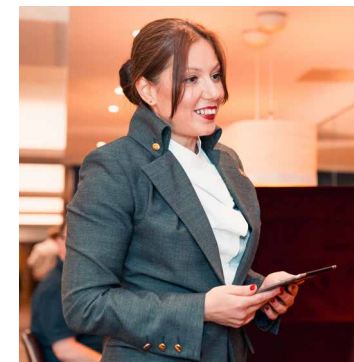
#### Ansar Hussain

Director

The VHQ, Fleming Way  
Crawley, West Sussex  
RH10 9DF

23 March 2026

Registered number: 08867781





## Governance

# Directors' responsibility statement

## The Statement of Directors' Responsibilities in Respect of the Annual Report, Strategic Report, The Directors' Report and the Financial Statements.

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

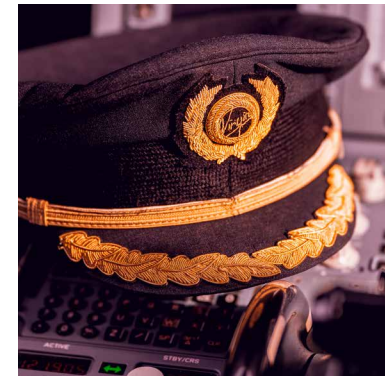
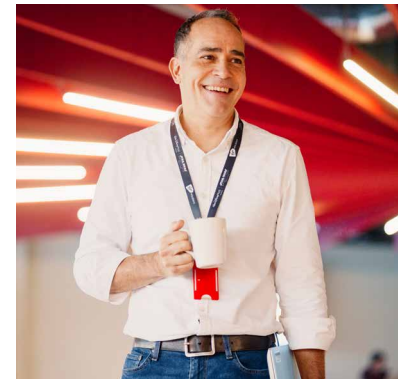
Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

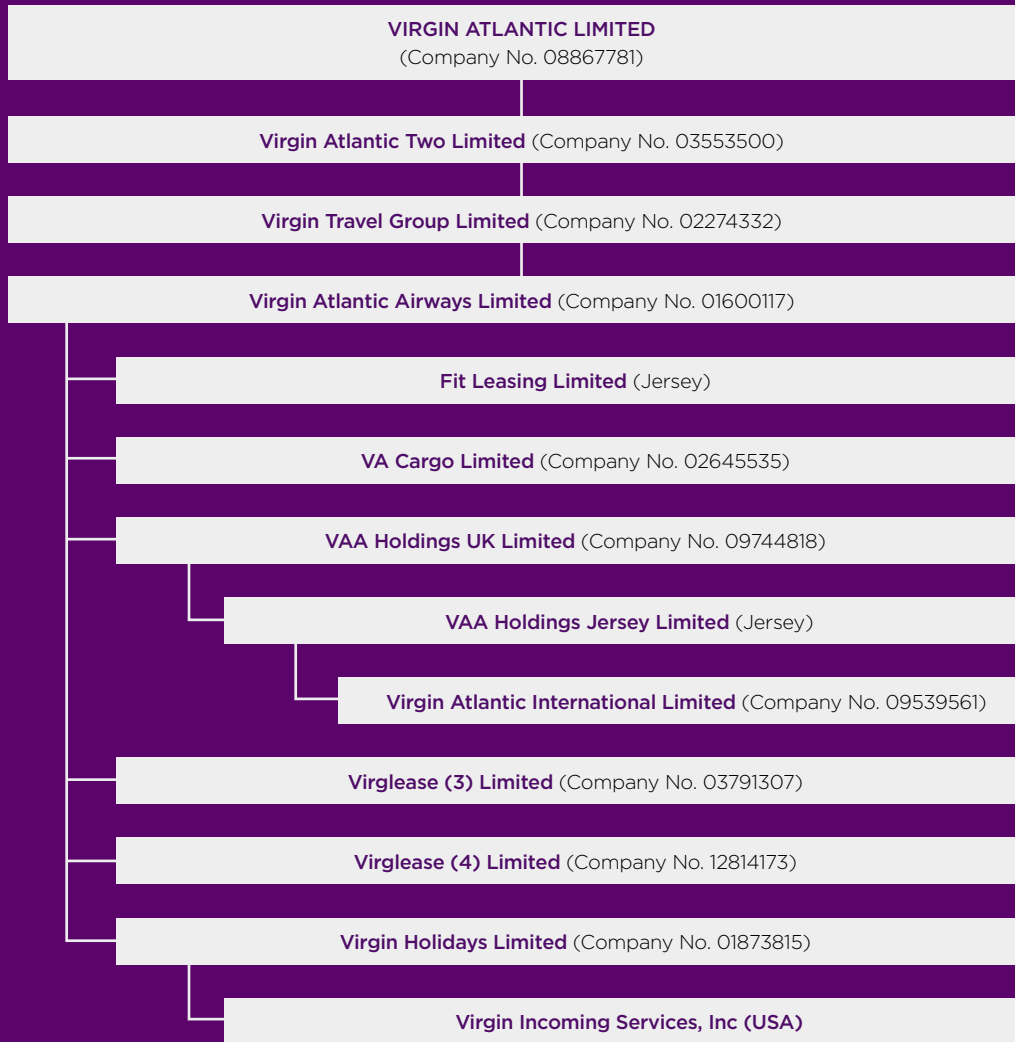
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.





Governance

# Corporate structure



Notes: All companies are wholly owned by Virgin Atlantic Limited and registered in England and Wales, unless otherwise indicated.

**Governance**

# Independent auditor's report

## To the members of Virgin Atlantic Limited

**Opinion**

We have audited the financial statements of Virgin Atlantic Limited ("the Company") for the year ended 31 December 2025 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position and Company statement of financial position, Consolidated statement of changes in equity and Company statement of changes in equity, Consolidated statement of cashflows and related notes, including the accounting policies in note 3.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 3 to the financial statements which indicates that in a plausible worst case scenario driven by geopolitical risks, cash and cash equivalents would breach current liquidity covenants over a portion of the external debt in November 2026 but all other covenant requirements would be met. These events and conditions, along with the other matters explained in note 3, constitute a material uncertainty that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Going concern basis of preparation**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the company, or to cease their operations, and as they have concluded that the Group and the company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ("the going concern period"). As stated above, they have also concluded that there is a material uncertainty related to going concern.

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group and parent Company's financial resources or ability to continue operations over the going concern period. The risk associated with geopolitical tensions impacting oil prices, as well as macroeconomic factors, are considered the most likely to adversely affect the Group and parent Company's available financial resources over this period.

Given the level of financial resources, and the risks inherent in the cash flows, our evaluation of the directors' going concern assessment was of particular significance in our audit.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the directors' sensitivities over the level of available financial resources indicated by the Group and parent Company's financial forecasts taking into account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

We performed the following procedures:

- Critically assessed assumptions in the directors' forecast relevant to liquidity, by comparing to external forecasts for the aviation industry and economic forecasts, overlaying our knowledge of the Group and parent Company's plans based on approved budgets and our knowledge of the Group and the sector in which it operates.
- We inspected loan facility agreements with lenders to confirm the level of facilities available and understand the associated covenant requirements.
- We considered whether the going concern disclosure in note 3 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we found the going concern disclosure in note 3 to be acceptable.



## Governance

### Independent auditor's report continued

#### Fraud and breaches of laws and regulations - ability to detect

##### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Enquiring of directors, the Audit Committee, internal audit and inspection of policy documentation as to the Group and parent company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group and parent company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board and Audit Committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks to all members of the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because sales transactions are high volume, low value and non-complex in nature occurring in a largely automated, routine environment, thus reducing opportunities for systematic material fraudulent revenue recognition to occur.

We did not identify any additional fraud risks. We performed procedures including:

- Identifying journal entries and other adjustments to test all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those which are unusual pairings and those posted with descriptions that could be indicative of a risk of fraud.
- Assessing whether the judgements made in accounting estimates are indicative of potential bias.
- Evaluated the business purpose of significant unusual transactions.

##### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and others management (as required by auditing standards), and from inspection of the Group's and parent company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and parent company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, UK Civil Aviation Authority regulations and Association of British Travel Agents regulations and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group and parent company are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Group's and parent company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.



## Governance

### Independent auditor's report continued

#### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report.
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

#### Directors' responsibilities

As explained more fully in their statement set out on page 85, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Natalia Bottomley

Senior Statutory Auditor  
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

23 March 2026



# Financial statements

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## Red Spirit

### Ella |

Customer Care



WATCH VIDEO

Ella is an invaluable member of our fast-paced OCC Customer Care team, known for her positivity and constant smile under pressure. A true Virgin adventurer, she's completed over 15 adventures and meets every challenge with resilience and a smile that inspires those around her.





## Financial statements

# Consolidated statement of comprehensive income

	Note	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Total revenue</b>	5	<b>3,370.2</b>	3,301.3
<b>Operating costs</b>			
Physical fuel		774.2	815.2
Airline direct operating costs		726.8	618.7
Aircraft costs		209.6	194.7
Holiday distribution, marketing and selling costs		501.6	466.1
Employee remuneration	7	537.6	477.2
Other operating and overhead costs		197.8	241.4
Engineering and maintenance costs		249.0	230.8
Other depreciation and amortisation		79.8	68.6
(Profit)/loss on disposal of property, plant and equipment		(13.3)	1.4
Restructuring		(1.6)	14.6
Impairment of assets		0.4	-
Fair value gains on derivative contracts		(5.0)	(35.9)
Other income		(10.1)	(22.0)
<b>Operating profit</b>		<b>123.4</b>	230.5
Finance income		12.4	18.0
Finance expense		(340.8)	(339.9)
<b>Net finance costs</b>	8	<b>(328.4)</b>	(321.9)
<b>Loss before tax</b>	6	<b>(205.0)</b>	(91.4)
Tax charge	9	(0.3)	(3.5)
<b>Loss for the year</b>		<b>(205.3)</b>	(94.9)
<b>Other comprehensive income</b> <b>(items that may be subsequently reclassified to the income statement)</b>			
Exchange translation differences		-	0.3
<b>Cash flow hedges</b>			
Losses/(gains) arising during the year		76.2	(23.4)
Losses/(gains) transferred to income statement	14	35.8	(27.1)
<b>Fair value movements on cost of hedging</b>	14	<b>(5.0)</b>	1.1
<b>Total comprehensive loss for the year</b>		<b>(98.3)</b>	(144.1)

All amounts relate to continuing operations.

The notes on pages 94 to 122 form part of these financial statements.

## Financial statements

# Consolidated statement of financial position of comprehensive income

## As at 31 December 2025

	Note	As at 31 December 2025 £m	As at 31 December 2024 £m
<b>Non-current assets</b>			
Intangible assets and goodwill	10	338.9	371.6
Property, plant and equipment	11	2,574.2	2,645.7
Derivative financial instruments	14	3.4	6.1
Trade and other receivables	15	27.0	25.7
		<b>2,943.5</b>	3,049.1
<b>Current assets</b>			
Inventories	16	54.8	52.7
Trade and other receivables	15	216.2	279.9
Derivative financial instruments	14	8.7	14.5
Cash and cash equivalents	17	353.0	378.9
Restricted cash	17	75.8	64.4
		<b>708.5</b>	790.4
<b>Total assets</b>		<b>3,652.0</b>	3,839.5
<b>Current liabilities</b>			
Borrowings	18	320.0	424.4
Trade and other payables	19	717.3	757.4
Deferred revenue on air travel and holidays	20	699.7	678.1
Provisions	21	53.5	47.5
Derivative financial instruments	14	46.8	25.6
		<b>1,837.3</b>	1,933.0
<b>Net current liabilities</b>		<b>(1,128.8)</b>	(1,142.5)
<b>Total assets less current liabilities</b>		<b>1,814.7</b>	1,906.6
<b>Non-current liabilities</b>			
Borrowings	18	3,295.7	3,383.2
Trade and other payables	19	44.0	90.3
Deferred revenue on air travel and holidays	20	2.1	1.9
Provisions	21	107.4	82.1
Derivative financial instruments	14	6.7	6.4
		<b>3,455.9</b>	3,563.9
<b>Net liabilities</b>		<b>(1,641.2)</b>	(1,657.3)
<b>Equity</b>			
Ordinary share capital		100.0	100.0
Preference share capital		277.9	204.3
Share-based payment reserve		27.0	48.7
Hedging reserve		59.7	(52.3)
Cost of hedging reserve		(3.9)	1.1
Other reserves		173.3	100.2
Retained earnings		(2,275.2)	(2,059.3)
<b>Total equity</b>		<b>(1,641.2)</b>	(1,657.3)

The notes on pages 94 to 122 form part of these financial statements.

These financial statements were approved by the Board of Directors on 23 March 2026 and were signed on its behalf by:

**Ansar Hussain,**

Director

23 March 2026

Registered number 08867781



## Financial statements

# Company statement of financial position

As at 31 December 2025

	Note	As at 31 December 2025 £m	As at 31 December 2024 £m
<b>Non-current assets</b>			
Investments in subsidiaries	13	871.2	855.0
<b>Total assets</b>		<b>871.2</b>	855.0
<b>Current liabilities</b>			
Trade and other payables	19	273.8	262.6
<b>Net current liabilities</b>		<b>(273.8)</b>	(262.6)
<b>Net assets</b>		<b>597.4</b>	592.4
<b>Equity</b>			
Ordinary share capital		100.0	100.0
Preference share capital		277.9	204.3
Share-based payment reserve		27.0	48.7
Other reserves		102.4	127.6
Retained earnings		90.1	111.8
<b>Total equity</b>		<b>597.4</b>	592.4

The notes on pages 94 to 122 form part of these financial statements.

The loss for the Company for the year is £11.1m (2024: £12.8m).

These financial statements were approved by the Board of Directors on 23 March 2026 and were signed on its behalf by:

**Ansar Hussain,**  
Director  
23 March 2026  
Registered number 08867781

## Financial statements

# Consolidated statement of changes in equity

For the year ended 31 December 2025

	Ordinary share capital £m	Preference share capital £m	Share- based payment reserve £m	Hedging reserve £m	Cost of hedging reserve £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 1 January 2024	100.0	179.6	72.3	(1.7)	-	76.4	(1,964.6)	(1,538.0)
Increase in preference shares issuable	-	-	-	-	-	23.5	-	23.5
Preference shares issued	-	24.7	(24.7)	-	-	-	-	-
Equity-settled share-based payment cost	-	-	1.1	-	-	-	-	1.1
Loss for the year	-	-	-	-	-	-	(94.9)	(94.9)
Other comprehensive income/(expense)	-	-	-	(50.6)	1.1	0.3	-	(49.2)
Total comprehensive income/(expense)	-	-	-	(50.6)	1.1	0.3	(94.9)	(144.1)
<b>Balance at 31 December 2024</b>	<b>100.0</b>	<b>204.3</b>	<b>48.7</b>	<b>(52.3)</b>	<b>1.1</b>	<b>100.2</b>	<b>(2,059.3)</b>	<b>(1,657.3)</b>
Capital contribution	-	-	-	-	-	98.3	-	98.3
Increase in preference shares issuable	-	-	-	-	-	22.2	-	22.2
Preference shares issued	-	73.6	(26.2)	-	-	(47.4)	-	-
Equity-settled share-based payment credit	-	-	(6.1)	-	-	-	-	(6.1)
Contribution towards share -based payment reserve	-	-	10.6	-	-	-	(10.6)	-
Loss for the year	-	-	-	-	-	-	(205.3)	(205.3)
Other comprehensive income/(expense)	-	-	-	112.0	(5.0)	-	-	107.0
Total comprehensive income/(expense)	-	-	-	112.0	(5.0)	-	(205.3)	(98.3)
<b>Balance at 31 December 2025</b>	<b>100.0</b>	<b>277.9</b>	<b>27.0</b>	<b>59.7</b>	<b>(3.9)</b>	<b>173.3</b>	<b>(2,275.2)</b>	<b>(1,641.2)</b>

**Share capital:** The Company was incorporated on 29 January 2014 following a Group reorganisation with a share capital of £2 consisting of 2 ordinary shares of £1 each. On 13 March 2014 the share capital of the Company was increased to £100.0m by creation of a further 99,999,998 ordinary shares of £1 each and 50,000 preference shares of £1,000 each. These shares were issued as part of a share for share exchange to acquire the group of companies headed by Virgin Atlantic Two Limited (formally Virgin Atlantic Limited). The rights of each class of share are set out in the Company's Articles of Association.

The terms and conditions of the preference shares do not create the automatic right of the holders to receive cumulative dividends. Instead, preference dividends may only be paid at the discretion of the Company and are based on the total capital outstanding.

Allotted, called up and fully paid share capital includes 100,000,000 (2024: 100,000,000) ordinary shares of £1 each and 50,000 (2024: 50,000) preference shares at £1,000 each.

**Preference share capital:** In 2020, as part of the Group's solvent recapitalisation, certain liabilities were novated to the Company by subsidiary entities, resulting in an increase in investments. The Company then exchanged preference shares issuable to its shareholders for payments of these liabilities over the period 2020-2025. In 2025, the shareholders agreed to exchange the payment for the remaining liabilities over the period 2025-2028 with further preference shares issuable. At 31 December 2025, Virgin Atlantic Limited ("VAL") had issued a total of £227.9m (2024: £154.3m) preference shares in respect of these liabilities, of which £73.6m was in 2025. The remaining preference shares will be issued annually based on the actual amounts incurred in the preceding financial year. £50.7m were issued in March 2026 in relation to payments relating to 2025 and 2026.

The preference shares carry no entitlement to vote at meetings. On a winding up of the Company, the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, the amount paid up on any share including any amount paid up by way of share premium plus any arrears or accruals of dividend declared but not paid on the due date.

**Share-based payment reserve:** During the year, £10.6m was contributed to the share-based payment reserve, increasing it to £27.0m (2024: £42.6m) of preference shares issuable, in exchange of the payments to the shareholders at 31 December 2025. Further, the management incentive plan included in the reserve was reassessed at nil at 31 December 2025. Accordingly, the cumulative charge previously recognised in respect of unvested awards has been reversed, resulting in a decrease of £6.1m.

**Hedging reserve and cost of hedging reserve:** Certain foreign exchange and fuel derivatives were designated in a hedge accounting relationship from 1 January 2024. Detail of the treatment is included under note 3(q).

**Other reserves:** During 2025, the loans advanced to the Group by the shareholders were modified to extend the repayment date to November 2030 (refer to note 18). These loans were remeasured at fair value on the date of modification, with the difference between carrying value and fair value resulting in a capital contribution of £98.3m in the year. Other reserves also include £22.2m (2024: £47.5m) related to preference shares issuable.

The notes on pages 94 to 122 form part of these financial statements.



## Financial statements

# Company statement of changes in equity

As at 31 December 2025

	Ordinary share capital £m	Preference share capital £m	Share-based payment reserve £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 1 January 2024	100.0	179.6	72.3	103.9	124.6	580.4
Increase in preference shares issuable	-	-	-	23.5	-	23.5
Preference shares issued	-	24.7	(24.7)	-	-	-
Equity-settled share-based payment cost	-	-	1.1	-	-	1.1
Loss for the year	-	-	-	-	(12.8)	(12.8)
Other comprehensive income/(expense)	-	-	-	0.2	-	0.2
Total comprehensive income/(expense)	-	-	-	0.2	(12.8)	(12.6)
<b>Balance at 31 December 2024</b>	<b>100.0</b>	<b>204.3</b>	<b>48.7</b>	<b>127.6</b>	<b>111.8</b>	<b>592.4</b>
Increase in preference shares issuable	-	-	-	22.2	-	22.2
Preference shares issued	-	73.6	(26.2)	(47.4)	-	-
Equity-settled share-based payment credit	-	-	(6.1)	-	-	(6.1)
Contribution towards share-based payment reserve	-	-	10.6	-	(10.6)	-
Loss for the year	-	-	-	-	(11.1)	(11.1)
Other comprehensive income/(expense)	-	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	-	(11.1)	-
<b>Balance at 31 December 2025</b>	<b>100.0</b>	<b>277.9</b>	<b>27.0</b>	<b>102.4</b>	<b>90.1</b>	<b>597.4</b>

The notes on pages 94 to 122 form part of these financial statements.

## Financial statements

# Consolidated statement of cash flows

For the year 31 December 2025

	Note	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Net cash from operating activities</b>	28	<b>173.0</b>	385.4
Purchase of property, plant and equipment		(95.9)	(310.8)
Purchase of intangible assets		(20.8)	(32.2)
Proceeds from sale of property, plant and equipment and intangible assets		-	170.4
Interest received		12.4	18.0
<b>Net cash used in investing activities</b>		<b>(104.3)</b>	(154.6)
Payment of borrowings		(400.4)	(451.0)
Payment of leases		(192.8)	(185.6)
New borrowings	18	511.5	449.1
<b>Net cash used in financing activities</b>		<b>(81.7)</b>	(187.5)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(13.0)</b>	43.3
Cash and cash equivalents at beginning of year	17	378.9	335.3
Effect of foreign exchange rate changes		(12.9)	0.3
<b>Cash and cash equivalents at end of year</b>	17	<b>353.0</b>	378.9

Total available liquidity of the Group is £554.5m, comprised of cash and cash equivalent of £353.0m and undrawn committed facilities of £201.5m (refer to note 17).

The notes on pages 94 to 122 form part of these financial statements.



## Financial statements

# Notes forming part of the financial statements

### 1. General information

Virgin Atlantic Limited, (the “Company”) and its subsidiaries (the “Group”) is principally a passenger airline with a significant tour operations component, operating primarily from the United Kingdom. Further details on the nature of the Group’s operations and its principal activities can be found within the Strategic Report on pages 3 to 26.

The Company is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of its registered office is given on page 84.

### 2. Statement of compliance with IAS

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (“UK-adopted IFRS”).

The separate financial statements of the Company were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006. Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Disclosures in respect of transactions with wholly owned subsidiaries

The principal accounting policies adopted by the Group and by the Company are set out in note 3.

### 3. Material accounting policies

#### (a) Basis of preparation

The Group financial statements have been prepared on the historical cost basis, except for certain financial instruments that are recorded at fair value. These financial statements are presented in pounds Sterling as that is the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest hundred thousand pounds, except where indicated otherwise.

The principal accounting policies adopted, which unless otherwise stated have been applied consistently in the current and the prior financial year, are outlined below.

### Basis of consolidation

The Group’s consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (‘its subsidiaries’) made up to 31 December each year. The financial statements of subsidiaries are deconsolidated from the date that control ceases. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### Merger accounting and the merger reserve

Prior to 1 January 2015, certain significant business combinations were accounted for using the ‘pooling of interests method’ (or merger accounting) which gave rise to a merger reserve in the consolidated statement of financial position. These transactions have not been restated, as permitted by the IFRS 1 transitional arrangements. The merger reserve is presented within other reserves on the statement of changes in equity.

### Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2025, the Directors are required to consider whether the Group and Company can continue in operational existence for at least the 12-month period from the date of approval of the financial statements. The Board has concluded that it is appropriate to adopt the going concern basis, having assessed the financial forecasts with specific consideration to the trading position of the Group and Company in the context of continuing global economic uncertainty and increasing geopolitical uncertainty in the Middle East region.

Passenger demand continued to perform strongly through 2025. Passenger numbers increased 5% from 2024, and we continued to see strong load factors throughout 2025, which resulted in an increase in passenger revenue year on year of £34.1m. A tight focus on maintaining the cost measures implemented in 2020 has consistently enabled us to keep increases in overheads and direct operating costs below UK inflation. As at the balance sheet date, cash totalled £630.3m, comprised of cash at bank and in hand of £353.0m, contractually available facilities which were undrawn of £201.5m and £75.8m of restricted cash (refer to Note 17), and borrowings (including leases) totalled £3,615.7m (refer to note 18). Available undrawn facilities are comprised of undrawn committed revolving credit facility of £18.7m (2024: nil) and undrawn senior bonds of £182.8m (2024: nil) (refer to note 18).

To assess Going Concern, the Directors have prepared two scenarios - the ‘Base Case’ and the ‘Plausible Worst Case’.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

In assessing the Base Case, the Directors have considered the following assumptions:

- An increase in flying capacity of 3.7% compared to 2025;
- Brent and jet crack fuel costs reflecting forward curve assumptions;
- CPI inflation of 2.5%;
- Macro-economic slowness across principal markets (UK GDP at 1.1% over the year compared to 1.4% in 2025; US GDP at 1.7% compared to 1.9% in 2025);
- USD/GBP foreign exchange rates at USD 1.35:GBP 1; and
- The estimated financial impact of the Group's long-term strategy to reach Net Zero by 2050, including meeting CORSIA obligations.

This scenario results in forecast 2026 passenger revenues improving 6.6% over 2025 performance, with unrestricted cash being sufficient to meet all Group liquidity and covenant requirements, ensuring the business is able to operate for at least the 12-month period from the date of approval of the financial statements. This includes the ability to meet all creditor repayments.

The Directors have also modelled a Plausible Worst Case scenario, which assessed the impact of a 25% capacity reduction for three months over the going concern period, increase in jet fuel prices by \$10/barrel, worsening of GBP:USD foreign exchange by \$10 cents, increase of costs by 1% over the inflation rate and increased operational disruption costs. The Directors consider the Plausible Worst Case scenario unlikely to arise, as the combined assumptions to the extent modelled is not a trend historically observed in the industry. In this Plausible Worst Case scenario, cash and cash equivalents would breach current liquidity covenants over a portion of our external debt in Q4 2026, but all other covenant requirements would be met.

In the unlikely event that the Plausible Worst Case scenarios transpires, additional mitigating actions being considered by the Directors include:

- Reduction in discretionary spend;
- Deferral of expenditure;
- Review of network and profitability;
- Further shareholder support; and
- Opportunities to raise additional financing.

In light of events in the Middle East and the associated impact on fuel prices, additional scenarios have been run using an all-in fuel price of \$231/bbl (up to 90% higher than those modelled in the Plausible Worst Case modelled above). This scenario only altered assumptions on fuel, leaving all other assumptions in line with the Base Case.

The Directors are satisfied that the outcome of such modelling has a similar impact to the Plausible Worst Case - which includes impacts to revenue and cost assumptions - albeit breaching minimum liquidity thresholds later.

Having reviewed the Base Case and the Plausible Worst Case scenarios, the Directors have a reasonable expectation that if required, mitigating actions could be phased in swiftly to prevent a breach occurring under the most severe scenario. The Directors have therefore concluded that the Group has adequate resources to be able to meet its current obligations for at least the 12-month period from the date of approval of the financial statements, and believe that it remains appropriate to prepare the financial statements on a going concern basis.

However, the mitigations listed above are not fully within the Group's control and could also be influenced by the macro-economic environment. These circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's and parent company's ability to continue as a going concern and, therefore, that the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **(b) Revenue and revenue recognition (note 5)**

Revenue is comprised of passenger revenue, holidays revenue, cargo revenue and other revenue.

#### **Passenger revenue**

Passenger revenue encompasses passenger ticket sales, net of passenger taxes and discounts. Passenger ticket sales are generally paid for in advance of travel, and are recorded within deferred income, until recognised as revenue when the transportation occurs. Points earned and redeemed via the Group's loyalty scheme, Flying Club, are administered via Virgin Red, an entity outside of the Group, and therefore no obligation for the Group is created for future redemptions on issuance of loyalty awards. Revenue generated via redemption of loyalty awards and purchase of loyalty awards are recognised net within revenue when the transportation occurs.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

If a flight is cancelled, the passenger is entitled to receive either a refund, an alternative flight or a voucher for future travel. Where a voucher is issued, no revenue is recognised until either the voucher is redeemed through transportation services or it expires. Revenue is stated net of compensation for flight delays and cancellations, taking into consideration the level of expected claims.

The Group considers whether it is an agent or a principal in relation to passenger transportation services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for the services to be provided by a third party. Commissions earned in relation to agency services are recognised as revenue when the underlying goods or services have been transferred to the customer, which is the point that the Group's performance obligations are satisfied under agreements with third parties. In all other instances, the Group considers it acts as the principal in relation to passenger transportation services.

#### Holidays revenue

The Group records revenue on a net basis after deducting customer discounts and VAT. Holiday sales are paid for in advance of travel and are recorded within deferred revenue until the performance obligation has been satisfied. For revenue relating to travel services arranged by the Group's travel providers, the performance obligation is the provision of a holiday package. This is treated as a single performance obligation which is delivered over the duration of the holiday, and as such revenue is recognised in the income statement pro rata across the duration of the holiday. The Group considers whether it is an agent or a principal in relation to package holiday services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for the services to be provided by a third party. Where the Group's role in the transaction is that of an agent, revenue is recognised on a net basis with revenue representing the margin earned. This revenue is recognised on the date of booking at which point the performance obligation has been met.

#### Cargo revenue

Revenue arising from the provision of cargo services is recognised at the point of departure when the performance obligation is met. Revenue is recognised net of taxes and discounts. Payments are made in arrears so accrued income is recognised until the cash is received.

#### Other revenue

The Group has identified several performance obligations in relation to services that give rise to Other Revenue. These services, their performance obligations and associated revenue recognition include:

- Charter flight revenue, recognised as revenue when the transportation occurs;
- Ancillary revenue, recognised as revenue when the associated transportation occurs;
- Clubhouse revenue, recognised as revenue when the customer receives the goods or service;
- Unused tickets, recognised as revenue when the right to travel has expired, where validity is determined by the terms and conditions of the ticket; and
- Ticket breakage, recognised as revenue in proportion to the pattern of rights exercised by the customer.

#### Compensation payments

Income resulting from claims for compensation payments/liquidated damages from suppliers is recognised as income in the income statement. Income will be recognised when all performance obligations are met, including when a contractual entitlement exists, it can be reliably measured, and it is probable that economic benefits will accrue to the Group.

#### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of operations, has been identified as the Virgin Atlantic Leadership Team. Regular reporting on both Virgin Atlantic Airways and Virgin Atlantic Holidays is provided to the CODM in order to make resource allocation decisions and, as such, management have identified each as a separate operating segment.

#### (d) Emissions trading schemes

The Group accrues for emissions allowances under the UK and EU Emissions Trading Schemes based on the market price of allowances required. These schemes are established to assist in the control of greenhouse gas emissions and carbon pricing. The corresponding expense is recorded within Physical fuel costs.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

##### (e) Sustainable Aviation Fuel schemes

The Group operates a SAF certificate programme designed to help corporate customers manage their carbon emissions via the purchase of Scope 3 credits. When the Group purchases SAF under this scheme, the value attributable to Scope 3 credits is recognised within inventories, to the extent it is expected to be recovered from corporate customers, with the remaining cost of the SAF recorded within Physical fuel. When a sale of Scope 3 credits occurs, the corresponding inventory value is released and recorded within Physical fuel costs while the income is recorded within other revenue.

##### (f) Translation of foreign currencies

The consolidated accounts of the Group are presented in pounds Sterling, which is the Company's functional currency and the Group's presentation currency. Certain subsidiaries have operations that are primarily influenced by a currency other than Sterling.

For the purposes of presenting consolidated financial statements, the assets and liabilities associated with the Group's foreign subsidiary undertakings are translated at exchange rates prevailing on the balance sheet date. Income and expense items associated with the Group's foreign subsidiary undertakings are translated at the average exchange rate for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in shareholders' equity. On disposal of a foreign operation, all accumulated exchange differences in respect of that subsidiary attributable to the Group are reclassified to the consolidated income statement.

Transactions arising, other than in the functional currency, are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated using the rate of exchange ruling at the balance sheet date. Profits or losses arising on translation are reported within other operating and overhead costs in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

##### (g) Employee benefits (note 7)

###### Pension

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The amount charged to the income statement represents the contributions payable to the scheme by the Group in respect of the accounting period.

##### (h) Share-based payments (note 7)

###### Long-term incentive scheme

The Group operates a cash-settled long-term incentive scheme (LTIP); a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. The Group accrues for any element of foreseeable future awards for employees and Directors under LTIPs which have been agreed by the Board of Directors, and which are deemed to have been earned in the current period.

###### Equity-settled scheme

The Group operates an equity-settled share-based payment scheme under which the Group awards equity instruments in exchange for services rendered by Directors and employees. At the date of the grant, the fair value is based on a model provided by external valuation experts. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The share-based payment reserve balance is credited to the income statement when the criteria in the scheme are not met for it to be settled in shares or when the scheme is settled by other means.

##### (i) Preference shares issuable

In 2020 the Group agreed to exchange preference shares issuable to its shareholders to settle certain obligations falling due over the years 2020-2025. In accordance with IFRS 2, goods or services received as consideration for preference shares issuable have been recognised as an increase in the share-based payment reserve. At the point preference shares are issued to settle obligations that have fallen due, they are reclassified within equity to preference shares.

##### (j) Taxation

Tax on the profit or loss for the year comprises current and deferred tax.

##### Current tax (note 9)

The Group's liability for current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

##### Deferred tax (note 12)

Deferred tax is provided in full on all temporary differences relating to the carrying amount of assets and liabilities, where it is probable that the recovery or settlement will result in an obligation to pay more, or a right to pay less, tax in the future, with the following exceptions:

- In respect of taxable temporary differences associated with investments in subsidiaries or associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred income tax assets are recognised only to the extent that it is probable (more likely than not) that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and it is the intention to settle these on a net basis.

The Group has adopted the mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

##### (k) Intangible assets (note 10)

Intangible assets are held at cost and amortised on a straight-line basis over their economic life, except for those deemed to have an indefinite economic life. The latter are tested annually for impairment. The carrying value of intangibles is reviewed for impairment if and when events or changes in circumstances indicate the carrying value may not be recoverable.

##### Landing rights

Landing rights acquired from other airlines are capitalised at cost on acquisition. Subsequently they are accounted for at cost less any accumulated impairment losses. Capitalised landing rights based within the UK and EU are not amortised, as regulations provide that these landing rights are perpetual. Instead, they are subject to annual impairment reviews as part of the airline CGU.

##### Goodwill

Where the cost of a business combination exceeds the fair value attributable to the net assets acquired, the resulting goodwill is capitalised and tested for impairment annually and whenever indicators exist that the carrying value may not be recoverable.

##### Agreements: Delta and Air France-KLM transatlantic contract and brand licence

The cost of entering into an agreement which will give rise to future economic benefits is capitalised and amortised on a straight-line basis over the length of the agreement. The Group applies judgement in considering whether any payments made on entering into such arrangements or amended arrangements are the costs of the new arrangement, resulting in the recognition of an asset reflecting the benefit of the arrangement, or expensed as a cost of terminating an existing agreement. These agreements relate to access to the expanded joint arrangement with Delta and Air France-KLM and the use of the Virgin Atlantic and Virgin Holidays brand (see note 10 and note 23). The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### Software

The cost of purchase or development of computer software that is separable from an item of related hardware is capitalised separately. Core system assets are amortised over a period of 12 years; other software is amortised over a period not exceeding six years on a straight-line basis.

Development expenditure on activities is capitalised if the product or process is technically and commercially feasible and the Group intends to, and has the technical ability and sufficient resources to, complete development and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalised includes directly attributable costs and direct labour. Other development expenditure is recognised in the income statement as an expense as incurred.

Annual licence agreements to use Cloud software are expensed and treated as a service agreement. Perpetual licences to use Cloud software are capitalised if the Group has contractual rights to the software and the ability to run this software independently from the host vendor. In addition, the costs incurred for configuration of the application software are generally expensed as incurred. Where there is an acquisition of intellectual property arising from customisation of the application software, these will be capitalised and depreciated in accordance with the policy for core system assets.

##### (l) Property plant and equipment (“PPE”) (note 11)

Property, plant and equipment is recognised at cost. The Group has a policy of not revaluing property, plant and equipment. Depreciation is calculated to write off the cost less estimated residual value on a straight-line basis, over the economic life of the asset or the period of the underlying lease if shorter. Residual values and useful economic lives of assets are reviewed annually against prevailing market values for equivalently aged assets and depreciation rates are adjusted accordingly on a prospective basis.

The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and the cumulative impairment losses are shown as a reduction in the carrying value of property, plant and equipment.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies continued

##### Fleet

All aircraft are stated at the fair value of the consideration given after taking account of manufacturers' credits or discounts. An element of the cost of a new aircraft is attributed on acquisition to prepaid maintenance of the landing gear, thrust reversers and airframe, and is depreciated over a period of up to 12 years from the date of purchase to the date of the next scheduled maintenance event for the component.

The balance of aircraft and engine cost is depreciated on a straight-line basis over periods of up to 24 years, so as to reduce the cost to an estimated residual value at the end of that period. Residual values are determined with the assistance of an independent valuation specialist and are based on a best estimate for each fleet type.

For installed engines maintained under 'pay-as-you-go' contracts, the useful economic lives and residual values are the same as the aircraft to which the engines relate.

Aircraft and engine spares acquired on the introduction or expansion of the fleet as well as rotatable spares purchased separately are carried as PPE and are generally depreciated in line with the fleet to which they relate. The Group depreciates such spares on a straight-line basis so as to reduce the cost or valuation to estimated residual value at the end of their useful lives. The effective depreciation rate per annum in respect of rotatable spares is 7.25% or 12.5% dependent on type. Cabin interior modifications, including those required for brand changes and relaunches, are depreciated over six to eight years.

Subsequent costs, such as long-term scheduled maintenance and major overhaul of aircraft, are capitalised and amortised over the length of period benefiting from these costs. All other replacement spares and other costs relating to maintenance of fleet assets (including maintenance provided under 'pay-as-you-go' contracts) are charged to the income statement on consumption or as incurred respectively.

Financing costs incurred on borrowings to fund progress payments on assets under construction, principally aircraft, are capitalised as incurred, up to the date of the aircraft entering service and included as part of the aircraft cost.

Advance payments and option payments made in respect of aircraft and engine purchase commitments and options to acquire aircraft where the balance is expected to be funded by lease financing or outright purchase are recorded at cost in current or non-current aircraft deposits. On acquisition of the related aircraft, these payments are included as part of the cost of aircraft and are depreciated from that date.

Expenditure incurred on modifications to aircraft under leases is depreciated on a straight-line basis to a nil residual value over a period not exceeding the remaining lease period.

##### Land/buildings, assets in the course of construction, fixtures and fittings

No depreciation is provided in respect of assets in the course of construction. Plant and machinery, fixtures and fittings are depreciated at the following rates, which are reviewed annually:

Fixtures and fittings	20% - 25% on cost
Plant and equipment	10% - 33% on cost
Computer equipment & software	8% - 33% on cost
Motor vehicles	10% - 25% on cost
Leasehold improvements	Lower of useful economic life or period of lease

##### Impairment of non-current assets

At each balance sheet date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

##### Aircraft deposits

Aircraft deposits are capitalised and represent deposits made with aircraft manufacturers for future delivery of aircraft or deposits made with aircraft financiers or operating lessors to provide security for future maintenance work or lease payments. Upon delivery of aircraft, these are transferred to leased or owned aircrafts and subsequently depreciated.

##### (m) Leases

###### Measurement of the right-of-use asset (note 11)

Right-of-use assets are measured at cost and comprise the amount equal to the initial measurement of the lease liability, discounted to reflect the present value on initial recognition and the cost of restoring asset to its original state, in accordance with IFRS 16. The right-of-use asset is subsequently depreciated using the straight-line basis over the shorter of the lease period or the estimated useful life of the right-of-use asset.

The Group presents right-of-use assets in 'property, plant and equipment' in the statement of financial position.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

##### Measurement of the lease liability (note 18)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease if readily available, or otherwise the Group's incremental borrowing rate. The Group includes extension options in the measurement of lease liabilities only when concluded it is reasonably certain the options will be exercised.

The lease liability is subsequently measured based on a process similar to the amortised cost method. The liability is increased by accrued interest resulting from the discounting of the lease liability at the beginning of the lease period and the liability is reduced by lease payments made.

In addition, the lease liability may be remeasured in the following situations:

- Change in the lease term;
- Modification related to the assessment of the likelihood of an option being exercised;
- Remeasurement linked to residual value guarantees;
- Adjustment to the indices on which the rents are calculated when rent adjustments occur; and
- Changes in foreign exchange rate, for lease liabilities due in foreign currency.

When there is a change in the lease term, change in assessment of purchase option or change in floating interest rate, a revised discount rate is applied, resulting in an adjustment to the right-of-use asset and lease liability. The Group presents lease liabilities in 'borrowings' in the statement of financial position.

##### Sale and leaseback

The Group applies judgement as to whether finance raised for purchase of aircraft is treated as a lease per IFRS 16 or a financial liability per IFRS 9. In sale and leaseback transactions where the Group sells and then leases back aircraft, provided it meets the criteria of a sale per IFRS 15, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. If a sale has not occurred, the asset is retained on balance sheet within property, plant and equipment with a corresponding finance liability recognised under IFRS 9.

##### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets, with a value equal to or less than \$5,000, and shorter-term leases, with a duration equal to or less than 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (n) Inventories (note 16)

Inventories are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate. Any full write off for a specific fleet type is considered to be an impairment charge. Aircraft inventory includes aircraft parts which are expendable and non-renewable.

##### (o) Unremitted cash (note 15)

Unremitted cash comprises amounts owed by card acquirers and clearing houses for flights sold that have not yet been received in cash.

##### (p) Provisions (note 21)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as a result of a past event at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

##### Leased aircraft maintenance provisions

The Group incurs liabilities for maintenance costs in respect of aircraft treated as right-of-use assets during the term of the lease. These arise from legal and constructive contractual obligations relating to the condition of the aircraft when it is returned to the lessor.

To discharge these obligations, the Group will either need to compensate the lessor for the element of the life of the component or maintenance interval used, or carry out the maintenance check before return of the aircraft to the lessor. The provisions recorded and charged to the income statement are dependent on the life of the component or maintenance interval used and the individual terms of the lease:

- Where no compensation or maintenance is required prior to hand-back, maintenance events are expensed as incurred and no provision is recorded;
- Where compensation or maintenance is required prior to hand-back, a provision is recorded during the initial period of lease agreements at an amount corresponding to the proportion of usage; and
- After a component or maintenance interval has passed the trigger point such that the Group is contractually obliged to carry out the specified work (in order to meet the return conditions), a full provision for the cost of work is recorded.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

To the extent that this provision represents an increase to any provision accrued for usage up to the trigger point, a maintenance asset is recorded within property, plant and equipment. The asset is depreciated over the expected period to maintenance event, or the end of the lease, whichever is sooner.

Where maintenance is provided under 'power by the hour' contracts and maintenance is paid to maintenance providers to cover the cost of the work, these payments are expensed as incurred. The basis of all estimates are reviewed once each year and also when information becomes available that is capable of causing a material change to an estimate, such as renegotiation of end of lease return conditions, increased or decreased utilisation, or unanticipated changes in the cost of heavy maintenance services.

#### Restructuring provisions

Restructuring provisions are recognised when the Group has developed a detailed formal plan for the restructuring and has raised valid expectations in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of restructuring provision includes only the direct expenditures arising from the restructure.

#### Leasehold dilapidations provisions

On inception of a new lease, where there is an obligation to restore the property to its original condition, a leasehold dilapidation provision is recognised amounting to the estimated cost of restoration. Leasehold dilapidations are discounted only when the interest rate has a material impact on the provision. Any associated unwinding of the discount is taken to the income statement.

#### Passenger delay compensation

A provision is made for passenger compensation claims when the Group has an obligation to recompense customers under regulations. Provisions are measured based on known eligible flights delays and historic claim rates and are expected to unwind across the claim window, which is deemed to be six years.

#### Supply chain financing

The Group has entered into supplier financing arrangements. The arrangement is assessed against indicators to understand if these liabilities meet the definition of trade creditors or should be classified as borrowings. The cash flows arising from such arrangements are reported within cash flows from operating activities or within cash flows from financing activities, in the Consolidated cash flow statement, depending on whether the associated liabilities meet the definition of trade creditors or as borrowings. As at 31 December 2025, these liabilities met the criteria of trade creditors.

#### (q) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial instruments are recorded initially at fair value; subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each period end except for those financial instruments measured at fair value through the income statement.

#### Derivative financial instruments and hedging (note 14)

The Group utilises forwards, swaps and options to manage its exposure to foreign exchange risk and jet fuel price volatility. Eligible derivative contracts are designated in a hedge relationship with the forecast expenditure.

Derivative financial instruments are initially recognised and subsequently re-measured at fair value. The method of recognising the resulting gain or loss arising from remeasurement depends on whether the derivative is designated as a hedging instrument.

#### Hedge accounting for derivatives

At adoption existing derivatives, with the exception of three-way structures, were designated into a hedging relationship.

Where derivative financial instruments are designated as a hedging instrument in a cash flow hedge relationship, the effective portion of gains or losses arising on the change in fair value of the instrument are recognised within other comprehensive income and held in the Hedging reserve within equity to the extent that the hedges are determined to be effective.

For forward contracts, the Group designates the forward rate and therefore accounts for fair value changes in forward contracts, to the extent they are effective, through the hedging reserve.

The time value of options is excluded from the designated hedging instrument and accounted for as a cost of hedging, and subsequently recycled to the income statement when the hedged item impacts the Income statement.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

##### Hedge accounting for lease arrangements

The Group designates certain US dollar denominated lease contracts in a cash flow hedge relationship with forecasted US dollar revenue. Accumulated gains and losses are recognised within Other comprehensive income in the cash flow hedging reserve within equity and are recycled to the income statement in the same period as the forecast revenue cash flows occur, under other operating and overhead costs.

##### Sources of hedge ineffectiveness

The Group determines the existence of an economic relationship between the hedging instruments and hedged item based on the currency, amount, price indexing and timing of their respective cash flows.

All hedge relationships where the underlying exposure is still considered highly probable continue to exhibit a strong economic hedge relationship as the changes in fair value of hypothetical hedged items is materially offset by the changes in the fair value of hedging instruments.

Hedge effectiveness is performed for all hedge relationships at each reporting date. This includes comparing the critical terms of forecast transactions with the derivatives used as hedging instruments to ensure these continue to match.

Although the relationship is set up to match critical terms, ineffectiveness may occur due to significant changes in credit risk, price fixing basis, or the timing of hedged cash flows.

For the foreign currency and fuel hedge relationships the critical terms such as the nominal value, maturity and underlying of the hedged item and hedging instrument match closely. Therefore, hedge ineffectiveness could only occur due to mismatches in these critical terms, such as timing or the amount of the forecasted expenditure.

Additionally, ineffectiveness may arise where derivatives do not have a zero fair value when designated in a hedge.

Any material ineffectiveness is recognised as an exceptional item in the income statement.

##### Hedge discontinuation

Hedge accounting is discontinued when a hedging instrument is derecognised (e.g. through expiry, disposal or termination of a derivative), or no longer qualifies for hedge accounting.

If a hedge relationship is discontinued and the forecasted transaction is no longer expected to occur, the amount recognised in the hedging reserve is immediately reclassified to the income statement. If the forecasted transaction is still expected to occur but at a later date, the amount is recycled to profit or loss when the transaction occurs.

##### Non-derivative financial assets

Non-derivative financial assets are deemed to be assets which have no fixed or determinable payments that are not quoted in an active market and would therefore be classified as 'loans and receivables'. Such non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment and include trade and other receivables. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### Cash and cash equivalents (note 17)

Cash comprises cash held in bank accounts and money market deposits repayable on demand with no access restrictions, less overdrafts payable on demand.

##### Restricted cash (note 17)

Restricted cash represents funds held by the Group in bank accounts, which cannot be withdrawn until certain conditions have been fulfilled, and is classified as current or non-current based on the estimated remaining length of the restriction. Movement in restricted cash are shown within operating activities in the consolidated statement of cash flows.

##### Undrawn committed facilities (Note 17 and 18)

Undrawn committed facilities represent contractually committed borrowing facilities that are available to the Group at the reporting date but have not been drawn. Such facilities are not recognised as financial liabilities until funds are drawn.



## Financial statements

### Notes forming part of the financial statements continued

#### 3. Material accounting policies *continued*

##### Impairment of non-derivative financial assets (note 26)

The Group assesses at each balance sheet date whether a non-derivative financial asset or group of financial assets is impaired.

The 'expected credit loss' approach is taken when calculating impairments on financial assets. All financial assets are reviewed for potential prospective losses and an impairment applied accordingly.

##### De-recognition of non-derivative financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

##### Non-derivative financial liabilities (note 26)

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost. These include trade and other payables, borrowings and provisions. Interest expense on borrowings is recognised using the effective interest method. Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Certain leases contain interest rate swaps that are closely related to the underlying financing and, as such, are not accounted for as an embedded derivative.

##### De-recognition of non-derivative financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts is recognised in the income statement.

##### (r) Investments in subsidiaries (note 13)

The Company's investments in subsidiaries are held at cost less accumulated impairments.

##### (s) Preference shares

The Group's preference shares are either non-redeemable, or only redeemable with approval from the Board of Directors. The terms and conditions of the preference shares do not create the automatic right of the holders to receive cumulative dividends. Instead, preference dividends may only be paid at the discretion of the Company and are based on the total capital outstanding. As such the preference shares have been presented within equity.

#### 4. Material judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following accounting policies are considered critical accounting policies as they require a significant amount of management judgement and the results are material to the Group's financial statements. The estimates and assumptions that affect the current year or have a significant risk of causing a material adjustment within the next financial year are as follows:

##### (a) Significant and material judgements

###### Determining the fair value of loan arrangements (note 18)

The Group applies judgement in determining whether loan arrangements are at arm's length. If loan arrangements are deemed to be not at arm's length, the Group estimates the fair value of the loans on inception, using information available both internally and externally, for example attributes of similar financing arrangements which are at arm's length. Where there are loan arrangements with shareholders, any difference between nominal value and fair value of the loans on inception is recognised as a capital contribution. During the year, management remeasured the loan balance with shareholders, following the modification of its tenure, using the attributes similar to one which are at arm's length.

##### (b) Significant estimates

There were no significant estimates affecting the current year.



## Financial statements

### Notes forming part of the financial statements continued

#### 4. Material judgements and estimates *continued*

##### (c) Other sources of estimation uncertainty

###### Impairment of non-financial assets (note 10)

The recoverable amount of cash-generating units have been determined based on value-in-use calculations. The relevant sensitivity analysis relating to this estimate can be found in note 10.

###### Maintenance provision (note 21)

As at 31 December 2025 maintenance provisions totalled £72.9m (2024: £67.5m). The critical estimates required for the provision are: aircraft utilisation, the expected costs of maintenance checks, the condition of the aircraft, renegotiation of end of lease return conditions, increased or decreased utilisation and the lifespan of life-limited parts. The bases of all estimates are reviewed once a year and when information becomes available. If expected costs of maintenance were to escalate by 4%, then this would result in an increase to the maintenance provision of £2.9m.

###### Revenue recognition (note 5 and 20)

As at 31 December 2025, deferred revenue on air travel and holidays totalled £701.8m (2024: £680.0m). The Group applies judgement over the amount of revenue recognised in relation to ticket breakage, which is estimated based on the terms and conditions of the ticket and historical trends.

###### Income taxes (note 9)

As at 31 December 2025 the Group recognised no deferred tax assets (2024: £nil). The Group recognises deferred income tax assets only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Management considers the operating performance in the current year and the future projections of performance laid out in the approved business plan in order to assess the probability of recoverability. The business plan relies on the use of assumptions, estimates and judgements in respect of future performance and economics.

#### Impact of new International Financial Reporting Standards and Interpretations not yet adopted

The following UK-adopted IFRSs have been issued but are not expected to have a material effect on the financial statements:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates for Lack of Exchangeability (effective date 1 January 2025).

The following UK-adopted IFRSs have been issued but are not yet effective. Their adoption is not expected to have a material effect on the financial statements in future years:

- Amendments to IFRS 7 & 9 Classification and Measurement of Financial Instruments (effective date 1 January 2026).
- IFRS 19 Subsidiaries without Public Accountability (effective date 1 January 2027).

The following UK-adopted IFRSs have been issued but are not yet effective. Their impact on the financial statements upon adoption is currently being evaluated by management:

- IFRS 18 Presentation and disclosure in financial statements (effective date 1 January 2027).

**Financial statements**

Notes forming part of the financial statements continued

**5. Segment information****(a) Business segments**

	For the year ended 31 December 2025		
	Virgin Atlantic Airways £m	Virgin Atlantic Holidays £m	Total £m
<b>Revenue</b>			
Passenger	2,609.0	-	2,609.0
Cargo	234.6	-	234.6
Holidays	-	538.5	538.5
Other	142.3	-	142.3
<b>Segment revenue</b>	<b>2,985.9</b>	<b>538.5</b>	<b>3,524.4</b>
Revenue from transactions with other operating segments	(154.2)	-	(154.2)
<b>External revenue</b>	<b>2,831.7</b>	<b>538.5</b>	<b>3,370.2</b>
Depreciation and amortisation charge	(292.7)	(8.1)	(300.8)
Finance expense	(213.4)	(0.5)	(213.9)
<b>Profit/(loss) before exceptional items and tax</b>	<b>(162.5)</b>	<b>35.2</b>	<b>(127.3)</b>
Exceptional items:			
Other operating and overhead costs	41.9	0.7	42.6
Restructuring	1.6	-	1.6
Fair value gains/(losses) on derivative contracts	5.0	-	5.0
Finance expense	(126.9)	-	(126.9)
<b>Profit/(loss) before tax</b>	<b>(240.9)</b>	<b>35.9</b>	<b>(205.0)</b>

**For the year ended 31 December 2024**

	Virgin Atlantic Airways £m	Virgin Atlantic Holidays £m	Total £m
<b>Revenue</b>			
Passenger	2,574.9	-	2,574.9
Cargo	236.4	-	236.4
Holidays	-	517.0	517.0
Other	126.3	-	126.3
<b>Segment revenue</b>	<b>2,937.6</b>	<b>517.0</b>	<b>3,454.6</b>
Revenue from transactions with other operating segments	(153.3)	-	(153.3)
<b>External revenue</b>	<b>2,784.3</b>	<b>517.0</b>	<b>3,301.3</b>
Depreciation and amortisation charge	(266.2)	(8.3)	(274.5)
Finance expense	(186.8)	(41.4)	(228.2)
<b>Profit/(loss) before exceptional items and tax</b>	<b>(28.0)</b>	<b>47.7</b>	<b>19.7</b>
Exceptional items:			
Other operating and overhead costs	(17.7)	(3.0)	(20.7)
Restructuring	(14.6)	-	(14.6)
Fair value gains/(losses) on derivative contracts	32.6	3.3	35.9
Finance expense	(111.7)	-	(111.7)
<b>Profit/(loss) before tax</b>	<b>(139.4)</b>	<b>48.0</b>	<b>(91.4)</b>

**(b) Geographical analysis**

	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Revenue by area of original sale</b>		
UK	1,847.1	1,809.0
US	978.0	1,110.9
India	163.5	141.1
Other	381.6	240.3
<b>Total</b>	<b>3,370.2</b>	<b>3,301.3</b>

A geographical analysis of the Group operating profit is not disclosed, as it is neither practical nor meaningful to allocate the Group's operating expenditure on a geographical basis. Since the aircraft fleet (which is the major revenue-earning asset of the Group) is employed flexibly across a worldwide route network, there is no suitable basis of allocating such assets and related liabilities to geographical areas and accordingly no geographical analysis of assets or net liabilities is disclosed, nor reported to the chief operating decision maker (CODM).



## Financial statements

### Notes forming part of the financial statements continued

#### 6. Loss before tax for the year

Loss for the year has been arrived at after charging the following:

	Group		Company	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Depreciation of property, plant and equipment (note 11)	(247.3)	(225.3)	-	-
Amortisation of intangible assets (note 10)	(53.5)	(49.1)	-	-
Contribution to pension schemes	(43.5)	(37.6)	-	-
<b>Remuneration of the auditors and their associates</b>				
Audit services	(1.2)	(1.1)	(0.2)	(0.2)
Other services	(0.1)	(0.1)	-	-

Fees payable to the Group's auditor and its associates for services other than the statutory audit of the Company and subsidiaries are as follows:

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Fees payable for:		
Other assurance services	(0.1)	(0.1)
<b>Total fees for other services</b>	<b>(0.1)</b>	<b>(0.1)</b>

#### 7. Employee remuneration

##### (a) Headcount and total remuneration

The average monthly number of employees (shown as full time equivalent, including Executive Directors) was:

	Group	
	For the year ended 31 December 2025	For the year ended 31 December 2024
Management and administration	1,314	1,244
Flight crew	979	942
Cabin crew	3,410	3,290
Reservations, sales and retail staff	1,496	1,404
Engineering, cargo and production	837	749
	<b>8,036</b>	<b>7,629</b>

At 31 December 2025, total headcount was 9,313 (2024: 8,760), and average monthly headcount for the year was 9,180 (2024: 8,706).

The aggregate payroll costs (including Directors) of these persons were as follows:

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Wages and salaries	444.9	400.2
Social security costs	56.6	45.8
Other pension costs	43.5	37.6
	<b>545.0</b>	<b>483.6</b>

Included within Holiday distribution, marketing and selling costs within the statement of comprehensive income are employee costs amounting to £7.4m (2024: £6.4m) which relate to retail staff costs.

The Virgin Atlantic Limited Group operates a defined contribution pension scheme. The pension cost charged to the income statement for the year represents contributions payable by the Group to the scheme. The assets of the schemes are held separately from those of the Group in independently administered funds. There were outstanding contributions of £6.2m at 31 December 2025 (2024: £5.6m).

The Company has no salaried employees (2024: nil).

**Financial statements**

## Notes forming part of the financial statements continued

**7. Employee remuneration** *continued***(b) Aggregate Directors' remuneration**

No amounts were recharged to the Company in the current or preceding year in respect of the Non-Executive Directors (5) as the Directors' qualifying services in respect of the Company are negligible. During the year of their service, the emoluments of the 4 Directors (2024: 4) of the Virgin Atlantic Group were:

	Group and Company	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Total emoluments</b>		
Aggregate emoluments	11.0	2.9
Company contributions to money purchase pension schemes	0.2	0.2
Aggregate amounts receivable under Long Term Incentive Scheme	1.8	1.6
	<b>13.0</b>	<b>4.7</b>
<b>Highest paid Director</b>		
Aggregate emoluments and other benefits	6.1	1.4
Company contributions to money purchase pension schemes	0.1	0.1
Aggregate amounts receivable under Long Term Incentive Scheme	0.7	0.7
	<b>6.9</b>	<b>2.2</b>

Discretionary payments in respect of performance during the period 2022-2025 are recognised in the year and are included within aggregate emoluments.

Retirement benefits are accruing to 4 (2024: 4) Directors under the defined contribution pension scheme. During the year an amount of £nil (2024: £nil) was paid to shareholders in respect of the services of certain shareholder-appointed Non-Executive Directors of the Company.

The credit to the income statement in respect of share-based payments attributable to Directors who served during the year is £6.6m (2024: £1.1m charge) during the year.

The Directors are considered to be the key management personnel of the Group.

**(c) Long-term incentive scheme**

In 2019, the Group established a new long-term incentive scheme for Executive Directors and other invited participants to incentivise and recognise execution of the 'Velocity<sub>x</sub>' plan. The scheme consists of a series of three-year rolling grants, with a cash payment at the end of each grant. Payments are based on the Group's performance against pre-agreed financial and non-financial measures which are linked to the Group's long-term objectives. Included above are cash payments made to Directors relating to services rendered during 2025.

**(d) Share-based payment scheme**

The Virgin Atlantic Management Incentive Plan was approved by shareholders in April 2022 and was designed to provide long-term incentives for members of the Leadership Team (including Executive Directors). During 2025, the fair value of the scheme was reassessed at nil. Accordingly, the cumulative charge previously recognised in respect of unvested awards has been reversed, resulting in an income of £6.6m recognised in the current year (2024: £1.1m charge). The scheme is now considered closed, and no further share-based payment expense will be recognised.

**8. Net finance costs**

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Finance income</b>		
Interest on bank deposits	11.6	17.2
Other finance income	0.8	0.8
	<b>12.4</b>	<b>18.0</b>
<b>Finance expense</b>		
Interest on leases (note 18)	(119.4)	(129.2)
Other finance charges	(8.9)	(6.9)
Interest on external loans (note 18)	(215.7)	(206.1)
	<b>(344.0)</b>	<b>(342.2)</b>
Interest capitalised on aircraft progress payments (note 11)	3.2	2.3
	<b>(340.8)</b>	<b>(339.9)</b>
<b>Net finance costs</b>	<b>(328.4)</b>	<b>(321.9)</b>

**9. Tax**

Analysis of the tax expense during the year:

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Current tax</b>		
Adjustments in respect of prior periods	(0.3)	(0.2)
Total current tax (charge)/credit	<b>(0.3)</b>	<b>(0.2)</b>
<b>Deferred tax</b>		
Current year	-	-
Origination and reversal of timing differences	-	(3.3)
Adjustments in respect of prior periods	-	-
<b>Total deferred tax (charge)/credit</b>	<b>-</b>	<b>(3.3)</b>
<b>Total tax (charge)/credit</b>	<b>(0.3)</b>	<b>(3.5)</b>

The standard rate of UK corporation tax for the year is 25% (2024: 25%).

**Financial statements**

## Notes forming part of the financial statements continued

**9. Tax continued**

The actual tax charge for the year is higher than (2024: higher than) that computed by applying the standard corporation tax rate in the UK of 25% (2024: 25%). The differences are reconciled below:

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Loss before taxation</b>	<b>(205.0)</b>	(91.4)
Tax at the standard rate at 25% (2024: 25%)	<b>51.3</b>	22.9
<b>Factors affecting the credit/(charge) for the year</b>		
Income not subject to corporation tax	<b>4.6</b>	1.5
Expenses not deductible for tax purposes	<b>(33.3)</b>	(28.3)
Adjustments in respect of prior periods	<b>(0.3)</b>	(0.2)
Amounts not recognised on tax losses	-	(10.2)
Other unrecognised temporary differences	<b>(22.6)</b>	10.8
<b>Total tax (charge)/credit</b>	<b>(0.3)</b>	(3.5)

In December 2021, the OECD Pillar Two GloBE Rules introduced a global minimum corporation tax rate of 15% applicable to multinational enterprise groups with global revenue exceeding EUR750m. The rules first apply to the Group for its accounting period commencing 1 January 2024.

The Group has assessed its potential exposure to Pillar Two income taxes based on 2025 financial data and considers that the rules have not resulted in a material impact to the Group ETR for 2025.

This conclusion is based on the Group's financial results for the year; the nature of our trading activities; and the jurisdictions in which we operate.

**10. Intangible assets and goodwill**

	Group					
	Goodwill £m	DL AF KL transatlantic agreement and brand licence £m	Landing rights £m	Computer software £m	Assets under construction £m	Total £m
<b>Cost</b>						
At 1 January 2025	6.8	293.5	154.2	319.6	11.6	<b>785.7</b>
Additions	-	-	-	-	20.8	<b>20.8</b>
Disposals	-	-	-	(7.1)	-	<b>(7.1)</b>
Reclassifications	-	-	-	17.7	(17.7)	-
<b>At 31 December 2025</b>	<b>6.8</b>	<b>293.5</b>	<b>154.2</b>	<b>330.2</b>	<b>14.7</b>	<b>799.4</b>
<b>Amortisation</b>						
At 1 January 2025	2.9	153.2	12.6	245.4	-	<b>414.1</b>
Amortisation	-	33.5	-	20.0	-	<b>53.5</b>
Disposals	-	-	-	(7.1)	-	<b>(7.1)</b>
<b>At 31 December 2025</b>	<b>2.9</b>	<b>186.7</b>	<b>12.6</b>	<b>258.3</b>	-	<b>460.5</b>
<b>Carrying amount</b>						
<b>At 31 December 2025</b>	<b>3.9</b>	<b>106.8</b>	<b>141.6</b>	<b>71.9</b>	<b>14.7</b>	<b>338.9</b>
At 31 December 2024	3.9	140.3	141.6	74.2	11.6	371.6

	Group					
	Goodwill £m	DL AF KL transatlantic agreement and brand licence £m	Landing rights £m	Computer software £m	Assets under construction £m	Total £m
<b>Cost</b>						
At 1 January 2024	6.8	293.5	147.7	270.7	34.9	753.6
Additions	-	-	6.5	0.9	24.9	32.3
Disposals	-	-	-	(0.2)	-	(0.2)
Reclassifications	-	-	-	48.2	(48.2)	-
<b>At 31 December 2024</b>	<b>6.8</b>	<b>293.5</b>	<b>154.2</b>	<b>319.6</b>	<b>11.6</b>	<b>785.7</b>
<b>Amortisation</b>						
At 1 January 2024	2.9	119.6	12.6	230.1	-	365.2
Amortisation	-	33.6	-	15.5	-	49.1
Disposals	-	-	-	(0.2)	-	(0.2)
<b>At 31 December 2024</b>	<b>2.9</b>	<b>153.2</b>	<b>12.6</b>	<b>245.4</b>	-	<b>414.1</b>
<b>Carrying amount</b>						
<b>At 31 December 2024</b>	<b>3.9</b>	<b>140.3</b>	<b>141.6</b>	<b>74.2</b>	<b>11.6</b>	<b>371.6</b>
At 31 December 2023	3.9	173.9	135.1	40.6	34.9	388.4



## Financial statements

### Notes forming part of the financial statements continued

#### 10. Intangible assets and goodwill *continued*

The Group has entered into agreements that give access to benefits from the Joint Arrangement with Delta and Air France-KLM, and licence to use the Virgin Atlantic and Virgin Holidays brands with a cost of £293.5m. The joint arrangement asset is being amortised over its contract term of 15 years, and the brand asset has been amortised over its contract term of 5 years, 2025 being the final year for the brand asset. As at 31 December 2025, the carrying value of the joint arrangement asset was £106.8m (2024: £118.7m) with a remaining amortisation period of 9 years, and the carrying value of the brand asset was nil (2024: £21.6m).

Landing rights with carrying value of £81.6m (2024: £81.6m) are pledged as security for certain borrowings.

An annual impairment review is conducted on all intangible assets that have an indefinite economic life, including goodwill. Landing rights based within the EU and UK are considered to have an indefinite economic life. The Group also tests the carrying amount of goodwill for impairment annually and whenever circumstances change. The impairment review is carried out at the level of a 'cash-generating unit' (CGU), defined as the smallest identifiable group of assets, liabilities and associated intangible assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. On this basis, management have determined that the Group has two CGUs:

- (i) Its airline route network, comprising landing rights, access to the Virgin Atlantic brand, Delta and Air France-KLM joint arrangement synergies, aircraft, spare engines and related assets and liabilities; and
- (ii) The holidays business comprising access to the Virgin Atlantic Holidays brand, the sales channels including retail stores and any related goodwill.

An impairment review was carried out at a CGU level for both the airline route network and the holidays business as each CGU contains an intangible asset which is subject to an annual review. The carrying value of landing rights allocated to the airline route network was £141.6m (2024: £141.6m) and goodwill allocated to the holidays business £3.9m (2024: £3.9m).

The recoverable amounts of each CGU have been measured based on their value in use using a discounted cash flow model, and adjusted for the fair value of the subsidiary's debt and surplus assets and liabilities. Cash flow projections are based on the forecasts approved by the Board covering a two-year period and an estimated terminal growth rate, and projections are in line with the Group's strategic plans.

The discount rate has been calculated based on the weighted average cost of capital of the Group, using external inputs where relevant and adjusted to reflect the relevant debt structure in place to support each CGU. The Group has adjusted the cash flows for any uncertainties rather than the discount rate.

The terminal growth rate represents an estimation of average long-term economic growth rates for the principal countries in which the Group operates. The future impact of climate change on the Group has been incorporated into strategic plans, the estimated financial impact of which is included within approved forecasts. Considerations of the costs expected to be incurred to reach the Group's long-term sustainability strategy of being Net Zero by 2050, to comply with the introduction of future SAF mandates and to meet the Group's CORSIA obligations, have been embedded into the financial forecasts.

Assumptions	Airline CGU	Holidays CGU
Pre-tax discount rate	7% (2024: 6%)	6% (2024: 5%)
Terminal growth rate	2% (2024: 2%)	2% (2024: 2%)
No. years before terminal growth applied	2 (2024: 2)	2 (2024: 2)
Exchange rates USD	1.35 (2024: 1.25)	1.35 (2024: 1.25)
Fuel prices (\$/bbl)	94.0 (2024: 108.7)	N/A

The impairment review did not identify an impairment for either CGU as the value in use was greater than the carrying value (2024: no impairment).

An impairment review was also performed over the value of investments in subsidiaries held by the Company. The recoverable amount was measured based on the combined airline route network and the holidays business CGU value in use, using a discounted cash flow model. Cash flow projections are based on the same forecasts and assumptions used for the Group analysis. The impairment review did not identify an impairment of the Company's investment in subsidiaries, as the value in use was greater than the carrying value with significant headroom (2024: no impairment).

#### Sensitivity analysis

The Group has conducted sensitivity analyses on each CGU's value in use. This included either increasing the discount rates, reducing the terminal growth rate, or reducing the anticipated future cash flows through changes to the EBITDA in each of the years through to the terminal year. The sensitivity assumptions applied to the value-in-use calculations are set out in the table below. These are considered to be reasonably possible, but not likely.



## Financial statements

### Notes forming part of the financial statements continued

#### 10. Intangible assets and goodwill *continued*

Increase in discount rate	3pts
Reduction in long-term growth rate applied in year	1pts
Decrease in forecasted adjusted EBITDA in each year	20%
Increase in fuel price	10%

None of the individual reasonably possible scenarios listed above resulted in an impairment in either of the CGUs.

#### 11. Property, plant and equipment

	Group					
	Aircraft, rotatable spares and ancillary equipment		Other		Assets under construction	
	Owned £m	Leased £m	Owned £m	Leased £m	Owned £m	Total £m
<b>Cost</b>						
At 1 January 2025	1,547.0	2,468.4	149.6	206.4	8.9	4,380.3
Additions	125.3	17.3	1.2	4.5	39.0	187.3
Disposals	(10.8)	(156.4)	(0.8)	(2.2)	-	(170.2)
Reclassifications	1.1	(0.2)	5.9	-	(6.8)	-
Other movements	-	(2.1)	-	14.3	-	12.2
<b>At 31 December 2025</b>	<b>1,662.6</b>	<b>2,327.0</b>	<b>155.9</b>	<b>223.0</b>	<b>41.1</b>	<b>4,409.6</b>
<b>Accumulated depreciation</b>						
At 1 January 2025	500.6	971.4	136.9	125.7	-	1,734.6
Depreciation for the year	67.8	155.8	6.5	17.2	-	247.3
Impairments	0.4	-	-	-	-	0.4
Disposals	(8.9)	(135.1)	(0.7)	(2.2)	-	(146.9)
Reclassifications	7.9	(7.9)	-	-	-	-
<b>At 31 December 2025</b>	<b>567.8</b>	<b>984.2</b>	<b>142.7</b>	<b>140.7</b>	<b>-</b>	<b>1,835.4</b>
<b>Carrying amount</b>						
<b>At 31 December 2025</b>	<b>1,094.8</b>	<b>1,342.8</b>	<b>13.2</b>	<b>82.3</b>	<b>41.1</b>	<b>2,574.2</b>
At 31 December 2024	1,046.4	1,497.0	12.7	80.7	8.9	2,645.7

	Group					
	Aircraft, rotatable spares and ancillary equipment		Other		Assets under construction	
	Owned £m	Leased £m	Owned £m	Leased £m	Owned £m	Total £m
<b>Cost</b>						
At 1 January 2024	1,421.7	2,289.8	145.6	195.8	23.6	4,076.5
Additions	281.2	494.3	3.6	0.6	28.2	807.9
Disposals	(195.4)	(87.4)	(3.0)	(3.2)	-	(289.0)
Reclassifications	39.5	-	3.4	-	(42.9)	-
Other movements	-	(228.3)	-	13.2	-	(215.1)
<b>At 31 December 2024</b>	<b>1,547.0</b>	<b>2,468.4</b>	<b>149.6</b>	<b>206.4</b>	<b>8.9</b>	<b>4,380.3</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	459.9	921.5	132.8	111.3	-	1,625.5
Depreciation for the year	64.5	137.3	6.5	17.0	-	225.3
Disposals	(23.8)	(87.4)	(2.4)	(2.6)	-	(116.2)
<b>At 31 December 2024</b>	<b>500.6</b>	<b>971.4</b>	<b>136.9</b>	<b>125.7</b>	<b>-</b>	<b>1,734.6</b>
<b>Carrying amount</b>						
<b>At 31 December 2024</b>	<b>1,046.4</b>	<b>1,497.0</b>	<b>12.7</b>	<b>80.7</b>	<b>8.9</b>	<b>2,645.7</b>
At 31 December 2023	961.8	1,368.3	12.8	84.5	23.6	2,451.0

Other movements relate to lease extensions which do not constitute a new lease addition pursuant to IFRS 16, and in addition relate to asset adjustments resulting from variable lease rentals, which are linked to the prevailing secured overnight financing rate (SOFR) at a point in time as per the lease agreements, as well as other judgements which impact the measurement of the right-of-use asset.

The total additions of owned property, plant and equipment in the year were £165.5m (2024: £313.0m). During the year, the Group purchased one of its leased aircrafts. The transaction is shown in 'Aircraft, rotatable spares and ancillary equipment - leased' as a disposal of right-of-use assets and as a purchase in 'Aircraft, rotatable spares and ancillary equipment - owned'.

Included in aircraft, rotatable spares and ancillary equipment are progress payments of £66.5m (2024: £29.7m). These amounts are not depreciated.

Interest capitalised by the Group and Company on aircraft progress payments included in additions during the year amounted to £3.2m (2024: £2.3m). Owned aircraft and ancillary equipment with a carrying value of £1,094.8m (2024: £1,046.4m) is pledged as security for certain borrowings.

The Company did not have any property, plant and equipment (2024: £nil).



## Financial statements

### Notes forming part of the financial statements continued

#### 12. Deferred tax

The following are the material deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior year. Deferred taxation is provided for at 25% (2024: 25%):

	Accelerated capital allowances £m	Other temporary differences £m	Holdover relief £m	Total £m
Balance as at 1 January 2025	28.0	(5.8)	(22.2)	-
Charged/(credited) to statement of comprehensive income	(6.6)	(1.1)	7.7	-
<b>Balance as at 31 December 2025</b>	<b>21.4</b>	<b>(6.9)</b>	<b>(14.5)</b>	<b>-</b>

	Accelerated capital allowances £m	Other temporary differences £m	Holdover relief £m	Total £m
Balance as at 1 January 2024	3.3	22.2	(22.2)	3.3
Charged/(credited) to statement of comprehensive income	24.7	(28.0)	-	(3.3)
Balance as at 31 December 2024	28.0	(5.8)	(22.2)	-

The Group has restricted its recognition of deferred tax assets to equal the amount of deferred tax liabilities at the period end, as required by IAS 12. The gross temporary differences not recognised by the Company total £2,070.7m (2024: £1,991.2m), which equates to a deferred tax asset not recognised of £517.7m (2024: £497.8m).

The Finance Act 2021 (substantively enacted on 24 May 2021) set the main corporation tax rate at 25% from April 2023.

The deferred tax asset as at 31 December 2024 has been calculated based on 25% (2024: 25%).

The Company did not have any deferred tax (2024: £nil).

#### 13. Investment in subsidiaries

	Company	
	2025 £m	2024 £m
Investment in subsidiaries	<b>871.2</b>	855.0

	Company Investment in subsidiaries £m
Balance as at 1 January 2025	855.0
Additions during the year	22.8
Disposals during the year	(6.6)
<b>Balance as at 31 December 2025</b>	<b>871.2</b>

For further information on the subsidiaries of the Company, refer to note 22. Additions during the year relate to capital contributions made into subsidiaries as a result of the novation of certain liabilities from the subsidiaries to the Company (see notes accompanying the statement of changes in equity). Disposals relate to release of capital contributions made into subsidiaries in relation to share-based payments that were previously novated to the Company from the subsidiaries.

**Financial statements**

## Notes forming part of the financial statements continued

**14. Derivative financial instruments**

The following table discloses the carrying amounts and fair values of the Group's derivative financial instruments.

	Group	
	2025 £m	2024 £m
<b>Non-current assets</b>		
Foreign currency	1.3	2.7
Fuel	2.1	3.4
	3.4	6.1
<b>Current assets</b>		
Foreign currency	5.7	9.8
Fuel	3.0	4.7
	8.7	14.5
<b>Non-current liabilities</b>		
Foreign currency	(2.0)	(0.9)
Fuel	(4.7)	(5.5)
	(6.7)	(6.4)
<b>Current liabilities</b>		
Foreign currency	(18.5)	(4.7)
Fuel	(28.3)	(20.9)
	(46.8)	(25.6)
	(41.4)	(11.4)

The Company did not hold any derivative financial instruments (2024: Nil).

All derivatives are presented gross as the offsetting criteria have not been met. This is due to the Group not having any legally enforceable right to offset recognised amounts, as the right to offset is contingent on future events, for example default or other credit events.

The following table discloses the carrying amounts of derivatives recognised in the Group statement of financial position that are subject to master netting arrangements but are not set off due to offsetting criteria not being met.

	Gross amount £m	Amount not set off £m	Net amount £m
<b>As at ended 31 December 2025</b>			
Assets	12.1	(8.3)	3.8
Liabilities	(53.5)	8.3	(45.2)
	(41.4)	-	(41.4)
<b>As at ended 31 December 2024</b>			
Assets	20.6	(14.3)	6.3
Liabilities	(32.0)	14.3	(17.7)
	(11.4)	-	(11.4)

**Recognition of movement in derivative financial instruments**

	2025		2024	
	Foreign currency £m	Fuel £m	Foreign currency £m	Fuel £m
<b>Derivatives designated in a hedging relationship</b>				
Gains arising during the year recognised in OCI	43.3	33.7	20.6	2.1
Losses transferred to income statement	(23.2)	(24.0)	(16.5)	(13.8)
Hedge ineffectiveness recognised in the profit or loss	-	-	-	-
Fair value movements on cost of hedging recognised in OCI	3.3	1.8	2.9	(1.8)
<b>Derivatives not designated in a hedging relationship</b>	-	-	-	-

**Financial statements**

## Notes forming part of the financial statements continued

**14. Derivative financial instruments** *continued***Notional amounts of significant financial instruments used as cash flow hedging instruments**

	Group			Notional Total m
	Average rate	<1 Year m	1-2 Years m	
<b>2025</b>				
Brent (Barrels) <sup>1</sup>	68.9	5.2	1.2	6.4
Jet Crack (Barrels) <sup>1</sup>	24.8	1.2	-	1.2
Foreign exchange contracts (USD) <sup>2</sup>	1.3	501.7	90.9	592.6
<b>2024</b>				
Brent (Barrels) <sup>1</sup>	77.5	5.0	1.2	6.2
Jet Crack (Barrels) <sup>1</sup>	19.6	1.2	-	1.2
Foreign exchange contracts (USD) <sup>2</sup>	1.26	559.8	74.8	634.6

<sup>1</sup> The hedge rate for Brent and Jet Crack is expressed as the US dollar price per barrel.

<sup>2</sup> The notional of foreign exchange contracts is expressed in GBP

The Group enters into derivative transactions under master netting agreements. Under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated. The termination value is assessed and only a single amount is payable in settlement of all transactions.

**Undiscounted cash flows by maturity**

	0-6 month £m	6-12 months £m	12-24 months £m
Brent	15.1	6.6	2.0
Jet Crack	(0.3)	0.1	-
<b>Fuel</b>	<b>14.8</b>	<b>6.7</b>	<b>2.0</b>
<b>FX</b>	<b>(8.0)</b>	<b>(3.0)</b>	<b>(0.3)</b>

**15. Trade and other receivables**

	Group	
	2025 £m	2024 £m
<b>Non-current</b>		
Other receivables	27.0	25.7
<b>Current</b>		
Trade receivables	31.3	64.1
Provision for doubtful receivables	(2.0)	(2.5)
Net trade receivables	29.3	61.6
Unremitted cash	49.8	51.2
Other receivables	68.6	121.0
Accrued income	14.0	7.6
Prepayments	54.5	38.5
	<b>216.2</b>	<b>279.9</b>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The Group uses the expected credit loss approach when impairing trade receivables; the calculated loss according to the observed default rate is not material.

Other receivables includes a receivable from a joint arrangement partner, security deposits on aircraft/engines, VAT and flight taxes.

The Company had no trade and other receivables (2024: nil).

	2025 £m	2024 £m
<b>Ageing of past due but not impaired receivables</b>		
1-30 days	11.7	14.7
31-60 days	8.7	-
61-90 days	4.9	0.3
91-120 days	1.6	0.1
120+ days	0.5	1.5
	<b>27.4</b>	<b>16.6</b>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. The carrying amounts of trade and other receivables are approximately equal to their fair value.



## Financial statements

### Notes forming part of the financial statements continued

#### 16. Inventories

	2025 £m	2024 £m
Aircraft consumable spares	43.8	41.4
Inflight stock	5.5	5.6
Scope 3 carbon credits	5.4	5.6
Fuel	0.1	0.1
	<b>54.8</b>	<b>52.7</b>

Inventories recognised as an expense in the year amounted to £715.0m (2024: £790.7m). The Company did not have any inventories (2024: £nil).

#### 17. Cash, cash equivalents, available liquidity and restricted cash

	2025 £m	2024 £m
Cash at bank and in hand	353.0	378.9
<b>Cash and cash equivalents</b>	<b>353.0</b>	<b>378.9</b>
Available undrawn facilities	201.5	-
<b>Total available liquidity</b>	<b>554.5</b>	<b>378.9</b>
Restricted cash	75.8	64.4
	<b>630.3</b>	<b>443.3</b>

Cash and cash equivalents comprise of cash and short-term bank deposits with maturity of three months or less. The carrying amount of these assets is equal to their fair value. Restricted cash includes liquidity reserves relating to collateralised borrowings and cash collateral relating to finance and merchant banking facilities.

In addition to the above cash balances there was £49.8m of unremitted cash owed to the Group in transit at 31 December 2025 (2024: £51.2m) (refer to note 15).

Available undrawn facilities are comprised of undrawn committed revolving credit facility of £18.7m (2024: nil) and undrawn senior bonds of £182.8m (2024: nil) (refer to note 18).

The Company did not have any cash and cash equivalents (2024: £nil).

#### 18. Borrowings

##### (a) Non-current and current balances

	Year of maturity	Group	
		2025 £m	2024 £m
<b>Non-current</b>			
Obligations under leases (i)	2027-42	(1,389.3)	(1,690.2)
Senior Bonds - A1 (ii)	-	-	(131.0)
Senior Bonds - A2 (ii)	-	-	(14.7)
Senior Bonds - A3 (ii)	-	-	(22.2)
Senior Bonds - A5 (ii)	2030	(357.8)	-
Other loans (iii)	2028-35	(1,548.6)	(1,525.1)
		<b>(3,295.7)</b>	<b>(3,383.2)</b>
<b>Current</b>			
Obligations under leases (i)		(165.5)	(194.0)
Senior Bonds - A1 (ii)		-	(11.1)
Senior Bonds - A2 (ii)		-	(2.1)
Senior Bonds - A3 (ii)		-	(1.9)
Senior Bonds - A5 (ii)		(8.3)	-
Other loans (iii)		(146.2)	(215.3)
		<b>(320.0)</b>	<b>(424.4)</b>

- (i) See below for a full breakdown of all commitments under leasing agreements. £100.1m (2024: £197.1m) of the obligations under leases have variable lease payments that depend on an index (such as SOFR). Movements in the index rate will impact the value of these leases. Certain leases contain extension options which may be exercisable by the Group, and on inception of the lease, or if there is a significant event or change in circumstances that is in the lessee's control, the Group assesses the likelihood of the option being exercised. The Group is exposed to potential undiscounted cash flows of £295.2m (2024: £392.5m) for extension options, for which no amounts have been recognised as the Group does not currently expect to exercise the options.
- (ii) In November 2025, the Group secured a new financing facility totalling \$745m, which is to be drawn down through the issuance of senior bonds (Class A5 bonds). During the year, the Group issued the first tranche of these bonds, raising \$500m. The proceeds were used to fully repay the outstanding senior bond classes A1-A3. The remaining \$245m under the facility can be drawn over the next 18 months through the issuance of the remaining senior bond tranches. All bonds issued under this facility are repayable over five years from the first issuance date. These senior bonds are secured over the Group's London Heathrow slots. The value of the bonds is stated after transaction costs.
- (iii) Other loans includes £656.0m (2024: £627.6m) of loans due to shareholders, £419.5m (2024: £357.4m) of term loans and £619.3m (2024: £755.4m) of finance leases. Loans due to shareholders are unsecured and term loans are secured over property, plant and equipment and inventories. In December 2025, the shareholders agreed to extend the repayment date of their loan to November 2030.
- (iv) Under the terms of the Group's certain non-current borrowings, the Group is required comply with financial covenants such as loan to value ratios and minimum liquidity. The Group has complied with all the financial covenants of its borrowings during both periods presented. There are no indications that the Group will have difficulties complying with the covenants when they will next be tested.



## Financial statements

Notes forming part of the financial statements continued

### 18. Borrowings *continued*

#### (b) Analysis of borrowings by currency represented in GBP

	Sterling £m	US dollars £m	Other £m	Total £m
<b>As at 31 December 2025</b>				
Obligations under leases	(63.4)	(1,489.6)	(1.8)	(1,554.8)
Senior Bonds - A1	-	-	-	-
Senior Bonds - A2	-	-	-	-
Senior Bonds - A3	-	-	-	-
Senior Bonds - A5	-	(366.1)	-	(366.1)
Other loans	(656.0)	(1,038.8)	-	(1,694.8)
	<b>(719.4)</b>	<b>(2,894.5)</b>	<b>(1.8)</b>	<b>(3,615.7)</b>
<b>As at 31 December 2024</b>				
Obligations under leases	(68.0)	(1,815.6)	(0.6)	(1,884.2)
Senior Bonds - A1	(142.1)	-	-	(142.1)
Senior Bonds - A2	(16.8)	-	-	(16.8)
Senior Bonds - A3	(24.1)	-	-	(24.1)
Other loans	(627.6)	(1,112.8)	-	(1,740.4)
	<b>(878.6)</b>	<b>(2,928.4)</b>	<b>(0.6)</b>	<b>(3,807.6)</b>

#### (c) Analysis of contractual undiscounted cash flows by maturity

	Group				Total £m
	Within 1 year £m	1-2 years £m	2-5 years £m	Over 5 years £m	
Loans	(249.0)	(235.8)	(2,107.0)	(235.2)	(2,827.0)
Leased aircraft, rotatable spares and ancillary equipment	(239.6)	(210.2)	(547.0)	(1,001.6)	(1,998.4)
Leased other	(31.3)	(26.8)	(58.0)	(22.3)	(138.4)
<b>As at 31 December 2025</b>	<b>(519.9)</b>	<b>(472.8)</b>	<b>(2,712.0)</b>	<b>(1,259.1)</b>	<b>(4,963.8)</b>
Loans	(307.9)	(1,012.4)	(721.6)	(328.9)	(2,370.8)
Leased aircraft, rotatable spares and ancillary equipment	(298.4)	(273.0)	(656.7)	(1,268.2)	(2,496.3)
Leased other	(22.1)	(19.2)	(48.1)	(27.4)	(116.8)
<b>As at 31 December 2024</b>	<b>(628.5)</b>	<b>(1,304.5)</b>	<b>(1,426.3)</b>	<b>(1,624.5)</b>	<b>(4,983.9)</b>

#### (d) Analysis of change in borrowings

	Group			
	Loans £m	Leased aircraft, rotatable spares and ancillary equipment £m	Leased other £m	Total £m
<b>As at 1 January 2025</b>	<b>(1,923.4)</b>	<b>(1,794.4)</b>	<b>(89.8)</b>	<b>(3,807.6)</b>
Proceeds from loans and borrowings	(511.5)	-	-	(511.5)
Repayment of borrowings	400.4	-	-	400.4
Payment of lease rental	-	178.0	14.8	192.8
<b>Total changes arising from financing cash flows</b>	<b>(111.1)</b>	<b>178.0</b>	<b>14.8</b>	<b>81.7</b>
Interest paid	80.2	113.4	6.0	199.6
<b>Non-cash movements:</b>				
New contracts and renewal of contracts	-	(0.7)	(15.0)	(15.7)
Other movements	32.5	31.2	-	63.7
FX Revaluation	78.6	119.3	1.8	199.7
Interest expense	(217.7)	(113.4)	(6.0)	(337.1)
<b>As at 31 December 2025</b>	<b>(2,060.9)</b>	<b>(1,466.6)</b>	<b>(88.2)</b>	<b>(3,615.7)</b>

	Group			
	Loans £m	Leased aircraft, rotatable spares and ancillary equipment £m	Leased other £m	Total £m
<b>As at 1 January 2024</b>	<b>(1,792.7)</b>	<b>(1,689.2)</b>	<b>(91.5)</b>	<b>(3,573.4)</b>
Proceeds from loans and borrowings	(449.1)	-	-	(449.1)
Repayment of borrowings	451.0	-	-	451.0
Payment of lease rental	-	170.0	15.6	185.6
<b>Total changes arising from financing cash flows</b>	<b>1.9</b>	<b>170.0</b>	<b>15.6</b>	<b>187.5</b>
Interest paid	92.9	123.1	6.1	222.1
<b>Non-cash movements:</b>				
New contracts and renewal of contracts	-	(478.7)	(0.6)	(479.3)
Other movements	1.4	236.1	(12.9)	224.6
FX Revaluation	(20.8)	(32.6)	(0.4)	(53.8)
Interest expense	(206.1)	(123.1)	(6.1)	(335.3)
<b>As at 31 December 2024</b>	<b>(1,923.4)</b>	<b>(1,794.4)</b>	<b>(89.8)</b>	<b>(3,807.6)</b>

The Company did not have any borrowings (2024: £nil).



## Financial statements

Notes forming part of the financial statements continued

### 19. Trade and other payables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
<b>Non-current</b>				
Other revenue received in advance	(2.4)	(2.4)	-	-
Other payables	(41.6)	(87.9)	-	-
	(44.0)	(90.3)	-	-
<b>Current</b>				
Trade payables	(246.9)	(311.3)	-	-
Other revenue received in advance	(2.2)	(6.6)	-	-
Flight and airport charges	(160.7)	(150.6)	-	-
Amounts owed to other Group companies	-	-	(273.8)	(262.6)
Other taxes and social security	(19.1)	(28.4)	-	-
Other payables	(33.9)	(14.9)	-	-
Corporate tax payable	-	-	-	-
Accruals	(254.5)	(245.6)	-	-
	(717.3)	(757.4)	(273.8)	(262.6)

The carrying amounts of trade and other payables are approximately equal to their fair values.

Trade payables include £112.5m (2024: £48.5m) that are subject to supplier finance arrangements, of which suppliers had received payments of £97.1m (2024: £30.4m) from a partner financial institution in line with the agreed payment terms. The terms and conditions of the supplier finance arrangement are unchanged from the trade payables from the suppliers, other than the due date has been extended from up to 60 days (2024: 60 days) up to 120 days after the invoice due date. There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

Other payables includes an embedded derivative asset of nil (2024: asset of £14.3m) measured at fair value (refer to note 26).

### 20. Deferred revenue on air travel and holidays

	Group	
	2025 £m	2026 £m
Non-current	(2.1)	(1.9)
Current	(699.7)	(678.1)
<b>Total deferred revenue on air travel and holidays</b>	<b>(701.8)</b>	<b>(680.0)</b>
		<b>Forward sales of passenger carriage and holidays £m</b>
Balance at 1 January 2025		(680.0)
Revenue recognised in income statement		2,993.3
Cash received from customers		(3,015.1)
Balance as at 31 December 2025		(701.8)

Cash received from customers is presented net of refunds.

Deferred revenue in respect of forward sales of holidays consists of revenue allocated to tour operations. These tickets can typically be purchased up to 18 months in advance of the date of travel. Of the prior year deferred balance brought forward, £679.3m was recognised in the income statement during the year (2024: £618.0m). The Company did not have any deferred income (2024: £nil).

### 21. Provisions

#### (a) Non-current and current balances

	Group	
	2025 £m	2024 £m
<b>Non-current</b>		
Maintenance	(59.4)	(58.8)
Leasehold dilapidations	(20.1)	(16.9)
Legal and compliance	(25.0)	(1.7)
Restructuring costs	(2.9)	(4.7)
	(107.4)	(82.1)
<b>Current</b>		
Maintenance	(13.6)	(8.6)
Leasehold dilapidations	-	(0.5)
Legal and compliance	(38.0)	(29.5)
Restructuring costs	(1.9)	(8.9)
	(53.5)	(47.5)



## Financial statements

### Notes forming part of the financial statements continued

#### 21. Provisions continued

Maintenance included in provisions relates to the costs to meet the contractual return conditions on aircraft treated as right-of-use assets. Cash outflows on aircraft and engine maintenance occur when the maintenance events take place on future dates, typically covering the leased aircraft term, not exceeding December 2038. Maintenance provisions are discounted only when the interest rate has a deemed material impact on the provision.

Leasehold dilapidations represent provisions held relating to leased land and buildings where restoration costs are contractually required at the end of the lease, with dates not exceeding September 2032. Where such costs arise as a result of capital expenditure on the leased asset, the restoration costs are also capitalised.

Legal and compliance represent the estimated outstanding cost arising from the settlement of civil actions, settlement due to early termination arrangements and the estimated obligation under the CORSIA scheme. Included within legal and compliance are compensation amounts due to customers whose flights were significantly delayed, unless the airline can prove that the delay was caused by circumstances beyond its control.

The Company did not have any provisions (2024: £nil).

#### (b) Analysis of change in provisions

	Maintenance £m	Leasehold dilapidations £m	Legal and compliance £m	Restructuring costs £m	Total £m
At 1 January 2024	(52.2)	(20.6)	(40.6)	(12.3)	(125.7)
Amounts (provided)/ released in the year	(22.3)	1.9	(24.5)	(6.6)	(51.5)
Amounts utilised in the year	8.4	1.3	33.7	5.3	48.7
FX Revaluation	(1.4)	-	0.2	-	(1.2)
<b>At 31 December 2024</b>	<b>(67.5)</b>	<b>(17.4)</b>	<b>(31.2)</b>	<b>(13.6)</b>	<b>(129.6)</b>
Amounts (provided)/ released in the year	(20.1)	(3.0)	(63.0)	0.9	(85.2)
Amounts utilised in the year	10.4	0.3	31.0	7.8	49.5
FX Revaluation	4.2	-	0.2	-	4.4
<b>At 31 December 2025</b>	<b>(73.0)</b>	<b>(20.1)</b>	<b>(63.0)</b>	<b>(4.8)</b>	<b>(160.9)</b>

The Group is subject to legal, regulatory and other claims that arise in the normal course of business. These include, but are not limited to, claims arising from contractual arrangements, consumer claims and employment-related issues. Provisions are recognised where the Directors consider that it is probable that an outflow of economic benefits will be required to settle an obligation and where a reliable estimate can be made. Unless an outflow is considered remote, the matter is treated as a contingent liability in accordance with IAS 37. While it is not possible to predict the final outcome of all such matters, the Directors do not currently expect that the resolution of these matters will have a material adverse effect on the Group.

#### 22. Interest in subsidiaries and associates

The Group consists of a parent company, Virgin Atlantic Limited, incorporated in the UK and a number of subsidiaries and associates which operate and are incorporated around the world. The subsidiaries and associates of the Group as at 31 December 2025 are:

Subsidiaries and associates	Country of incorporation or registration	% Ordinary issued	Principal activity
Virgin Atlantic Two Limited	England and Wales	100	Holding company
Virgin Travel Group Limited	England and Wales	100	Holding company
Virgin Atlantic Airways Limited	England and Wales	100	Airline operations
Virgin Holidays Limited	England and Wales	100	Sale of holidays
Fit Leasing Limited	Jersey	100	Ceased trading
VA Cargo Limited	England and Wales	100	Ceased trading
VAA Holdings Jersey Limited	Jersey	100	Holding company
VAA Holdings UK Limited	England and Wales	100	Holding company
Virgin Atlantic International Limited	England and Wales	100	Airline operations
Virgin Incoming Services Incorporated	United States of America	100	Tour operator
Virglease (3) Limited	England and Wales	100	Ceased trading
Virglease (4) Limited	England and Wales	100	Ceased trading

Subsidiaries and associates	Registered office addresses
Fit Leasing Limited, VAA Holdings Jersey Limited	47 Esplanade, St Helier, Jersey, JE1 OBD
Virgin Incoming Services Incorporated	8320 Champions Gate Blvd, Davenport, FL 33896
All other trading subsidiaries	The VHQ, Fleming Way, Crawley, West Sussex RH10 9DF

VA Cargo Limited ceased trading in June 2020, Virglease (3) Limited ceased trading in December 2020 and Virglease (4) Limited and Fit Leasing Limited ceased trading in December 2024.

The Group consolidates the results of Barbados Enterprises plc, a special purpose vehicle set up to facilitate external capital raising activities, into the results of the Group. In accordance with IFRS 10, the Group is exposed, or has rights, to variable returns from its involvement and has the ability to affect those returns through its power over Barbados Enterprises plc.

The proportion of voting rights held by the Group in each of its subsidiaries is the same as the proportion of ordinary shares held. All subsidiaries have been included in the consolidation. All entities in the consolidation have the same accounting reference date.

All subsidiaries other than Virgin Atlantic Two Limited are indirectly held.



## Financial statements

### Notes forming part of the financial statements continued

#### 23. Related party transactions

The Group had transactions in the ordinary course of business during the year ended 31 December 2025 and 31 December 2024 with related parties.

	Group	
	2025 £m	2024 £m
<b>Parent</b>		
Purchases from parent	-	-
Purchases from associate	-	-
<b>Entities with joint control or significant influence over the entity</b>		
Sales to related parties	15.3	38.4
Purchases from related parties	(91.3)	(84.9)
Amounts owed by related parties	1.2	-
Amounts owed to related parties	(8.2)	(87.4)
<b>Other related parties</b>		
Sales to related parties	171.3	82.5
Purchases from related parties	(129.3)	(47.2)
Amounts owed by related parties	79.7	103.3
Amounts owed to related parties	(74.2)	(113.1)

Sales to related parties primarily relates to airline ticket sales. Purchases from related parties represent goods and services purchased for use within the business. All of the above transactions are on an arm's length basis.

In 2013, Delta Air Lines Inc. acquired a 49% equity stake in Virgin Atlantic Limited from Singapore Airlines. From 1 January 2014 the Group entered into a joint arrangement with Delta Air Lines Inc.

In January 2020, the Group entered into a joint arrangement with Delta Air Lines Inc. and Air France-KLM S.A., which provides for the sharing of revenues and costs, as well as joint marketing and sales, coordinated pricing and revenue management, network planning and scheduling and other coordinated activities with respect to the parties' operations on joint arrangement routes until 2035. This joint arrangement, for which the Group received anti-trust immunity from the US Department of Transportation in November 2020, is a continuation, extension and expansion of the joint arrangement which previously existed between the Group and Delta Air Lines Inc. that was due to expire in 2028. On transitioning to the expanded joint arrangement, the Group agreed to make a series of payments to Delta over the period 2020-2028. On the basis that the new arrangement represented a continuation of the existing arrangement, these payments formed a cost to enter the expanded joint arrangement and the Group made a judgement to recognise an intangible asset to be amortised over the 15-year contract term (refer to note 11), and a corresponding liability representing the obligation to make the payments through to 2028. The liability contained a portion

measured at amortised cost, and an embedded derivative measured at fair value representing the variable element of payments linked to fuel price. During 2025, the agreement was amended to remove the variable element of payments linked to fuel price and exchange the payment for the remaining liabilities over the period 2025-2028 with further preference shares issuable. The net value of the liability was £59.1m at 31 December 2025 (2024: £84.0m).

Costs incurred in relation to the joint arrangement are presented within other operating and overhead costs.

In March 2020, a £30.0m facility was made available by the Group's shareholders; Delta Air Lines committed 49% of this facility and Virgin Investments Limited committed 51%. This facility was fully drawn down in 2020 and the Group also accrued commitment fees of £0.4m to Delta Air Lines and £0.4m to Virgin Investments Limited in respect of this facility. During 2020, the facility was converted to preference shares.

In addition, the following liabilities were converted to preference shares:

- £65.7m for amounts owed to Delta Air Lines relating to the 2020 joint operation settlement, and other invoices payable; and
- £21.7m for amounts owed to Virgin Investments Limited relating to royalties incurred in 2020 and other liabilities owed.

In September 2020, Virgin Investments Limited advanced a £200m facility to the Group, repayable in November 2026. This loan was initially recognised at fair value, with the difference between nominal and fair value resulting in a capital contribution of £103.7m. Further loans were advanced to the Group in 2021 as follows: £75m in March 2021 and £215.2m in December 2021 from Virgin Investments Limited, and £206.8m in December 2021 from Delta Air Lines Incorporated, each repayable in November 2026. The loans were initially recognised at fair value, with the difference between nominal and fair value resulting in a capital contribution of £241.6m. In December 2025, the loans advanced to the Group by the shareholders were modified to extend the repayment date to November 2030 (refer to note 18). These loans were remeasured at fair value on the date of modification, with the difference between carrying value and fair value resulting in a capital contribution of £98.3m in the year.

#### 24. Ultimate holding

Virgin Atlantic is the ultimate parent company of the Group. The Directors consider that Sir Richard Branson is the ultimate controlling party of the Group.

#### 25. Commitments

##### (a) Capital commitments

	Group	
	2025 £m	2024 £m
Capital commitments at the balance sheet date for which no provision has been made	3,154.1	3,377.9



## Financial statements

### Notes forming part of the financial statements continued

#### 25. Commitments *continued*

Capital commitments relate to aircraft and engine purchases and are stated at escalated list price less progress payments. It is intended that these purchases will be financed partly through cash flow and partly through external financing and leasing arrangements.

The Company has no capital commitments (2024: nil).

#### (b) Commitments under leases not yet commenced

As at 31 December 2025, the Group had committed to lease agreements on future aircraft deliveries totalling £666.4m (2024: £nil) over the term of the leases. The Company has no commitments under leases not yet commenced (2024: £nil).

#### 26. Financial instruments

##### (a) Financial instruments by category

	Group	
	2025 £m	2024 £m
<b>Financial assets</b>		
Cash and bank balances	353.0	378.9
Restricted cash	75.8	64.4
<b>Designated as cash flow hedges</b>		
Derivative financial instruments	12.1	20.6
<b>Fair value through profit and loss:</b>		
Derivative financial instruments	-	-
<b>Loans and receivables at amortised cost:</b>		
Trade and other receivables (excluding prepayments and accrued income)	174.7	259.5
	<b>615.6</b>	723.4
<b>Financial liabilities</b>		
<b>Designated as cash flow hedges</b>		
Derivative financial instruments	(53.5)	(32.0)
<b>Fair value through profit and loss:</b>		
Derivative financial instruments	-	-
Other payables	-	6.1
<b>Financial liabilities at amortised cost:</b>		
Borrowings (including lease liabilities)	(3,615.7)	(3,807.6)
Trade and other payables	(502.2)	(599.2)
	<b>(4,171.4)</b>	(4,432.7)

#### (b) Fair values of financial assets and liabilities

The fair values of the Group's financial instruments are disclosed in hierarchy levels depending on the nature of the inputs used in determining the fair values as follows:

**Level 1:** Quoted prices (unadjusted) in active markets 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 or indirectly; and

**Level 3:** Inputs for the asset or liability that are not based on observable market data.

The only instruments carried at fair value by the Group are the derivative financial instruments that consist of fuel and foreign exchange derivatives. These are listed at level 2 on the fair value hierarchy. Discounted cash flow is the valuation technique used to arrive at fair value. Future cash flows are estimated based on forward exchange rates and forward fuel price rates (from observable rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

For all other financial instruments that are not measured at fair value on a recurring basis, the Directors consider that the carrying amounts of financial assets and financial liabilities (as disclosed in (a) above) approximate their fair values.

There were no transfers between levels during the year.

#### 27. Financial risk management

The Group is exposed to a variety of financial risks including: market risk (including foreign currency risk, interest rate risk and fuel price risk), credit risk, capital risk and liquidity risk.

The overall financial risk management processes focus on managing the exposures arising from unpredictable financial markets, to keep them within the Group's risk appetite, and to minimise potential adverse effects on financial performance.

The Group's financial risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.



## Financial statements

### Notes forming part of the financial statements continued

#### 27. Financial risk management *continued*

The Treasury function of the Group implements the financial risk management policies, under governance approved by the Board, and overseen by the Financial Risk Committee.

The Group's Treasury function also identifies, evaluates and hedges financial risks within the appetite and boundaries established by the Financial Risk Committee and financial risk policies. The Group does not speculatively trade and when instruments are used, this is to manage the underlying physical exposures of the business.

##### (a) Fuel price risk

The Group is exposed to fuel price risk.

The Group reduces its exposure using derivatives, as any gains and losses arising are offset by the outcome of the underlying exposure being hedged. The Group's fuel hedging policy aims to protect the business from significant near-term adverse movement in the jet fuel price. The policy allows the Group to hedge within bands up to 18 months out with declining percentages. In implementing the strategy, the fuel hedging policy allows for the use of a number of derivatives available on the over-the-counter (OTC) markets with approved counterparties and within approved limits.

Brent and Jet crack derivatives, where eligible, are entered into a cash flow hedge relationship against the respective risk components of future forecasted jet fuel usage.

The impact of movements on reserves is detailed in note 14.

During the year, fair value adjustments of nil were recorded related to hedge ineffectiveness on fuel hedges that continue to be effective hedge relationships.

The following table demonstrates the sensitivity of financial instruments to a reasonably possible change in fuel prices, with all other variables held constant, on profit before tax and equity:

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Increase in fuel price by a fixed percentage	30%	30%
Increase in equity	68.4	96.2
Increase in profit before tax	-	2.2
Decrease in fuel price by a fixed percentage	(30%)	(30%)
Decrease in equity	(88.4)	(103.8)
Decrease in profit before tax	-	(2.8)

##### (b) Foreign currency risk

The Group is primarily exposed to fluctuations in the US dollar which can significantly impact financial results and liquidity. The Group has substantial liabilities denominated in US dollars, due to engineering maintenance provisions, aircraft leases and USD denominated debt. A significant proportion of these are matched with US dollar cash.

Currency risk is reduced through the matching of receipts and payments in individual currencies and holding foreign currency balances to meet future obligations. In addition, the Group designates certain aircraft lease contracts as cash flow hedges.

Any exposure that cannot be naturally hedged, or is not designated in a cash flow hedge is managed through application of the foreign exchange hedging policy.

The Group has designated certain US dollar aircraft lease liabilities (the hedging instrument) to hedge exposure in highly probable forecast US dollar revenue (the hedged item). The probability of such transactions arising is based on past performance (USD revenues received in prior years), forecast cash flows and the Group's business model (i.e. an emphasis on transatlantic flying). These are designated as cash flow hedges, and the hedge ratio applied is 1:1. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the aircraft lease designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. In these hedge relationships, the main sources of ineffectiveness are:

- Changes in the timing of the hedged transactions; and
- Non-alignment between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date the forecast revenue is recognised.



## Financial statements

### Notes forming part of the financial statements continued

#### 27. Financial risk management *continued*

The carrying value of these hedging instruments as at 31 December 2025 was \$2,575.4m (2024: \$2,872.0m). Included within other operating and overhead costs are £11.5m of hedging gains (2024: £3.2m gains) reclassified from the hedging reserve.

The Group reduces its exposure using derivatives, as any gains and losses arising are offset by the outcome of the underlying exposure being hedged. The foreign exchange hedging policy aims to protect the business from significant near-term adverse movement in exchange rates. The policy allows the Group to hedge within bands up to 18 months out with declining percentages. In implementing the strategy, the foreign exchange hedging policy allows for the use of a number of derivatives available on the over-the-counter (OTC) markets with approved counterparties. Foreign exchange derivatives, where eligible, are entered into a cash flow hedge relationship against future forecasted foreign currency cash outflows.

The impact of movements on reserves is detailed in note 14.

During the year, fair value adjustments of £nil were recorded related to hedge ineffectiveness on foreign exchange hedges that continue to be effective hedge relationships.

The following table demonstrates the sensitivity of the US dollar foreign exchange derivative exposure to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, on profit/(loss) before tax and equity.

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Strengthening in the currency exchange rate by a fixed percentage	10%	10%
Decrease in equity	(52.1)	(56.3)
Decrease in profit before tax	-	-
Weakening in currency exchange rate by a fixed percentage	(10%)	(10%)
Increase in equity	56.2	71.1
Increase in profit before tax	-	-

#### (c) Interest rate risk

Interest rate cash flow risk arises on floating rate borrowings and cash investments. The Interest rate risk management policy objective is to lower the cost of capital by maintaining a targeted optimal range of net floating rate debt instruments while at the same time, not over-exposing the Company to interest rate fluctuations.

Interest rate exposure is managed on net basis i.e. after taking into consideration the natural hedge available due to cash invested in the short term at floating interest rates.

Aircraft leases are a mix of fixed and floating rates. Of the 41 leases in place at 31 December 2025 (2024: 45), 78% were based on fixed interest rates and 22% were based on floating interest rates (2024: 77% fixed, 23% floating).

#### (d) Credit risk

The Group is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable, cash, money market deposits and derivative financial instruments.

Credit risk management aims to reduce the risk of default by diversifying exposure and adhering to acceptable limits on credit exposure to counterparties based on their respective credit ratings. Credit default swaps are also considered wherever relevant and available.

Counterparty credit quality and exposures are regularly reviewed and, if outside of the acceptable tolerances, management will make a decision on remedial action to be taken.

The financial assets recognised in the financial statements, net of impairment losses (if any), represent the Group's maximum exposure to credit risk.

Disclosure relating to the credit quality of trade and other receivables is given in note 16.

Eligible currencies are USD and GBP. Interest return on the collateral is based on Effective Fed Fund rates for USD and Overnight SONIA for GBP.

**Financial statements**

## Notes forming part of the financial statements continued

**27. Financial risk management** *continued***(e) Liquidity risk**

The objective of the Group's liquidity risk management is to ensure sufficient cash is available to meet future liabilities as and when they fall due and ensure planned access to cost-effective funding in various markets.

The Group maintains a high proportion of cash in overnight money market funds with same day access to manage the impact of any business disruption. Additionally, the Group uses a combination of Credit Support Annex (CSA) and Non-CSA arrangements with its counterparties to manage liquidity requirements relating to derivatives trading activities.

The Group has entered into supplier financing arrangements to maintain a robust cash position while ensuring timely payments to key suppliers. This introduces the risk that the Group might become reliant on the extended payment terms offered by the arrangement. The Group mitigates this risk through careful cash balance monitoring, scenario analysis, and diversification of financing sources. Disclosure relating to supplier financing is given in note 19.

The maturity profile of financial liabilities based on undiscounted gross cash flows and contractual maturities can be found in note 18.

**(f) Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its leverage ratio i.e. net debt to EBITDA. Net debt is defined as the total loans and borrowings, leases, (for calculation purposes) net of cash and cash equivalents.

**28. Reconciliation between loss for the year and cash generated by operations**

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
<b>Loss for the year</b>	<b>(205.3)</b>	(94.9)
<b>Adjustments for:</b>		
Depreciation	247.3	225.4
Amortisation	53.5	49.1
Impairment	0.4	-
Loss/(gain) on unrealised items and FX	(57.5)	23.1
Loss/(profit) on disposal of property, plant and equipment and intangible assets	(13.3)	1.4
Taxation	0.3	3.5
Movement in provision for bad debts	0.5	0.8
Net finance costs	328.4	321.9
Movement in restricted cash	(11.4)	6.4
<b>Working capital changes:</b>		
Inventory	(2.1)	(7.9)
Trade and other receivables	127.7	(50.8)
Trade and other payables	(128.4)	104.2
Deferred revenue on air travel and tour operations	21.8	58.6
Provisions	20.3	1.7
Equity-settled share-based payment transactions	0.5	1.1
Non-cash movements in derivatives	(5.0)	(35.9)
Interest paid	(204.4)	(222.1)
Income taxes paid	(0.3)	(0.2)
<b>Net cash from operating activities</b>	<b>173.0</b>	385.4

**29. Subsequent events**

Subsequent to the reporting date, geopolitical tensions in the Middle East have intensified, resulting in operational disruption across the region, including airspace restrictions, and increased volatility in global energy markets. The Group's direct exposure to the Middle East remains limited, representing approximately 3% of total capacity, and accordingly the immediate operational impact is not expected to be material. However, the wider conflict in the region has contributed to heightened volatility in jet fuel prices, which may influence operating costs depending on the duration and extent of market disruption. The Group maintains a well-established fuel risk management framework, including a disciplined fuel hedging programme designed to mitigate near-term Brent and Jet Crack price volatility. This programme remains in place and continues to provide partial protection against adverse price movements. The Group will continue to monitor geopolitical and market developments closely and will take appropriate mitigating actions as conditions evolve. There have been no other subsequent events to report.



## Financial statements

## Alternative performance measures

The performance of the Group is assessed using a number of alternative performance measures (APMs) as outlined below.

These measures are not defined under International Financial Reporting Standards (IFRS) and should be considered in addition to IFRS measurements.

The definition of each APM, together with a reconciliation to the nearest measure prepared in accordance with IFRS, is presented below.

**(a) (Loss)/profit before tax and exceptional items**

The Group seeks to present a measure of underlying performance which is not impacted by material non-recurring items or items which are not considered to be reflective of the trading performance of the business. This measure of profit is described as 'profit before tax and exceptional items' (PBTEI) and is used by the Directors to measure and monitor performance. The excluded items are referred to as 'exceptional items and non-underlying items'.

Exceptional items may include impairments, expenditure on major restructuring programmes and other particularly significant or unusual non-recurring items. Non-underlying items may include fair value adjustments on financial instruments and items not considered to be reflective of the trading performance of the business. Items relating to the normal trading performance of the business will always be included within the underlying performance.

The following table contains a reconciliation between PBTEI and the statutory income statement for the Group:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Underlying activities before exceptional items £m	Exceptional items and non-underlying items £m	Total £m	Underlying activities before exceptional items £m	Exceptional items and non-underlying items £m	Total £m
<b>Total revenue</b>	<b>3,370.2</b>	<b>-</b>	<b>3,370.2</b>	3,301.3	-	3,301.3
Physical fuel	(774.2)	-	(774.2)	(815.2)	-	(815.2)
Fuel hedging	-	-	-	-	-	-
Airline direct operating costs	(726.8)	-	(726.8)	(618.7)	-	(618.7)
Aircraft costs	(209.6)	-	(209.6)	(194.7)	-	(194.7)
Holiday distribution, marketing and selling costs	(501.6)	-	(501.6)	(466.1)	-	(466.1)
Employee remuneration	(537.6)	-	(537.6)	(477.2)	-	(477.2)
Other operating and overhead costs (i), (ii), (iii)	(240.4)	42.6	(197.8)	(220.7)	(20.7)	(241.4)
Engineering and maintenance costs	(249.0)	-	(249.0)	(230.8)	-	(230.8)
Other depreciation and amortisation	(79.8)	-	(79.8)	(68.6)	-	(68.6)
Profit on disposal of property, plant and equipment	13.3	-	13.3	(1.4)	-	(1.4)
Restructuring (iv)	-	1.6	1.6	-	(14.6)	(14.6)
Impairment of assets	(0.4)	-	(0.4)	-	-	-
Fair value gains/(losses) on derivative contracts (i)	-	5.0	5.0	-	35.9	35.9
Other income	10.1	-	10.1	22.0	-	22.0
<b>Operating profit</b>	<b>74.2</b>	<b>49.2</b>	<b>123.4</b>	229.9	0.6	230.5
Finance income	12.4	-	12.4	18.0	-	18.0
Finance expense (v)	(213.9)	(126.9)	(340.8)	(228.2)	(111.7)	(339.9)
<b>Net finance costs</b>	<b>(201.5)</b>	<b>(126.9)</b>	<b>(328.4)</b>	(210.2)	(111.7)	(321.9)
<b>Loss before tax</b>	<b>(127.3)</b>	<b>(77.7)</b>	<b>(205.0)</b>	19.7	(111.1)	(91.4)

**Financial statements**

## Alternative performance measures continued

The Group separately presents certain items as exceptional. These are items which in the judgement of the Directors need to be disclosed separately by virtue of their size or incidence in order for the reader to obtain a proper understanding of the financial information:

- (i) Fair value gains/(losses) on derivative contracts in relation to the Group's fuel and foreign currency derivatives totalling gains of £5.0m (2024: gains of £35.9m) are classified as non-underlying items through Fair value gains/(losses) on derivative contracts as they do not reflect underlying performance. In the current year, these movements represent the unwind of derivatives that were in place prior to the adoption of hedge accounting which have expired during the year.  
In 2024, the Group adopted hedge accounting which has led to a change in presentation of matured derivative contracts. In previous years, all fair value gains/(losses) on matured derivative contracts were reclassified to Fair value gains/(losses) on derivative contracts to ensure that the operating costs of the Group could be reflected at an unhedged rate, as the Group did not apply hedge accounting for derivative contracts. Subsequent to adopting hedge accounting in 2024, no such reclassification is required; gains/losses on matured fuel derivatives are now presented within Physical fuel, and gains/losses on matured foreign exchange derivatives are presented within Other operating and overhead costs, consistent with the presentation of other realised foreign exchange gains and losses.
- (ii) Other operating and overhead costs include unrealised gains of £44.9m (2024: gains of £21.4m) relating to the revaluation of foreign denominated balance sheet items. Unrealised foreign exchange movements are presented as non-underlying as they do not reflect underlying performance.
- (iii) Other operating and overhead costs includes £2.3m (2024: £nil) related to disruption costs caused by the fire at London Heathrow airport during the year.
- (iv) The business undertook a restructuring and recapitalisation process in response to the impact of Covid-19 resulting in a reversal of over accrual of £1.6m in the year (2024: charge of £14.6m). This amount relates primarily to severance and advisory costs.
- (v) Interest expense totalling £126.9m (2024: £111.7m) arose on accounting for loans advanced from shareholders at fair value (refer to note 23). Management considers this expense to be non-underlying as it does not reflect the true cost of the arrangement.

**(b) EBITDA**

Profit/(loss) for the year/period before net finance costs, tax, depreciation and amortisation, exceptional items and unrealised foreign exchange gain/(loss).

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Profit/(loss) before tax	(205.0)	(91.4)
Add: Exceptional items	77.7	111.1
Add: Net finance costs	201.5	210.2
EBIT	74.2	229.9
Add: Depreciation and amortisation	300.8	274.4
<b>EBITDA</b>	<b>375.0</b>	<b>504.3</b>

**(c) EBIT margin**

EBIT divided by total revenue.

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
EBIT	74.2	229.9
Total revenue	3,370.2	3,301.3
<b>EBIT margin</b>	<b>2.2%</b>	<b>7.0%</b>

**(d) Passenger revenue per ASK (PRASK)**

An industry measure of operational efficiency that encompasses both passenger yield and load factor performance. Calculated as total passenger revenue divided by total available seat kilometres (ASKs).

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Airline passenger revenue (£m)	2,609.0	2,574.9
ASKs (km bn)	50.4	49.2
<b>PRASK (p)</b>	<b>5.18</b>	<b>5.23</b>

**Financial statements**

## Alternative performance measures continued

**(e) Airline fuel costs per ASK (Fuel CASK)**

A key fuel metric, fuel CASK measures our unit fuel spend and assess our aircraft fuel efficiency and fuel hedging effectiveness. Calculated as the total fuel spend divided by total ASKs.

	Group	
	For the year ended 31 December 2025	For the year ended 31 December 2024
Physical fuel (£m)	774.2	815.2
Fuel hedging (£m)	-	-
Fuel costs (£m)	774.2	815.2
ASKs (km bn)	50.4	49.2
<b>Fuel CASK (p)</b>	<b>1.54</b>	<b>1.66</b>

**(f) Airline non-fuel costs per ASK (Non-fuel CASK)**

Our key volume adjusted operational cost metric that indicates our cost control performance excluding fuel. Calculated as the total airline operational costs and overheads (ex-financing costs divided by total ASKs).

	Group	
	For the year ended 31 December 2025 £m	For the year ended 31 December 2024 £m
Total operating expenditure (£m)	3,246.8	3,070.8
Less: Exceptional items (£m)	49.2	0.6
Less: Fuel costs (£m)	(774.2)	(815.2)
Less: Non-flight costs <sup>1</sup> (£m)	(325.6)	(293.3)
Non-fuel costs (£m)	2,196.2	1,962.9
ASKs (km bn)	50.4	49.2
<b>Non-fuel CASK (p)</b>	<b>4.36</b>	<b>3.99</b>

<sup>1</sup> Non-flight costs are included within Holiday, distribution and marketing costs, Employee remuneration, Other operating and overhead costs, Other depreciation and amortisation and Profit on disposal of property, plant and equipment in the statement of comprehensive income.

**(g) Net debt**

Total borrowings, net of cash and cash equivalents and restricted cash. We excluded shareholder loans in calculating net debt as these are considered to be equivalent to contributions from shareholders. Prior year figures were restated to conform with the presentation in the current year.

	Group	
	2025 £m	2024 £m
Total borrowings	(3,615.7)	(3,807.6)
Loans due to shareholders	656.0	627.6
Cash and cash equivalents	353.0	378.9
Restricted cash	75.8	64.4
<b>Net debt</b>	<b>(2,530.9)</b>	<b>(2,736.7)</b>

**(h) Adjusted net assets/(liabilities)**

Net assets/(liabilities) shown on its consolidated statement of financial position, adjusted for the market value of Virgin Atlantic's slot portfolio (less cost). Per IFRS, landing rights, or slots, are recognised within intangible assets at cost, for which the majority of the Group's portfolio is Enil due to the allocation of slots at London Heathrow Airport. Net liabilities shown on the consolidated statement of financial position therefore excludes significant value in the landing rights portfolio, yet includes borrowings which are secured against these landing rights. Adjusted net liabilities is used by management as an indication of the Group's financial position which includes all material assets and liabilities. We excluded shareholder loans in calculating net debt as these are considered to be equivalent to contributions from shareholders. Prior year figures were restated to conform with the presentation in the current year.

	Group	
	2025 £m	2024 £m
Net liabilities	(1,641.2)	(1,657.3)
Loans due to shareholders	656.0	627.6
Market value adjustment <sup>1</sup>	1,108.4	1,178.5
<b>Adjusted net assets</b>	<b>123.2</b>	<b>148.8</b>

<sup>1</sup> The market value of the slot portfolio has been determined using a third-party valuation. The prior year valuation was restated to conform with the current year valuation, engaging the same valuation party. The reduction in the adjustment from the prior year is due to fluctuations in exchange rates. If the same exchange rate was used in both years, the adjustment would have increased by £80m.

**Financial statements**

## Alternative performance measures continued

**(i) Adjusted free cash**

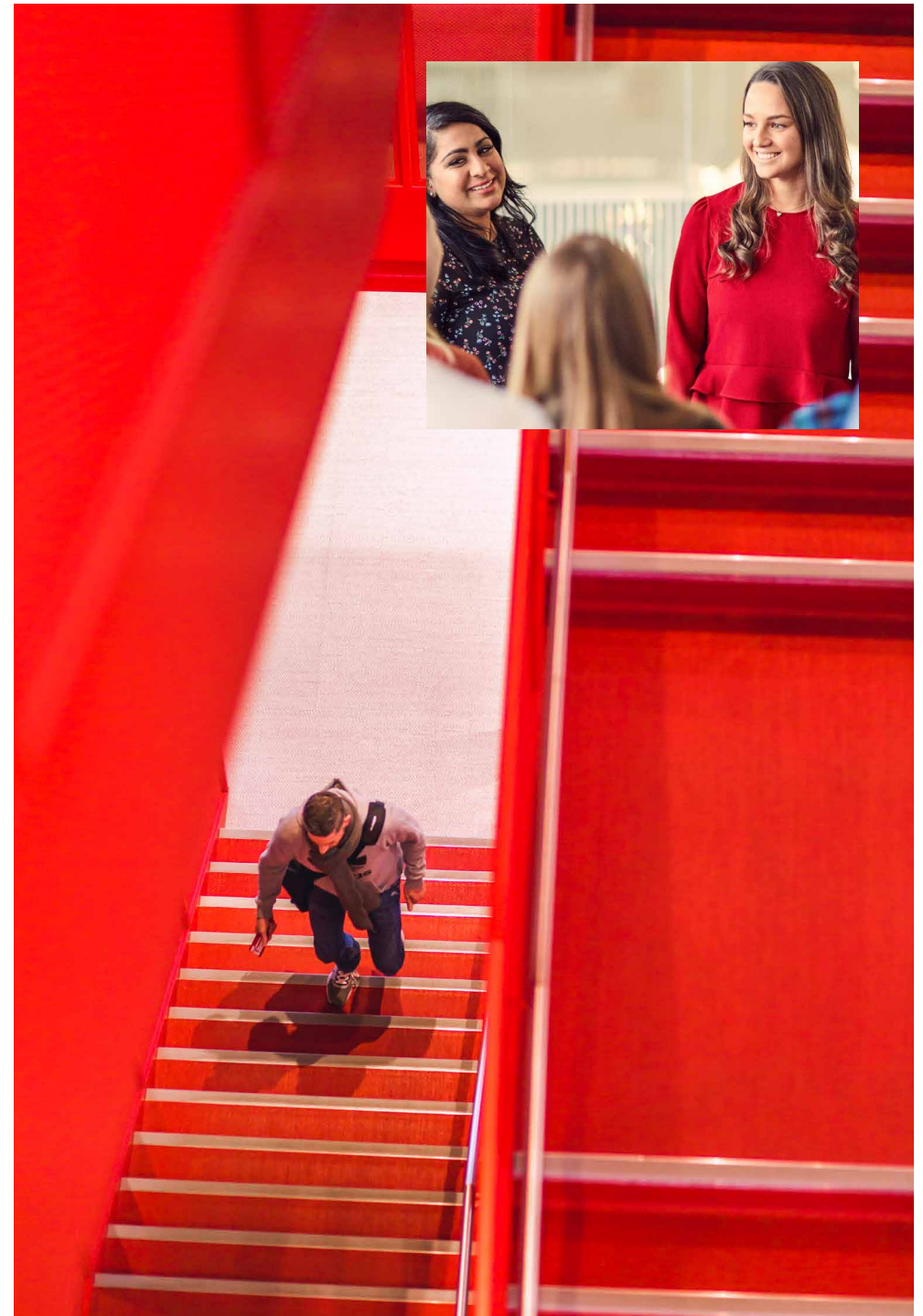
Cash and cash equivalents adjusted for unremitted cash in transit and available undrawn facilities.

	Group	
	2025 £m	2024 £m
Cash and cash equivalents	353.0	378.9
Unremitted cash	49.8	51.2
Available undrawn facilities	201.5	-
<b>Adjusted free cash</b>	<b>604.3</b>	430.1

**(j) Net leverage**

Leverage ratio is calculated to measure how much debt the Group uses relative to its earnings.

	Group	
	2025 £m	2024 £m
Net debt	2,530.9	2,736.8
EBITDA	375.0	504.4
<b>Leverage</b>	<b>6.7</b>	5.4





# Glossary

<b>Airline Passenger unit revenue (PRASK)</b>	Our total airline Passenger Revenue divided by the number of Available Seat Kilometres.	<b>International Civil Aviation Organization (ICAO)</b>	A specialised agency of the United Nations, the International Civil Aviation Organization was created in 1944 to promote the safe and orderly development of international civil aviation throughout the world. It sets standards and regulations necessary for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection.
<b>Airline Passenger Revenue per RPK or Yield</b>	Our measure for yield, calculated as our total airline passenger revenue divided by the number of seats occupied by revenue customers multiplied by distance flown.	<b>IEA</b>	International Energy Agency.
<b>Available Seat Kilometre (ASK)</b>	Our passenger carrying capacity, calculated by seats available multiplied by distance flown.	<b>IPCC</b>	Intergovernmental Panel on Climate Change.
<b>CGU</b>	Cash-generating unit.	<b>Load factor</b>	The proportion of seats filled by revenue passengers, weighted by distance flown.
<b>Constant currency</b>	The restatement of our prior year revenue and cost at the average IATA five-day exchange rate for the current year.	<b>Net Promoter Score (NPS)</b>	The Net Promoter Score (NPS) is a metric based on survey responses to the 'likelihood to recommend' question and is calculated by subtracting the percentage of customers who are 'Detractors' (score 0-6, unlikely to recommend) from the percentage of customers who are 'Promoters' (score 9-10, likely to recommend).
<b>Cost per Available Seat Kilometre (CASK)</b>	This is how much each seat on a flight costs us for every kilometre it operates.	<b>Non-fuel unit costs</b>	This is how much each seat on a flight costs us for every kilometre it operates once the effect of fuel price and hedging is removed.
<b>Earnings Before Interest and Taxes (EBIT)</b>	A measure of a company's operating income, equal to earnings before the deduction of net finance costs and taxes and before Exceptional Items and Non-Underlying Items.	<b>Profit Before Tax and Exceptional Items (PBTEI)</b>	Our measure of profit, which excludes Exceptional Items and Non-Underlying Items thereby providing a better view of underlying performance.
<b>Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>	A measure of a company's operating cash flow, equal to earnings before the deduction of depreciation, amortisation, net finance cost and taxes and before Exceptional Items and Non-Underlying Items.	<b>Revenue Passenger Kilometre (RPK)</b>	Our passenger revenue measure weighted for distance, calculated by seats occupied by revenue customers multiplied by the distance flown.
<b>Exceptional Items and Non-Underlying Items</b>	Items excluded from the profit measure PBTEI. Items excluded may result from one-off events which do not form part of business as usual, or are not reflective of the underlying trading performance of the business.	<b>Revenue Tonne Kilometres (RTK)</b>	The revenue load in tonnes multiplied by the distance flown.
<b>Flying Club</b>	Our customer loyalty proposition.	<b>RCF</b>	Revolving Credit Facility.
<b>Group</b>	The Group refers to the Virgin Atlantic Limited Group.	<b>SAF</b>	Sustainable Aviation Fuel.
<b>IASA</b>	International Aviation Safety Assessment Programme.	<b>STEM</b>	Science, technology, engineering and maths.
<b>IOSA</b>	The IATA Operational Safety Audit (IOSA) is an internationally recognised and accepted evaluation system designed to assess the operational management and control systems of an airline.	<b>VAT</b>	Value added tax.
		<b>Year on Year (YoY)</b>	Comparing two financial years.
		<b>Yield</b>	A measure of financial return.



# a rainbow in the clouds

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