25 August 2025

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Office of the Company Secretary
Level 41, 242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

ELECTRONIC LODGEMENT

– Telstra Group Limited (ACN 650 620 303) - ASX: TLS

Telstra Group Limited – 2025 Annual Report (Amended)

An amended version of Telstra's 2025 Annual Report, correcting formatting errors on pages 35 and 204, is attached.

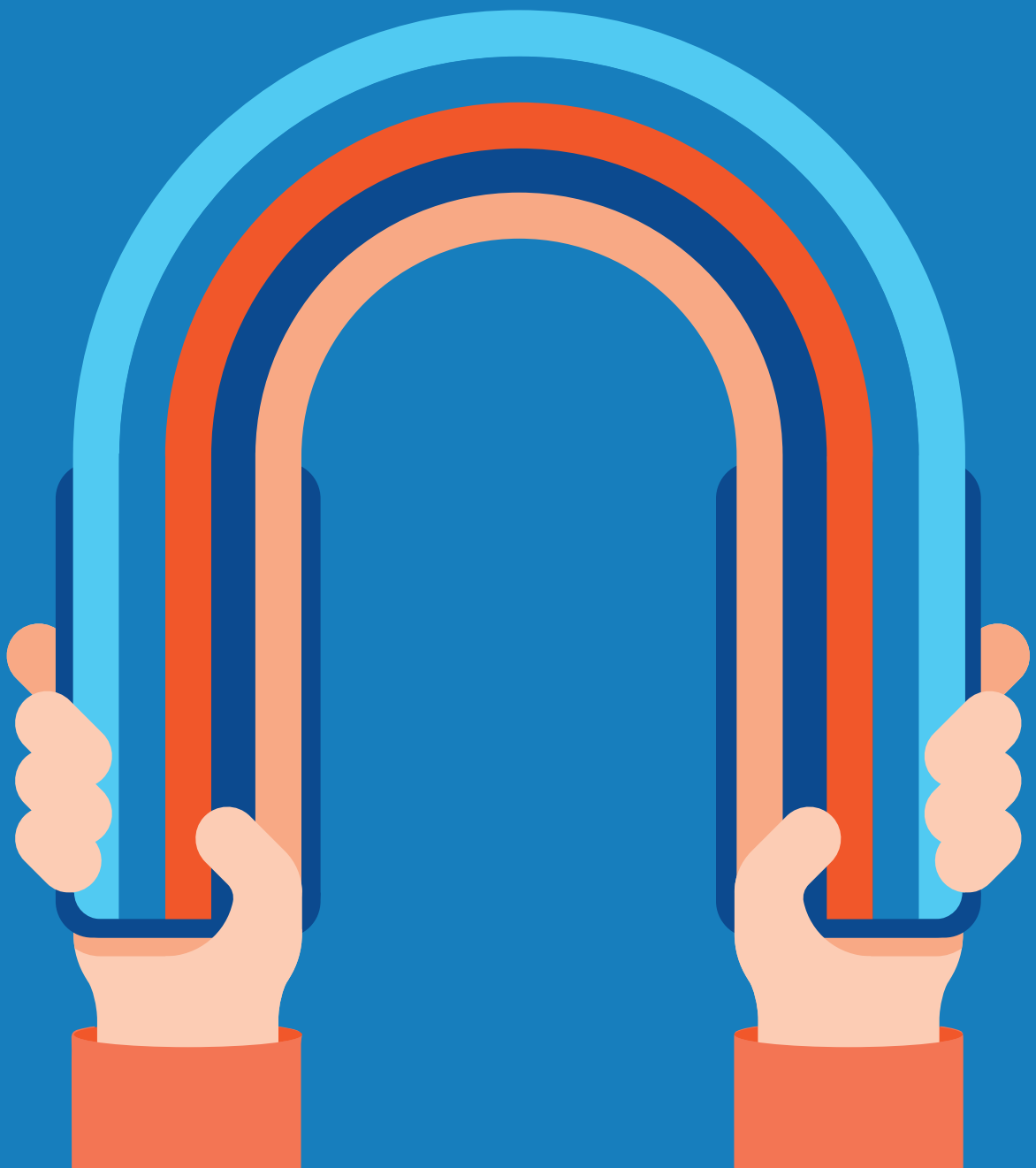
Release of announcement authorised by:

Craig Emery
Company Secretary

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Telstra Annual Report 2025

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About Telstra

Telstra is Australia's leading telecommunications company. We offer a full range of products and services across a customer base that includes consumers, small business, large enterprise, and government organisations. Following a long history dating back to the Postmaster-General's Department being established in 1901, Telstra is one of the 20 largest companies listed on the ASX with a market capitalisation of approximately $55 billion as at 30 June 2025. Our world-leading mobile network reaches approximately 99.7 per cent of the Australian population. We have around 265 stores in Australia and 26 Telstra Business Technology Centres. As of 30 June 2025, we provide around 24.9 million retail mobile services and around 3.4 million Consumer and Small Business (C&SB) bundle, data and voice-only services. We connect to points of presence in close to 200 countries and territories around the world.

Acknowledgement of Country

We recognise and acknowledge the existing, original, and ancient connection Aboriginal and Torres Strait Islander peoples have to the lands, waterways, and sky country across the Australian continent. We pay our respects to their Elders and Ancestors. At Telstra, we are enriched by Aboriginal and Torres Strait Islander peoples' contribution to our organisation and we commit to working together to build a prosperous and inclusive Australia

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Our purpose

We believe it's people who give purpose to our technology.

So we're committed to staying close to our customers and providing them the best experience.

And delivering the best tech.

On the best network.

Because our purpose is t**o build a connected future so everyone can thrive**.

Through Connected Future 30, our ambition is to be the number one choice for connectivity in Australia.

Our Big Three – our behaviours and habits – help guide how we show up for our customers and each other, and to help us achieve our ambitions.

The Big Three



Look Beyond

See the big picture
Strive for customers
Learn and adapt



Work as One

Listen first
Speak up
Align and commit



Make a Difference

Do what matters
Own it
Act with care

Our reporting suite

Our FY25 reporting suite includes:

Our 2025 Telstra Annual Report (this report) which describes our strategy, financial performance and remuneration practices for FY25. It also includes climate and nature related disclosures aligned to ISSB (International Sustainability Standards Board) IFRS (International Financial Reporting Standards) S2 and the recommendations of the TNFD (Taskforce on Nature-related Financial Disclosures).

Our 2025 Corporate Governance Statement which provides information about governance at Telstra.

Our 2025 Bigger Picture Sustainability Report which provides an in-depth look at our approach and performance in relation to our most material sustainability impacts.

Our 2025 Modern Slavery Act Statement which explains how we identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains.

These reports are all available on our governance website at telstra.com/governance.

The sections of our Annual Report titled FY25 Financial performance, FY25 Highlights, Chair and CEO's message, Strategy and performance, Our material risks, Outlook, and Full year results and operations review comprise our operating and financial review (OFR) and form part of the Directors' report. Our OFR, Directors' report and Financial report were released to the ASX on 14 August 2025 in the document titled 'Financial results for the year ended 30 June 2025' which is available at telstra.com/investor.

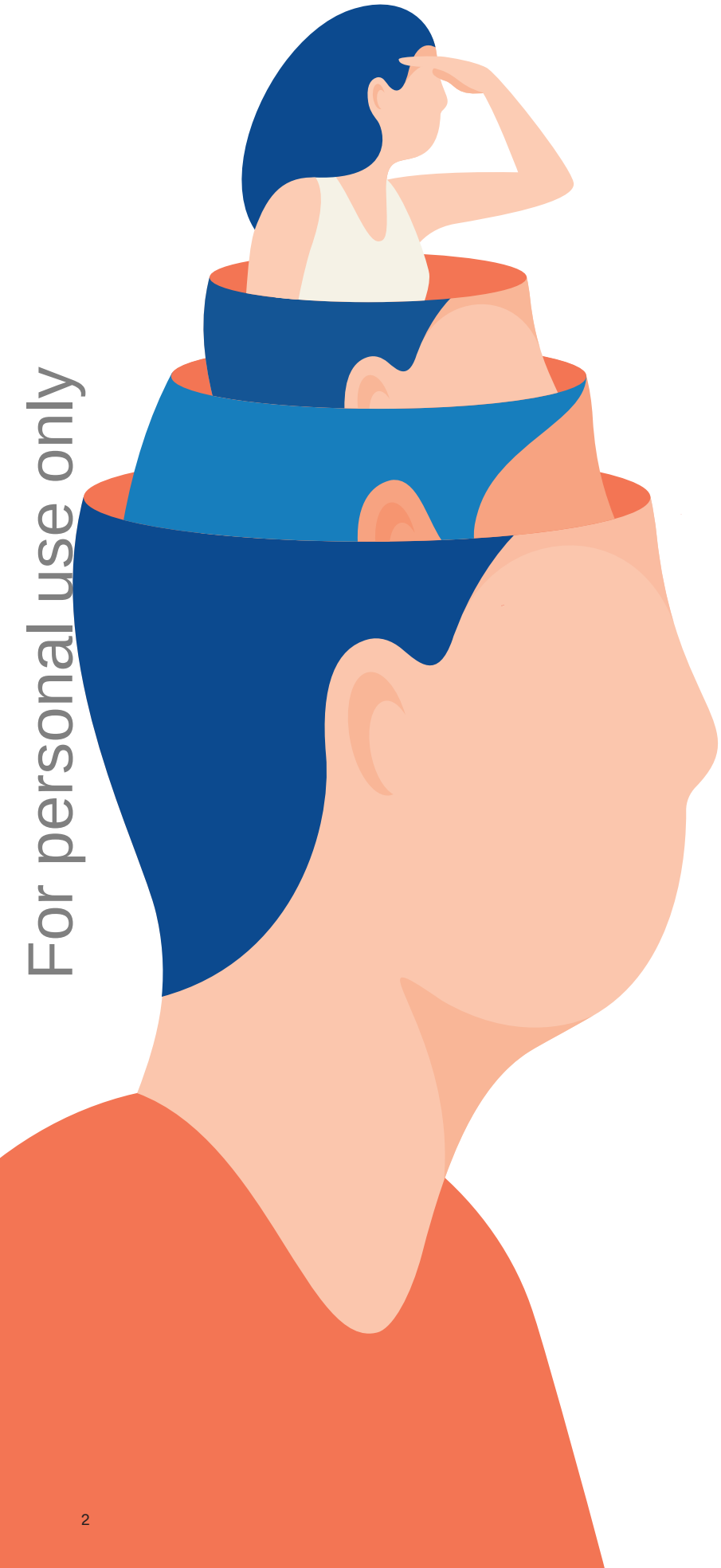
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A Glossary is available at telstra.com/annualreport

Forward-looking statements



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This report includes forward-looking statements. The forward-looking statements are based on assumptions and information known by Telstra as at the date of this report, are provided as a general guide only and are not guarantees or predictions of future performance. Telstra believes the expectations reflected in the forward-looking statements are reasonable as at the date of this report, but acknowledges they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause Telstra's actual results, performance and achievements to differ materially from those expressed in, or implied by, the forward-looking statements. These factors include: general economic conditions in Australia; competition in the markets in which Telstra operates; the continuing growth in the markets in which Telstra operates; the implications of legal and regulatory risks in the businesses of Telstra; technological changes taking place in the telecommunications industry; future changes to Telstra's products and services; the risk of cyber and data security issues; the geopolitical environment (including impacts of sanctions and trade controls and broader supply chain impacts); exchange rates; the extent, nature and location of physical impacts of climate change and their impacts on our assets, service continuity, supply chain reliability and responsible sourcing; responsible AI scaling; energy resilience and electricity grid decarbonisation; and changes to forecast supply chain emissions including but not limited to failure of third parties to achieve contractual environmental targets or milestones that have direct or indirect impact on our environmental modelling.

A number of these risks, uncertainties and other factors are described in the "Chair and CEO's message", "Our material risks" and "Outlook" sections (which form part of Telstra's Operating and Financial Review), and the "Acting on climate and nature" section of this Annual Report lodged with the ASX on 25 August 2025 and is available on Telstra's Investor Centre website **https://www.telstra.com.au/aboutus/investors**.

In addition, there are particular risks and uncertainties in connection with the implementation of Telstra's Connected Future 30 strategy. Those risks include strategic execution risks associated with the scale and interdependences of our transformation programs, financial performance risks emerging from economic conditions, broader geopolitical challenges, the response of customers to changes in products and the way Telstra interacts with customers as Telstra moves

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to a digital operating model, the risks of disruption from changes in Telstra's ways of working, and Telstra's ability to execute and manage the elements of the strategy in a sequenced, controlled and effective manner and realise the planned benefits, cost savings and growth opportunities.

Due to the inherent uncertainty and limitations in measuring or quantifying greenhouse gas (GHG) emissions under the calculation methodologies used in the preparation of such data, all GHG emissions data or references to GHG emissions volumes (including ratios or percentages) in this report are estimates. The accuracy of Telstra's GHG emissions data and other metrics may be impacted by various factors, including inconsistent data availability, a lack of common definitions and standards for reporting climate-related information, quality of historical emissions data, reliance on assumptions and changes in market practice. These factors may impact Telstra's ability to meet commitments and targets or cause Telstra's results to differ materially from those expressed or implied in this report. There may also be differences in the manner that third parties calculate or report GHG emissions data compared to Telstra, which means that third-party data may not be comparable to our data. In FY23 we acquired Digicel Pacific. The disclosures in this report in relation to the matters noted above do not include Digicel Pacific unless otherwise stated.

Telstra does not provide financial guidance beyond the current financial year. Telstra's financial targets and growth ambitions across our portfolio (including the targets to FY30 in connection with the Connected Future 30 strategy) are not guidance and there are greater risks and uncertainties in connection with these targets and ambitions. The targets to FY30 provided in this report are provided to illustrate some of the outcomes management is currently focused on delivering in connection with the Connected Future 30 strategy. Each target is subject to a range of assumptions and contingencies including the factors referred to above.

Readers should not place undue reliance on the forward-looking statements. To the maximum extent permitted by law, Telstra gives no representation, warranty, or other assurance in connection with, and disclaims all responsibility for, the currency, accuracy, reliability, and completeness of any forward-looking statements, whether as a result of new information, future events or otherwise. Telstra assumes no obligation to update any forward-looking statements, and to the maximum extent permitted by law, disclaims any obligation or undertaking to release any updates or revisions to the information contained in this report to reflect any change in expectations and assumptions.

Defined terms are set out in the "Glossary" of this report available at **telstra.com/annualreport**.

Group performance results

Telstra uses non-IFRS financial information (being "Underlying EBITDA", "Underlying EBITDAaL", "Underlying NPAT", "Underlying EPS", "Underlying ROIC", "Underlying income", "EBITDAaL", "FCFaL before strategic investment", "Cash EBIT", "Cash earnings" and "Cash EPS") as measures to better reflect what Telstra considers to be its underlying performance. This non-IFRS financial information is consistent with how management reviews financial performance with the Board and the investment community. We include these measures in this report to help readers better compare our underlying financial performance with that of previous periods. Underlying EBITDA and FCFaL before strategic investment also show how the business performed on the same basis as the guidance we provided to the market.

Underlying earnings before interest, taxes, depreciation and amortisation (Underlying EBITDA) is used to assess our operational profitability. EBITDA after leases (EBITDAaL) and Underlying EBITDAaL are used to assess our operational profitability after leases. Underlying net profit after tax (Underlying NPAT) is used to assess our operational financial performance and reflects underlying EBITDA less interest, tax, depreciation and amortisation. Underlying earnings per share (Underlying EPS) is used to assess our operational financial performance on a per share basis. Underlying return on invested capital (Underlying ROIC) is used to assess our efficiency at allocating capital and reflects underlying net operating profit after tax (Underlying NOPAT) as a percentage of total capital. Underlying income is used to assess our operational income performance. Free cashflow after lease payments (FCFaL) before strategic investment is used to assess our underlying cash generation and reflects operating cash flows, less investing cashflows, less payments for lease liabilities and less strategic investment. Cash earnings before interest and tax (Cash EBIT), Cash earnings and Cash EPS are also used to assess our underlying cash generation. Cash EBIT reflects Underlying EBITDAaL less business-as-usual capex and spectrum amortisation. Cash earnings reflects Cash EBIT less finance costs, tax and minorities. Cash EPS reflects Cash earnings on per share basis.

All non-IFRS underlying measures, EBITDAaL, FCFaL before strategic investment, Cash EBIT, Cash earnings and Cash EPS exclude material one-offs such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. An explanation of each adjustment and a reconciliation to our reported IFRS financial information for Underlying EBITDA and FCFaL before strategic investment is set out in the "Guidance versus reported results" schedule. The adjustments set out in the schedule have been reviewed by our auditor for consistency with the basis set out in the guidance we provided to the market.

No offer, invitation or advice

This report is not intended to (nor does it) constitute an offer or invitation by or on behalf of Telstra, its subsidiaries, or any other person to subscribe for, purchase or otherwise deal in any equity, debt instrument or other securities, nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any equity, debt instruments or other securities.

Information in this report, including forward-looking statements and guidance, should not be considered as investment, tax, legal or other advice. You should make your own assessment and seek independent professional advice in connection with any investment decision.

Unaudited information

All forward-looking figures and proforma statements in this report are unaudited and based on A-IFRS unless otherwise indicated. Certain figures may be subject to rounding differences. All market share information in this report is based on management estimates having regard to internally available information unless otherwise indicated.

Other information

All amounts are in Australian Dollars unless otherwise stated.

The 'Telstra InfraCo' trade mark is a registered trade mark of Telstra Corporation Limited. All other trade marks of the Telstra Group are the property of Telstra Limited. nbn co and other nbn logos and brands are trade marks of nbn co limited and used under licence. Other trade marks are the property of their respective owners.

FY25 financial performance

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NPAT and Underlying NPAT[1]
$2.3B

Earnings per share
18.9cents

EBITDA and Underlying EBITDA[1] on a guidance basis[2]
$8.6B

Underlying Return on Invested Capital (ROIC)[3]
8.5%

Underlying EPS[4]
19.1cents



Over $2.1B returned to shareholders via dividends

Cash EPS[5]
22.4cents

Total FY25 dividends[6]
19cents
per share
fully franked

A-/A2 credit rating from S&P Global Ratings and Moody's

On-market share buy-back
$750M completed
$1b announced

1. Underlying Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) and Underlying Net Profit After Tax (NPAT) exclude guidance adjustments.
2. Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management.
3. Underlying ROIC defined as Net Operating Profit After Tax (NOPAT) as a percentage of total capital, excluding guidance adjustments (as defined above) less tax.
4. Underlying EPS is profit for TLS shareholders attributable to each share, excluding guidance adjustments.
5. Cash EPS is defined as cash earnings (underlying EBITDA after lease amortisation, less BAU capex, spectrum amortisation, finance costs, tax and minorities) per share.
6. Total dividend includes fully franked interim dividend of 9.5 cents and final dividend of 9.5 cents.

FY25 highlights

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Improving customer experience

Achieved Group Episode NPS

+47

exceeding our T25 target of +40

Launched

CustomerIQ

to deepen understanding of drivers of customer sentiment

Australia's best networks

First Intercity Fibre Network route opened

Sydney to Canberra Coastal route

Achieved our ambition for around **95% population coverage for** 5G

Launched satellite to mobile text messaging product, **Telstra Satellite Messaging**

Being the place you want to work

Equipped our people through **Future Ready**, **Data & AI Academy** and new AI platform, **Career Connect**

Maintained our commitment to hybrid and flexible working

Responsible business, real impact for Australians

Reduced our combined scope 1+2 emissions by **44%**

and scope 3 emissions by **43%**

both from an FY19 baseline
(excluding Digicel Pacific)

Exceeded our goal of **90%** **network waste recycling in FY25**

Accelerating AI for a more connected future

Commenced a new **seven-year joint venture** and **AI Silicon Valley hub** with Accenture

Expanded our strategic partnership with **Microsoft** to power Australia's AI future

Helping Australians stay safe in a digital world

Expanded Scam Indicator with Commbank to cover landlines

Blocked

18M scam calls

8M scam SMS

and tens of millions scam emails on average every month

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Chair and CEO's message

Thank you for your continued support and investment in Telstra during the 2025 financial year.

We have reached a significant milestone with the completion of our T25 strategy. Over the past three years, we have been disciplined about achieving the ambitious goals we set ourselves. We finished strongly, delivering elevated customer experiences, stronger financial performance, improved reputation as measured by RepTrak, and achieving more than 70 per cent of our T25 targets.

Energised by what we've achieved and inspired by what's ahead, we're moving into the next phase of our journey with a new five-year strategy – Connected Future 30. This new strategy will see us double down on connectivity and radically innovate in the core of our business. With the overarching ambition to be the number one choice for connectivity in Australia, we will push the boundaries of our network leadership and make it simple for customers to get the connectivity they need in a changing environment.

Continuing growth

FY25 was a strong year for Telstra as we continued to deliver for customers and shareholders. Our reported results saw growth across EBITDA, Net Profit After Tax, Earnings Per Share and ROIC. We also delivered our fourth consecutive year of underlying growth, excluding significant one-off items and other adjustments.

This performance reflected momentum across our business, strong cost control and disciplined capital management.

On the back of earnings growth, the Board resolved to pay a fully franked final dividend of 9.5 cents per share, bringing total dividends for the year to 19 cents, and representing a 5.6 per cent increase on the prior year.

In June this year we completed our $750 million on-market buy-back, and today we have announced an additional on-market share buy-back of up to $1 billion. This has been enabled by growth in earnings, and the strength of our balance sheet.

Our capital position and liquidity remained strong, and net debt remained well within our comfort zone

Investing in a connected future

Connectivity has never been more important and we know demand will only continue to grow. At the same time, customer needs are becoming more complex. We recognise there are significant opportunities ahead in our core business. The work we have done in FY25 puts us in a good position to deliver on the connectivity demands of the future while unlocking greater value for our business.

Throughout FY25, we continued to invest in delivering Australia's best mobile network and connecting people internationally. Over the seven years to the end of FY25, Telstra has invested $12.4 billion in mobiles nationally, with $4.7 billion of this invested in regional areas. We have committed an additional $800 million over four years within our business-as-usual capex to extend our network leadership and deliver Australia's most advanced, resilient and reliable 5G experience.

In FY25, we continued to progress our Intercity Fibre Network build with more than 4,400 kilometres of fibre in the ground. We are also increasing the capacity of our subsea cable network to meet customers' increasing bandwidth consumption, growing AI usage and data centre demands.

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As demand for connectivity grows, leadership in AI will be critical. In FY25, we continued to invest in AI to drive productivity and growth, and we'll accelerate this work through our new joint venture with Accenture.

Five years after announcing our plans to switch off our 3G network, we completed this process in October 2024 – 18 years after it was first switched on. This was an important milestone, enabling us to redeploy valuable mobile spectrum to further improve 5G services, with flow on benefits to 4G services. In preparing for the closure, we upgraded more than 11,000 4G mobile sites and rolled out improved 5G to hundreds of regional communities. Since completing this transition, we have seen improvements to network speed, capacity, and reliability across our network.

Like any significant technology change, closing our 3G network and transitioning to new technology has been a complex process. While the transition from 3G has delivered a better experience for most of our customers, we know this hasn't been the case for some customers. To support our customers through this change we took steps including providing over 19,000 free mobile devices. We established a 3G Helpline to support customers, and calls to that helpline have steadily decreased month-on-month. We've now updated that service to be a Regional and 3G helpline, to provide support for a wider variety of connectivity issues facing our regional customers. We have also been working with customers one-on-one at their homes, businesses or our Telstra Stores. We remain committed to addressing 3G coverage issues identified by our customers and our efforts to address these concerns are ongoing.

We recognise that cost of living pressures continue to be a real challenge for many people and that over the past twelve months we have made decisions to increase the prices of some of our products and services. While these increases help support ongoing investment in improvements to our networks, including the reliability and security of our services, they are not decisions we make lightly. We continue to encourage customers to reach out to us if they would like to understand the different support options we can provide. This year we also expanded our Top Up Program, helping more than 19,000 Australians in need and supporting more than 700,000 customers on low incomes through our Access for Everyone products and concessions.

Building a better, faster customer experience

We're always looking for new ways to improve the customer experience, including through smarter use of technology. In FY25, we were proud to exceed our Episode NPS (eNPS) target for T25, lifting it 15 points from our FY21 baseline.

Our goal was to halve Telecommunications Industry Ombudsman (TIO) referral complaints by FY25: we reduced them by more than 70 per cent since FY21.

Today, our post-paid mobile customers can choose plans with no lock-in periods and no excess data charges, operating on a network for which demand for data has tripled in the last five years, and which now offers satellite messaging when beyond the range of our network.

Technology played a key role in these outcomes. At the end of T25, we have migrated around 98 per cent of our customers to our new digital stack. While this migration has created some disruption, it is having a positive impact on important aspects of our customer experience. For example, customers activating a new service on our new platform have an NPS up to 50 per cent higher than customers using our legacy technology.

We expanded our use of AI to enhance customer support, streamline operations and empower our teams. AskTelstra, our in-house generative AI solution to help frontline teams navigate our vast knowledge bases and support customers effectively, has had around 1.2 million interactions.

We're also improving the way we summarise customer interactions, detect scam email and texts, and support other critical functions across the business through technology like AI.

Supporting our people

Having customer-centric, accountable, and collaborative teams is essential to delivering our strategy and delivering positive outcomes for our customers and shareholders. Since launching our Big Three last year, our behaviours and habits have continued to play a fundamental part in how our people show up for customers and each other, and how we operate as a business.

Throughout the year, the shape and size of our workforce continued to change. We recognise this kind of change can be disruptive, even distressing. While we will need to continue to evolve, our commitment is to always be transparent, consult with our people and act with care once we are clear on specific changes we propose making.

Creating a safe and supportive workplace remains our key focus. We continue to prioritise the safety and wellbeing of our people, ensuring they have the environment they need to do their best work.

We continue to invest in the skills of our people to enhance their career choices and personal development. This year we launched Career Connect, enabling deeper development conversations and integrated performance planning across our organisation. As AI continues to transform the way we work, we're equipping our people for the future through our Data & AI Academy and by providing access to the latest generative AI tools, including the rollout of 21,000 Microsoft 365 Copilot licenses.

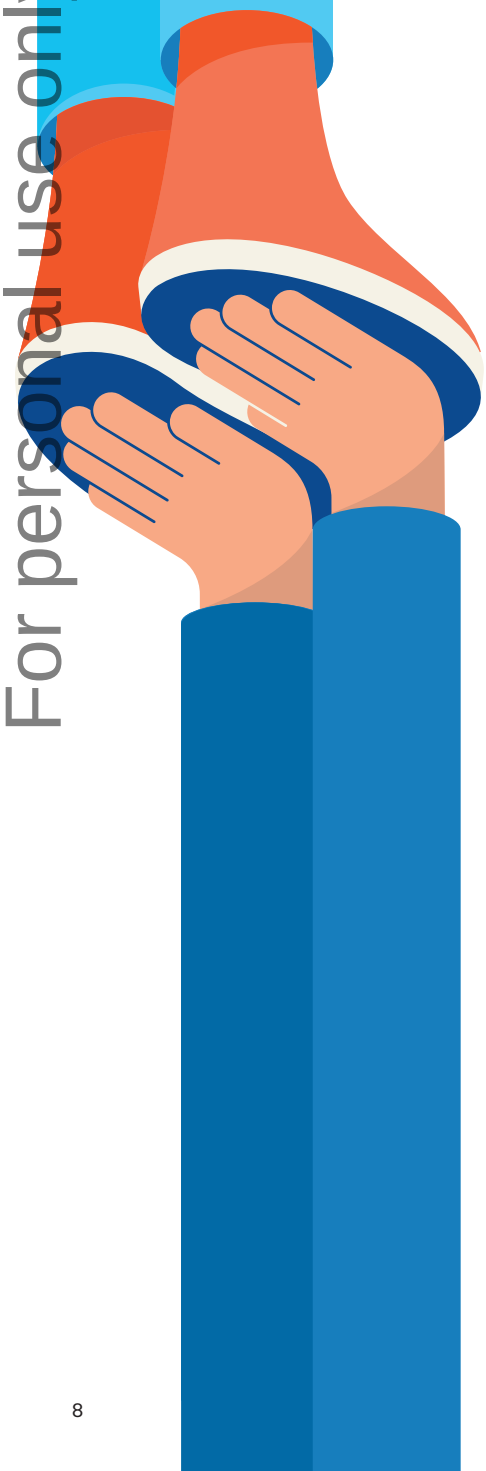
Tragically, in July 2025 a Telstra team member lost his life when a bird struck a chartered helicopter in which he was travelling as a passenger. We offer our sincere condolences to his family, friends and colleagues, and acknowledge the enormous contribution he made to Telstra over many years. The incident is currently under investigation and we expect to include further information in our FY26 reports.

Creating impact through responsible business

One of our core behaviours is making a difference: doing the right thing for our customers, communities, the planet, ourselves and each other. This year, we acted quickly to support Australians impacted by ex-Tropical Cyclone Alfred and other extreme weather events, deploying disaster recovery experts, temporary infrastructure, and a disaster assistance package to help keep customers connected. We also upgraded more than 1,000 payphones in disaster-prone areas, including close to 100 in remote Indigenous communities, to provide free Wi-Fi and backup power.

We remain committed to supporting customers in vulnerable circumstances, whether they are facing financial hardship, seeking safety from domestic, family and sexual violence, or in urgent need of connectivity in times of crisis. We helped on average more than 1 million customers in vulnerable circumstances stay connected each year from FY22 to FY25.

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Following a variation to our seventh power purchase agreement for a new solar farm in Glenellen, New South Wales, we have now supported renewable energy projects worth more than $1.6 billion. Improving our resilience in the face of climate change and more frequent and severe natural disasters is also important, which is why we continue to roll out our targeted program of lifecycle battery replacements, replacing more than 2,100 batteries across over 600 sites in FY25. We are making good progress on our emissions reduction targets, with combined absolute scope 1+2 emissions now 44 per cent lower and absolute scope 3 emissions 43 per cent lower than they were in our FY19 baseline (excluding Digicel Pacific). You can read more in the 2025 Sustainability Report (available from 25 August at **telstra.com/sustainability/report**).

As cyber threats continue to grow, we expanded our Scam Indicator initiative with the Commonwealth Bank to include landlines and expanded the offering with Fraud Indicator which helps detect identity theft. We also launched Scam Protect and Device Security Essentials to help customers stay safe. We're committed to working across government, regulators and industry to reduce the impact of scams and fraud. You can find more information in the Strategy and Performance section of this report.

Improving how people feel about us doesn't happen overnight, but our efforts are making a difference. In FY25, our RepTrak score rose to 64.8 marking a 3.5 point increase since FY21. It's a signal that customers are noticing the changes we're making to serve them better, listen more, and build trust at every interaction.

Looking forward

This report marks a significant milestone: the end of one strategy and the beginning of another. One of the enduring strengths throughout Telstra's history has been our ability to adapt and lead. With technology transforming once again, and unrelenting demand for more data and more connectivity – these strengths will continue to serve us well.

As we begin delivering our new five-year Connected Future 30 strategy and achieving our ambition to be the number one choice for connectivity in Australia, our goal is to deliver resilient and consistent growth in shareholder value and returns. Meeting this goal will require taking a disciplined approach to capital management, underpinned by our strong balance sheet and settings consistent with an A-band credit rating. We will use an updated set of financial metrics to measure our progress under our new strategy, ensuring transparency and accountability, while our remuneration framework will also reflect these changes.

Board and Leadership

We continued to focus on ensuring the Board has the right skills and experience to oversee our strategy. We thank Niek Jan van Damme who retired from the Board at the conclusion of the 2024 Annual General Meeting in October. In December 2024, we welcomed David Lamont to the Board as a Non-Executive Director. David brings an extensive set of skills and experience from more than 30 years in a range of roles with highly respected organisations, including BHP, CSL and Orica.

In FY25, the Board implemented a revised committee structure, disbanding the Audit & Risk Committee and establishing two distinct committees: the Audit Committee and the Risk & Sustainability Committee. With strong depth and diversity of skills and perspectives, we're confident the Board is well-placed to guide us toward our long-term goals and create lasting value for shareholders.

After 14 years of dedicated service, Brendon Riley will retire as CEO of Telstra InfraCo at the end of September 2025. We extend our sincere thanks to Brendon for the leadership and significant contributions he has brought to Telstra.

Thank you

Our achievements over the past three years of T25 have built strong momentum and we're excited to carry that forward as we enter a new phase, with a clear strategy and bold ambition for what comes next. We are committed to delivering our new Connected Future 30 strategy, leading with innovation and ensuring that connectivity remains a strong and inclusive foundation for progress.

We'd like to thank our shareholders for your continued support and investment, the Board for your leadership and guidance over the last 12 months, our people for your commitment and care, and our millions of customers for your ongoing support this year.



Craig Dunn
Chair

Vicki Brady
CEO

Strategy and performance

As we complete our T25 strategy and embark on our new strategy, Connected Future 30, we are a simpler, more agile, more customer-focused digitised business. We are confident in delivering the measures that matter most to our customers and shareholders through doubling down on connectivity and radically innovating in the core of our business.



The four pillars of our T25 strategy:

1. Provide an exceptional customer experience you can count on
2. Provide leading network and technology solutions that deliver your future
3. Create sustained growth and value for our shareholders
4. Be the place you want to work

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T25 scorecard

Our commitments and metrics

Customer experience

Market leading CX with
- ✓ eNPS >40 by FY25
- ● sNPS uplift of +25 by FY25

Getting it right for customers
- ● >90% 'Once and Done' by FY25 (C&SB)
- ● 90% rating in support and engagement by FY25 (TE)

Reduce our complaints
- ✓ One-third by FY23, 50% by FY25 (C&SB)
- ✓ >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)

Grow Telstra Plus members (#) and engagement (%)
- ✓ 5.4m and 70% by FY23
- ✓ 6m and 80% by FY25

- ✓ Grow digitally active users by 2m to 8.5m FY25 (C&SB)

Improve availability of infra. assets for customers, by FY25
- ✓ 250 new towers
- ⓘ 20,000km of fibre deployed[1]

Network & Technology

Network leadership; by FY25:
- ✓ ~95% pop. coverage for 5G
- ● >80% of traffic on 5G*
- ✓ 3G closed in FY24

Win majority of key surveys for best fixed/mobile network including
- ✓ Coverage, and
- ✓ Overall customers speeds for mobile FY23-FY25

- ⓘ Double metro cell sites by FY25 to densify the network[1]

Expand regional coverage
- ✓ 100,000km² new coverage by FY25

Growth and value

Underlying EBITDA
- ✓ $7.5-8.0b by FY23
- ✓ Mid-single digit CAGR FY21 to FY25

Underlying ROIC
- ✓ ~8% by FY23
- ✓ Grow beyond to FY25

- ✓ Underlying EPS: High-teens CAGR FY21 to FY25

- ✓ Maximise fully-franked dividend and seek to grow over time

Maintain cost discipline
- ✓ $350m net fixed cost out from FY23 to FY25 while investing for growth[2]
- ● Maintain leading operating cost metrics for full-service telco

Maximise value from infra.
- ✓ Amplitel EBITDAaL CAGR – low-to-mid single digit
- ✓ InfraCo Fixed EBITDAaL CAGR –low-single digit

New ways of working

- ● Remain at 90th percentile employee engagement (equivalent to high-performance norm)

- ✓ Improve agile maturity of teams, with 70% scoring above 4 by FY25

- ✓ Halve our time to market for products and services from FY22 to FY25

- ✓ 50% increase in representation of Data & Analytics workforce by FY25

- ✓ Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25

Digital leadership

- ● All key service transactions with customers are capable of being conducted digitally by FY25

- ✓ 100% of key business processes enhanced/ improved using AI by FY25

- ● Reach top 20% in Digital Capability Index by FY25

- ● 100% API-first architecture for customer management, product development, and external monetisation

- ⓘ Move ~90% of applications to the public cloud by FY25[1]

Responsible business

- ● Enable renewable energy generation equivalent to 100% of our consumption by 2025

- ● Reduce our absolute scope 1+2 emissions by 70% by 2030 (from FY19)

- ● Reduce our absolute scope 3 emissions by 50% by 2030 (from FY19)

- ✓ Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25

- ✓ Help keep 1m customers in vulnerable circumstances connected each year from FY22-25

- ● 4-7pt uplift in RepTrak reputation score by FY25

Legend

● On track for delivery
✓ Completed
● Progress made but below target[3]
✓ Completed after due date
● Not on track
ⓘ Target removed

Note: Commitments are baselined to FY21, except where stated otherwise and see Forward looking statements in relation to financial ambitions.

1. Fibre deployed target removed in August 2023 due to our focus on the highest priority routes. Double metro cell sites target removed in August 2023 due to technology review. Public cloud target removed in August 2024 due to shift to a hybrid cloud strategy.
2. Net fixed cost target reduced from $500m in May 2024.
3. Progress made but below target: this status is used when the end of FY25 outlook is that we will fail to met the target but with at least 50% progress made compared to the FY21 baseline.

* The statutory financial results for the full year ended 30 June 2025 filed on 14 August 2025 contained a typographical error which has now been corrected.

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Building a better customer experience

Throughout FY25, we have remained focused on improving the experience for our customers. We are seeing the results in rising customer satisfaction, with our Group Episode NPS improving 1 point in the last twelve months and exceeding our T25 target.

In customer experience, 86 per cent of service interactions across consumer and small business are now capable of being performed digitally. Our frontline team members also have access to generative AI tools including One Sentence Summary and AskTelstra. These technologies help our teams resolve customer queries more quickly leading to better interactions. We also have 6.1 million customers participating in our Telstra Plus loyalty program.

Keeping our customers safe from cybercrime is a top priority. As cyber threats evolve, so do we — continuously strengthening our network and defences. In August 2024, we expanded our Scam Indicator technology in partnership with the Commonwealth Bank to cover landlines as well as mobiles. This represents a 25 per cent increase in potential coverage to help protect more Australians, particularly those most vulnerable to scams. We also launched Scam Protect, a new initiative that empowers customers to make more informed decisions about which calls to answer; Device Security Essentials, a free Telstra App for consumer and small business customers to help safeguard their mobile devices from online threats; and Fraud Indicator to help joint Commonwealth Bank and Telstra customers detect identity theft.

As part of our Cleaner Pipes initiative, we are applying AI and machine learning to help identify and block millions of malicious scam texts, calls, emails, and websites before they reach customers. Over the past 12 months, we helped to block 18 million scam calls, 8 million scam SMS, and tens of millions of scam emails on average every month. Customers reported nearly 250,000 messages through our 7226 scam reporting service in FY25.

Maintaining our network leadership and planning for the future

The investments we've made into expanding and strengthening our mobile network in FY25 have reinforced our position as Australia's best mobile network, and we're continuing to build on that momentum. We have Australia's largest 5G network. With around 66 per cent of our total network traffic now over 5G, we have achieved our ambition of around 95 per cent population coverage for 5G.

In FY25, we committed an additional $800 million over four years within our business-as-usual capex to extend our network leadership and deliver Australia's most advanced, resilient and reliable 5G experience. This includes a landmark partnership with Ericsson to deliver advanced 5G performance, unlock faster speeds and more sophisticated connectivity for customers.

Closing our 3G network was a critical step in the modernisation of our mobile network and improving the mobile experience of our customers. By repurposing spectrum used for 3G, we've also been able to expand capacity and improve speeds at over 4,300 existing 5G mobile sites and activate new 5G at another 631 sites. The total volume of customer data usage flowing through these sites is now more than 50 per cent higher, which would not have been possible without the closure of 3G. That means more emails sent, photos uploaded, apps used, webpages browsed and videos streamed. Despite ongoing growth in demand for data on our mobile network, our expansion of 5G and use of additional spectrum has helped increase the average speeds our mobile customers enjoy by around 11 per cent since 3G's closure.

We continue to be one of Australia's biggest investors in digital infrastructure. The Sydney to Canberra coastal route of our Intercity Fibre Network became ready for service in June 2025. Outside of Australia, we continue to invest in increasing the capacity of our subsea cable network to meet customers' increasing bandwidth consumption, growing AI usage and data centre demands. This will better position us to ensure the stability of the world's digital connectivity and support the future growth of local economies.

We're working with a range of providers to explore how emerging satellite solutions can benefit our customers, particularly those in Australia's most remote parts. In June 2025, we launched Australia's first satellite to mobile product in collaboration with SpaceX's Starlink to bring satellite-to-mobile (also known as direct-to-handset) text messaging capability to customers.

Unlocking value and sustained growth for our shareholders

Our reported financial performance for the year included growth in EBITDA of 14 per cent and Net Profit After Tax of 31 per cent. Reported Earnings Per Share increased 34 per cent, while reporting ROIC increased 1.7 points to 8.5 per cent.

Underlying growth more accurately reflects our financial performance compared to the prior period. Excluding significant one-off items and other adjustments, underlying financial performance for FY25 showed EBITDA up 4.6 per cent, Net Profit After Tax up 1.8 per cent, Cash Earnings Per Share up 12 per cent, and ROIC up 0.2 points to 8.5 per cent.

FY25 was our fourth consecutive year of underlying growth, reflecting momentum across our business, strong cost control and disciplined capital management.

Our mobile business continued to perform well, with EBITDA growth of $235 million, driven by higher Average Revenue Per User (ARPU) and customers continuing to choose our network and the value it provides. Mobile services revenue grew by 3.5 per cent. Fixed C&SB EBITDA grew by $109 million, reflecting ARPU growth and disciplined cost management. Fixed Enterprise EBITDA grew by $103 million, supported by decisive actions taken to reset this business and reduce costs.

Telstra International EBITDA declined by $96 million, with reductions across Wholesale and Enterprise, and Digicel Pacific. We have conducted a strategic review of this business and are now taking action, including to reduce costs, double down on connectivity, and exit the majority of our NAS products. Our Wholesale and Enterprise International results for the year include restructuring costs associated with this.

Our infrastructure businesses continued to grow, reflecting strong customer demand. The performance of InfraCo Fixed continued to benefit from customer demand for dark fibre and ducts, while Amplitel continued to benefit from strong demand for towers and new signings.

During the year we delivered a significant reduction in operating expenses, with core fixed costs decreasing by 4.7 per cent or $306 million. Since FY22 we have achieved a cumulative reduction in our core fixed costs of $428 million.

Becoming the place where everyone wants to work

We continue to build a culture where people feel valued, supported and inspired to do their best work. Our employee engagement score is 79, which puts us above the top 25 per cent of companies globally. This year we ranked #6 on LinkedIn's Top Companies list, which recognises 25 workplaces across Australia investing in talent and helping their people build long-term careers. We have continued the important work around our Big Three behaviours and habits to become a more customer-centric, accountable and collaborative team.

Investing in the success of our people is essential to the success of our business. Our people are building their AI skills and confidence through our Data & AI Academy and developing essential, future-focused capabilities through our multi-award-winning Future Ready program. We've also given our teams access to the latest in generative AI technology, including rolling out 21,000 Copilot for Microsoft 365 licenses, which is the largest deployment in Australia.

We're committed to creating a safe, inclusive, and flexible workplace where everyone can thrive. That means fostering a culture of respect, supporting diversity, and continually strengthening our approach to health, safety and wellbeing. This includes more than 98 per cent of our employees completing our Business Essentials refresher conduct training course during the year.

Extending digital leadership

As we move into an increasingly digitised era, connectivity has never been more critical. This year, we continued to build the secure, reliable connectivity required to meet the growing demand. In August 2024, we announced an expansion of our strategic partnership with Microsoft, marking a significant milestone in the evolution of AI innovation in Australia. By combining our leading ultra-fast Intercity Fibre Network with Microsoft's leading technology, we are helping accelerate digital transformation and developing Australia's AI ecosystem.

Our strategic partnership with Microsoft and joint venture with Quantium have been instrumental to our AI journey so far. In April 2025, we took the next step by commencing a seven-year joint venture with Accenture to accelerate this evolution. Combining Telstra's domain experience with world-leading technologies and investment, this joint venture is helping us build a best-in-class data and AI ecosystem that will extend our network leadership, enhance customer experiences and help our teams work smarter and faster. It will also help us supercharge skills across our workforce through access to Accenture's leading learning and development programs. As part of the joint venture, in May 2025, we launched an AI Silicon Valley Hub, a first-of-its-kind innovation facility to incubate and accelerate our top AI priorities. The hub provides direct access to cutting edge technology, top engineering talent and collaboration spaces with ecosystem partners.

We are continuing to deliver the benefits of next-generation connectivity to our business customers. In November 2024, together with Ericsson, we launched Telstra Dedicated Networks – Industrial (TDN-I), a managed wireless solution designed to deliver private network capabilities to critical infrastructure industries. TDN-I is already helping one of Australia's largest oil and gas companies fast-track digitisation by providing highly reliable connectivity for its robotic services and advanced data capture and processing of AI models at the edge.

Doing business responsibly

We are making good progress toward our 2030 sustainability targets.

We reduced our combined absolute scope 1+2 emissions by 44 per cent from an FY19 baseline (excluding Digicel Pacific). We also reduced our absolute scope 3 emissions by 43 per cent from an FY19 baseline (excluding Digicel Pacific) and expanded our renewable energy investments across seven sites across Victoria, Queensland, and New South Wales, all either operational or under construction.

We exceeded our goal of 90 per cent network waste recycling in FY25 and reused or recycled more than 750,000 mobile phones, modems and other devices.

Our progress was recognised globally in 2025, being named one of TIME Magazine's World's Most Sustainable Companies and the Financial Times' Asia-Pacific Climate Leaders.

We're committed to supporting our customers when they need us most. In October 2024, we extended our Top Up program, adding $3.7 million in prepaid phone credit for those in need. This, combined with initiatives like Access for Everyone and Telstra Safe Connections, has helped us reach our T25 target of helping 1 million customers in vulnerable circumstances stay connected again in FY25.

We're committed to helping communities thrive by supporting the people, programs and passions that bring them together. In January 2025, we awarded over $200,000 to 26 regional community groups across Australia as part of Telstra's Connected Communities Grant. In 2024, through our Telstra Footy Country Grants program with the AFL, we contributed over $2 million to local clubs, with nearly 600 clubs benefitting. This funding initiative is part of a four-year partnership with the AFL, which will see $8 million injected into community football.

Telstra Foundation aims to empower 1 million children and young people to thrive in safe, inclusive digital spaces and to shape their own futures. In FY25, we committed $6 million through the Foundation to our partners and programs to drive direct impact for underserved, vulnerable or disadvantaged children and young people in Australia. Telstra shareholders and Telstra Plus customers also donated over $800,000 to Telstra Foundation youth mental health and wellbeing partners. In addition to grants and donations we lead initiatives such as the Technology & Wellbeing Roundtable (which we Co Chair with ReachOut) and Code Club Australia with teachers and librarians across Australia. We also support children and young people to have their say in shaping their digital world and we foster this via youth co-design and participation, our Youth Advisory Council program and our Australian Youth Digital Index initiative.

Thanks to these efforts, Australians' perception of us continues to strengthen. In FY25, our RepTrak reputation score rose to 64.8.

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Our material risks

Telstra's ability to deliver value over the long-term for our customers, shareholders and communities depends on the effective management of risk. We operate in a dynamic and highly interconnected environment shaped by geopolitical tension, rapid technological advancement, competition, increasing frequency and severity of climate events, increasing regulation and rising stakeholder expectations.

We manage risk through an enterprise-wide framework aligned to ISO 31000:2018, supported by our Board-approved Risk Management Policy and overseen by the Chief Risk Office. Our governance model is based on the Three Lines of Defence, with roles clearly defined across risk owners, internal risk teams, and independent assurance functions. Risk considerations are embedded in major decisions, and our approach prioritises early risk identification, escalation, clear accountability and governance over mitigation actions.

We categorise and manage risk through several key lenses:

- **Critical and Material Risks:** These are the most significant risks that could materially impact our strategy, financial trajectory, operations or reputation. **Critical Risks** represent the highest potential impact areas and are actively monitored at the executive and Board level. **Material Risks** are also of high importance, though typically less volatile in profile.
- **General Risk Factors:** These are broader environmental and operational risks that are not specific to a single domain, but influence our performance over time. They include risks such as climate events, energy reliability, and global macroeconomic changes.
- **Emerging and Escalating Risks:** These are risks that are either newly developing or increasing in prominence. They are assessed regularly by our Board and Management risk committees and help shape our forward-looking resilience and scenario planning.

Our risks are managed through defined governance structures, with accountabilities tied to assigned Group Executives and their leadership teams. Our control environment is tested and monitored through regular assurance, supported by our governance, risk and compliance platform (RICOM). Where relevant, risks are cross-referenced to obligations under regulatory regimes, including the security of critical infrastructure as well as Environment, Sustainability and Governance (ESG) disclosure requirements.

Risk in the Context of Our Corporate Strategy

Effective risk management is fundamental to Telstra's ability to deliver on our strategic ambition. Our approach to managing risk provides the guardrails that enable successful strategic execution: anticipating and responding to uncertainty, informing better decision-making, and preserving and creating long-term value. This also includes us understanding the boundaries of the risks we do want to take in pursuit of our strategic priorities.

As we commence our new corporate strategy - Connected Future 30, we face a highly competitive and increasingly complex environment. Successfully executing our strategy requires navigating both strategic and execution risks, given the scale and interdependencies of our transformation programs. In parallel, financial performance risks emerge from economic conditions, access to capital, and broader geopolitical challenges that may affect our ability to deliver returns and sustain long-term growth.

Our strategy responds to these risks and will shape our long-term ability to create and capture value in a fast-changing landscape. The strategy focuses on delivering the connectivity needed to meet the ever-increasing customer expectations and doing this in a simpler, technology-enabled way. Achieving it will depend on disciplined delivery across every aspect of our business including digital transformation, customer experience, AI enablement, and capability uplift.

Strategic Execution Risk

The risk we face is that we may not fully execute the strategy or achieve the strategic objectives of Connected Future 30. This could result from misaligned prioritisation, insufficient delivery capability, delayed transformation, or failure to manage program interdependencies effectively. The size and complexity of our investment programs, including AI enablement, digitisation, Intercity Fibre Network, and an investment to build Australia's most advanced 5G network, compound this challenge.

Our risk management approach includes:

- Embedding stronger strategic planning and prioritisation processes, with executive-level forums to assess trade-offs and support long-range investment decisions.
- Ensuring appropriate capital allocation and oversight of critical investment programs, with regular review against risk appetite and strategic intent.
- Strengthening cross-functional accountability and delivery ownership to maintain alignment and momentum across the organisation.
- Uplifting enterprise execution capabilities, including agile delivery methods, data-enabled decision-making, and workforce planning aligned to strategic ambition.
- Monitoring performance and interdependencies across major initiatives through an integrated delivery governance model.
- Promoting a positive risk culture by encouraging clarity of accountability, ownership and proactive management of risks across all levels of the organisation.

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Network and technology resilience

Among our competitive advantages are the security, resilience, reliability and quality of our network. Society's reliance on and expectations of technology continue to grow rapidly and the sustained resilience of our network and technology remains a core customer expectation, enabling people to work, learn and engage government services and healthcare. The careful management of risks related to our network and technology is crucial to deliver for our customers and maintain our differentiation.

Our risk management approach includes:

- Delivering a multi-year Integrated Resilience Program to uplift maturity across high-priority domains, including completion of the "Resilient 8" foundation and targeted new mitigation workstreams aligned to risk appetite.
- Investing in backup power systems and lifecycle upgrades for high-risk sites, focused on locations where power supply failure could cause major service disruption.
- Enhancing network observability and predictive response through deployment of AI-powered platforms that enable faster degradation detection and root cause analysis.
- Executing structured risk reviews and remediation at mobile towers and transmission hubs, prioritised by criticality.
- Strengthening our compliance and escalation readiness for Emergency Call Services (ECS) and Triple Zero, with updated testing protocols, performance reporting and escalation drills.
- Building resilience into network design via increased diversity, failover capability and routing flexibility, particularly for areas exposed to supply chain disruption or weather-related events.
- Committing an additional $800m over four years within our business-as-usual capex to deliver Australia's most advanced, resilient and reliable 5G experience. This includes expanding our strategic partnership with Ericsson to improve coverage, capacity and failover preparedness across rural and urban footprints.
- Continuing the rollout of our Intercity Fibre Network, a foundational infrastructure investment that expands capacity, strengthens diversity and builds the long-haul backbone of our future network.

Safety and Wellbeing of our People

The effective management of safety and wellbeing is a fundamental priority due to the associated risks they present our people, our assets, the environment and the communities in which we operate. We are adapting to new and emerging issues, such as the right to disconnect, psychosocial risks and the changing nature of our work, including evolutions such as AI. We focus on attracting and retaining the right skills to support our strategy and continue to benchmark externally to remunerate our people appropriately.

Our risk management approach includes:

- A coordinated, enterprise-wide Safety Uplift Program that brings together leadership, assurance, process and cultural initiatives.
- Targeted uplift of our safety governance and philosophy, with executive-led workshops reinforcing expectations and accountability across the business.
- Improvements to our journey management and vehicle safety protocols, particularly where grey fleet use and remote area travel present heightened risk.
- Enhanced training and awareness for leaders and frontline teams in identifying and managing psychosocial risk, supported by dedicated mental health communications.
- Strengthening of incident reporting and field engagement practices, giving us deeper insight into early risk indicators and enabling timely mitigation.
- Embedding inclusion and belonging in our people practices, recognising their contribution to mental health, psychological safety, and overall wellbeing.

These initiatives are supported by assurance reviews, independent audits and a focus on the effective closure of findings. Our safety controls are tested regularly as part of our broader Health, Safety, Wellbeing and Environment assurance plan.

Cyber and Physical Security of Critical Assets

The threat environment for both cyber and physical security continues to increase in scale, complexity and consequence. Failure to effectively manage these risks presents a material threat to Telstra's infrastructure, services, people and brand, enabling potential crime, espionage, sabotage or disruption at unprecedented pace and reach. As a provider of critical infrastructure, we continue to operate in a heightened threat posture, driven by escalating geopolitical tensions, the evolving tactics of state-based actors and cyber criminals, and increased exposure across our physical footprint and digital platforms.

Our risk management approach includes:

- Uplift of our Security Operations Centre (SOC) with enhanced detection tools, real-time dashboards and continuous threat monitoring, aligned to critical infrastructure expectations.
- Comprehensive employee awareness and phishing simulation programs, complemented by mandatory training modules and targeted refresher campaigns.
- Improved governance and assurance processes for high-risk vendors, including risk reviews during vendor onboarding, access controls and system integration testing.
- Expansion of independent cyber maturity assessments, red team testing, simulation exercises and breach readiness scenarios to strengthen detection and response.
- Physical site remediation programs that align with *Security of Critical Infrastructure Act*, including access management system upgrades, annual inspection cycles and uplifted monitoring systems.

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Customer and Employee Privacy

Protecting the privacy and identity of our customers and employees is a benchmark of trust. Expectations from the community, regulators and stakeholders remain at an all-time high, and privacy continues to be the subject of sustained media scrutiny and regulatory attention. We recognise that the way we handle personal information is critical to maintaining confidence in Telstra and the services we provide.

Our risk management approach includes:

- Enhancement of our Customer Data Access Processes, including improved controls on authorisation, monitoring, and audit for high-risk data sets.
- Targeted remediation of legacy systems and high-risk applications, with control upgrades and improved logging to reduce data handling vulnerabilities.
- Strengthened identity verification safeguards for customers in vulnerable contexts, including uplifted quality assurance models for manual and system-based authentication.
- Alignment with updated IT and Network Resilience standards, and preparatory work to meet expected changes in national privacy laws.
- Ongoing investment in training, tooling and data governance practices to mature our privacy capability and ensure readiness for new risk scenarios.
- Strengthening data quality and governance foundations to ensure only trusted data inputs for newer technologies (including generative and agentic AI) that rely on accurate, well-managed data to function responsibly and effectively.

Please refer to the 2025 Bigger Picture Sustainability Report for more detail on how Telstra manages privacy (available from 25 August 2025 at **telstra.com/sustainability/report**).

Compliance with Laws and Regulation

Telstra needs to comply with a broad range of complex laws and regulations that help ensure that we do the right thing by all our stakeholders, especially our customers. Failure to comply with these obligations can lead to adverse impacts to our customers, employees and communities, as well as to our reputation.

Our risk management approach includes:

- Execution of our Compliance Maturity Program, delivering uplift across more than 50 obligation areas and supported by structured assurance planning.
- Continued tracking of breach detection speed, internal detection rates and external reporting thresholds, to provide insights into our control performance.
- Redevelopment of obligation documentation and process maps in selected domains, particularly those impacted by law reform or systems decommissioning.
- Ongoing stakeholder engagement with the government, regulators and consumer bodies to provide transparency and inform uplift prioritisation.
- Managing regulatory change in a structured and centralised way to maximise readiness ahead of regulatory enforcement.

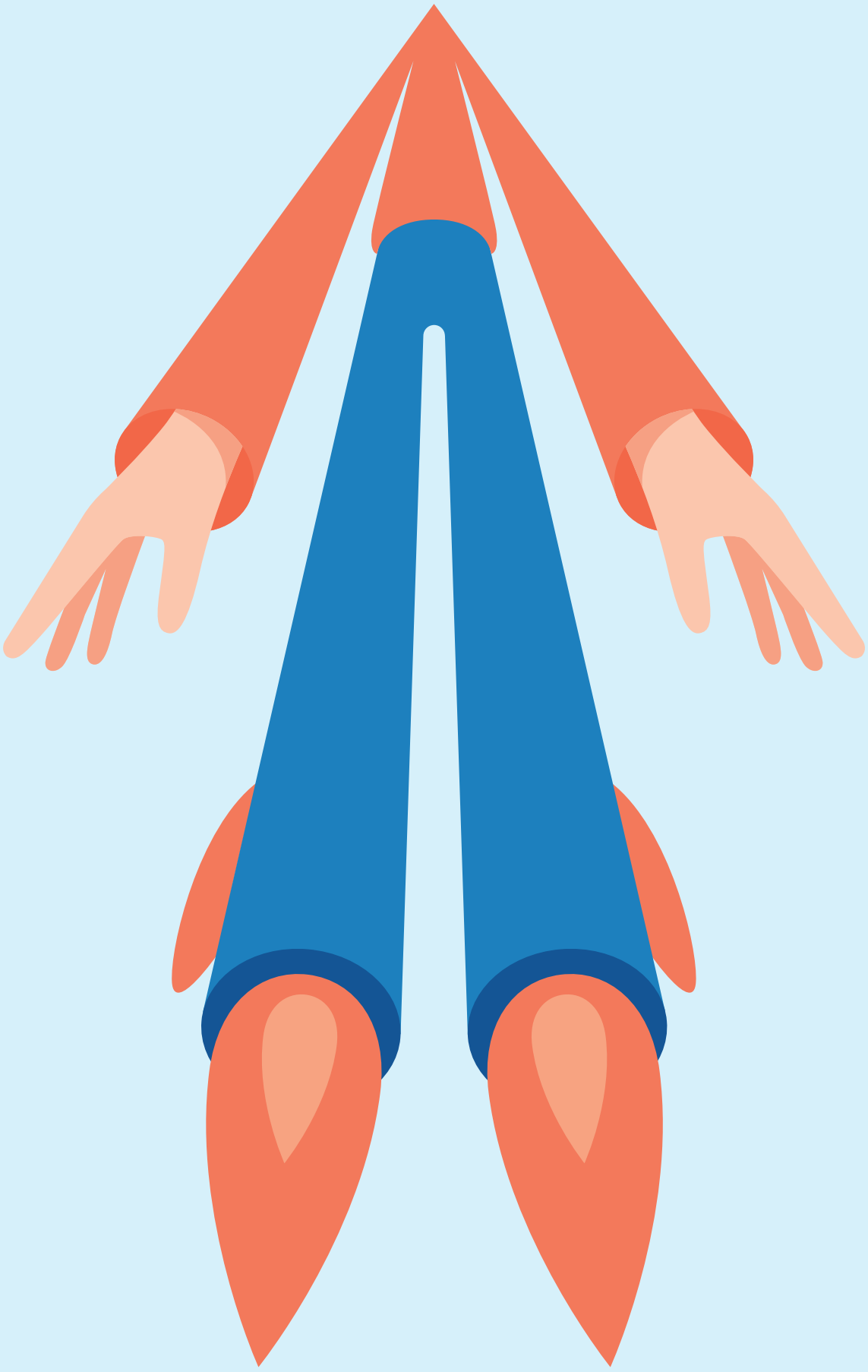
Other risk factors

In addition to the critical risks outlined above, we manage a number of other risks and external factors that may influence Telstra's strategy and performance. They are monitored and managed as part of our broader risk framework and include the following:

- **Climate adaptation and extreme weather events**: including physical risk to infrastructure and disruption to services.
- **Energy resilience:** including access to reliable power, cost pressures and grid dependency.
- **Geopolitical and economic conditions:** affecting supply chains, regulation, market sentiment and investment outlook.
- **Supply chain reliability and responsible sourcing:** particularly in relation to key vendors and offshore operations.
- **Technological disruption and acceleration:** including competitive pressure from hyperscalers, new connectivity models and customer expectations.
- **Failure to meet ESG / sustainability expectations:** including reputational and regulatory risk if we fall short of commitments.
- **Responsible AI scaling:** ensuring our use of AI aligns with ethical and community expectations, while enabling practical innovation, from improving operational efficiency to reducing manual complexity, and exploring its role in helping us better identify and mitigate risks, without compromising trust.
- **Public policy:** major policy shifts and regulatory decisions that could impact our access to spectrum, infrastructure investment decisions and delivery of Connected Future 30.

These risk factors may not exist in isolation, and in many cases are closely linked to the material risks we have described. Together, they present a dynamic and evolving landscape that requires constant attention, flexibility, and forward planning.

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Outlook

We finished T25 strongly, putting us in the best possible position to commence our new strategy. Through Connected Future 30, we will double down on connectivity and radically innovate in the core of our business.

Our ambition is to be the number one choice for connectivity in Australia, and to continue delivering on our purpose to build a connected future so that everyone can thrive. To achieve this we will focus on adapting and leading to shape the future of connectivity, pushing the boundaries of our network leadership, and making it simple for customers to get the connectivity they need in a changing environment. We will reinvent commercial models so we can continue to invest for our customers, our people and our communities.

Our goal is to grow shareholder value, and we are focused on growing cash earnings to FY30, growing underlying Return on Invested Capital to 10 per cent by FY30 and disciplined portfolio and capital management. We will place greater focus on positive operating leverage – that is underlying income growing faster than costs. This expands our focus on costs, from fixed costs to all costs across the organisation including business-as-usual capex. We will step up our efforts to build a more efficient, resilient and sustainable organisation.

Putting customers first is at the heart of our business and we will remain focused on anticipating and delivering on their connectivity needs. We will continue to harness AI tools to create more personalised, responsive customer experiences and enable our people to solve customer needs faster, smarter and with greater care.

Customer needs are becoming more complex, and the connectivity we provide needs to be more sophisticated and flexible. Our goal is to operate Australia's leading network and reinvent how we capture value from it. Our competitive strength comes from the unparalleled connectivity we provide across Australia. The foundations for this are our fibre backbone and our industry-leading 5G network, which are complemented by partnerships with leading global satellite providers. Extending our network leadership is a core focus of our future strategy, and realising more value from our network investments is key to our success.

We are in the early stages of a super cycle of investment in digital infrastructure, driven by unrelenting demand for more data and connectivity. This connectivity is critical to our national prosperity, so we will advocate for a shared national vision for enabling Australia's digital future as well as policies that encourage continued investment.

We will continue to extend our network leadership and build Australia's most advanced, resilient and reliable 5G mobile network. We will also keep exploring new ways to connect remote parts of the country that are beyond the reach of our mobile network through innovations like our satellite to mobile product.

We will build on our investment in our infrastructure to improve connectivity across Australia. Our next Intercity Fibre Network route, the Melbourne to Canberra coastal route, will be ready for service later in 2025 and we are very confident in what this network will deliver for customers, shareholders and Australia. It will enable at scale delivery of dark fibre solutions and options for wavelength services for a wide range of customers, including hyperscalers and the AI industry. The foundation fibre will also have the ability to serve regional cities and towns along the route, enabling productivity and economic development opportunities in regional Australia.

Global demand for data capacity is growing too, with AI adoption predicted to triple demand by 2030. We will continue to expand the capacity of our subsea cable network, helping ensure faster, more reliable digital connectivity for our customers and supporting the growth of local economies around the world.

To deliver the next generation of connectivity, we need to be leaders in AI. In FY26 and beyond, our joint venture with Accenture will see us tap into the global best to complement our own capabilities and help us reach our customer experience and network leadership ambitions faster. We remain committed to responsible AI and consider and adhere to the AI Ethics Framework developed by the Australian Government, as well the GSMA Responsible AI Maturity Roadmap and policies developed by UNESCO's Business Council for Ethics of AI.

As technology evolves, we know the way we work in the future will be radically different. We will continue to equip our people with the right skills and capabilities. Our culture is key to our success, as it shapes how we show up for our customers and for each other. With a clear purpose, strategy and the right behaviours and habits in place, we'll continue to drive a more customer-focused, accountable, inclusive and collaborative way of working.

Like many Australian businesses, we're operating in a complex environment shaped by a range of challenges, from uncertain geopolitical and economic conditions, to shifting market dynamics. These and other key risks are outlined in the Our material risks section of this report.

We will stay committed to supporting our customers and communities by contributing positively to society and the environment. We will make further progress on ensuring our digital infrastructure is resilient and able to adapt to the impacts of climate change. We will reduce our absolute scope 1, 2, and 3 emissions in line with our 2030 targets. We recognise the importance of being there for customers when they need us most. We will respond with a range of initiatives, services and products to help ensure everyone stays connected, whether they're impacted by natural disasters, domestic, family and sexual violence, or financial hardship. With the growing threat of cybercrimes, scams and fraud, we will continue to work relentlessly with government, regulators and other industries to help protect our customers.

As we embark on our new five-year strategy in FY26, we're aware of the risks and challenges ahead. We're confident that the experience and capabilities we've built through T22 and T25 will enable us to deliver Connected Future 30 with discipline and focus.

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Full year results and operations review

Financial results

Summary reported results	FY25 $m	FY24 $m	Change %
Revenue (excluding finance income)	23,125	22,928	0.9
Total income (excluding finance income)	**23,610**	**23,482**	**0.5**
Operating expenses	14,986	15,938	(6.0)
Share of net loss from equity accounted entities	(17)	(16)	(6.3)
EBITDA	**8,607**	**7,528**	**14.3**
Depreciation and amortisation	4,691	4,479	4.7
EBIT	**3,916**	**3,049**	**28.4**
Net finance costs	639	584	9.4
Income tax expense	934	677	38.0
Profit for the period	**2,343**	**1,788**	**31.0**
Profit attributable to equity holders of Telstra Entity	**2,172**	**1,622**	**33.9**
Earnings per share (cents)	18.9	14.1	34.0
Free cashflow	**3,956**	**2,059**	**92.1**

FY25 was a strong year for us as we continued to deliver for customers and shareholders. We successfully completed our T25 strategy; delivered on our commitments to lift customer experience, build our reputation and drive sustainable growth; and announced our Connected Future 30 strategy.

We delivered our fourth consecutive year of underlying growth, reflecting momentum across our business, strong cost control and disciplined capital management.

Our reported growth this year is stronger than underlying growth because of significant one-off net costs totalling $715 million in the prior year. These costs, discussed last year, were mostly related to impairments and restructuring associated with the reset of our Telstra Enterprise business.

In FY25, reported financial performance on the prior year included:

- EBITDA up 14.3 per cent to $8.6 billion
- Profit for the year up 31.0 per cent to $2.3 billion
- Earnings per share (EPS) – basic up 34.0 per cent to 18.9 cents
- ROIC[5] up 1.7 percentage points (pp) to 8.5 per cent.

Underlying versus reported results[1]	FY25 Reported results $m	FY25 Guidance adjustments $m	FY25 Underlying results $m	FY24 Underlying results $m
EBITDA[2]	8,607	14	8,621	8,243
Free cashflow after lease payments (FCFaL)[3] before strategic investment[4]	3,956	(523)	3,433	3,247

1. This table details adjustments made to the reported results for the current year to reflect the underlying performance of the business on the basis on which we provided guidance to the market. Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. A detailed reconciliation of our reported results to underlying results can be found in the "Guidance versus reported results" schedule. This schedule has been reviewed by our auditors.
2. Underlying EBITDA, profit and EPS exclude guidance adjustments.
3. Free cashflow after lease payments (FCFaL) defined as 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities', and excludes spectrum and guidance adjustments. FY25 FCFaL includes around $300m cash outflow related to FY24 restructuring costs.
4. Strategic investment capex is measured on an accrued basis and relates to the Intercity Fibre Network and Viasat projects.
5. Return On Invested Capital (ROIC) calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital.

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Our underlying growth more accurately reflects our financial performance compared to the prior period. Excluding significant one-off items and other adjustments, underlying financial performance showed:

- Underlying EBITDA[6] up 4.6 per cent to $8.6 billion
- Underlying profit[6] up 1.8 per cent to $2.3 billion
- Underlying EPS[6] up 3.2 per cent to 19.1 cents
- Cash EPS[7] up 12.0 per cent to 22.4 cents
- Underlying ROIC[8] up 0.2pp to 8.5 per cent.

On the back of earnings growth, the Board resolved to pay a fully franked final dividend of 9.5 cents per share, bringing total dividends for the year to 19 cents, and representing a 5.6 per cent increase on the prior year.

In June this year, we completed our $750 million on market buy-back, and today we have announced an additional on-market share buy-back of up to $1 billion. This has been enabled by growth in earnings, and the strength of our balance sheet. The buy-backs support earnings and dividend per share growth over time, and along with increased total dividends, demonstrate the Board and management's confidence in our financial strength and outlook.

We grew underlying EBITDA across our Mobiles, Fixed C&SB, Fixed Enterprise, InfraCo Fixed and Amplitel businesses.

It's been a dynamic year in the mobile industry with 3G closure, new satellite technology, pricing changes and the migration of a significant volume of customers to our new digital information technology system. In this context our mobile business has continued to perform well, with EBITDA growth of $235 million. Mobiles growth was driven by higher ARPU and customers continuing to choose our network and the value it provides. Mobile services revenue grew by 3.5 per cent.

Underlying results versus guidance[9]	FY25 $b	FY25 Guidance $b
Underlying EBITDA[6]	8.6	8.5 to 8.7
Business-as-usual capex[10]	3.4	3.2 to 3.4
Strategic investment[11]	0.3	0.3 to 0.5
Free cashflow after lease payments (FCFaL)[12] before strategic investment[11]	3.4	3.0 to 3.4

Fixed C&SB EBITDA grew by $109 million, reflecting ARPU growth and disciplined cost management.

Fixed Enterprise business EBITDA grew by $103 million, supported by decisive actions taken to reset this business and reduce costs. We remain committed to this reset, with further changes announced in July this year to remove complexity and cost.

Our International EBITDA declined by $96 million, with reductions across Wholesale and Enterprise, and Digicel Pacific. As mentioned briefly when we announced our Connected Future 30 strategy, we have completed a strategic review of this business and are now taking action, including to reduce costs, double down on connectivity, and exit the majority of our International NAS products. The Wholesale and Enterprise International results include restructuring costs associated with this.

Our infrastructure businesses continued to grow, reflecting strong customer demand.

Across the business, we delivered strongly on costs through simplifying our operations, reducing some roles and improving our productivity, partly offset by cost inflation. Core fixed costs decreased by 4.7 per cent or $306 million in the year. Cumulatively we reduced our core fixed costs by $428 million since FY22.

As we close out our T25 strategy, we reflect on the strong momentum and foundation we've built, which comes from continuing to improve and deliver for customers. We set a high bar across our four T25 pillars, to lift customer experience, extend our network leadership, deliver sustainable growth and value, and be the place our people want to work. We also successfully delivering on our T25 financial growth targets across underlying EBITDA, EPS, ROIC and cost-out.

Significant progress on T25 in the year included:

- We improved Episode NPS by 1 point to +47 and exceeded our T25 target of +40
- We expanded our mobile coverage to } 3 million square km with 99.7 per cent Australian population coverage
- We achieved 95 per cent of 5G population coverage, with 66 per cent of our mobile traffic on 5G in June 2025
- We continued extending our Intercity Fibre Network across Australia, with Sydney to Canberra route ready for service and more than 4,400km of fibre in the ground as at June 2025.

6. Underlying EBITDA, profit and EPS exclude guidance adjustments.
7. Cash EPS defined as cash earnings (underlying EBITDA after lease amortisation, less BAU capex, spectrum amortisation, finance costs, tax and minorities) per share.
8. Underlying ROIC calculated as NOPAT as a percentage of total capital, excluding guidance adjustments (refer to footnote 1) less tax.
9. Underlying results - refer to footnote 1.
10. BAU capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, externally funded capex and capitalised leases.
11. Strategic investment capex is measured on an accrued basis and relates to the Intercity Fibre Network and Viasat projects.
12. Free cashflow after lease payments (FCFaL) before strategic investment - refer to footnotes 3 and 4.

Dividend

On 14 August 2025, the Directors of Telstra Group Limited resolved to pay a fully franked final dividend of 9.5 cents per share in line with the interim dividend for the first half of the financial year. The total dividend for FY25 is 19 cents per share representing a 5.6 per cent increase on the prior year. The total dividend represents a 101 per cent payout ratio on EPS. Shares will trade excluding entitlement to the final dividend from 27 August 2025 with payment to be made on 25 September 2025.

Other information

We use non-IFRS financial information (being "Underlying EBITDA", "Underlying EBITDAaL", "Underlying NPAT" "Underlying EPS", "Underlying ROIC", "Underlying income", "EBITDAaL", "FCFaL before strategic investment", "Cash EBIT", "Cash earnings" and "Cash EPS") as measures to better reflect what we consider to be our underlying performance. This non-IFRS financial information is consistent with how management reviews financial performance with the Board and the investment community. We include these measures in these materials to help readers better compare our underlying financial performance with that of previous periods. Underlying EBITDA and FCFaL before strategic investment also show how the business performed on the same basis as the guidance we provided to the market.

Underlying earnings before interest, taxes, depreciation and amortisation (Underlying EBITDA) is used to assess our operational profitability. EBITDA after leases (EBITDAaL) and Underlying EBITDAaL are used to assess our operational profitability after leases. Underlying net profit after tax (Underlying NPAT) is used to assess our operational financial performance and reflects underlying EBITDA less interest, tax, depreciation and amortisation. Underlying earnings per share (Underlying EPS) is used to assess our operational financial performance on a per share basis.

Underlying return on invested capital (Underlying ROIC) is used to assess our efficiency at allocating capital and reflects underlying net operating profit after tax (Underlying NOPAT) as a percentage of total capital. Underlying income is used to assess our operational income performance.

Free cashflow after lease payments (FCFaL) before strategic investment is used to assess our underlying cash generation and reflects operating cash flows, less investing cashflows, less payments for lease liabilities and less strategic investment. Cash earnings before interest and tax (Cash EBIT), Cash earnings and Cash EPS are also used to assess our underlying cash generation. Cash EBIT reflects Underlying EBITDAaL less business-as-usual capex and spectrum amortisation. Cash earnings reflects Cash EBIT less finance costs, tax and minorities. Cash EPS reflects Cash earnings on per share basis.

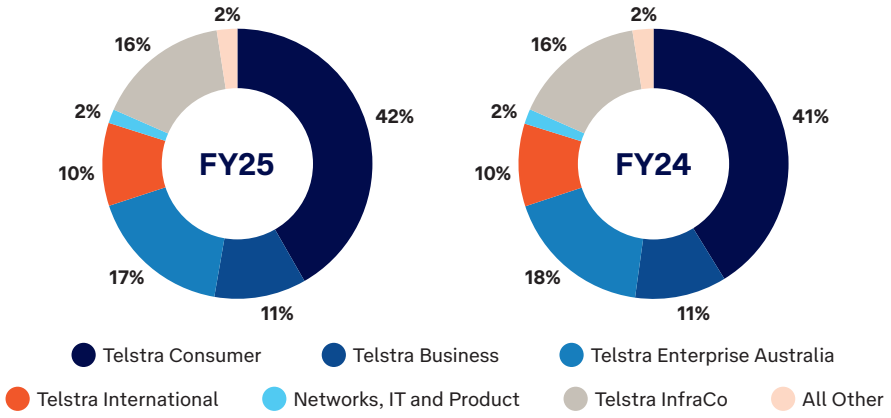
All non-IFRS underlying measures, EBITDAaL, FCFaL before strategic investment, Cash EBIT, Cash earnings and Cash EPS exclude material one-offs such as mergers and acquisitions (M&A), disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. An explanation of each adjustment and a reconciliation to our reported IFRS financial information for Underlying EBITDA and FCFaL before strategic investment is set out in the "Guidance versus reported results" schedule. The adjustments set out in the schedule have been reviewed by our auditor for consistency with the basis set out in the guidance we provided to the market.

The following commentary is provided for statutory and management financial results. Comments are versus the prior year unless otherwise stated. Consistent with information presented for internal management reporting purposes, the result of each segment is measured based on its EBITDA contribution, and the result of each product is measured based on its underlying EBITDA contribution.

Segment performance

We report segment information on the same basis as our internal management reporting structure as at the reporting date. Segment comparatives reflect any organisational changes that have occurred since the end of the prior financial year to present a like-for-like view. Refer to Note 2.1.1 in the Financial Report for further detail.

Segment total income breakdown (including internal income)



Total income	FY25 $m	FY24[13] $m	Change %
Telstra Consumer[14]	10,862	10,722	1.3
Telstra Business[14]	2,867	2,856	0.4
Telstra Enterprise Australia[14]	4,485	4,612	(2.8)
Telstra International[14]	2,587	2,578	0.3
Networks, IT and Product[14]	434	466	(6.9)
Telstra InfraCo[14]	4,159	4,132	0.7
All Other[14]	640	653	(2.0)
Total management reported income	**26,034**	**26,019**	**0.1**
Transactions between segments	(2,424)	(2,537)	4.5
Total income (excluding finance income)	**23,610**	**23,482**	**0.5**

13. Refer to Note 2.1.2 in the Financial Report for further detail.
14. Includes internal income.

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Total income (excluding finance income) increased by 0.5 per cent to $23,610 million including growth across Mobile, Amplitel and International. Income growth was partly offset by declines across Fixed – C&SB, Fixed – Enterprise, Fixed – Active Wholesale and InfraCo Fixed.

Total management reported income includes internal income between segments eliminated from total income. Internal income decreased by 4.5 per cent to $2,424 million (FY24 $2,537 million) including intercompany agreements post our corporate restructure related to internal charges for infrastructure, power, international capacity and other services. Internal income comprised $3 million in Telstra Consumer (FY24 $4 million), $1 million in Telstra Business (FY24 $1 million), $31 million in Telstra Enterprise Australia (FY24 $45 million), $215 million in Telstra International (FY24 $223 million), $407 million in Networks, IT and Product (FY24 $439 million), $1,523 million in Telstra InfraCo (FY24 $1,552 million) and $244 million in 'All Other' (FY24 $273 million).

Telstra Consumer

Telstra Consumer provides telecommunication and technology products and services to consumer customers in Australia using mobile and fixed network technologies. It also operates contact centres, retail stores, a retail distribution network, digital channels, distribution systems and the Telstra Plus customer loyalty program in Australia.

Income increased by 1.3 per cent to $10,862 million including 2.7 per cent growth in Mobile income partly offset by 1.4 per cent decline in Fixed - C&SB income. Refer to product performance section for more details.

Telstra Business

Telstra Business provides telecommunication and technology products and services to small and medium businesses in Australia. It also operates Telstra Business Technology Centres and digital channel partner network servicing small and medium business customers.

Income increased by 0.4 per cent to $2,867 million including 2.3 per cent growth in Mobile income, partly offset by 0.7 per cent decline in Fixed - C&SB income from small business customers and 10.0 per cent decline in Fixed - Enterprise income from medium business customers across Data and Connectivity (DAC) and Network Applications and Services (NAS). Refer to product performance section for more details.

Telstra Enterprise Australia

Telstra Enterprise Australia provides telecommunication services, advanced technology solutions and network capacity and management to government, enterprise and large business customers in Australia. It provides advanced technology solutions through DAC and NAS products such as unified communications, cloud, security, industry solutions, and integrated and monitoring services.

Income decreased by 2.8 per cent to $4,485 million including 3.1 per cent decline in Mobile income and 1.8 per cent decline in Fixed - Enterprise income across DAC and NAS. Refer to product performance section for more details.

Telstra International

Telstra International provides a full suite of telecommunication services, including satellite, advanced technology solutions, network capacity and management, cloud, security, industry solutions, integrated and monitoring services to government and enterprise and business customers outside of Australia. It provides wholesale services outside of Australia, including voice and data, and manages Telstra's networks outside of Australia, including international subsea cables, in conjunction with Networks, IT and Product and Telstra InfraCo segments. It provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through Digicel Pacific Limited and its controlled entities (Digicel Pacific).

International income increased by 0.3 per cent to $2,587 million in Australian dollars (AUD) including 4.4 per cent growth in International Wholesale and Enterprise external income to $1,712 million, partly offset by 3.6 per cent decline in International Wholesale and Enterprise internal income to $215 million and 7.7 per cent decline in Digicel Pacific income to $660 million. On a constant currency basis, Digicel Pacific revenue decreased by 3 per cent. Refer to product performance section for more details.

Networks, IT and Product

Networks, IT and Product consists of two operating segments: Global Networks and Technology (GN&T), and Product and Technology (P&T). GN&T supports the other segments and their respective revenue generating activities by maintaining high level of reliability and security of our global network platforms and cloud infrastructure. It maintains our networks and is accountable for our network intelligence and automation. P&T works with other functions to create and deliver products and solutions for customers across all segments. It has accountability for product strategy, innovation, development, and life cycle where products are incubated and brought to scale. It is also accountable for Telstra's IT and Data & AI functions and our digital platforms underpinning our customer digital experience.

Income decreased by 6.9 per cent to $434 million including 7.3 per cent reduction in internal income to $407 million.

Telstra InfraCo

Telstra InfraCo operates in Australia and provides telecommunication products and services delivered over Telstra networks to other carriers, carriage service providers and internet service providers. It provides other Telstra functions and wholesale customers with access to network infrastructure within Telstra InfraCo's asset accountabilities. It operates the fixed passive network infrastructure including data centres, exchanges, poles, ducts, pits and pipes, and fibre network. It designs and constructs fibre, exchanges and other infrastructure. It provides nbn co with long term access to certain components of our infrastructure under the Infrastructure Services Agreement, and operates the passive and physical mobile tower assets owned or operated by the Amplitel business.

Income increased by 0.7 per cent to $4,159 million due to growth in recurring nbn Definitive Agreements (nbn DAs) receipts in line with CPI, growth in Amplitel income, and growth in wholesale mobility income. Revenue declined from Fixed – Active Wholesale legacy products, and Telstra InfraCo legacy asset disposals, commercial and recoverable works and internal access charges. Refer to product performance section for more details.

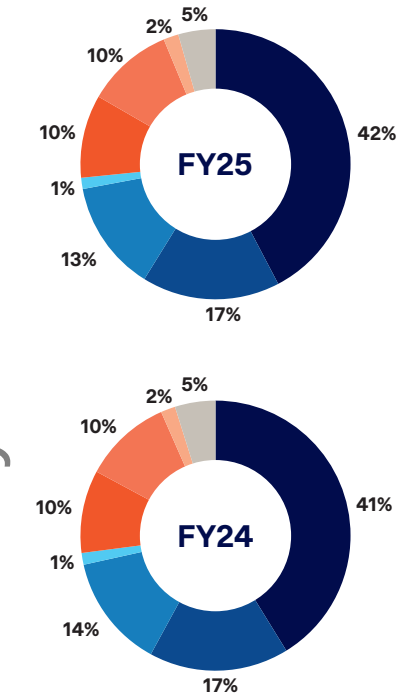
All Other

Certain items of income and expense relating to multiple functions are recorded by our corporate areas and included in the 'All Other' category. This category also includes Telstra Health.

Income decreased by 2.0 per cent to $640 million including $29 million decrease in internal income and lower Telstra Energy income. Telstra Health income increased by $52 million to $372 million.

Product performance

Product income breakdown (including internal income)



- Mobile
- Fixed – C&SB
- Fixed – Enterprise
- Fixed – Active Wholesale
- International
- InfraCo – Fixed
- Amplitel
- Other

Product income	FY25 $m	FY24 $m	Change %
Mobile	11,015	10,722	2.7
Fixed – C&SB	4,299	4,355	(1.3)
Fixed – Enterprise	3,445	3,537	(2.6)
Fixed – Active Wholesale	349	366	(4.6)
International	2,587	2,578	0.3
InfraCo Fixed	2,710	2,746	(1.3)
Amplitel	470	453	3.8
Other	1,159	1,262	(8.2)
Total management reported income	**26,034**	**26,019**	**0.1**
Eliminations	(2,424)	(2,537)	4.5
Total income (excluding finance income)	**23,610**	**23,482**	**0.5**

Product underlying EBITDA	FY25 $m	FY24 $m	Change %
Mobile	5,261	**5,026**	4.7
Fixed – C&SB	363	**254**	42.9
Fixed – Enterprise	239	**136**	75.7
Fixed – Active Wholesale	82	**94**	(12.8)
International	678	**774**	(12.4)
InfraCo – Fixed	1,813	**1,759**	3.1
Amplitel	382	**369**	3.5
Other	(197)	**(169)**	(16.6)
Underlying EBITDA[15]	**8,621**	**8,243**	**4.6**
Guidance adjustments	(14)	**(715)**	n/m
Total EBITDA	**8,607**	**7,528**	**14.3**

15. Underlying EBITDA, profit and EPS exclude guidance adjustments.

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Mobile

Mobile income increased by 2.7 per cent to $11,015 million including 3.5 per cent services revenue growth. Growth in services revenue was achieved across postpaid handheld, prepaid handheld, Internet of Things (IoT) and wholesale. Retail mobile Services in Operation (SIOs) increased by 762,000 (including 342,000 in the second half) to 24.9 million, including 8.9 million postpaid handheld retail SIOs. Hardware revenue held at $2,359 million including sales of mobile handsets, accessories and wearables.

Postpaid handheld services revenue increased by 2.8 per cent to $5,793 million with a 2.5 per cent Average Revenue Per User (ARPU) increase to $54.15, including consumer and business price rises, and a 56,000 decrease in SIOs (including 104,000 decrease in the second half). Postpaid handheld SIOs in the current year were impacted in aggregate by 162,000 by re-classification of 66,000 services to IoT and mobile broadband, deactivation of 64,000 Pay As You Go (PAYG) services no longer in use, and disconnection of 32,000 services from closure of the 3G network. Excluding these impacts, Postpaid SIOs increased in the current year by 106,000.

Prepaid handheld revenue increased by 7.7 per cent to $1,285 million with an 8.4 per cent ARPU increase driven by price rises, partly offset by a 76,000 decrease in unique users (including 68,000 in the second half). The number of prepaid handheld unique users in the current year was impacted by disconnection of 17,000 services from closure of the 3G network.

Mobile broadband revenue decreased by 8.2 per cent to $595 million due to 6.1 per cent decline in SIOs and 3.4 per cent decline in ARPU to $18.12.

IoT revenue increased by 1.4 per cent to $293 million with SIOs increasing by 1.2 million (including 698,000 in the second half) to 9.8 million.

Wholesale revenue increased by 18.6 per cent to $522 million driven by 217,000 increase in unique users (including 138,000 in the second half) and 5 per cent Wholesale ARPU growth. Wholesale unique users include postpaid SIOs and prepaid unique users. Wholesale unique users increased to 2.6 million from the continued popularity of Mobile Virtual Network Operator's (MVNO) plans on the Telstra Wholesale mobile network.

Mobile EBITDA increased by 4.7 per cent to $5,261 million due to high margin services revenue growth.

Fixed – Consumer and Small Business (C&SB)

Fixed – C&SB income decreased by 1.3 per cent to $4,299 million. Core connectivity revenue increased by 1.2 per cent to $3,706 million including revenue from services for which we are a reseller (including nbn) and revenue from services on the Telstra network. C&SB bundles and standalone data ARPU increased by 5.7 per cent to $87.08 driven by price rises, and SIOs declined by 118,000 (including 62,000 in the second half) to 3.2 million. C&SB standalone voice SIOs declined by 42,000 (including 20,000 in the second half). 5G fixed wireless SIOs grew by 36,000 (including 16,000 in the second half) to 121,000.

Consumer content and services revenue decreased by 17.6 per cent to $444 million including a 9.2 per cent decline in Foxtel from Telstra SIOs. Business applications and services revenue decreased by 2.6 per cent to $149 million.

Fixed – C&SB EBITDA increased by 42.9 per cent to $363 million due to cost-out, C&SB bundles and standalone data ARPU growth, and growing contribution from fixed wireless, partly offset by SIO declines across C&SB bundles, standalone data and standalone voice.

Fixed – Enterprise

Fixed – Enterprise income declined by 2.6 per cent to $3,445 million due mostly to DAC declines. DAC income declined by 9.2 per cent to $679 million driven by ARPU compression from competition, renewals and technology change. DAC SIOs reduced by 5.6 per cent or 8,000 (including 3,000 in the second half) mostly in legacy.

NAS income decreased by 0.8 per cent to $2,766 million due to declines across calling applications and equipment sales, partly offset by growth in managed services, professional services and cloud. NAS income includes $118 million in the current year related to Versent Pty Ltd and its controlled entities (Versent) (FY24 $81 million). NAS calling applications revenue decreased by 5.6 per cent to $389 million due to ongoing market shift from traditional voice to integrated video and digital solutions. NAS equipment sales revenue decreased by 25.5 per cent to $272 million due to strategic focus on higher margin products. NAS managed services and maintenance revenue increased by 4.2 per cent to $821 million including Versent. NAS professional services revenue increased by 6.8 per cent to $537 million including Versent. NAS cloud applications revenue increased by 4.6 per cent to $385 million due to growth in demand for partner cloud products including Amazon Web Services and Microsoft Azure.

Fixed – Enterprise EBITDA increased by 75.7 per cent to $239 million due to NAS EBITDA growth partly offset by DAC EBITDA decline. DAC EBITDA declined by $9 million to $86 million due to revenue reduction partly offset by lower costs. NAS EBITDA increased by $112 million to $153 million due to cost-out, revenue growth in managed services, professional services and cloud, partly offset by decline in calling applications revenue.

Fixed – Active Wholesale

Fixed – Active Wholesale income declined by 4.6 per cent to $349 million largely due to legacy product decline. DAC revenue decreased by 1.2 per cent to $256 million reflecting growth in wavelength services, offset by decline in wideband ethernet access and managed lease line product revenue. Legacy calling and fixed revenue declined by 13.1 per cent to $93 million due to decline in legacy copper access and wholesale nbn resale.

Fixed – Active Wholesale EBITDA decreased by 12.8 per cent to $82 million due to continued legacy copper access revenue decline, partly offset by cost-out.

International

International income increased by 0.3 per cent to $2,587 million including increase in International Wholesale and Enterprise income, partly offset by decline in Digicel Pacific income. Digicel Pacific income decreased by 7.7 per cent to $660 million including devaluation of Papua New Guinean Kina. On a constant currency basis, Digicel Pacific revenue decreased by 3 per cent due to reduction in Papua New Guinea (PNG) ARPU, partly offset by overall SIO growth of 3 per cent.

International Wholesale and Enterprise income increased by 3.4 per cent to $1,927 million, including 4.4 per cent or $72 million increase in external income to $1,712 million. The increase included a $43 million non-cash gain from Tianjin data centre lease and positive foreign exchange impacts. On a constant currency basis and excluding non-cash gain from Tianjin data centre lease, International Wholesale and Enterprise external income increased by 0.6 per cent due to growth in DAC income, partly offset by ongoing legacy voice decline, commencing the exit of NAS products and portfolio refocus. International internal income decreased by 3.6 per cent to $215 million.

International EBITDA decreased by 12.4 per cent to $678 million including 8.7 per cent or $31 million decline in Digicel Pacific EBITDA, and 15.6 per cent or $65 million decline in International Wholesale and Enterprise EBITDA (excluding non-cash gain from Tianjin data centre lease and impairment of London Hosting Centre assets). In constant currency and normalised for earnout adjustments, Digicel Pacific EBITDA decreased by 3.5 per cent due to revenue decline partly offset by reduced costs. In constant currency, International Wholesale and Enterprise EBITDA decreased by 10.9 per cent due to increased restructuring costs associated with commencing the exit of NAS products, portfolio refocus, and timing benefits in the prior year that did not repeat this year.

InfraCo Fixed

InfraCo Fixed income decreased by 1.3 per cent to $2,710 million. Recurring nbn DAs income increased by 5.4 per cent to $1,102 million reflecting CPI linked price increases. Recurring nbn DAs income includes infrastructure services across ducts, racks and fibre provided to nbn co.

Legacy asset disposals revenue decreased by 29.6 per cent to $112 million due to reduction in property divestments and lower copper sales. Copper income reported net of costs in the current year and gross of costs in the prior year.

Commercial and recoverable works revenue decreased by 6.3 per cent to $224 million. Internal infrastructure access revenue decreased by 3.5 per cent to $1,117 million, and other external revenue increased by 6.9 per cent to $155 million including growth in dark fibre, ground station and non-nbn duct access revenue, partly offset by decline in Telstra Exchange Building Access revenue.

InfraCo Fixed EBITDA increased by 3.1 per cent to $1,813 million reflecting growth in recurring nbn DAs and cost-out. InfraCo Fixed EBITDA after leases (EBITDAaL) increased by 2.9 per cent to $1,735 million. Excluding legacy network disposals and commercial and recoverable works, InfraCo Fixed EBITDAaL increased by 5.1 per cent.

Amplitel

Amplitel income grew by 3.8 per cent to $470 million. Amplitel external revenue increased 4.2 per cent to $100 million including contracted growth, new tower builds and continued demand, partly offset by gains from customer contracts of $7 million in the prior year. Amplitel internal revenue grew by 3.6 per cent to $370 million.

Amplitel EBITDA increased by 3.5 per cent to $382 million with contracted growth, new tower builds and continued demand, partly offset by gains from customer contracts in the prior year.

Amplitel EBITDAaL increased by 4.9 per cent to $301 million. Excluding gains from customer contracts in the prior year, Amplitel EBITDAaL increased by 7.5 per cent.

Other

Other income decreased by 8.2 per cent to $1,159 million including internal and external income. ‘Other’ internal income decreased by $85 million to $696 million. ‘Other’ external income decreased by $18 million to $463 million including $34 million reduction in gains related to tower access agreements and lower Telstra Energy income. Telstra Health income increased by $52 million to $372 million.

Other EBITDA loss increased by $28 million to $197 million including ongoing costs not allocated to product. The increase in the loss was due to $34 million reduction in gains related to tower access agreements and lower contribution from Telstra Energy, partly offset by decreased costs associated with corporate adjustments.

Eliminations

Eliminations for internal income decreased to $2,424 million comprising $1,117 million in InfraCo Fixed, $370 million in Amplitel, $215 million in International, $26 million in Fixed – Enterprise NAS and $696 million in Other.



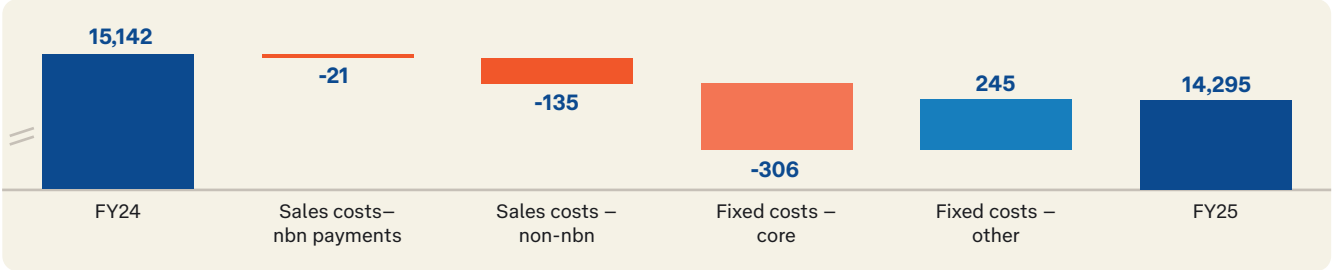
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Expense performance

Operating expenses	FY25 $m	FY24 $m	Change $m	Change %
nbn payments	1,954	1,975	(21)	(1.1)
Non-nbn	5,825	5,960	(135)	(2.3)
Sales costs	**7,779**	**7,935**	**(156)**	**(2.0)**
Core[16]	6,235	6,541	(306)	(4.7)
Other[17]	911	666	245	36.8
Fixed costs	**7,146**	**7,207**	**(61)**	**(0.8)**
Underlying	**14,925**	**15,142**	**(217)**	**(1.4)**
Guidance adjustments[18]	61	796	(735)	n/m
Total	**14,986**	**15,938**	**(952)**	**(6.0)**

Underlying operating expenses $m[16,17]



Underlying operating expenses decreased by $217 million or 1.4 per cent due to lower core fixed and sales costs, partly offset by higher other fixed costs.

Total operating expenses decreased by $952 million to $14,986 million due to decrease in underlying operating expenses and guidance adjustments. Guidance adjustments in the prior year totalled $796 million and included $438 million for impairments, $247 million for restructuring costs and $111 million for M&A. Guidance adjustments in the current year totalled $61 million and included $50 million for impairment of London Hosting Centre assets and $9 million related to M&A.

Sales costs, which are direct costs associated with revenue and customer growth, decreased by 2.0 per cent to $7,779 million. Payments to nbn reduced by $21 million due to decline in C&SB nbn SIOs. Non-nbn sales costs decreased by $135 million due to lower NAS equipment sales and consumer content and services costs, partly offset by increased NAS cloud applications and managed security resale costs.

Core fixed costs decreased by 4.7 per cent or $306 million including reduction in full time equivalents (FTE) related to productivity, the organisational changes and action on cost announced in May 2024 and reduction in commissions, partly offset by cost inflation (labour and non-labour) and increased business-as-usual redundancies. Productivity included process simplification and improvement across back of house and support functions. Commissions decreased by 12.2 per cent or $60 million including insourcing of Telstra branded retail stores and acquisition of Boost Tel Pty Limited and its controlled entities (Boost Mobile). Business-as-usual redundancy expenses increased by $37 million mostly in core fixed costs including due to commencing the exit of International NAS products and TE reset. Core fixed costs decreased by $428 million from FY23 to FY25, exceeding our T25 $350 million target.

Other fixed costs increased by $245 million due to inclusion of prior year acquisitions, including $144 million for both Versent and Telstra Business Technology Centres, $56 million increase in Telstra Health costs, changes in bond rate affecting employee liabilities, foreign exchange impact and other corporate adjustments.

16. Fixed costs - core includes commissions.
17. Fixed costs - other includes Telstra Health, corporate adjustments and acquisitions in prior years including Digicel Pacific, Versent and Telstra Business Technology Centres.
18. Guidance adjustments - refer to footnote 1.

Operating expenses on a statutory reported basis

Our progress on achieving our T25 productivity target is reported through the above operating expenses table. The detail below provides commentary on operating expenses as disclosed in our statutory accounts.

Operating expenses on a statutory reported basis	FY25 $m	FY24 $m	Change %
Labour	3,990	4,291	(7.0)
Goods and services purchased	8,212	8,441	(2.7)
Net impairment losses on financial assets	118	92	28.3
Other expenses	2,666	3,114	(14.4)
Total	**14,986**	**15,938**	**(6.0)**

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Labour

Total labour expenses decreased by 7.0 per cent or $301 million to $3,990 million due to reduced direct and indirect FTE and $210 million decrease in redundancy expenses, partly offset by increased wages as agreed in our Enterprise Agreements. Total direct FTE decreased by 9.5 per cent or 3,208 (including 1,323 in the second half) to 30,553. Redundancy expenses decreased mostly due to the prior year including $247 million for restructuring costs associated with the organisational changes and action on cost announced in May 2024 (including reset of our Enterprise business). Business-as-usual redundancy expenses increased by $37 million including due to commencing the exit of International NAS products and TE reset.

Goods and services purchased

Total goods and services purchased decreased by 2.7 per cent or $229 million to $8,212 million. Commissions decreased by 12.2 per cent or $60 million including to insourcing of Telstra branded retail stores and acquisition of Boost Mobile. Cost of goods sold, which includes mobile handsets and accessories, tablets, mobile broadband hardware, IoT hardware, modems, and other fixed hardware, decreased by 6.6 per cent or $189 million due to lower NAS equipment sales, and consumer content and services costs. Network payments and other goods and services purchased increased by 0.4 per cent or $20 million due to increased sales of NAS cloud applications and managed security resale, partly offset by decline in nbn and other network payments.

Other expenses

Total other expenses decreased by 14.4 per cent or $448 million to $2,666 million. Impairment losses (excluding net losses on financial assets) decreased by $380 million mostly due to the prior year including $438 million for impairments related to Telstra Enterprise strategic review, office building leases and Retail Energy business, partly offset by $50 million in the current year for impairment of London Hosting Centre assets. Excluding impairments, other expenses decreased by $68 million including due to cost reduction initiatives, partly offset by inclusion of prior year acquisitions, including Versent and Telstra Business Technology Centres, and increased Telstra Health costs.

Foreign currency impacts

For the purposes of reporting our consolidated results, the translation of foreign operations denominated in foreign currency to AUD increased our sales revenue by $27 million. This foreign exchange impact was partly offset by an increase in expenses by $22 million across labour, goods and services purchased, and other expenses resulting in a favourable EBITDA contribution of $5 million.

Depreciation and amortisation

Depreciation and amortisation increased by 4.7 per cent or $212 million to $4,691 million. Amortisation of intangible assets increased by $246 million to $1,677 million including amortisation related to increased capex on shorter life IT assets and FY24 spectrum purchases. Depreciation of property plant and equipment decreased by $15 million to $2,414 million. Depreciation of right-of-use assets decreased by $19 million to $600 million due to property exits including from office buildings. This year included a $59 million increase in depreciation of property plant and equipment and a $30 million decrease in amortisation of intangible assets associated with assessment of useful lives.

Net finance costs

Net finance costs increased by 9.4 per cent or $55 million to $639 million. Interest on borrowings increased by $55 million to $711 million due to higher average gross debt. Our average gross borrowing rate held at 5.0 per cent. Other net financing cost items (as set out in note 4.4.3 in the Financial Report) decreased by $9 million to $31 million, including $19 million increase in net gain on financial instruments included in measurements. Finance income decreased by $9 million to $103 million.

Income tax

Income tax increased by 38 per cent to $934 million due to higher taxable profits and an effective tax rate of 28.5 per cent.

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Cash flows

Summary statement of cash flows	FY25 $m	FY24 $m	Change %
Net cash provided by operating activities	7,324	7,049	3.9
Net cash used in investing activities	(3,368)	(4,990)	32.5
– Capital expenditure (before investments)	(3,874)	(5,064)	23.5
– Other investing cash flows	506	74	n/m
Free cashflow	**3,956**	**2,059**	**92.1**
Net cash used in financing activities	(3,997)	(1,942)	n/m
Net (decrease)/increase in cash and cash equivalents	**(41)**	**117**	**n/m**
Cash and cash equivalents at the beginning of the year	1,046	932	12.2
Effects of exchange rate changes on cash and cash equivalents	7	(3)	n/m
Cash and cash equivalents at the end of the year	**1,012**	**1,046**	**(3.3)**

Free cashflow provided by operating and investing activities was $3,956 million representing an increase of $1,897 million due to increase in net cash provided by operating activities and decrease in net cash used in investing activities. The decrease in net investing activities was driven by a reduction in spend on spectrum licences, reduction in M&A investment, increase in proceeds from the sale of equity accounted investments and repayment of loans by associated entity.

M&A investment this year included Boost Mobile and Versent in the prior year. Refer to Note 6.5.1(a) in the Financial Report for further detail on Boost Mobile. Disposals of equity accounted investments this year included Titanium Ventures Fund II (Ventures II), and our share sale and purchase agreement with DAZN Group Limited (DAZN) to exchange our 35 per cent interest in NXE Australia Pty Limited (Foxtel) and its controlled entities (NXE Group) for a 3 per cent equity interest in DAZN. Refer to Note 6.5.1(a) in the Financial Report for further detail on Ventures II and Note 6.5.1(b) in the Financial Report for further detail on NXE Group.

Net cash provided by operating activities increased by $275 million to $7,324 million including $309 million increase in cash generated from operations offset by $34 million increase in income taxes paid. The increase in net cash provided by operating activities included higher reported EBITDA.

Net cash used in investing activities decreased by $1,622 million to $3,368 million. Capital expenditure (before investments) decreased by $1,190 million to $3,874 million including due to lower payments for intangible assets mostly associated with spend on spectrum licences in the prior year. Payments for shares in controlled entities (net of cash acquired) decreased by $264 million due to the acquisition of Boost Mobile this year, offset by the acquisition of Versent and payment of Digicel Pacific earnout in the prior year. Proceeds from the sale of equity accounted investments increased by $134 million due to the disposal of our investments in Ventures II. Net cash from repayment of loans by associated entity increased by $117 million mostly due to Foxtel repaying its outstanding loans prior to NXE Group disposal. Payments and proceeds for other financial assets held as investments increased by $113 million and $131 million respectively, mostly due to term deposits.

Accrued business-as-usual capital expenditure on a guidance basis was $3,388 million or 14.9 per cent of sales revenue. This excluded $325 million of strategic investment for the Intercity Fibre Network and Viasat infrastructure projects.

Net cash used in financing activities increased by $2,055 million to $3,997 million. This included a decrease in proceeds from borrowings of $3,399 million, partly offset by a decrease in repayments of borrowings of $2,388 million. Additionally, the on-market share buy-back, completed in June 2025, contributed $751 million (including transaction costs) to the net cash used in financing activities. Finance costs paid increased by $145 million due to higher average gross debt. Dividends paid to equity holders of the Telstra Entity increased by $115 million to $2,137 million.

FCFaL before strategic investment[19] was $3,433 million. FCFaL before strategic investment excludes net proceeds from M&A ($143 million including Ventures II disposal and loan repayment from Foxtel, partly offset by Boost Mobile acquisition), spectrum payments ($57 million) and strategic investment ($325 million), and includes lease payments ($762 million).

19. Free cashflow after lease payments (FCFaL) before strategic investment - refer to footnotes 3 and 4.

Debt position

Cash inflows	FY25 $m
Euro bond	1,147
AUD bond	448
Total debt issuance	**1,595**
Commercial paper (net)	680
Drawings (bilateral bank loans)	150
Other borrowings (net)	4
Total	**2,429**

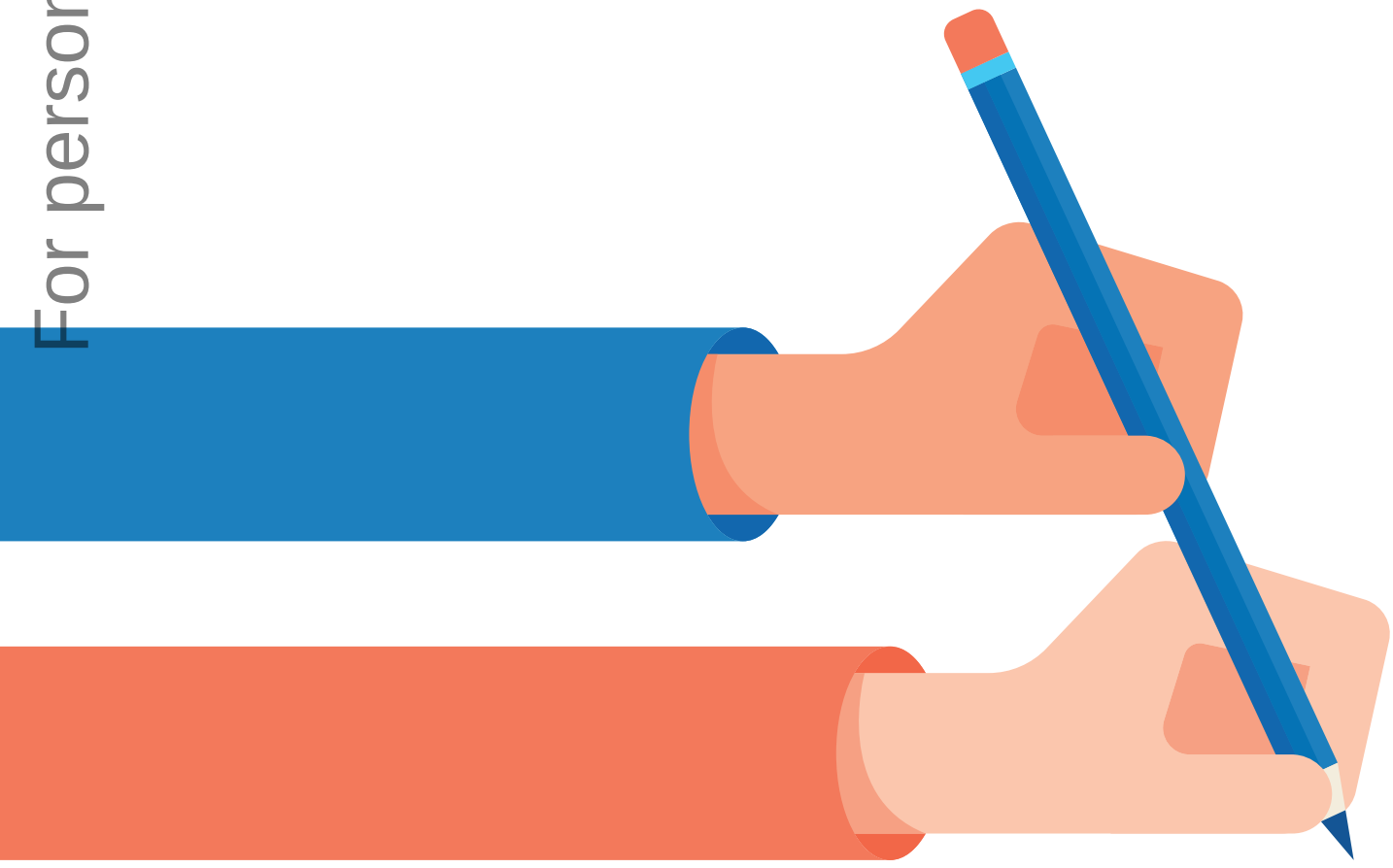
Cash outflows	FY25 $m
US bond	1,308
JPY private placement	62
Total debt repayments	**1,370**
Revolving bank facilities (net)	**427**
Non-recourse borrowing facilities (net)	**7**
Lease liability payments	**632**
Total	**2,436**

Our gross debt position was $17,457 million comprising borrowings of $14,896 million, lease liabilities of $3,099 million, partly offset by $538 million in net derivative assets. Gross debt increased by 3.9 per cent or $659 million reflecting cash inflows of $2,429 million (including debt issuance of $1,595 million), cash outflows $2,436 million (including debt repayments of $1,370 million), and non-cash increase in debt of $666 million mostly related to lease liabilities. Refer to Note 4.4 in the Financial Report for further detail.

Net debt increased by 4.4 per cent or $693 million to $16,445 million reflecting the increase in gross debt and $34 million decrease in cash holdings.

Debt servicing[20] was 1.9 times and within our comfort zone.

Financial settings	FY25	Comfort zone
Debt servicing[20]	1.9x	1.75x to 2.25x



20. Debt servicing calculated as net debt/EBITDA.

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Financial position

Summary statement of financial position	FY25 $m	FY24 $m	Change %
Current assets	6,495	6,107	6.4
Non-current assets	38,473	39,443	(2.5)
Total assets	**44,968**	**45,550**	**(1.3)**
Current liabilities	11,521	11,526	(0.0)
Non-current liabilities	17,131	16,672	2.8
Total liabilities	**28,652**	**28,198**	**1.6**
Net assets	**16,316**	**17,352**	**(6.0)**
Total equity	**16,316**	**17,352**	**(6.0)**
Return on invested capital (%)	8.5	6.8	1.7pp
Return on invested capital (%) – underlying[21]	**8.5**	**8.3**	**0.2pp**

Our balance sheet is in a strong position with net assets of $16,316 million. Current assets increased by 6.4 per cent to $6,495 million. Assets classified as held for sale increased by $390 million (and corresponding liabilities classified as held for sale increased by $61 million) mostly due to the classification of Telstra Purple Pty Ltd excluding its subsidiaries Alliance Automation Pty Ltd, Aqura Technologies Pty Ltd and Telstra Broadcast Services Pty Limited (Versent disposal group). Refer to Note 6.4 in the Financial Report for further detail. Current tax receivables increased by $211 million due to higher pay as you go tax instalments. Current trade and other receivables and contract assets decreased by $151 million including $215 million decrease in trade receivables from contracts with customers, $6 million decrease in finance lease receivables and $32 million decrease in other receivables, partly offset by $29 million increase in accrued revenue and $73 million increase in contract assets. Cash and cash equivalents decreased by $34 million.

Non-current assets decreased by 2.5 per cent to $38,473 million. Investments accounted for using the equity method decreased by $414 million due to the disposal of Ventures II and our 35 per cent interest in NXE Group, partly offset by $50 million of new investment in Titanium Ventures Fund III. Other investments increased by $348 million including our equity interest in DAZN. Trade and other receivables and contract assets decreased by $185 million including $139 million decrease in amounts owed by joint ventures and associates including due to the NXE Group disposal, $24 million decrease in finance lease receivables and $11 million decrease in contract assets. Non-current derivative financial assets increased by $270 million due to fair value gains.

Property, plant and equipment decreased by $216 million due to depreciation expenses exceeding additions, impairments and other movements. Intangible assets decreased by $646 million due to amortisation expense exceeding additions (mostly software assets), reclassification to assets held for sale, and decrease in net foreign currency exchange differences including the impacts from the amendment of currency denomination for the purchase price allocation relating to the Digicel Pacific acquisition in July 2022 (refer to Note 3.1.4 in the Financial Report for further detail), partly offset by increase related to the Boost Mobile acquisition.

Current liabilities decreased by 0.04 per cent to $11,521 million. Trade and other payables decreased by $414 million mostly due to $359 million reduction in trade payables and $67 million reduction in contingent consideration. Current borrowings increased by $597 million mostly due to Euro bond maturing in the next 12 months, increase in bilateral bank loans and commercial paper, partly offset by maturity of US bond and Japanese Yen private placement, and repayment of revolving bank facilities. Current other provisions reduced by $219 million due mostly to decrease in redundancy provision.

Non-current liabilities increased by 2.8 per cent to $17,131 million. Non-current borrowings increased by $439 million mostly due to issuance of Euro and AUD bonds, partly offset by Euro bond maturing in the next 12 months.

21. Underlying ROIC calculated as NOPAT as a percentage of total capital, excluding guidance adjustments (refer to footnote 1) less tax.

Board of Directors



Craig W Dunn

BCom, FCA

B N A

Non-executive Director appointed on 12 April 2016, Chair effective 17 October 2023 and last re-elected on 11 October 2022. Chair of the Nomination Committee and member of the Audit Committee. Previously Chair of the Audit and Risk Committee from 2019 to 2023.

Craig is a highly regarded business leader with more than 25 years' experience in financial services, pan-Asian business activities and strategic advice for government and major companies. Craig was Chief Executive Officer and Managing Director of AMP from 2008 to 2013 and held various roles at AMP in a 13-year career including Managing Director of AMP Financial Services, Managing Director for AMP Bank and head of Corporate Strategy and M&A.

Previously he was at Colonial Mutual Group from 1991 to 2000, including Managing Director for EON CMB Life Insurance in Malaysia and senior roles in Group Strategy, M&A and Finance. He has also served as a member of the Federal Government's Financial System Inquiry in 2014 and the Consumer and Financial Literacy Taskforce.

Other directorships and appointments
Chair, CMi Merryck (from 2025) and RedKite (from 2024). Director, MLC Life Insurance (from 2023), Lion Pty Limited and Lion Global Craft Beverages Pty Limited (from 2021).



Vicki Brady

MScM (Stanford GSB), BCom (ANU), CA, GAICD

B

Vicki Brady became the CEO and Managing Director of Telstra on 1 September 2022. She leads Connected Future 30, Telstra's strategy to be the number one choice for connectivity in Australia. Prior to Connected Future 30, she delivered Telstra's T25 strategy and steered the company to four consecutive years of underlying earnings growth.

Vicki joined Telstra in 2016 and was most recently Chief Financial Officer and Strategy & Finance Group Executive. In this role, Vicki guided the company's financial performance and reporting, led the development of and progress against its corporate strategy, and oversaw its risk and internal audit capabilities, with the aim of delivering shareholder value over the long term.

Before this, Vicki was head of Telstra's Consumer & Small Business function. In this role she led a business unit with $14.6 billion of income and was one of the architects of the T22 and T25 strategies. She has also held roles as Group Managing Director, Sales & Service and Group Managing Director, Consumer. Before working at Telstra, Vicki gained extensive executive leadership experience in telecommunications and services companies in Australia and internationally, working for organisations including Optus, SingTel and KPMG.

Vicki is a Patron, on behalf of Telstra, of the National Aboriginal and Torres Strait Islander Art Awards (NATSIAA).

Other directorships and appointments
Board member, Business Council of Australia (from June 2025).



Eelco Blok

MS, BBA

B N P

Non-executive Director appointed on 15 February 2019 and last re-elected on 11 October 2022. Member of the People and Remuneration Committee and the Nomination Committee.

Eelco has almost 35 years of telecommunications experience at Dutch-based landline and mobile telecommunications company, KPN, where he was CEO for seven years until April 2018.

Eelco started his career in Finance at KPN before becoming responsible for several businesses including Carrier Services, Corporate Networks and Network Operations. In 2006 he was appointed a member of the KPN Board of Management, where he was consecutively responsible for the Fixed Division, Business Market – Wholesale – Operations and Mobile International. He was appointed CEO in April 2011.

From 2011 to 2017 Eelco was co-Chairman of the Dutch National Cyber Security Council an advisory body of the Dutch government. He was also a Director for the international association GSMA from 2017 to April 2018.

Other listed company directorships (past three years)
Director, OTE Group (from 2019). Former – Member of the Supervisory Board of Signify NV (2017 – 2022).

Other directorships and appointments
Chair of the Supervisory Boards of Hanab (from 2025) and Fairphone (from 2023, member from 2020). Member of the Supervisory Board of Feyenoord Rotterdam N.V (from 2023). Board Advisor, Spotzer Digital (from 2023), Glasfaser Plus (from 2022) and Glow Financial Services (from 2022).

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Key

- B Board
- A Audit Committee
- R Risk and Sustainability Committee
- N Nomination Committee
- P People and Remuneration Committee

Denotes Chair of Board/Committee

Denotes member of Board/Committee



Maxine Brenner

BA, LLB

B R P N

Non-executive Director appointed on 17 February 2023 and elected on 17 October 2023. Chair of the Risk and Sustainability Committee and member of the People and Remuneration Committee and the Nomination Committee. Previously Chair of the Audit and Risk Committee from 2023 to 2025.

Maxine is an experienced ASX top-20 director with over 20 years' Board experience in some of Australia's most high-profile companies.

Maxine has a diverse background with strong experience in the corporate advisory, finance and regulatory sectors. She has a strong customer perspective and is particularly focused on the changing nature of customer expectations.

Maxine is a former Managing Director of Investment Banking at Investec Bank (Australia) Limited. She also practised as a corporate lawyer with Freehill Hollingdale & Page (now Herbert Smith Freehills Kramer) and spent several years as a lecturer in the Faculty of Law at both the University of NSW and the University of Sydney.

Other listed company directorships (past three years)
Director, Brambles Limited (from 2024), Woolworths Group Limited (from 2020) and Origin Energy Limited (from 2013). Former – Director, Qantas Airways Limited (2013 –2024) and Orica Limited (2013 –2022).

Other directorships and appointments
Member of the University of NSW Council.



Roy H Chestnutt

BSc, BA, MBA

B R N

Non-executive Director appointed on 11 May 2018 and last re-elected on 15 October 2024. Member of the Risk and Sustainability Committee and the Nomination Committee.

Roy has more than 30 years' of direct telecommunications experience. Most recently he was Executive Vice President, Chief Strategy Officer for Verizon Communications and has held leadership positions with other leading firms including Motorola, Grande Communications, Sprint-Nextel and AirTouch. Roy's last six years with Verizon included almost five as head of strategy responsible for the development and implementation of Verizon's overall corporate strategy, including business development, joint ventures, strategic investments, acquisitions and divestitures.

Roy has been a Director for international industry association GSMA and is a former chair of the Chief Strategy Officers Group including 25 global strategists from the world's leading wireless carriers.

Other listed company directorships (past three years)
Director, Digital Turbine Inc (from 2018). Former – Director, Intelsat (2022-2025). Board of Advisors, Accenture Luminary (from 2021-2025).

Other directorships and appointments
Senior advisor, Alvarez & Marsal (from July 2025) and Tillman Global Holdings LLC. Board Advisor, LotusFlare (from 2019).



David Lamont

BCom, CA

B A N R

Non-executive Director appointed on 3 December 2024. Chair of the Audit Committee, and member of the Risk and Sustainability Committee and the Nomination Committee.

David is an accomplished Chief Financial Officer and business leader, with more than 30 years' experience in a range of roles with highly respected organisations, including BHP, CSL and Orica.

David was BHP's CFO from 2020 to 2024 and prior to that was the CFO of ASX-listed global biotech company CSL Limited (from 2015 to 2020). He also held the positions of CFO and Executive Director at Minerals and Metals Group and previously served as CFO for several other multinational public companies, including OZ Minerals Limited, PaperlinX Limited and Incitec Limited.

David has deep expertise in capital management, project risk assessment, cost management and debt/capital markets.

Other listed company directorships (past three years)
Director, APA Group (from 2024).

Other directorships and appointments
President, Financial Executives Institute of Australia (Director 2013-2024, President from 2025). Director, Geelong Cats Foundation (from 2021).

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Ming Long AM

BEc, LLB, MBA, FCA, GAICD

B A R N

Non-executive Director appointed on 1 January 2023 and elected on 17 October 2023. Member of the Audit Committee, the Risk and Sustainability Committee, and the Nomination Committee.

Ming is an experienced director with over a decade of board experience in areas including real estate, infrastructure, funds and investment management and financial services. She also has a wealth of experience in sustainability and diversity.

Ming has held senior executive and leadership positions in listed and private equity owned organisations leading complex multi-year strategies to transform companies, as well as experience in corporate restructuring. She is passionate about helping Australia drive better economic, social and environmental outcomes.

Ming has played an influential role in industry leadership in Australia and is on the steering committee for the Australian Institute of Company Directors Climate Governance Initiative and is a member of the ASIC Corporate Governance Consultative Panel. In 2020, she was awarded a Member of the Order of Australia for her significant service to the financial and real estate sectors, and to diversity and inclusion.

Other directorships and appointments
Chair, CSIRO (from 2025, Deputy Chair from 2024). Director, IFM Investors (from 2022), QBE Insurance (Auspac) (from 2019), Committee for Economic Development of Australia (CEDA) (from 2019). Member, AASB S2 Implementation Advisory Panel (from 2025). Previously Chair of AMP Capital Funds Management Limited and Director, Diversity Council Australia (Deputy Chair 2017-2021, Chair 2021-2024).



Bridget Loudon

BCom (University College Galway)

B P N

Non-executive Director appointed on 14 August 2020 and last re-elected on 17 October 2023. Member of the People and Remuneration Committee and the Nomination Committee.

Bridget is Founder and Chief Executive Officer of Expert360. Expert360 is Australia's number one skilled talent platform, using sophisticated vetting and matching technology to connect more than 1,000 companies with more than 30,000 elite consultants, project managers, data analysts and developers. Expert360 has been recognised as a game-changing platform by, among others, Harvard Business Review and the Economist.

Prior to founding Expert360 in 2013, Bridget worked as a management consultant for Bain & Co in Sydney. At Bain, Bridget was part of teams that advised ASX 50 leaders on strategy and transformation across a range of industries such as Retail, Consumer, Mining and Education.

Bridget is a leader in how organisations transform themselves to capture the opportunities presented by developments in technology. She has passion for solving customer problems and an impressive desire to create positive outcomes for society using technology.

Other directorships and appointments
Director, Expert 360 Pty Ltd (from 2013) and E360 Holdings Pty Ltd (from 2019).



Elana Rubin AM

BA (Hons), MA, SF Fin, FAICDLife

B P N

Non-executive Director appointed on 14 February 2020 and last re-elected on 17 October 2023. Chair of the People and Remuneration Committee and member of the Nomination Committee.

Elana has more than 20 years' Board experience across the financial services sector, including superannuation and funds management as well as the fintech, property, infrastructure and government sectors. Her executive career spanned industrial relations, social and economic policy and superannuation.

Elana is adept at working in consumer facing organisations with a strong customer focus and can balance commercial interests with the complex requirements of regulated sectors.

Elana has strong risk management and regulatory experience, having worked in highly regulated sectors including as Chair of AustralianSuper, one of Australia's largest and innovative super funds, and Chair of Victorian WorkCover Authority, a highly regarded regulator and workplace injury insurer.

Other listed company directorships (past three years)
Director, Dexus Funds Management Limited (from 2022). Former – Director, Afterpay Limited (2017-2022, Chair 2020-2022).

Other directorships and appointments
Chair, Australian Business Growth Fund (ABGF) (from 2023) and Victorian Managed Insurance Authority (from 2016). Director, Reserve Bank Governance Board (from 2025) and Slater & Gordon (from 2018). Former – Director, Reserve Bank of Australia (2023-2025).

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Senior management team

Vicki Brady

Chief Executive Officer

Vicki became the CEO and Managing Director of Telstra in September 2022. She leads Connected Future 30, Telstra's strategy to be the number one choice for connectivity in Australia. Vicki joined Telstra in 2016 and before becoming CEO held roles including Chief Financial Officer and Strategy & Finance Group Executive as well as Group Executive, Consumer & Small Business. Before working at Telstra, Vicki gained extensive executive leadership experience in telecommunications and services companies in Australia and internationally.

Michael Ackland

Chief Financial Officer & Group Executive *Strategy & Finance*

Michael became CFO in September 2022 after leading Consumer & Small Business for four years. He is responsible for guiding the company's financial performance, reporting and progress against its corporate strategy, overseeing internal audit capabilities and ensuring the delivery of long-term shareholder value. Michael is Chair of the Digicel Pacific Board and of the Telstra Health Board.

Brad Whitcomb

Group Executive *Telstra Consumer*

Brad joined Telstra in January 2023 and leads Telstra Consumer. His responsibilities include marketing, customer propositions, the Telstra Plus loyalty program, as well as our Belong and Boost brands. His teams also lead our retail stores, contact centres, and digital channels to support millions of customers across Australia and deliver differentiated connectivity experiences tailored to our customers' needs.

Oliver Camplin-Warner

Group Executive *Telstra Enterprise*

Oliver became Group Executive of Telstra Enterprise in March 2024 after leading Telstra Purple and, before that, Telstra International. He and his team partner with Australian industry and governments to deliver technology-fuelled, human-centred solutions – all powered by Telstra's leading networks and technology, global partnerships, and deep technical expertise.

Amanda Hutton

Group Executive *Telstra Business*

Amanda became Group Executive, Telstra Business in October 2023. With more than 20 years' experience in the telecommunications industry gained through senior roles leading service, customer and product teams for globally recognised brands, Amanda leads a team of experts responsible for providing the right connectivity, technology and digitisation solutions to support innovation and growth for Australia's small and medium sized businesses.

Kim Krogh Anderson

Group Executive *Product & Technology*

Product & Technology (P&T) creates and delivers products and solutions for customers across all segments, locally and globally. As Group Executive, Kim oversees product strategy, lifecycle, strategic partner management, and technology and innovation functions. P&T also leads Telstra's Software Engineering & IT and Data & AI functions and is responsible for accelerating Telstra's digital leadership. Kim is a Board Member of the Quantium Telstra JV, Fetch, MTData and Silicon Quantum Computing.

Kathryn van der Merwe

Group Executive *People, Culture & Capability*

Kathryn joined Telstra in July 2023 and leads the People, Culture & Capability (PC&C) function. Kathryn is responsible for investing in, engaging and supporting our workforce to shape the future of work and deliver on Connected Future 30. Kathryn also oversees our team in India, ensuring strong alignment and engagement across regions.

Shailin Sehgal

Group Executive *Global Networks & Technology*

In March 2024, Shailin became Group Executive, Global Networks & Technology. He is responsible for ensuring Telstra remains at the forefront of enhancing its network resilience and technology and expanding its network leadership. This includes Telstra's cyber security capabilities, private and public cloud infrastructure, identifying and deploying new technology and delivering network automation and orchestration capabilities to provide exceptional experiences for customers.

Brendon Riley*

CEO *Telstra InfraCo*

As CEO of Telstra InfraCo, which includes wireless tower infrastructure business Amplitel, Brendon is responsible for managing, developing and growing Telstra's significant portfolio of infrastructure assets within Australia, ensuring we maintain and monetise these assets and meet our obligations to wholesale customers. Brendon is also responsible for Telstra International.

Lyndall Stoyles

Group General Counsel and Group Executive *Sustainability, External Affairs, Legal, Risk & Compliance*

Lyndall joined Telstra in 2020. Her team are responsible for managing legal and regulatory risk including providing legal and regulatory advice to Telstra's Board and CEO. Lyndall is also the Group Executive responsible for supporting Telstra through stakeholder engagement including engaging with regional and consumer groups, public policy advocacy, managing enterprise risk and compliance frameworks as well as delivering sustainability programs including through the Telstra Foundation.

* Brendon Riley will retire on 30 September 2025 and be replaced by Steven Worrall, who will commence on 1 September 2025.

Acting on climate and nature



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Forward looking statement summary disclaimer

This section includes forward-looking statements which are provided as a general guide only. They reflect expectations which involve risks, uncertainties and other factors which may be beyond Telstra's control, many of which are described in the following parts of this section: "Capturing climate in our corporate strategy", "Progress towards our climate-related targets" and "Our nature-related dependencies, impacts, risks and opportunities".

Readers should not place undue reliance on the forward-looking statements, and to the maximum extent permitted by law, Telstra gives no representation, warranty, or other assurance in connection with, and disclaims all responsibility for, the currency, accuracy, reliability and completeness of any forward-looking statements.

Due to the inherent uncertainty and limitations in measuring or quantifying greenhouse gas (GHG) emissions under the calculation methodologies used in the preparation of such data, all GHG emissions data or references to GHG emissions volumes (including ratios or percentages) in this report are estimates. The accuracy of Telstra's GHG emissions data and other metrics may be impacted by various factors, including inconsistent data availability, a lack of common definitions and standards for reporting climate-related information, quality of historical emissions data, reliance on assumptions and changes in market practice. These factors may impact Telstra's ability to meet commitments and targets or cause Telstra's results to differ materially from those expressed or implied in this report. There may also be differences in the manner that third parties calculate or report GHG emissions data compared to Telstra, which means that third-party data may not be comparable to our data. In FY23 we acquired Digicel Pacific. The disclosures in this report in relation to the matters noted above do not include Digicel Pacific unless otherwise stated.

See the forward-looking statements disclaimer at the front of this report for more information.

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Overview

Telstra is committed to transitioning to a low carbon business, protecting nature and biodiversity and managing the physical and transition impacts of climate change on our assets, operations and the services we provide to our customers, and to do so while meeting the broader needs of our business.

We have strategies, targets, governance and risk management mechanisms in place to help achieve these goals. Reliable access to energy through the mains power network during acute climate events continues to be our most material climate-related risk. Many of our adaptation and mitigation activities focus on strengthening the power resiliency of our network to maintain connectivity when our customers need it most.

While not without risk, we have plans in place to achieve our climate-related targets and have once again delivered strong progress towards them in FY25. As part of our long term commitment to achieve net-zero emissions by 2050, we have already reduced our scope 1+2 emissions by 44 per cent since FY19 and we are making good progress towards a 70 per cent reduction by 2030. In addition, our scope 3 emissions have fallen by 43 per cent since FY19, towards a target of a 50 per cent reduction by 2030. Of these two targets, our scope 3 emissions reduction target is likely to be more challenging to meet due to our anticipated growth, adoption of new technology including the broad adoption of AI across the economy and dependence on supplier decarbonisation. We are on track to meet our target to enable renewable energy generation equivalent to 100 per cent of our forecast consumption by the end of this calendar year. We have now contracted renewable energy generation which, once fully up and running, should be equivalent to more than 100 per cent of our forecast consumption by the end of 2025. On average over FY25 we enabled renewable energy generation equivalent to 76 per cent of our consumption.

In addition to achieving our climate-related targets, we have prioritised activity to integrate sustainability considerations across our business. This includes embedding climate and nature considerations into key financial, decision-making, risk and governance processes, upskilling our people to build capacity and capability, and supporting decision-makers with accessible climate and nature intelligence. Through these actions we have strengthened our governance and risk management processes which in turn support the delivery of our 2030 sustainability commitments.

Our climate ambition was an integral component of our T25 strategy, which completed in FY25. It is also a key part of our new Connected Future 30 corporate strategy, which covers the next five financial years to the end of FY30. Connected Future 30 is designed to leverage the growth potential of new technologies, including AI, as they continue to mature, and mitigate the challenges we anticipate facing including both physical and transition climate-related risks. We will also continue to monitor and where possible mitigate the energy, emissions and nature implications of AI and the other new technologies we use and enable. We recognise that continued decarbonisation of electricity grids is essential to this.

Each year we update our climate scenario analysis using the most up-to-date climate science and business data. In FY25 we have completely refreshed our quantification of the financial impacts of climate to reflect anticipated effects over the short, medium and long term. In FY25 we spent $131 million[1] preparing for and responding to our physical and transition climate-related risks. This figure includes the financial value we have provided by way of free products, services and other resource contributions to our communities in times of climate events. We anticipate these costs to average around $122 million per year by 2030 and between $165-176 million per year in 2050 depending on the degree of global heating[2]. This rise is driven by the increasing frequency and intensity of acute events and a greater proportion of our assets becoming exposed.

In FY25 we published Our approach to nature action[3], which outlines the priority areas where we believe we can make a unique contribution to reduce biodiversity loss through leveraging our resources and assets. This year we have prioritised improving our understanding of our nature dependencies, impacts, risks and opportunities. This includes considering our interface with nature in our supply chain and mapping a top level view on risks and impacts to suppliers. We also developed a water assessment methodology and investigated water dependency at 20 of our highest water consuming sites (exchanges and data centres). This included piloting a tool for assessing location-specific nature sensitivities at our above ground infrastructure.

This disclosure is guided by the recommendations of the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S2 climate disclosure standard and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). It describes:

- how climate is reflected in and informs our corporate strategy
- quantification of in-year and projected financial impacts of climate, and our resilience to those impacts
- metrics and targets we use to monitor performance and track progress
- our nature-related dependencies, impacts, risks and opportunities
- our governance structures for overseeing our management and consideration of climate and nature-related concerns.

Information about how we identify and prioritise climate and nature related risks, our climate scenarios and methodologies for determining our exposure to acute and chronic physical climate hazards can be found in the Reference Materials section of this report.

1. This figure includes $79 million which reflects the retail value of in-kind data provided during climate-related mass disruption events. All other financial line items captured reflect the cost to Telstra.
2. All dollar figures in this disclosure are nominal values, e.g., 2050 figures are not in FY25 dollars.
3. https://www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf/Telstra-Our-approach-to-nature-action-2025.pdf

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Capturing climate in our corporate strategy

The connectivity services we provide to customers are dependent upon the reliable operation of our infrastructure and that of our value chain[4]. This includes above ground assets such as fixed network sites and mobile towers and more than 250,000km of buried fibre optic cable, most of which is reliant on the mains electricity network. With operations across the whole of Australia, international locations and subsea cables, our network is and will continue to be exposed to both acute and chronic physical climate hazards. We also operate in markets which are undergoing rapid transitions, including increasing climate-related regulatory expectations and fast-paced decarbonisation to meet net-zero ambitions.

Our T25 strategy concluded in FY25. Sustainability (including climate) was a key part of T25 – for example, our emissions reduction targets were part of our T25 Scorecard. Sustainability (including climate) is also an integral component of our new Connected Future 30 corporate strategy. Connected Future 30 covers the next five financial years to FY30 and sets out our ambition for sustainable growth. Built around the three layers of Customer Engagement, Network as a Product and Digital Infrastructure, Connected Future 30 positions Sustainability – including climate mitigation, adaptation and response – as an enabler to these layers. Sustainability is also integrated within all the elements of the strategy. Our sustainability goal is to create both ongoing value for our business and positive impact for our stakeholders, communities and the environment.

This approach is designed to respond to, and prepare for, the anticipated business, operational and economic environment of 2030 identified by Telstra Board and management following engagement with stakeholders. The impacts of climate change are embedded in many of these considerations including increasing customer and regulatory expectations as both the local and global policy landscapes shift, delivering climate resilient connectivity solutions to withstand the increasing frequency and intensity of climate events, and enabling our customers and value chain to decarbonise.

We have identified four key climate risks (one physical[5] and three transition[6]) which currently impact our Australian operations and customers, or are anticipated to do so, within the timeline of Connected Future 30. Although the following section describes our climate-related risks individually, climate is often a component or factor of other risks – for example, while it is core to our Material Risks of Climate adaptation and Energy resilience, it is also a consideration in other FY26 Critical risks or Material risks such as the Safety and wellbeing of our employees and contractors, Resilience of our networks, and Effective, responsible and resilient supply chain.

To support our long-range understanding of how our climate exposure will change, we consider three time horizons:

- Short – our in-year experience
- Medium – FY26-30, aligned with our Connected Future 30 strategy
- Long – FY31-50, to support the planning and delivery of our net-zero commitment.

We use climate scenario analysis to understand future climate risks and opportunities over these time horizons. Three scenarios representing 2100 global heating outcomes of <2°C, 2-3°C and >4°C assist our understanding of how our exposure to physical climate hazards may change. A further scenario which limits global heating to 1.5°C by 2100 is used to identify transition risks which could impact our business over the medium term. Further information on the assumptions and outcomes of this analysis can be found in the Reference Materials section of this report.

Our climate-related risks

The tables below describe:

- our key climate-related risks and the underlying drivers of our exposure to each hazard
- quantitative and qualitative information on the impacts we experience in the relevant categories of our risk management framework
- the exposure and impact outlook over the medium to long term, including outcomes of our scenario analysis
- management actions to mitigate and adapt to these risks including capital deployment
- how these management actions are captured in our corporate strategy, and
- the related metrics and targets we use to monitor risk exposure and performance against our strategic objectives.



4. A value chain encompasses the interactions, resources and relationships a business uses and depends on to create its products and services from conception to delivery, consumption and end-of-life, including those in supply and distribution channels, material and service sourcing and the sale and delivery of products and services.
5. Physical climate-related risks can be event driven (acute), such as floods and bushfires, or linked to longer-term shifts in climatic patters (chronic) including rising average annual temperatures.
6. Transition risks arise from efforts to transition to a lower-carbon economy and can include policy, legal, technological, market and reputational risks.

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Physical risk	Asset damage and mains power loss due to acute physical climate events such as bushfire and storms, and the chronic rise in temperature
Exposure drivers	Resilience of the mains electricity grid. Number of above ground and fibre assets located in exposed areas. Frequency and intensity of events. Design and operation of network equipment. Concentration of emissions in the atmosphere.
Impacts	**Time horizon:** Impacts currently experienced and anticipated to continue over the medium and long term. **Operational:** Loss of mains power, and to a lesser extent asset damage, during acute climate events such as floods and storms can cause service disruption, operational and customer impacts. Restricted site access, including restrictions imposed to ensure staff safety, can further prolong outages. Increasing average temperatures can lead to premature failure of cooling equipment and impact our people. **Customer:** Loss or disruption to service can limit connectivity and reduce customer experience. In FY25 we experienced around 40 mass disruption events triggered by acute climate events, including cyclones and bushfires, which resulted in impacts to customers. **Financial[7]:** In FY25 we spent $9 million undertaking reactive and corrective maintenance activities and responding to acute climate events. We also provided in-kind data packages with a market value of $79 million to help over one million individual customers to stay connected following climate events.
Outlook	We currently experience multiple acute climate events each year. We anticipate this to rise over the medium to long term and for impacts to become more widespread as events increase in frequency and intensity. Our analysis shows 21 per cent of our Australian above ground assets are currently exposed to one or more physical climate hazards. This is projected to rise to 27 per cent in 2030 and between 28-32 per cent in 2050 depending on the climate scenario. This exposure suggests reactive spend (including in-kind data packages) to respond to acute climate events will average around $122 million per year between FY26-FY30, and between $165-176 million per year between FY31-FY50.
Mitigation and adaptation	We undertake a range of preparedness activities ahead of the peak high risk weather season, including vegetation clearance at bushfire exposed assets and access roads, inspections of flood prone fibre and pre-deployment of back-up power systems. In addition, our rolling program of lifecycle battery replacements helps to maintain service continuity in the event of mains power loss. In FY25 we spent over $15 million on such proactive measures at climate exposed locations. For new assets we consider the climate region of the location and adjust our design parameters accordingly. We are currently exploring opportunities for deploying satellite backhaul solutions to improve network resiliency. To support our customers to maintain connectivity, our Smart Modem uses hybrid technology to provide backup mobile connectivity to support service continuity. In addition, we have invested $7.5 million over the past few years to upgrade over 1,000 payphones in disaster-prone areas, including remote communities. These disaster-resilient payphones provide Wi-Fi and extended battery reserves. Safe working method statements provide clear guidance to protect staff responding to acute events and working in extreme weather conditions.
Strategy	The mitigation and adaptation actions noted above directly address FY26 Critical and Material business risks, Network and technology resilience, People, safety and wellbeing, Energy resilience and Climate adaptation. These activities are captured in the Network as a Product and Digital Infrastructure layers and the People & culture enabler of our Connected Future 30 strategy. Our short and medium term focus is centred on improving the power resilience of our network assets and leveraging new technologies such as satellite backhaul and satellite-to-mobile messaging to keep customers connected during extreme events. Further information on how we support our customers and communities during such events can be found in our 2025 Bigger Picture Sustainability Report[8]. We continue to track our exposure to acute and chronic climate hazards by monitoring the number of above ground and fibre assets in at risk areas and use these insights to inform network planning and adaptation measures.

7. The financial impacts noted do not include those associated with chronic climate hazards which fall outside of mass disruption events as we are currently unable to separately identify such impacts.
8. https://www.telstra.com.au/sustainability/report

Transition risk	Rapid and disorderly transition of the electricity network
Exposure drivers	Demand for electricity. Design and operation of backup power systems and network equipment. Energy market policy environment. Investment in transmission and distribution network infrastructure, and speed of deployment.
Impacts	**Time horizon:** Impacts currently experienced and anticipated to continue in the medium term. **Financial:** Increasing operational spend due to rising electricity wholesale costs and network charges. **Operational:** Increasing operational spend to deploy temporary power generation to sites experiencing electricity network instability or outage. **Customer:** Service disruption due to power interruptions.
Outlook	In the short to medium term, we anticipate increasing volatility in the energy market with an overall upwards trend in costs. Power interruptions due to acute climate events, and other factors, will continue and likely worsen as increasing demand places additional stress on electricity infrastructure. Long term outcomes are heavily dependent on the national climate and energy policy position, energy infrastructure investment strategies and the speed at which these investments can be deployed.
Mitigation and adaptation	Energy resilience is considered a Material Risk for Telstra and multiple functions across Telstra have programs and initiatives focused on reducing our demand for electricity and improving our power resilience. Energy efficiency and resilience activities cover a range of measures including optimising cooling equipment, investing in energy efficient network equipment, decommissioning legacy equipment, deploying permanent and portable generators and standalone power systems, replacing batteries and the flexible management of the network to match demand. We use a range of market mechanisms to optimise our procurement of energy on both the wholesale and retail markets. In addition, our investments in renewable energy generation support the wider decarbonisation of the electricity network, provide a value stream to the business and mitigate our exposure to energy market volatility.
Strategy	Proactive management of our energy demand and our renewable energy generation commitment is a strong focus, as is looking to innovative solutions and engagement with the National Energy Market (NEM) to derive business value and enable broader decarbonisation. The mitigation, adaptation and strategic objectives noted above directly address the Energy resilience Material risk.



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Transition risk	Increasing regulatory and policy expectations linked to the transition to a low carbon economy
Exposure drivers	State/territory, national and global political trends. Debt and equity markets. Customer demands.
Impacts	**Time horizon:** Impacts currently experienced and anticipated to continue over the medium to long term. **Compliance:** Introduction of mandatory climate disclosures driving increased reporting requirements and regulatory scrutiny on detail and completeness of public disclosures. **Reputation:** Stakeholder expectations and alignment with state/territory, national and global trends require increased ambition and action with regards to climate matters. **Financial:** We have dedicated staff who design and execute our sustainability objectives in alignment with policy and stakeholder expectations. In FY25 we invested $21 million in emissions reduction activities to support our net zero target. A further $0.2 million was invested in supporting our supply chain to report their emissions in alignment with CDP. In addition, there are costs associated with seeking external assurance on our energy and emissions results and review of our climate disclosures.
Outlook	We believe our emissions reduction targets meet stakeholder expectations and align with the ambitions of relevant governments. We are making good progress towards our scope 1+2 emissions reduction target, and we continue to invest in our ongoing legacy equipment decommissioning and energy efficiency programs. Our main dependency for achieving our scope 1+2 emissions reduction target is the rate at which the electricity grid will decarbonise. We model a range of grid decarbonisation scenarios, particularly those from the Australian Energy Market Operator (AEMO) Integrated System Plan[9]. While our short term progress on reducing scope 3 emissions is positive, there are risks to achieving this target in the medium term due to potential increased emissions from adoption of new technologies including the broad adoption of AI across the economy, satellite and other product growth, as well as dependence on key suppliers decarbonising. Telstra is a Group 1 reporting entity under the new Australian Sustainability Reporting Standards (ASRS) and we are focussing on uplifting our climate disclosures to meet the new requirements. In the medium term we may be captured under changes to the Safeguard Mechanism following the 2026/27 review.
Mitigation and adaptation	In FY24 we increased the ambition of our scope 1+2 target to achieve a 70 per cent reduction by 2030 from an FY19 baseline. We also maintained our scope 3 emissions reduction target at a 50 per cent reduction by 2030 from an FY19 baseline. Our progress towards these targets is monitored monthly by function leads and we provide regular updates to the Risk & Sustainability Committee (RSC) and/or Board. These emissions reduction programs are also supported by our broader network adaptation and climate resilience activities[10]. We anticipate ongoing growth in data traffic, however we believe that continued grid decarbonisation, improved energy efficiency and legacy network decommissioning will continue to support a reduction in our scope 1+2 emissions. For example, the closure of our 3G network during FY25 has helped contribute to our scope 2 emissions reduction this year. 4G and 5G technologies are more energy efficient than 3G based on data throughput. Our supplier governance and procurement teams work closely with our supply chain to help them monitor, report on and reduce their scope 3 emissions. We have disclosed our climate-related risks since 2020, first guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and from last year the ISSB S2 standard which superseded TCFD. We are uplifting our disclosures to meet ASRS requirements.
Strategy	The mitigation and adaptation actions noted above directly address the following Critical and Material business risks: Comply with regulation and Predict and respond to stakeholder expectations. These activities sit under the Network as a Product and Digital Infrastructure layers of our Connected Future 30 strategy. Connected Future 30 maintains our 2030 emissions reduction targets, as key commitments which support our sustainability ambition and drive our decarbonisation activity. These key targets are monitored and reported on with performance linked to Short Term Incentive (STI) remuneration for all Executives and most employees. AI growth across the economy may result in increasing emissions, particularly in scope 3. However, we also see opportunities for intelligent deployment of AI to reduce emissions and support our broader supply chain to decarbonise, in the first instance, through improved data capture and reporting.[11]

9. We model a range of AEMO grid decarbonisation scenarios to forecast Telstra's future emissions to 2030 including progressive change, step change and green energy exports scenarios.
10. For more information on our network resilience activities see the Building resilient connectivity section of the 2025 Bigger Picture Sustainability Report.
11. For more information on potential AI climate-related risks and opportunities, see the AI and Climate section of our 2025 Bigger Picture Sustainability Report.

Transition risk	Reduced revenue from hard to abate sectors
Exposure drivers	State/territory, national and global political trends. Diversity of enterprise customer base. Debt and equity markets. Consumer demands.
Impacts	**Time horizon:** Impacts anticipated over the medium to long term. Achieving state/territory and national net zero ambitions will likely require a shift in the Australian economy away from fossil fuel intensive hard to abate sectors. As a business we could potentially experience reduced revenue from these sectors as their ability to transition to, and thrive in, a low carbon economy will impact their ability to purchase our products and services.
Outlook	Anticipated to be a medium to long term slow decline as demand for fossil fuels and fossil fuel derived products decreases over time. Carbon border adjustment mechanisms (CBAMs) or other tariff or taxation regimes may expedite this decline.
Mitigation and adaptation	Our connectivity is an enabler for our customers and can be used to support climate risk adaptation, mitigation and response, particularly when managing the impacts of acute climate events. Connectivity also offers a gateway for supporting and scaling the transition of the Australian economy to a low carbon future, in particular providing pathways for supporting the reskilling and transformation of remote and regional Australia. While key sectors in the Australian economy may change, overall demand for connectivity and data solutions will continue to increase. We monitor emerging macro trends and have the flexibility, and experience, to shift our focus to new and emerging growth segments as they arise. As part of our analysis of a 1.5°C climate scenario we have mapped anticipated inflection points of the policy, economic and technology landscape over the medium term. This activity supports our stress-testing of business assumptions and operating models and provides line of sight to potential headwinds, supporting our long term planning.
Strategy	Connected Future 30 is focused on transitioning Telstra to thrive in our changing world, and this includes preparing for and addressing climate-related economic and market shifts. We continue to seek customer insights into the challenges they are facing to identify opportunities to leverage our connectivity solutions in new and innovative ways. During FY26 we will continue to explore how the decarbonisation of the Australian economy will present both risk and opportunity for Telstra and our customers and continue to advocate for sustainability solutions which deliver ongoing value for our business and the wider economy.

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Further information on the identification and prioritisation of climate-related risks, the methodologies used to understand our current and future exposure and the climate scenarios we use to model this exposure can be found in the Reference Materials section of this report.

Our resilience to the financial impacts of climate

In FY25 we have updated and refreshed our approach to understanding the financial impacts of climate-related risks. We consider climate impacts over the short, medium and long term, with the long term projections accounting for a range of hazard exposures driven by different warming scenarios.

Short term, cost estimates are based on in-year actual spend and in-kind contributions. We have identified a range of climate-related costs across the business, and we broadly categorise these as either proactive or reactive.

Proactive spend is associated with planned programs of work which directly contribute to our climate resilience or management of one of our climate-related risks, including power system upgrades, energy efficiency and decommissioning programs, seasonal preparedness activities and scope 3 supplier engagement. Reactive spend items are the costs associated with responding to climate linked events and include reactive and corrective maintenance costs and disaster relief packages for impacted customers.

We already plan for acute climate events each year. By its nature, we include proactive climate-related spend in our plan. We also plan for some reactive climate-related spend. Any additional required reactive climate linked spend is managed through reprioritisation within existing budgets. As such, we do not expect significant impacts to our overall plan due to climate-related spend in the medium term.

We use our planned budgets and in-year actuals to forecast the financial impacts over the medium term. To account for the increasing frequency and intensity of climate events we assume increasing reactive spend. We intend to use a three-year rolling average of these costs for forecasting purposes from FY27, once we have accumulated sufficient data.

Over the long term we incorporate the outcomes of our scenario analysis of physical climate hazards to understand how our networks exposure will change over time and under a range of warming outcomes. These scenarios impact the costs we expect to incur in responding to acute events. Although we expect that over the long term connectivity solutions may evolve, we have flexibility in our underlying infrastructure base to deploy new equipment and decommission legacy technologies. Upgrading and investing in our network continues to be core to our corporate strategy which addresses our exposure to physical and transition risks.



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The table below outlines our Australian proactive, reactive[12] and total spend in FY25 and our projected spend across the medium and long term in addressing physical and transition climate-related risks. This figure includes the financial value we have provided by way of free products, services and other resource contributions to our communities in times of climate events. We consider these projections as part of our assessment of impairment indicators. Based on our experience with extreme weather events and considering the diverse location and nature of our assets as well as our continued focus on network resiliency and business continuity programs, we do not consider the potential impacts of climate and the transition to a lower carbon economy to be an impairment indicator at this stage. Further information can be found in Note 3.1 under 'Impairment assessment of our ubiquitous telecommunications network'.

	Short term (FY25)	Medium term (average FY26–30) per annum	Long term (average FY31–50) per annum
	($m)	($m)	($m)
Proactive	$41m	$40m	$49–51m
Reactive	$89m	$82m	$115–125m
Total	$131m	$122m	$165–176m
Physical risks	$108m	$99m	$139–150m
Transition risks	$23m	$23m	$26m
Total	$131m	$122m	$165–176m

Data limitations and assumptions

We believe our approach to mapping climate linked costs across the business has identified the most material items, however, we will continue to refine our approach. In addition, the climate-related component of some activities is not separately identifiable and therefore is not included in the figures above. For example, as a business we undertake a range of activities each year to enhance the power resiliency of our network. These activities have co-benefits and ensure our resilience to power outages caused by, but not limited to, planned power outages, accidental damage and vandalism in addition to climate-related events.

The long term projections capture our changing exposure to climate hazards including coastal inundation, bushfires, tropical cyclones, riverine flooding and storms. We have not included the potential impacts of increasing temperature. While outside air temperature could be a contributing factor to some internal equipment faults, the climate component cannot currently be separately identified.

Our physical risk assessment and financial quantification currently assume no change in our assets over the medium to long term.

At present, our modelling does not include an internal carbon price. In FY22-FY23 Telstra undertook projects to pilot a shadow carbon price of $40-$50/tonne in evaluating some in-year investment decisions and emissions reduction projects. The shadow carbon price did not materially change the financial assessments of those projects.

12. Reactive spend figures include $79 million which reflects the market value of in-kind data provided during climate-related mass disruption events. All other financial line items captured relate to the cost to Telstra.

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Other climate exposures

The table below outlines physical climate-related exposures for Digicel Pacific, Telstra International more broadly, and our supply chain. We are continuing to assess current impacts and changing exposure for these items to help inform future disclosures and any mitigation or adaptation measures required.

	Climate hazard, impact and exposure	Outlook
Digicel Pacific	The South Pacific is climatically diverse with multiple macro climate systems converging in the area. This, coupled with the low-lying nature of many of Digicel Pacific's markets, means it is exposed to both acute and chronic physical climate hazards. Acute events such as intense storms, cyclones and wildfires can cause direct asset damage. However, restricted site access due to landslide is the primary operational risk as most Digicel Pacific assets operate on standalone power systems (usually diesel generators) which require regular refuelling. In addition, the high proportion of revenue from prepaid services means any network outage can result in immediate loss of revenue alongside reputational impacts.	Our analysis shows a worsening trend in the frequency and intensity of acute climate events in the South Pacific over the medium to long term. In addition, network growth strategies will result in an increasing number of assets in climate exposed areas. While the operational management of acute events sits with Digicel Pacific, Telstra Group's financial performance may be impacted in the medium term by the potential loss of revenue and higher reactive spend to respond to acute climate events. For context, Digicel Pacific represented 3 per cent of Telstra Group revenue in FY25.
Telstra International	In FY25 we had operational control at 224 locations across 22 countries. A desktop physical climate risk assessment[13] has noted our current exposure is concentrated in Hong Kong (flooding) and Japan (typhoon). To date we have not observed any significant business impacts due to these concerns.	Through the medium and long term we will see a shift in exposure driven by increasing temperatures. While acute events will continue to impact existing areas, prolonged heatwaves and water stress could impact our operations in India, Singapore and Taiwan. At present our hybrid working model and business continuity planning minimise potential business impacts.
Supply Chain	Our supply chain analysis explores the physical climate hazard exposure of our immediate supply chain (Tier 1) and their immediate dependencies (Tier 2 suppliers). We found our Australian supply chain is largely resilient to climate concerns and any impacts can be mitigated through supplier diversification and stock management. The nature of our business means we are reliant upon silicone-based electronics (for both consumer devices and network equipment). Manufacturing of chipsets is largely concentrated in Taiwan and Korea, with China the world's largest producer of silicone wafer. In 2021 we experienced a global shortage of semi-conductors due to prolonged drought conditions in Taiwan impacting water availability for manufacturing. To achieve our 2030 scope 3 emissions reduction target and 2050 net-zero commitment we are dependent on the decarbonisation efforts of our suppliers and broader value chain.	In the short to medium term, we do not anticipate experiencing significant business impacts from physical climate-related risks to our direct suppliers. We are currently updating our supplier governance framework to include climate considerations based on the geography of our critical suppliers. This will help us understand the controls they have in place to mitigate risk of supply disruption. However, the global supply chain for consumer devices and network equipment could be impacted by acute climate events should they occur at key ports or other logistics hubs. Our short and medium term transition risk focus is to support our immediate suppliers to measure and monitor their emissions to increase the accuracy and availability of scope 3 data and encourage emissions reduction activities and target setting. In addition, our strategic focus on embedding circularity principles in our value chain supports the reuse of materials to mitigate exposure in the virgin material supply chain. Over the medium to long term global supply chain concerns include water availability for the production of consumer devices and network equipment.

13. In FY25 we reviewed over 80 per cent of locations where have operational control. Our analysis considered exposure to heat stress, water stress, cyclones and flooding. We used historic observations and climate data consistent with a Representative Concentration Pathway (RCP) 8.5 to understand the change in exposure in 2030 and 2050. The outstanding 21 locations (across 10 countries) will be evaluated during FY26.

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Climate-related opportunities

Our focus to date has been understanding the climate-related risks our business faces and ensuring consideration and management of these risks is embedded across the organisation. In FY26, we will be focussing more on the direct and indirect climate-related opportunities for our business. This will include better understanding the customer end use cases of our connectivity products.

We have previously explored the opportunity potential of our connectivity to drive positive climate outcomes in the Enabling Positive Climate Action Report by Deloitte Access Economics[14].

14. www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf/telstra-enablement-report-digital.pdf

Progress towards our climate-related targets[15]

Target	Status[16] and progress during FY25
Reduce our absolute scope 1+2 emissions by at least 70% by 2030 (up from 50%), from a FY19 baseline (T25 Scorecard)	Reduced our combined scope 1+2 emissions by 44 per cent from an FY19 baseline.
Reduce our absolute scope 3 emissions by at least 50% by 2030, from a FY19 baseline (T25 Scorecard)	Reduced our scope 3 emissions by 43 per cent from an FY19 baseline[17].
Enable renewable energy generation equivalent to 100% of our consumption by 2025 (T25 Scorecard)	Enabled renewable energy generation equivalent to 76 per cent of our consumption on average over FY25. Contracted renewable energy generation equivalent to more than 100 per cent of forecast consumption at the end of this calendar year.
Net-zero greenhouse gas emissions by 2050[18]	Reduced our combined scope 1+2 emissions by 44% and our scope 3 emissions by 43% from a FY19 baseline[19].

Legend On track for delivery · Progress made but below target · Not on track

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Absolute emissions reduction

By the end of FY25, we reduced our scope 1+2 emissions by 44 per cent and our scope 3 emissions by 43 per cent, both from a FY19 baseline and excluding Digicel Pacific. We track performance against our combined scope 1+2 emissions and scope 3 emissions separately. To date, progress towards these targets has not involved the use of carbon credits or renewable energy certificates (RECs). Our scope 1+2 reductions have been driven primarily by grid decarbonisation, as well as decommissioning legacy equipment and modernising our infrastructure and network through energy efficient hardware and software features.

Our 2030 emissions reduction targets and long term (2050) net zero commitment have been validated by the Science Based Targets Initiative (SBTi) as being aligned with the level of decarbonisation that would be required to limit global temperature increase to 1.5°C compared to pre-industrial levels[20]. While our emissions reduction targets are not required by law or regulation, they do exceed the trajectory of Australia's Nationally Determined Contribution (NDC) to the Paris Agreement. Our FY25 emissions targets excluded Digicel Pacific, as we were still maturing data and governance and working towards assurance standards for that subsidiary when those FY25 targets were set.

Because we are one of Australia's largest users of electricity, our current transition plan is focused on reducing our scope 2 emissions. In FY25 we invested nearly $23 million to address our transition risks, of which $21 million was dedicated to energy efficiency and decommissioning activities. Since our baseline year of FY19 these programs have contributed to a 21-percentage point reduction in our scope 2 emissions.

While we will continue these activities, our main dependency for achieving our scope 1+2 emissions reduction target is the rate at which the electricity grid will decarbonise. We model a range of grid decarbonisation scenarios, particularly those from the Australian Energy Market Operator (AEMO) Integrated System Plan[21]. We update our scope 1+2 emissions trajectory to 2030 regularly, taking account of actual monthly emissions, equipment decommissioning, energy efficiency project performance and anticipated business growth. Our modelling indicates Australian grid decarbonisation is expected to contribute around two-thirds of the projected reduction in scope 1+2 emissions from FY25 to FY30. Our modelling is based on the assumption that Australia will meet the current national renewable energy target of 82 per cent by 2030. We have conducted scenario analysis considering a delay of up to two years for the decarbonisation target for the Australian grid. If that scenario occurred, we would consider mitigation options such as the use of Renewable Energy Certificates.

Beyond 2030, we assume ongoing grid decarbonisation, legacy equipment decommissioning and energy efficiency programs to support continued progress towards our 2050 net-zero commitment.

We continued to make significant progress in reducing scope 3 emissions during FY25. However, there remains some risk to achieving our 2030 scope 3 target, especially due to potential emissions from AI and its broad adoption across the economy, satellite services and other product growth. In addition, key suppliers may not decarbonise as quickly as expected.

15. Digicel Pacific has been excluded from reporting against our FY25 emissions targets. Digicel Pacific emissions are reported separately below and further details can be found in the 2025 Bigger Picture Data Pack.
16. This reflects status against the end-state target, not FY25 targets - for example, for emissions reduction this reflects status towards our 2030 targets.
17. This is ahead of the trajectory required to reach our target of 50 per cent by 2030, however there is still some risk relating to our scope 3 target.
18. We are committed to achieving net zero greenhouse gas (GHG) emissions by 2050, through the Business Ambition for 1.5°C campaign.
19. See Our use of carbon credits section below for more information on our use of carbon credits and our GHG emissions targets.
20. Our absolute emissions reduction target has not been derived using a sectoral decarbonisation approach as an appropriate pathway is not yet available.
21. We model a range of AEMO grid decarbonisation scenarios to forecast Telstra's future emissions to 2030 including progressive change, step change and green energy exports scenarios.

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Our use of carbon credits

In FY24, we announced that from the start of FY25 we were no longer making claims to be a carbon neutral organisation. This included stopping the purchase of carbon credits to offset the emissions from our operations. We continued to offset emissions associated with Telstra and Belong mobile phone plans and mobile broadband plans until the end of August 2024 to help ensure sufficient time to inform customers of this change. Therefore, we have not undertaken Climate Active certification in FY25 and are no longer members of this program. This was a significant change to our climate ambition driven by the need to take greater direct action to reduce our own emissions impact. As a result of this change, we redirected funding previously spent on carbon credits to our own emissions reduction activities and increased our 2030 scope 1+2 emissions reduction target from 50 per cent to 70 per cent (from a FY19 baseline).

We are not planning to use carbon credits to achieve our 2030 emissions reduction targets. However, as we approach our 2050 net-zero target we may revisit our use of carbon credits for hard-to-abate emissions. The current SBTi net-zero standard requires organisations to reduce absolute scope 1, 2 and 3 emissions by at least 90% by 2050. Companies may then use carbon credits to neutralise any hard-to-abate residual emissions. See https://sciencebasedtargets.org/net-zero for more information. If at that time we use carbon credits, it will be in accordance with the SBTi net-zero standard and we will provide guidance on carbon credit verification and certification arrangements, the type(s) of carbon credit used, and other information to enable users of financial reports to understand the credibility and integrity of those carbon credits.

Telstra scope 1, 2 and 3 emissions data (excluding Digicel Pacific)[22]

Telstra's emissions (tCO_2e[23])	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1 total	47,204	36,905	33,085	31,869	30,738	33,167	31,794
Scope 2 total	1,259,292	1,210,145	1,130,584	1,092,011	879,870	784,439	703,989
Scope 3 total[24]	2,562,585	2,273,151	1,785,033	1,776,038	1,823,949	1,604,094	1,454,930
Scope 1+2 baseline reduction	–	5%	11%	14%	30%	37%	44%
Scope 3 baseline reduction	–	11%	30%	31%	29%	37%	43%

Category	tCO_2e	Category	tCO_2e
Scope 3 total (aligned to GHG protocol)[25]	1,454,930	Cat 8: Upstream leased assets	51,271
Cat 1: Purchased goods and services	722,927	Cat 9: Downstream transportation and distribution	8,830
Cat 2: Capital goods	331,933	Cat 10: Processing of sold products[26]	n/a
Cat 3: Fuel- and energy-related emissions	79,891	Cat 11: Use of sold products	136,206
Cat 4: Upstream transportation and distribution	17,069	Cat 12: End-of-life treatment of sold products	628
Cat 5: Waste generated in operations	2,422	Cat 13: Downstream leased assets[27]	n/a
Cat 6: Business travel	6,366	Cat 14: Franchises[28]	n/a
Cat 7: Employee commuting	58,688	Cat 15: Investments	38,698

Digicel Pacific FY25 scope 1, 2 and 3 emissions data[29]

Digicel emissions (tCO_2e)	FY25
Scope 1 total	22,946
Scope 2 total	16,983
Scope 3 total	82,017
Total	121,946

22. The National Greenhouse Gas and Energy Reporting (NGER) determination is used for calculating Australian based scope 1 & 2 emissions with scope 2 calculated using a location-based methodology. The GHG Protocol is used for calculating Telstra's scope 3 emissions and international based scope 1 & 2 emissions with scope 2 emissions using a location-based methodology.
23. Tonnes of carbon dioxide equivalent gases.
24. Scope 3 emissions inherently have higher levels of uncertainty, assumptions and estimation due to the indirect nature of much of the source data being collected (e.g. from suppliers), compared to scope 1 and scope 2 emissions where the majority of source data is captured directly from Telstra operations.
25. The GHG Protocol is used for calculating Telstra's scope 3 emissions.
26. Not applicable as Telstra does not sell products for the purposes of further processing.
27. Telstra has deemed this category as not relevant under the GHG protocol.
28. Telstra does not franchise stores.
29. Please see the 2025 Bigger Picture Data Pack for further information.

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Enabling renewable energy generation equivalent to 100 per cent of our consumption

We are dependent on decarbonisation of the Australian electricity grid to achieve our scope 1+2 and scope 3 emissions reduction goals. We support this grid decarbonisation through investment in renewable energy generation projects. As one of Australia's largest electricity users, in 2020 we set a target to enable renewable energy generation equivalent to 100 per cent of our consumption by 2025. To meet this target, we are supporting the development of new Australian solar and wind farms through long term renewable energy contracts (Power Purchase Agreements, or PPAs). These investments increase renewable energy in Australia's electricity grid for the benefit of all users. We do not claim the use of renewable energy from the projects ourselves, nor does it directly contribute to our 2030 scope 1+2 emissions reduction target. These investments also help us manage our energy costs by mitigating volatile electricity prices.

On average over FY25, we had enabled renewable energy generation equivalent to 76 per cent of our consumption. This result was due to the Crookwell III and MacIntyre Wind Farms becoming operational, increased output from the Emerald Solar Park and Murra Warra Wind Farms and reduced electricity consumption across our operations. We also increased our contracted offtake amount from the MacIntyre Wind Farm during FY25. With this in place, we have now contracted renewable energy generation which, once fully up and running, should be equivalent to more than 100 per cent of our forecast consumption by the end of 2025. As a result, while there are still some risks to the construction, grid connection and operational output of some sites, we are on track to reach our target of enabling renewable energy equivalent to 100 per cent of our consumption by the end of 2025.

Other climate-related metrics

Climate linked remuneration

Remuneration for our executives and most of our employees includes a variable component linked to performance against a company scorecard and personal objectives. In FY25, the company scorecard included absolute scope 1+2 and scope 3 emissions reduction targets. For our senior executives, 5 per cent of the Executive Variable Remuneration Plan (EVP) was linked to performance against our targets. For most other employees[30], 5 per cent (Bands A-1) and 7.5 per cent (Bands 2-4) of their Short Term Incentive (STI) scorecard was also linked to performance against those targets. More information on the FY25 EVP can be found in the Remuneration Report. In addition, some executives and employees with climate-related accountabilities have climate-related outcomes incorporated in their personal objectives and hence variable remuneration is directly tied to those outcomes. At this stage we do not link remuneration to nature-related outcomes.

Assets with potential exposure to physical climate hazards[31]

Percentage of Australian above ground assets expected to be exposed to one or more physical climate hazards:

FY25 Baseline	2030	2050 (RCP4.5)	2050 (RCP8.5)
21%	27%	28%	32%

Our nature-related dependencies, impacts, risks and opportunities

We interact with nature daily – during the construction, maintenance and operation of telecommunications infrastructure, through our people in the field, and through our use of natural resources (such as water to cool our infrastructure, or the raw materials in our products and equipment). Our Approach to Nature Action[32] outlines the priority areas where we believe we can make a contribution to reduce biodiversity loss through our resources and assets (including technology, infrastructure and partnerships).

We are committed to maturing our approach to nature protection, conservation and restoration, first by gaining further insight into nature-related risks and issues.

Our interface with nature and priority locations

We operate in every natural environment, from tropical and subtropical forests, savannas and grasslands to deep and shallow water ocean ecosystems through our subsea cable network. 1.3 per cent of our Australian fibre network and 2.5 per cent of our above ground assets are in protected land areas such as National Parks or Indigenous Protected Areas[33].

Australia's unique environmental conditions and ecosystems present challenges in building and maintaining complicated networks. We have piloted a desktop biodiversity assessment of the 200 operational above ground assets which have an elevated bushfire exposure. This provided a view on not just how climate might increasingly impact our business, but also on the ecosystems and natural environments we operate in. We found that we work within ecoregions with a total of 214 critically endangered species and 542 endangered species at these sites alone. More than 60 per cent of those 200 sites have a high percentage of biologically important land in the surrounding 5 kilometres. More than 90 per cent of those sites on or in proximity to biologically important land also coincide with areas that already experience high human land use pressure.

We are considering how biodiversity data can inform our management of location-specific risks and help us prioritise the areas where we can have the biggest impact to improve environmental outcomes, through both our operations and in partnership with other stakeholders in these regions.

30. Telstra Group employees eligible for a Short Term Incentive, other than those working in Amplitel, Belong and Telstra Health.
31. These figures exclude exposure to storms which can propagate at any location and result in damaging winds and intense rainfall or hail.
32. https://www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf/Telstra-Our-approach-to-nature-action-2025.pdf
33. Protected land areas are defined under the National Reserve System. This is made up of more than 14,000 individual areas across seven categories, including Strict Nature Reserves, Wilderness Areas, National Parks, Natural Monuments and Protected Landscape or Seascapes.

Our dependency on nature

We depend on nature as a fundamental input to our organisation. We have profiled these dependencies to better understand and manage the associated risks and opportunities for the long term sustainability of our business. There are six key environmental assets on which our business depends. Three present a Medium risk[34]:

Dependency	Dependent ecosystem services[35]	Dependency exposure[36]	Management action
 **Water resources** Telecommunications systems (e.g., towers) operate continuously and generate heat, as well as being exposed to solar radiation and heat from the environment. Freshwater is used to provide cooling for equipment in our exchanges and data centres.	• Freshwater withdrawal for operational use (cooling, sanitation, drinking water) leading to changes in water availability • Discharge of thermal and chemical effluents from cooling systems, affecting water quality	**Medium**	A deep dive on our water dependency is provided below.
 **Land and ocean** We require access to both terrestrial land and marine environments to construct, operate and maintain our above ground assets, fibre network and subsea cable network.	• Provisioning (land use) • Physical disturbance of land and marine ecosystems due to cable installation (sediment resuspension, habitat loss)	**Medium** (local risks may have significant consequences to nature[37])	Our approach to land access and environmental management is defined in our global HSWE management system.
 **Mineral, energy and other resources** Resources such as precious metals and forestry products are required in the manufacturing of network equipment, devices and other physical goods and packaging in our upstream value chain. We also depend on natural energy sources – such as wind and solar – to provide renewable energy for the projects we have invested in, and for the grid decarbonisation we rely on to achieve our scope 1 and 2 emissions reduction target.	• Provisioning (fresh water, raw materials) • Provisioning (energy)	**Medium** (local risks may have significant consequences to nature)	Our approach to reducing dependency on raw materials is in the Circular Economy section of our 2025 Bigger Picture Sustainability Report.[38]

In addition, we have a Low exposure to atmospheric systems (for cooling and climate regulation), resources and ecosystem services (for ground stability, supporting nutrient and water cycling, and regulating systems that support water purification, disease and pest regulation).

Risks associated with the demand on water resources and minerals, energy and other resources are likely to increase with a changing climate and increasing constraints on the materials economy. We are expanding our risk assessment to consider these horizons, including scenarios to model impact on our organisation.

34. The process for assessing the materiality of nature-related risk is in accordance with our Enterprise Risk Framework.
35. Ecosystem services are the contributions of ecosystems to the benefits that are used in economic and other human activity. Dependent ecosystem services are those linking back to an environmental asset the organisation relies on to function.
36. Dependencies are aspects of environmental assets and ecosystem services that a person or an organization relies on to function. A dependency exposure is an assessment of how significantly the organisation relies on these nature dependencies, considering the potential impact of that dependency being altered or unavailable. This is assessed in accordance with the Enterprise Risk Framework.
37. We assess business risk to Telstra leveraging the Enterprise Risk Framework. We recognise that risk to nature may be more or less significant than the risk to Telstra, particularly when considering the health of the environment, its biodiversity and the complex relationships that impact ecosystem functioning. Noting these potentially complex, localised impacts that could materialise, we have noted where the significance of risk at a location may vary from a broader assessment of risk to the organisation. It is these localised risks that we consider when developing site-based action plans.
38. www.telstra.com/sustainability/report

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Our dependency and impact on water – a deep dive

Our operations use freshwater to cool equipment in our data centres, as well as for air conditioning and direct consumption at our properties, as shown in the table below.

Asset type	Water consumption	Dependency exposure	Environment asset[39]	Dependent ecosystem services
Network facilities	• Cooling facilities to offset heat generated from telecommunications equipment (servers, routers, switching and data storage systems) • Fire suppression systems • Direct consumption and sanitation	Medium[40]	Water resources (surface water: rivers, lakes, reservoirs)	• Provisioning (fresh water) • Supporting (primary production, water cycling) • Regulating (climate regulation)
Offices, depots and warehouses	• Direct consumption and sanitation • Fire suppression systems	Low		
Construction	• Dust suppression • Use in construction	Low		• Provisioning (fresh water) • Cultural (recreation and aesthetic values)

We also impact on water resources through our use of water, our discharge of wastewater, and the interaction of our infrastructure and site locations with water bodies:

Activity	Impact potential	Impact driver	Dependency exposure	Impacted ecosystem service[41]
Facilities and network operation	Water consumption	Freshwater withdrawal for operational water use, leading to changes in water availability	Medium	• Provisioning (fresh water) • Supporting (nutrient cycling, soil formation and retention) • Regulating (water purification, disease regulation)
	Discharge to waterways	Discharge of thermal and chemical effluents from cooling systems, affecting water quality	Low	
Construction and maintenance activity	Impact on waterways and water courses	Physical disturbance of freshwater or marine ecosystems from subsea network installation (sediment resuspension, habitat loss)	Medium (local risks may have significant consequences to nature)	• Provisioning (fresh water) • Supporting (nutrient cycling, soil formation and retention) • Regulating (water purification, disease regulation) • Cultural (recreation and aesthetic values)
		Runoff from construction activities carrying contaminants into aquatic ecosystems		
		Land-use change due to construction, affecting landscape and water-dependent ecosystems		
	Water consumption	Freshwater withdrawal for construction activities (e.g., dust suppression), leading to changes in water availability	Low	

39. Environmental assets are the naturally occurring living and non-living components of the Earth, together constituting the biophysical environment, which may provide benefits to humanity.
40. We are reviewing the impact of AI on our operations, including potential increased demands on our data centres.
41. Ecosystem services which have been disturbed or disrupted as a result of human activity or natural occurrences, creating changes to the state of the ecosystem service, such as from degradation, habitat loss or species loss.

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While our water usage is not significant at a Telstra Group level, localised impacts at our most water-intensive sites require management. We also need to plan for changes to water availability (and associated physical and transitional risks associated with water scarcity) that may arise with future El Niño climate patterns, resulting in drought and/or regional water stress. In FY25, we assessed water risks at 20 sites across our network as a pilot to understand the dependencies, impacts and risks to our organisation and to the environment and communities in which we operate. Outputs have informed our nature risk assessment summarised above. Meanwhile, we continue to optimise water use at sites where equipment upgrades enable both water and electricity savings.

Water is also heavily used by our upstream value chain in the manufacture of devices and network equipment, such as semiconductors. The generation of electricity required to run our operations also depends on water. In FY25, we conducted an assessment of nature risk in the supply chain, identifying our most significant water risks are in our sourcing of electrical equipment and devices, as well as our procurement of energy.

Nature-related impacts

While water is the most significant of Telstra's identified dependencies on nature, we have also identified risks and opportunities associated with our broader interactions with and exposure to nature. All impacts have been rated as Low or Medium. While our risk assessment focusses on risk to Telstra Group, we also consider the risk of potentially harmful localised impact on nature, particularly in areas of environment or cultural heritage significance. Impacts that present a Medium or higher risk rating (at an Enterprise or local level) include:

Impact drivers	Impact to nature	Realm[42]	Risk exposure
Network infrastructure (construction, maintenance and decommissioning)	Direct impacts (spread of invasive species or noxious weeds, accidental mortality/wildlife strikes, biological alterations, short term disturbances)	Land, freshwater, ocean	**Medium** (local risks may have significant consequences to nature)
	Damage to ecosystem services as a result of harm caused or exacerbated by land clearance or disturbance (including erosion or sedimentation, and impacts to land, subsurface spoils, waterways or oceans)		
	Ecosystems, natural structures or habitats damaged during maintenance or operation of the network (including pollution or contamination from spills or contaminants released)		
Properties (data centres, exchanges and buildings) and operations	Contribution to climate change as a result of emissions to the atmosphere	Atmosphere	**Medium**
	Contamination or damage to ecosystem structures from wastewater released to freshwater ecosystems or fuel tank leakage into the environment	Freshwater	**Medium** (local risks may have significant consequences to nature)
	Reduced freshwater availability for ecosystems or other uses (scarcity risk in water stressed regions)		
Connectivity and device offerings	Technology and connectivity devices are stockpiled or incorrectly disposed of (by us or customers), locking up valuable natural materials and presenting leachate risk[43]	Land and freshwater	**Medium**

In addition, we have Low rated impacts to nature, including: (1) visual amenity and cultural connection to sky impacted by satellite operations; (2) waste to landfill that puts pressure on local waste services and reduces availability for other uses; and (3) infrastructure on land and the seafloor providing new habitats for flora and fauna.

42. The TNFD describes a realm as capturing the major components of the living, natural world that differ fundamentally in ecosystem organization and function: terrestrial (land), freshwater, marine (ocean), subterranean and atmospheric. The TNFD's framework is based on four realms - land, freshwater, ocean and atmosphere. The subterranean realm is included within the land, freshwater and ocean realms.
43. This risk has been identified in FY25 as a nature risk, recognising the link between circular economy and reducing impact from our dependency on natural resources.

Nature-related risks

All nature-related risks identified to date have been rated as Low or Medium exposure[44]. However, we recognise that localised risks can be more significant. Risks that present a Medium or higher risk rating (at a Telstra Group level) include:

Risk category	Sub-category	Risk description	Risk exposure
Physical	Acute	Environmental harm is caused or threatened as a result of physical impacts – including contamination or pollution, unauthorised disturbance or clearance, wildlife strikes, spread of contaminates, invasive species or disease, damage or disrespectful handling of places or items of cultural heritage or significance.	**Medium** (local risks may have significant consequences to nature)
	Acute	Restricted site access, compliance breach or reputation damage associated with failure to appropriately access land or operate as responsible stewards of the land we access and work on (on land and subsea)	**Medium**
	Acute	Telstra infrastructure exposed to greater harm in the event of a natural disaster due to the degradation of surrounding ecosystems or ecosystem services	**Medium**
	Chronic	Resource scarcity leading to restricted operations, or increased requirements for production or operation (such as water for cooling, or materials for Telstra products or packaging)	**Medium**
Transition	Policy and legal	Increased expectation, requirements or scrutiny of environment or cultural heritage approvals introduce additional cost or delays to network construction (increased regulation or process)[45]	**Medium** (local risks may have severe consequences to nature)
	Technology	Resource scarcity leading to increased regulation or cost associated with provisioning (such as water for cooling, or materials used in Telstra products or packaging)	**Medium**

While our assessment of nature-related risk focusses on Telstra's Australian-based operations, they also present, and require active management, at our international locations. We are expanding our nature risk assessment to consider international assets and operations, including our subsea cable infrastructure.

Nature risk in the value chain

In FY25, we conducted a heat-map assessment of nature risks and impacts in a subset of our supply chain. We identified risks across supplier categories, including our most significant impact drivers for nature (water, waste and greenhouse gas emissions). We also assessed dependencies, including for the natural resources we require as a direct physical input to the organisation (water, materials for devices, equipment and packaging) and the provisioning services we rely on (such as for climate control and protection from storms, floods and tidal movements).

A deep-dive supply chain assessment of nature risk associated with the manufacturing of modems identified our key issues:

Interface with nature	• Highest concentration of potential nature-related impacts and dependencies: raw materials extraction and processing (followed by distribution, component manufacturing and hardware assembly)
Dependencies	• Direct physical input: (1) Metals and minerals (for product componentry) (2) Forest products, fibres and other material (e.g., for packaging) (3) Water (groundwater, surface water) • Ecosystem services – protection from disruption: (1) Climate regulation (2) Flood and storm protection (3) Mass stabilisation and erosion control (4) Pest control
Impacts	(1) Greenhouse gas emissions (2) Water use (surface water, ground water, wastewater generation) (3) Waste generation and management

44. Leveraging the Enterprise Risk Framework to assess materiality.
45. This risk has been identified in FY25 as being of increasing significance (increasing from low to high risk), largely in relation to the deployment of our Intercity Fibre Network program.

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More work is required to assess the significance of the potential business impact to Telstra should these supply chain risks materialise. We are supplementing this top level assessment of nature risk with operational insight and expanding our risk assessment to consider emerging risks and opportunities regarding AI in our supply chain. We are also integrating climate and nature risk into the supplier governance framework to improve and integrate our sourcing of climate and nature data directly from suppliers. This will be considered as part of our periodic reassessment and validation of nature-related risks.

Understanding our nature-related opportunities

We have a unique role to play to help business, industry, partners and customers to do their part to conserve the special places we have custodianship of, to halt and reverse environmental degradation, and restore natural and biodiversity values where possible. This includes enabling solutions for nature action: (1) through our technology, connectivity and data offerings, (2) through our partnerships, and our relationships with business customers, (3) through our retail customer and community interface, and (4) through our physical footprint. Our identified nature-related opportunities are:

Risk category	Sub-category	Opportunity description
Business performance	Resource efficiency	Circular economy solutions reduce dependency on the extraction of raw materials for products and operations, increasing resiliency and creating pathways for value creation (water use, copper and other network technology, products in market).
	Products and services	Technology, data and connectivity solutions for nature action create opportunities for stronger customer offerings, relationships and partnerships. For example, IoT, smart sensing and other environmental monitoring solutions can be bundled with network connectivity offerings to support our customers with the technology solutions that enable them to meet their nature commitments.
Sustainability performance	Ecosystem protection, restoration and regeneration	Connectivity offerings enable safer, or more effective nature protection, conservation or repair efforts (such as through tech-enabled environmental monitoring, enhanced communication methods to de-risk activities, or tech-enabled education).
		Remote access tracks maintained to operate infrastructure become available for land and bushfire management.
	Sustainable use of natural resources	Our technology and connectivity solutions enable customers to transition to a lower carbon economy, reducing emissions to atmosphere.

Our nature metrics

We track nature-related metrics at both Telstra Group level and project level where relevant. This includes:

TNFD link	Metric	Disclosure
Dependency	• Water withdrawal (impact on freshwater ecosystems) • Water consumption (dependency on water)	Data Pack
Impact	• Waste generation and recycling metrics (impact on land use) • Devices collected for donation, reuse, repair or recycling (use of raw materials, impact on land use)	Data Pack
Risk	• Significant regulatory interactions or breaches of environmental regulation • Outcomes of Telstra's annual re-certification to the International Standard ISO14001:2015	Bigger Picture Sustainability Report
Compliance	• Environmental incidents and interactions, such as spills, maintenance, contamination and pests • Environmental audit outcomes and any corrective actions • Land access engagements (including during environment and cultural heritage surveys). • Nature-related cases brought to National Contact Points under the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct	Tracked internally

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Governance of climate and nature matters

During the year, the Board reviewed its committee structure and replaced the Audit & Risk Committee with two separate committees, being the Audit Committee (AC) and the Risk & Sustainability Committee (RSC). The RSC now has responsibility for climate and nature-related matters previously performed by the Audit & Risk Committee. There is cross membership between the RSC and AC to ensure we retain strong linkage between climate, nature and financial concerns[46]. Environment risk updates (including climate and nature matters) are provided to the RSC every six months. In FY25 these included the introduction of mandatory climate reporting, progress against internal and external metrics and targets and the development of our new sustainability targets.

Current roles and responsibilities for overseeing, assessing and managing climate and nature-related issues are summarised below:

	Description	Key climate and nature responsibilities
Oversight	**Board** Comprised of nine members with a diverse range of skills[47] and experience including environment, social and governance and risk management.	Oversees Telstra Group's approach to Environment, Social and Governance (ESG) and monitoring its performance, including approving key external sustainability targets, approving key environmental disclosures (including this disclosure), and overseeing climate and nature-related risks and opportunities.
	Risk and Sustainability Committee[48] Comprised of four Board members. Meets regularly to oversee the design and implementation of Telstra's risk management framework.	Reviews significant developments and trends in ESG, monitors the Group's ESG performance (including against targets) and the effectiveness of the Group's governance of environmental disclosures, environmental management system and controls and considers significant issues relating to ESG, including: • reviewing and providing feedback on reports from management on the Group's climate and nature related risks and opportunities and the plans which management has put in place in relation to those risks and opportunities, and • making recommendations to the Board on key external environmental targets and key environmental disclosures (including this disclosure).
	People and Remuneration Committee (PRC) Comprised of four Board members.	Responsibilities include reviewing and making recommendations to the Board on remuneration arrangements, such as climate components in the EVP and STI plan.
	CEO Leadership Team (CEOLT) The CEO and their senior leadership team including the CFO make up the CEOLT and hold ultimate accountability over the effectiveness of risk management in the company.	Review periodic updates on environment matters from the Sustainability Executive and Environment Executives Group (EEG). Deliver management decisions and oversight in relation to Telstra Group's sustainability strategy to effectively manage sustainability risk.
Strategy and Management	**Sustainability Executive** Provides day-to-day management of climate and nature-related activities, risks, opportunities, dependencies and impacts.	Chairs the monthly Environment Executives Group and reports key progress and recommended actions to the CEOLT and RSC. Accountable for sustainability reporting, including risk management and due diligence processes.
	Environment Executives Group Meeting monthly, the EEG is attended by functional leads from across the business to discuss environment, climate and nature-related matters.	Review climate and nature ambition and key priorities. Oversee execution of management decisions on climate and nature-related matters within function areas and provide function-specific input on climate and nature-related matters.
	Sustainability Centre of Expertise (CoE) Reporting to the Sustainability Executive, the Sustainability CoE is a team of subject matter experts (including on climate and nature) who liaise with internal and external stakeholders.	Accountable for the design and delivery of the sustainability strategy. Provide cross function support, education and capacity building on climate and nature-related matters. Monitor and prepare voluntary and mandatory sustainability disclosures. Input into consultations with external bodies and agencies.
	Other governance forums Governance forums to bring together delivery leads, risk owners, subject matter experts and other stakeholders to lead specific components of the sustainability strategy.	Provide leadership, recommendations and guidance for the management of individual climate and nature-related targets such as scope 1+2 emissions reduction, network waste recycling, device reuse and recycling, and forums that manage biodiversity risks including pollution, invasive species and other risks. Oversee execution risk specific management actions and policies.
	Working Groups Specialist project groups which bring together cross function representatives and subject matter experts to progress actions towards our nature and climate targets, manage climate and nature-related risks, and develop internal capability and expertise.	Deliver project specific aims and objective, report on progress and provide recommendations to the EEG and other governance forums, including resourcing and training requirements.

46. More information on the membership, role and accountabilities of the two committees can be found in the Corporate Governance Statement and Board Committee Charters at https://www.telstra.com.au/aboutus/investors/governance-at-telstra.
47. The Board utilises a skills matrix to assist it in maintaining an appropriate and diverse mix in its membership with skills and experience relevant to its areas of focus. The current skills matrix can be found in our Corporate Governance Statement.
48. Prior to 1 March 2025 the Audit and Risk Committee (ARC) performed functions in relation to climate and nature similar to those now performed by the RSC. See the 'Acting on climate and nature' chapter of our 2024 Annual Report for more information on the ARC's previous responsibilities in relation to climate and nature.

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This approach embeds climate and nature considerations and accountabilities at every level of our business and supports management of specific targets and topics. Our working group structure allows input into our sustainability ambition (including climate and nature) from a diverse range of stakeholders including Regional Affairs, the Telstra Foundation, Telstra's First Nations Directorate and human rights subject matter experts. A range of strategy, framework, process, reporting and policy documents support the governance of climate and nature-related issues. These include our Board and RSC charters, Corporate Governance Statement[49], risk management framework, Environment Policy[50], Modern Slavery Act Statement[51] and Human Rights Policy[52]. The applicability of these to our controlled and non-controlled entities is detailed in our Group Governance and Operating Model and Subsidiary Governance Model.

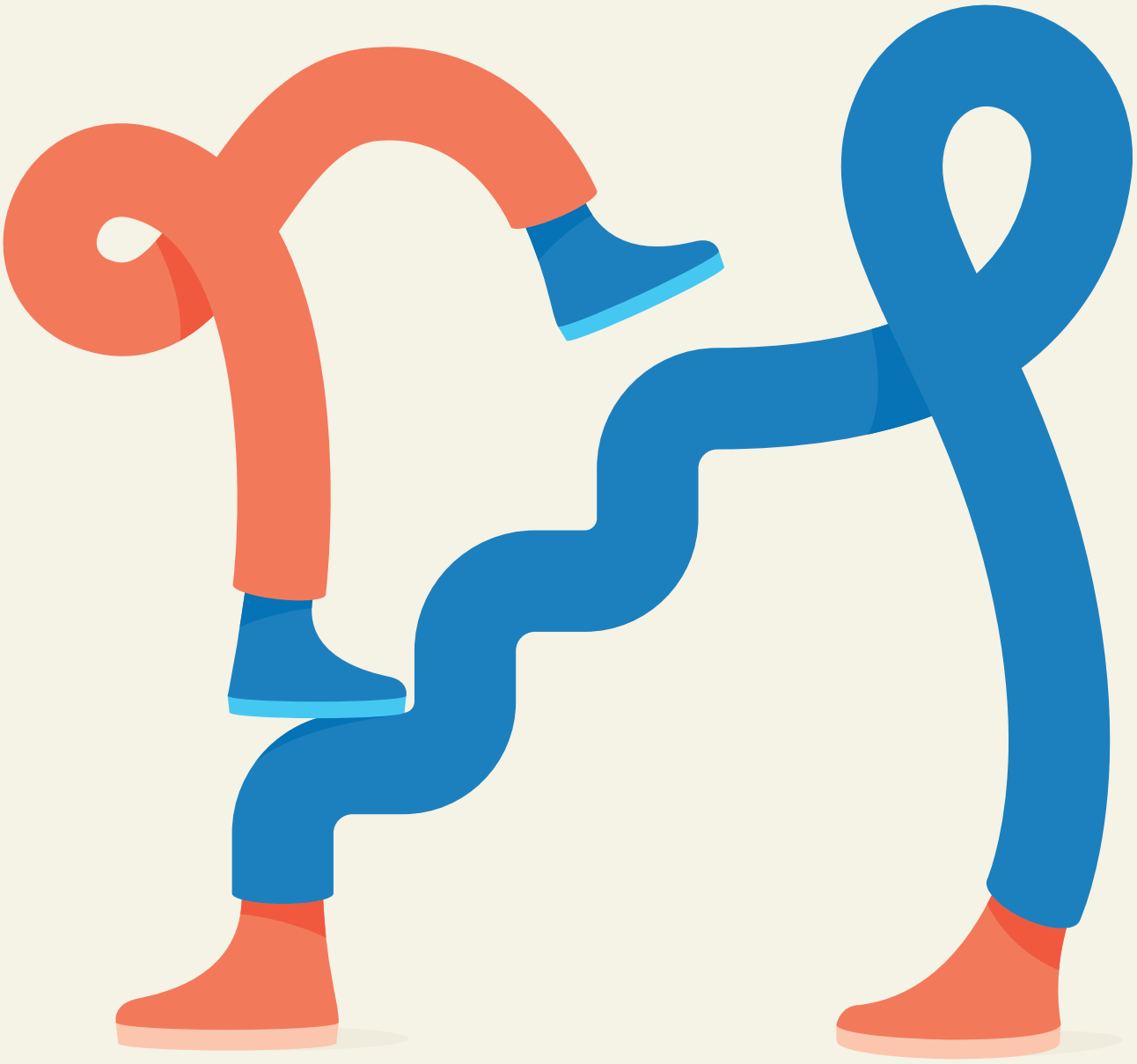
In FY25, we included more explicit commitments and expectations for climate and nature risk in our Environment Policy, Telstra Code of Conduct and Supplier Code of Conduct. These documents provide guidance for our people and our suppliers in considering nature and climate risk. We also now assess both climate and nature risks as part of our M&A due diligence processes.

Human rights and indigenous peoples

Our approach to human rights, including our commitments, governance, monitoring, preventative action and remediation of adverse impacts on human rights issues, is in our Human Rights Policy and Modern Slavery Act Statement[53]. We engage with Indigenous Peoples, Local Communities and other stakeholders affected by our operations regularly. When we access land for construction or significant maintenance works, we undertake due diligence assessments to identify where direct engagement with First Nations and other community stakeholders is required, including to complete cultural heritage assessments, and oversee works where items or areas of environment or cultural heritage significance are identified.

49. See https://www.telstra.com.au/aboutus/investors/governance-at-telstra for Board and RSC Charters and Corporate Governance Statement.
50. https://www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf-e/Environment-Policy.pdf
51. https://www.telstra.com.au/sustainability/report
52. https://www.telstra.com.au/content/dam/tcom/about-us/investors/pdf-g/telstra-human-right-policy.pdf
53. https://www.telstra.com.au/sustainability/report

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Directors' Report

Directors' Report

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity (referred to as we, us, our, Telstra or the Telstra Group) consisting of Telstra Group Limited (the Company or the Telstra Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2025. Financial comparisons used in this report are of results for the year ended 30 June 2025 compared with the results for the year ended 30 June 2024.

The historical financial information included in this Directors' Report has been extracted from the audited Financial Report accompanying this Directors' Report.

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Principal activity

Our principal activity during the financial year 2025 was to provide telecommunications and information services for domestic and international customers. There has been no significant change in the nature of this activity during the year.

Review and results of operations

Information on the operations and financial position for the Telstra Group is set out in the Operating and Financial Review (OFR), comprising the Chair and CEO's message, FY25 highlights, FY25 financial performance, Strategy and performance, Our material risks, Outlook and Full year results and operations review sections accompanying this Directors' Report.

Dividend

On 20 February 2025, the Directors resolved to pay a fully franked interim dividend for the financial year 2025 of 9.5 cents per share. On 14 August 2025, the Directors resolved to pay a fully franked final dividend for the financial year 2025 of 9.5 cents per share ($1,081 million). This brings the total dividend for the financial year 2025 to 19 cents per share, up 5.6% on the prior year.

The dividends declared by the Board in financial year 2025 are consistent with the objectives of our capital management framework, which are to maximise returns for shareholders, maintain financial strength and retain financial flexibility. The following principles underpinning our capital management framework were updated as part of our new strategy, Connected Future 30, and are:

- committed to balance sheet settings consistent with an A band credit rating
- disciplined business-as-usual capex to support core business growth
- sustainable and growing dividend (prefer fully-franked)
- disciplined portfolio management and strategic investment
- use balance sheet capacity for additional shareholder returns.

Further information regarding the financial year 2025 dividends is set out in the Full year results and operations review accompanying this Directors' Report. The record date for the final dividend will be 28 August 2025, with payment to be made on 25 September 2025. Shares will trade excluding entitlement to the final dividend on 27 August 2025

The Board determined that the Dividend Reinvestment Plan (DRP) will continue to operate for the final dividend for the financial year 2025. The election date for participation in the DRP is 29 August 2025.

Dividends paid during the year were as follows:

Dividend	Date resolved	Date paid	Fully franked dividend per share	Total dividend ($m)
Total final dividend for the year ended 30 June 2024	15 August 2024	26 September 2024	9.0 cents	1,040
Total interim dividend for the year ended 30 June 2025	20 February 2025	28 March 2025	9.5 cents	1,097

On-market share buy-back

On 20 February 2025, we announced an on-market share buy-back of up to $750 million, consistent with our capital management framework. The on-market share buy-back commenced on 12 March 2025 and completed on 18 June 2025 with a total of 169,398,366 shares bought back, at an average price per share of $4.43.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of Telstra during the financial year 2025.

Business strategies, prospects and likely developments

The OFR sets out information on Telstra's business strategies and prospects for future financial years and refers to likely developments in Telstra's operations and the expected results of those operations in future financial years. Information in the OFR is provided to enable shareholders to make an informed assessment of the business strategies and prospects for future financial years of the Telstra Group. Detail that could give rise to likely material detriment to Telstra (for example, information that is commercially sensitive, is confidential or could give a third party a commercial advantage) has not been included. Other than the information set out in the OFR, information about other likely developments in Telstra's operations and the expected results of those operations in future financial years has not been included.

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Events occurring after the end of the financial year

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected, or may significantly affect in future years, Telstra's operations, the results of those operations or the state of Telstra's affairs, other than:

- the final dividend for the financial year 2025 and that the DRP will operate in respect of that dividend
- the entering into of a legally binding agreement to sell a 75 per cent interest in our controlled entities within the Versent disposal group
- the announcement of an on-market share buy-back of up to $1 billion to be conducted during the financial year 2026.

Refer to note 7.5 to the financial statements in our 2025 Financial Report for details.

Details of Directors and executives

The changes to the Directors of the Company during the financial year 2025 and up to the date of this report were:

- Niek Jan van Damme retired as a non-executive Director on 15 October 2024. Mr van Damme joined the Board in October 2018 and served as a member of the Nomination Committee and the People and Remuneration Committee.
- David Lamont joined as a non-executive Director on 3 December 2024 and serves as Chair of the Audit Committee and as a member of the Nomination Committee and Risk & Sustainability Committee.

Information about our Directors and Senior Executives is provided as follows:

- names of our current Directors and details of their qualifications, experience, special responsibilities, periods of service and directorships of other listed companies are set out in the Board of Directors section accompanying this Directors' Report
- details of Director and Senior Executive remuneration are set out in the Remuneration Report, which forms part of this Directors' Report.

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its Committees during financial year 2025, and attendance by Directors, are set out below:

	Board				Committees[1,5]			
	Scheduled meetings		Unscheduled meetings		Nomination		People and Remuneration	
	a	b	a	b	a	b	a	b
Craig W Dunn	10	10	1	1	5	5	–	(3)
Vicki Brady	10	10	1	1	–	(5)	–	(4)
Eelco Blok	10	10	1	1	5	5	1	1
Maxine Brenner	10	10	1	1	5	5	1	1 (1)
Roy H Chestnutt	10	10	1	1	5	5	–	–
David Lamont	5	5	1	1	3	2	–	–
Ming Long	10	10	1	1	5	3	3	3
Bridget Loudon[2]	10	5	1	1	5	2	4	2
Elana Rubin	10	10	1	1	5	5	4	4
Niek Jan van Damme[3]	4	4	–	–	1	1	2	2
Total meetings held	**10**		**1**		**5**		**4**	

	Committees[1,5]					
	Audit and Risk[4]		Audit[4]		Risk and Sustainability[4]	
	a	b	a	b	a	b
Craig W Dunn	4	4	1	1	–	(2)
Vicki Brady	–	(4)	–	(1)	–	(2)
Eelco Blok	–	(1)	–	–	–	–
Maxine Brenner	4	4	–	–	2	2
Roy H Chestnutt	4	4	–	–	2	2
David Lamont[3]	2	2	1	1	2	2
Ming Long	4	4	1	1	2	2
Bridget Loudon[2]	–	–	–	–	–	(1)
Elana Rubin	–	(3)	–	–	–	(1)
Niek Jan van Damme[3]	–	(1)	–	–	–	–
Total meetings held	**4**		**1**		**2**	

Column a: number of meetings held while a member. Column b: number of meetings attended.

1. Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she was not a member, this is indicated by ( ).
2. Bridget Loudon accessed parental leave from 10 July 2024 to 29 October 2024.
3. Niek Jan van Damme retired as Director on 15 October 2024. David Lamont commenced as a Director on 3 December 2024.
4. The Audit and Risk Committee held its last meeting on 14 February 2025 and was replaced by the Audit Committee and the Risk and Sustainability Committee effective 1 March 2025.
5. From time to time the Board establishes ad hoc Committees to support the Board in carrying out its responsibilities. Details of these ad hoc Committees have not been included in the table.

Director shareholdings in Telstra

Details of Directors' shareholdings in the Company as at 14 August 2025 are shown in the table below:

Director	Number of shares held[1]
Vicki Brady[2]	1,806,457
Eelco Blok	75,000
Maxine Brenner	52,650
Roy H Chestnutt	73,766
Craig W Dunn	125,400
David Lamont	100,000
Ming Long	80,600
Bridget Loudon	62,000
Elana Rubin	89,830
Niek Jan van Damme[3]	77,000

1. The number of shares held refers to shares held either directly or indirectly by Directors as at 14 August 2025. Shares in which the Director does not have a relevant interest, including shares held by the Directors' related parties (including relatives), are excluded. Refer to the Remuneration Report tables for total shares held by Directors and their related parties directly, indirectly or beneficially as at 30 June 2025.
2. Vicki Brady also holds 1,381,080 Performance Rights as at the date of this report.
3. The number of shares disclosed is the number held as at the date of cessation as a Director.

Group Company Secretary

Craig Emery
LLB (UTS), GAICD, FGIA

Craig was appointed Group Company Secretary of Telstra Group Limited effective 15 October 2024.

Craig is a senior legal and governance professional with over 20 years' experience advising senior management and boards. Craig reports to the Board and his duties include continuous disclosure compliance, corporate governance and communication with Telstra's shareholders.

Craig joined Telstra in 2006 and has served in senior legal roles throughout the company including supporting our Consumer, Small Business, Product, Media, Finance and Operations functions. He has spent time living and working in Hong Kong leading our International legal team. He was Telstra's Chief Compliance Officer from March 2023 prior to taking the Group Company Secretary role.

Craig holds a Bachelor of Laws from the University of Technology, Sydney, is a Graduate of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Directors' and officers' indemnity and insurance

(a) Constitution

The Company's constitution contains permissive provisions allowing it to indemnify, to the maximum extent permitted by law:

- certain officers of the Company and its related bodies corporate (Telstra Officers), for any liability and legal costs which they may incur in that capacity;
- certain employees of the Company and its related bodies corporate (Telstra Employees), for any liability which they may incur in that capacity; and
- certain Telstra Officers and Telstra Employees, for any liability which they may incur as a director or other officer of a company that is not related to Telstra.

(b) Deeds of indemnity

The Company has also executed deeds of indemnity in favour of past and present (amongst others):

- directors, secretaries, senior managers, public officers and other specified positions of the Company and its wholly owned controlled subsidiaries;
- certain directors, secretaries, senior managers and other specified positions of the Company's partly-owned companies; and
- certain Telstra Group directors, employees and other persons that act as nominee directors or secretaries, or in other positions (at the Company's request) for entities or industry associations,

in each case as permitted under the Company's constitution and the Corporations Act 2001 (the Act).

The deeds in favour of Directors of the Company also give Directors certain rights of access to the Company's books and require the Company to use best endeavours to maintain insurance cover for the Directors.

(c) Directors' and officers' insurance

The Company maintains directors' and officers' insurance policies that, subject to some exceptions, provide worldwide insurance cover to past, present and future directors, secretaries and officers and certain employees of the Company and its subsidiaries and, in certain limited circumstances, other entities. Telstra has paid the premiums for these policies. The directors' and officers' insurance policies prohibit disclosure of the premiums payable under the policies and the nature of the liabilities insured.

Environmental regulation and performance

Telstra, as a minimum, seeks to be compliant with all applicable environmental laws and regulatory obligations relevant to its operations. Where instances of non-compliance may occur, Telstra has procedures requiring that internal investigations are conducted to determine the cause of the non-compliance and to ensure that any risk of recurrence is minimised. Telstra's procedures further require that the relevant government authorities are notified of any environmental incidents (where applicable) in compliance with statutory requirements. Telstra complies with notices issued by government authorities and regulators.

(a) Prosecutions or convictions

Telstra has not been prosecuted for, or convicted of, any significant breaches of environmental regulation during the financial year 2025.

(b) Energy and greenhouse emissions

In Australia, Telstra is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007, which requires Telstra to report its annual Australian greenhouse gas emissions, energy consumption and energy production. Telstra has implemented systems and processes for the collection and reporting of data and has, in accordance with our obligations, reported to the Clean Energy Regulator on an annual basis. The next report is due on 31 October 2025 and will again be supported with an independent assurance report.

For the London Hosting Centre in the United Kingdom, Telstra is subject to the Energy Savings Opportunity Scheme (ESOS) Regulations 2014. Telstra qualifies for participation in ESOS and must carry out energy savings assessments every four years. Telstra has met its obligations under ESOS for all compliance periods to date, being those first three compliance periods ended 5 December 2015, 5 December 2019 and 5 June 2024.

For more information on environmental performance, including environmental regulation, refer to the 2025 Sustainability Report, which is available online from 25 August 2025 at **telstra.com/sustainability/report**.

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Non-audit services

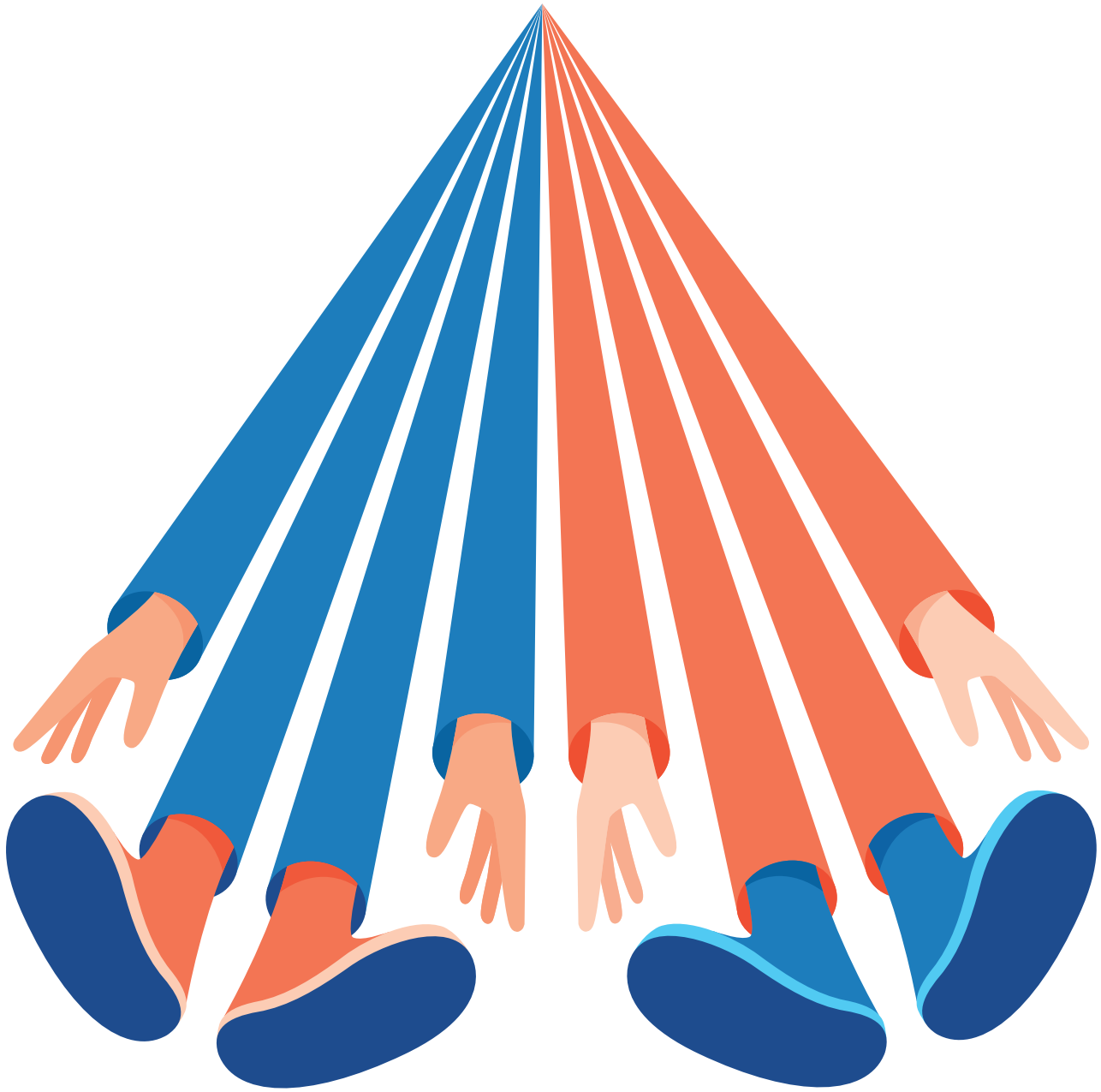
Deloitte Touche Tohmatsu (Deloitte) commenced as Telstra's auditor for the financial year commencing on 1 July 2024. During the financial year 2025, Deloitte has been engaged on assignments additional to its statutory audit duties. Details of the amounts paid or payable to Deloitte for audit and non-audit services provided during the financial year 2025 are detailed in note 7.1 to the financial statements in our 2025 Financial Report.

The Directors are satisfied, based on advice provided by the Audit Committee (formerly the Audit and Risk Committee), that the provision of non-audit services during the financial year 2025 is consistent with the general standard of independence for auditors imposed by the Act and that the nature and scope of each type of non-audit service provided did not compromise the auditor independence requirements of the Act for the following reasons:

- all Deloitte engagements, including non-audit services, were approved in accordance with the external auditor services policy adopted by Telstra and subject to confirmation by Deloitte that the provision of these services does not compromise auditor independence;
- the external auditor services policy clearly identifies prohibited services, which include reviewing or auditing the auditor's own work or Deloitte partners or staff acting in a managerial or decision-making capacity for Telstra; and
- the provision of non-audit services by Deloitte is monitored by the Audit Committee via periodic reporting to the Audit Committee.

A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Telstra Group Limited and forms part of this report.

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Message from the People and Remuneration Committee Chair

Dear fellow shareholders,

On behalf of your company's People and Remuneration Committee, I am pleased to present Telstra's FY25 Remuneration Report.

Over the past three years of our T25 strategy, we have been disciplined about delivering the ambitious goals we set ourselves. We finished strongly, delivering elevated customer experiences, stronger financial performance and improved reputation as measured by RepTrak. This is reflected in the performance and remuneration outcomes for executives in FY25. We are now moving into our five-year Connected Future 30 strategy which will see us double down on connectivity and radically innovating in the core of our business.



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FY25 executive remuneration outcomes

In FY25, Telstra's Executive Variable Remuneration Plan (EVP) provided that a significant portion of remuneration was variable and at-risk. Individual outcomes under the EVP depended on performance against primary performance measures (comprising financial, customer and strategic measures) and the relevant Senior Executive's individual performance. The Performance Rights component is subject to a secondary performance condition (based on Telstra's Relative Total Shareholder Return (RTSR)). The Board continued to have discretion in determining the final outcomes. Further details are provided in Section 2.3 of our Remuneration Report.

The FY25 primary performance measures and targets were selected by the Board to help ensure that Senior Management delivered against the final year T25 strategy objectives. Positive outcomes were achieved on financial performance with further improvements in customer experience and Telstra's reputation. The Fixed Core Cost outcome included several offsetting items that were reviewed by the Board but were not adjusted for because, collectively, they did not reduce performance below the EVP maximum. Benefits to FY25 Underlying EBITDA resulting from the release of a Digicel Pacific earn out provision and certain impairments made for Telstra Enterprise in FY24, including to deferred acquisition costs, were taken into account when setting the original FY25 guidance and EVP threshold, target and maximum and so were not adjusted for.

CEO Performance and Outcomes

The FY25 EVP outcomes were directly linked to individual contribution, company performance and long term shareholder value creation. Reflecting a very strong year of performance, the CEO's Individual EVP Outcome was 87.3% of the maximum opportunity. The CEO's individual performance rating was a 4 on our 1 to 5 scale. The CEO's EVP outcome was determined by multiplying the EVP Scorecard Outcome of 79.4% of maximum by 110% representing her performance rating for the year and her relative performance in the executive team.

The CEO's individual performance rating reflects the Board's assessment of Ms Brady's leadership of the company over the past year, including improved cost outcomes, the ongoing repositioning of Telstra's business portfolio with enhanced capital disciplines, the strengthening of Telstra's senior leadership team and major strategic initiatives including the launch of Connected Future 30, the data and AI joint venture with Accenture, the satellite partnership with SpaceX and the additional $800m being invested in Telstra's 5G network over four years (within our existing capital investment envelope).

Senior Executive Accountability and Performance

We have further matured our accountability framework and processes in FY25, explicitly linking high performance with effective risk management. Senior leaders are subject to accountability statements covering our critical compliance obligations. A quarterly senior management risk forum reviews any compliance breaches and other risk-related incidents, including the performance of the accountable executive in relation to the incident. The Chief Risk Officer formally assessed the risk management performance of each Senior Executive against the agreed set of requirements for effective risk management and documented the findings which formed part of each Senior Executive's FY25 performance assessment.

Each Senior Executive's individual performance was assessed using a robust process that took into account their individual scorecard performance, leadership behaviour, conduct, people engagement, effective application of risk management practices including health and safety risks, accountability for material risk events and the severity of their impact. The final outcomes for Senior Executives in FY25 have taken into account what went well and areas where there is still scope for improvement. The Board supported the assessment process for the Senior Executives and did not exercise discretion. Further detail

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regarding the key FY25 remuneration outcomes for the CEO and other Senior Executives and our non-executive Director fees is provided in our Remuneration Report.

FY21 EVP Vesting

Vesting of the FY21 EVP Performance Rights was assessed following the end of the five year performance period which ran from 1 July 2020 to 30 June 2025, having regard to performance against the RTSR performance condition. The FY21 EVP Performance Rights will vest at 74% based on Telstra's RTSR ranking at the 62nd percentile of the comparator group over the performance period. Further details are provided in Section 2.4 of our Remuneration Report.

Board Committee Structure

To better balance our standing Board Committee's workloads and recognising increasing regulatory and reporting requirements, a decision was made to restructure from three Committees to four Committees from 1 March 2025. All non-executive Directors are members of the Nomination Committee, so the important role of this Committee is encompassed within their base board fees. For other Committees, a standard fee for Committee Chairs and a standard fee for Committee members was also implemented from 1 March 2025 to reflect the important role that these Committees and their respective members have in the governance of Telstra. The fees that previously applied to the Audit and Risk Committee were reduced to reflect the transfer of risk matters to the Risk and Sustainability Committee. The People and Remuneration Committee fees increased to reflect increased accountability regarding employee Health, Safety and Wellbeing. Further detail on the role of each Committee is provided in the 2025 Corporate Governance Statement.

To recognise the critical contribution of our current offshore non-executive Directors, the Board determined to introduce an additional annual payment of $40,000 each for Eelco Blok and Roy H Chestnutt from 1 July 2025. This payment recognises the difference in fees applicable in some offshore domiciles, relates to them as individual directors and the specialised in-demand expertise they bring, and the extra time investment they make doing their role from an offshore location. It does not apply to any other non-executive Directors and will not automatically apply to any offshore non-executive Director recruited in the future. Further detail on fees is provided in Section 3 of this Remuneration Report.

People and Culture

We know that our people are key to delivering strong results for our customers and shareholders. We remain committed to delivering a compelling employee value proposition to attract and retain the best talent and creating an environment where employees feel they can thrive and do their best work. It was pleasing to see our engagement score placing us within the top quartile globally.

We have remained focused on strengthening our culture with evidence of increased adoption of, and impact from, the Big Three behaviours and habits that we introduced last year, Look Beyond, Work as One, and Make a Difference. Further action was taken to build a diverse, equitable and inclusive workplace through the introduction of a global parental leave policy that guarantees a minimum of 16 weeks of paid leave for our international employees regardless of gender or location.

Our strengthened approach to accountability has increased understanding of expectations and standards, and links to outcomes. We are delivering on our prioritised safety uplift actions including enhancements to leadership training, risk frameworks, and safety systems. Tragically, in July 2025 a Telstra team member lost his life when a bird struck a chartered helicopter in which he was travelling as a passenger. We offer our sincere condolences to his family, friends and colleagues, and acknowledge the enormous contribution he made to Telstra over many years. The incident is currently under investigation, and we expect to include further information in our FY26 reports.

We continue to evolve our workforce and ensure we are building the capabilities we need for the future, especially in data and AI. Through the announcement of our joint venture with Accenture, expansion of our Data and AI Academy, and the scaled deployment of Microsoft Copilot to over 18,000 employees, we have strengthened productivity and collaboration. This year we also launched Career Connect, a key enabler of Telstra's shift to a skills-based organisation with nearly 50% of our employees now onboarded, enabling deeper development conversations through clear career pathways and integrated performance planning. Telstra's four Enterprise Agreements were voted on and approved by a majority of employees in July 2024 and have subsequently been endorsed by the Fair Work Commission.

Our people have been highly engaged in our new Connected Future 30 strategy, and we remain committed to supporting our people to perform, transform and thrive as we deliver on our ambition for Telstra.

Director and Senior Executive changes

During FY25 we disbanded our Global Business Services function and moved teams into other relevant parts of the business. This led to changes to our Senior Executive team with Dean Salter leaving the business on 31 July 2024. We are grateful to Dean for his strong contribution and leadership and wish him all the best in his future endeavours.

We thank Niek Jan van Damme who retired from the Board at the conclusion of the 2024 Annual General Meeting on 15 October 2024. Effective 3 December 2024, we were delighted to appoint David Lamont to the Telstra Board and the Audit and Risk Committee. Further details on these changes are provided in the Key Management Personnel Section of our Remuneration Report.

Brendon Riley, GE and CEO InfraCo, will retire effective 30 September 2025, and we are grateful for the very valuable contribution Brendon has made in his fourteen years at Telstra. We are very pleased to have Steven Worrall join Telstra on 1 September 2025 as our new GE and CEO InfraCo.

Looking ahead

In FY25, the Board reviewed our executive remuneration framework, assisted by external remuneration consultants. This review was timed to ensure Telstra's remuneration framework aligns with and facilitates the company's five-year Connected Future 30 strategy. The Board engaged with proxy advisors and large investors on the new incentive framework. We thank them for their interest, engagement and feedback. Based on our engagements, we trust that the design meets with their support.

In FY26 we will move to a more widely used and understood incentive framework with independent short term incentive (STI) and long term incentive (LTI) components. This structure will help balance management's focus on annual deliverables with longer-term returns critical to our strategy, including disciplined investment in long-cycle assets. Telstra's core business model involves investing large amounts of capital in connectivity networks that our customers value. This helps Telstra to create value for shareholders. The investment of the right amount of capital in the right infrastructure opportunities at the right time is critical and requires discipline, fine business judgement, and sound execution. Our Connected Future 30 strategy is built on this premise, and a key financial goal of our strategy is to achieve an underlying ROIC of 10% by FY30. See the Forward-looking statements at the front of this Annual Report for further information on the key goals under the Connected Future 30 strategy.

We will continue with the current methodology for calculating STI while focusing on longer term value add by reweighting variable pay from STI to LTI. The STI will be determined on an annual basis having regard to the Company Scorecard Outcome and an executive's individual performance. The separate LTI will be provided in two equal tranches of Performance Rights. One tranche of Performance Rights will be subject to a performance condition linked to Telstra's 3-year average underlying return on invested capital (uROIC) and the other tranche will be subject to a performance condition linked to our 4-year RTSR. The RTSR comparator group for this latter tranche will be 20 companies (ex-resources) in the ASX 50 with comparable risk and return characteristics to Telstra. The Board has structured the new framework to help ensure executive focus and outcomes align with shareholder expectations and deliver clear performance linkages to our Connected Future 30 strategy. I encourage you to explore the further detail in Section 4.3 of our Remuneration Report.

The Board conducts a market review of Senior Executive fixed remuneration and Board fees on an annual basis and there will be selective and targeted increases in FY26 consistent with the market benchmarking. Further details are provided in Sections 3.1(c) and 4.2 of our Remuneration Report.

We continue to aim to provide market leading transparency and disclosure on our remuneration framework and targets for the coming year. These are disclosed in Section 4.4 of our Remuneration Report. This provides our shareholders with meaningful information to assess the suitability of our remuneration targets and outcomes. In setting performance measures for FY26, the Board sought to ensure the targets were robust and sufficiently demanding, considering the key deliverables and milestones outlined in our Connected Future 30 strategy, planned financial outcomes contained within our FY26 Corporate Plan and FY26 guidance (as announced on 14 August 2025).

I want to thank every employee for their work in delivering our achievements over the past three years of T25. We are excited to carry that forward as we enter a new phase, with a clear strategy and a bold ambition for what comes next.

I would also like to thank you for your support as a Telstra shareholder and invite you to read the full report in detail.



Elana Rubin AM

People and Remuneration Committee Chair

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Remuneration Report

This audited report details the remuneration framework and outcomes for Key Management Personnel of Telstra for the year ended 30 June 2025 (FY25).

Remuneration at Telstra and FY25 Remuneration Outcomes – Key Highlights

The following table includes the key highlights and remuneration outcomes for FY25.

<table>
<tr><th>Key area of focus</th><th>Highlights / Details</th></tr>
<tr><td>Individual EVP Outcomes for FY25</td><td>The Individual EVP Outcomes for FY25 were as follows:
<table>
<tr><th></th><th>Individual EVP Outcomes (% of maximum)</th></tr>
<tr><td>CEO</td><td>87.3%</td></tr>
<tr><td>Other Senior Executives (average)</td><td>82.5%</td></tr>
</table>
FY25 was a year of strong delivery and individual performance. Each Senior Executive's Individual EVP Outcome was determined having regard to the EVP Scorecard Outcome, their at-target EVP opportunity and their individual performance and was ultimately at the discretion of the Board.

The Board determined the EVP Scorecard Outcome following an assessment of Telstra's performance against the primary performance measures under the FY25 EVP. Positive outcomes were achieved across most of the financial and non-financial measures demonstrating strong delivery against our FY25 Corporate Plan and T25 strategy. Further details on the EVP Scorecard Outcome can be found in Sections 2.1 and 2.2.</td></tr>
<tr><td>Fixed Remuneration (FR)</td><td>On an annual basis the Board conducts a market review of Senior Executive remuneration and also considers other factors including internal relativities and any growth in the accountabilities of Senior Executive roles.

As disclosed in our 2024 Remuneration Report, the Board determined to increase the fixed remuneration of Kim Krogh Andersen, Group Executive Products and Technology, from $1,103,752 to $1,175,000, the fixed remuneration of Brad Whitcomb, Group Executive Telstra Consumer, from $1,153,752 to $1,200,000 and the fixed remuneration of Amanda Hutton, Group Executive Telstra Business, from $1,051,302 to $1,114,000. These changes all took effect on 1 October 2024.

For newly appointed Group Executives, we stated in our 2024 Remuneration Report that we may consider fixed remuneration increases in FY25 if their performance, contribution and the most recent market benchmarking warranted it. After 12 months in their roles, the Board determined to increase the fixed remuneration of Oliver Camplin-Warner, Group Executive Telstra Enterprise, from $1,051,302 to $1,114,000 from 1 March 2025 and the fixed remuneration of Shailin Sehgal, Group Executive Global Networks and Technology, from $1,051,302 to $1,114,000 from 21 March 2025. Refer to Section 4.2 for information on changes to fixed remuneration in FY26.

There have been no other fixed remuneration increases for Senior Executives during FY25 except to reflect the increase in legislated Superannuation Guarantee contributions from 1 July 2024 (refer to Section 2.1(b) for further information).</td></tr>
<tr><td>Non-executive director fees</td><td>The Board introduced a new committee structure effective 1 March 2025 with revised accountabilities and fees. Further detail is provided in Telstra's 2025 Corporate Governance Statement. Detailed information regarding remuneration paid to non-executive Directors in FY25, the new committee structure of the Telstra Board and planned changes to fees for FY26 is provided in Section 3.</td></tr>
<tr><td>FY21 EVP Performance Rights RTSR outcome</td><td>The RTSR performance condition for the Performance Rights awarded under the FY21 EVP was tested following the end of the performance period on 30 June 2025. The result and vesting outcome are detailed below. Refer to Section 2.4 for further information.
<table>
<tr><th>Performance Condition</th><th>Telstra's Percentile Rank</th><th>% of Performance Rights vested</th></tr>
<tr><td>RTSR – ASX100 (excluding resource companies) as of 1 July 2020</td><td>62nd percentile</td><td>74%</td></tr>
</table></td></tr>
</table>

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Key Management Personnel (KMP) covered in this report

Telstra's KMP are assessed each year and comprise the Directors of Telstra and the Senior Executives. The term "Senior Executives" refers to the CEO and those executives with authority and responsibility for planning, directing and controlling the activities of Telstra and the Group, directly or indirectly. Each KMP held their position for the whole of FY25, unless stated.

Non-executive Directors

Current

Craig W Dunn

Eelco Blok

Maxine Brenner

Roy H Chestnutt

David Lamont
(appointed 3 December 2024)

Ming Long AM

Bridget Loudon

Elana Rubin AM

Former

Niek Jan van Damme
(retired 15 October 2024)

Senior Executives

Current	KMP Position
Vicki Brady	Chief Executive Officer & Managing Director (CEO)
Michael Ackland	Chief Financial Officer and Group Executive (GE) Strategy and Finance (CFO)
Kim Krogh Andersen	GE Product & Technology (P&T)
Oliver Camplin-Warner	GE Telstra Enterprise (TE)
Amanda Hutton	GE Telstra Business (TB)
Brendon Riley	GE and CEO Telstra InfraCo
Shailin Sehgal	GE Global Networks & Technology (GN&T)
Kathryn van der Merwe	GE People, Culture & Capability (PCC)
Brad Whitcomb	GE Telstra Consumer (TC)

Former

Dean Salter	GE Global Business Services (GBS) until 31 July 2024

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1. Policy

1.1 Remuneration policy, strategy and governance

Our remuneration policy and framework are designed to support our strategy and reinforce our culture, behaviours and habits. Further detail on our strategy is provided in Section C of this Annual Report under Strategy & Performance.

Our governance framework for determining Senior Executive remuneration includes the aspects outlined below.

(a) The People and Remuneration Committee

Telstra Board			
Audit Committee	**Risk and Sustainability Committee**	**People and Remuneration Committee**	**Nomination Committee**

Our People and Remuneration Committee assists the Board in discharging its responsibilities on matters relating to remuneration, people, culture, conduct and diversity and consists only of independent non-executive Directors.

Among other things, the Committee:				
Reviews Telstra's overall remuneration framework and makes recommendations to the Board on non-executive Director and Senior Executive remuneration	Monitors that Telstra's remuneration arrangements and outcomes encourage employees to pursue Telstra's strategy without rewarding conduct that is contrary to Telstra's values or risk appetite	Reviews selected people related risks and the risk management plans in place and monitors whether Telstra is operating within its risk appetite	Monitors the culture within Telstra and the effectiveness of management's initiatives to instil and reinforce Telstra's Big Three behaviours and compliance with Telstra's Code of Conduct	Reviews Senior Executive succession plans and talent development plans

The Chair of Risk and Sustainability Committee is also a member of the People and Remuneration Committee. This provides an overview of the key issues considered by the Risk and Sustainability Committee that are likely to be relevant to the People and Remuneration Committee in assessing the remuneration outcomes for the CEO and the performance and remuneration outcomes for other Senior Executives. Information and papers considered by a Committee are also provided to other Committees and the Board as relevant.

Further detail about the People and Remuneration Committee and its responsibilities is provided in our Corporate Governance Statement and in the People and Remuneration Committee Charter, both of which are available at **telstra.com/governance**.

(b) Remuneration reviews

As part of its role, the People and Remuneration Committee reviews and recommends CEO and other Senior Executive remuneration packages that achieve a balance between fixed and variable pay, reflecting appropriate short and long term performance objectives.

The People and Remuneration Committee has an established set of principles it follows in making recommendations on Senior Executive remuneration. Either at the time of a Senior Executive's appointment or as a part of an annual or ad-hoc remuneration review, the People and Remuneration Committee will consider a range of factors in making remuneration recommendations. Those considerations include internal and external relativity for roles of a similar size and complexity, any proven and consistent high performance and/or any notable increase in experience and contribution. For newly appointed Group Executives who are proving themselves in role, the Committee may consider fixed remuneration increases as their performance, contribution and the most recent market benchmarking warrants it.

The People and Remuneration Committee reviews and makes recommendations to the Board (for final approval) on:

- the CEO's fixed and variable remuneration (having regard to the Board's assessment of the CEO's performance); and
- the fixed and variable remuneration and performance outcomes of other Senior Executives (having regard to the CEO's assessment of their performance).

In FY25, the Board reviewed our executive remuneration framework to ensure Telstra's remuneration framework continues to align with the company's new strategy and how we create value for stakeholders and shareholders. The Board has structured the new framework for FY26 to help ensure executive focus and outcomes align with shareholder expectations and deliver clear performance linkages to our Connected Future 30 strategy. Further detail is provided in Section 4.3 of our Remuneration Report.

(c) Incentive design and performance assessment

The People and Remuneration Committee oversees the setting of measures and targets to encourage performance and behaviour that is aligned to Telstra's Big Three behaviours and habits, including the primary performance measures for the EVP. The Board determines the EVP Scorecard Outcome by assessing performance against each primary performance measure. The EVP Scorecard Outcome is multiplied by a percentage based on the relevant Senior Executive's individual performance to determine the Senior Executive's Individual EVP Outcome. The Board also has discretion to adjust an outcome to ensure there are no windfall gains or losses. Refer to Section 2.1(c) for further information.

(d) Board decision framework

The Board has a decision framework to provide guidance in exercising its discretion on variable remuneration outcomes and to provide greater consistency in remuneration adjustments. The framework was considered in determining the Individual EVP Outcomes under the FY25 EVP.

(e) Engagement with consultants

During FY25, Telstra did not seek a remuneration recommendation from a remuneration consultant in relation to any of our KMP.

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(f) Share ownership policies

Telstra has in place share ownership policies which apply to the Senior Executives and non-executive Directors of Telstra. The intent of these policies is to align the interests of the CEO, GEs and non-executive Directors with the interests of our shareholders.

The CEO has five years from appointment to the role to meet the shareholding requirement under our policy. Executives who have held a Group Executive (GE) position for at least five years have met the shareholding requirement as of 30 June 2025. For information on Senior Executives' interests in Telstra shares refer to Section 2.5(e).

All non-executive Directors (excluding the Chair) who have been on the Board for 5 years or more have met their minimum shareholding requirement. The Chair has five years from appointment as Chair to meet the higher shareholding requirement under our policy. Directors' shareholdings as of 14 August 2025 are set out in the Directors' Report.

The requirements of our share ownership policies are summarised below:

Summary of requirements under the share ownership policies	
Position	**Minimum holding requirement within 5 years of appointment to the position**
CEO	200% of fixed remuneration
GEs	100% of fixed remuneration
Chair of the Board	200% of the annual non-executive Director base fee
Non-executive Directors	100% of the annual non-executive Director base fee

The following outlines how various Telstra securities are valued in calculating a person's shareholding for the purpose of the policies:

How Telstra securities are valued under the policies		
Position	**Securities**	**Basis of valuation under the policies**
CEO and GEs	Ordinary shares purchased on-market	Acquisition price
	Restricted Shares	The volume weighted average price of Telstra shares used to determine the number of Restricted Shares granted under the relevant employee equity plan
	Performance Rights	Not included
	Any shares granted upon vesting of Performance Rights	Telstra's closing share price on the date that the Performance Right vests
Chair and non-executive Directors	Ordinary shares purchased on-market	Acquisition price

Senior Executives must obtain Board or, in certain circumstances, CEO or Chair approval before they sell Telstra shares if they have not yet met their minimum holding requirement. Progress towards the minimum holding requirement is monitored on an ongoing basis.

(g) Securities Trading Policy

All KMP must comply with Telstra's Securities Trading Policy, which includes a requirement that Telstra securities can only be traded during specified trading windows and with prior approval. KMP must also consider how any proposed dealing in Telstra securities could be perceived by the market and must not deal if the proposed dealing could be perceived as taking advantage of their position in an inappropriate way. They are also prohibited from entering into any hedging arrangement that limits the economic risk of holding Telstra securities (including those held under Telstra equity plans). This helps align our KMP's interests with shareholders' interests. KMP are required to confirm on an annual basis that they comply with our Securities Trading Policy, which assists in monitoring and enforcing our policy. Our Securities Trading Policy is available at **telstra.com/governance**.

(h) Consequence Management Outcomes

Consequence management applies wherever there is a breach of Telstra's Code of Conduct or our Big Three behaviour and habits. Consequences may include further training, adjustments to performance-based remuneration, formal warnings or dismissal. Where an employee has received a formal warning, their performance-based remuneration will likely be impacted. Clawback and malus may also be enacted.

In October 2020 Belong, a business unit of Telstra, changed the maximum upload speed for around 9,000 customers on Belong's highest speed plan from 40Mbps to 20Mbp without notice. Telstra self-reported the matter to the ACCC. In FY25, the Federal Court found that Belong made misleading representations to customers in breach of consumer law. We acknowledge the importance of this matter. Senior Management addressed the conduct with the relevant executives prior to the Court findings and consequences have already been applied to the accountable executives.

A Clawback Committee oversees the application of the Malus and Clawback policy. This policy applies to all employees at Telstra and sets out the process that is followed to put the Board in a position to determine whether a malus or clawback event has occurred and whether to lapse, forfeit or recover Performance Rights, Restricted Shares and Cash Rights (or an amount equivalent in value to the relevant securities). The Clawback Committee considers material issues, including those referred by the senior management risk forum, and reports to the People and Remuneration Committee twice a year. The Clawback Committee is comprised of the GE People, Culture and Capability, the CFO, the GE Sustainability, External Affairs and Legal and the Chief Risk Officer. More detail on the senior management risk forum is provided in our Corporate Governance Statement.

The People and Remuneration Committee subsequently makes recommendations to the Board as to whether to exercise its discretion to exercise malus or clawback of any securities (or an amount equivalent in value to the relevant securities). A member of the Clawback Committee is prohibited from being involved in a Clawback Committee recommendation in connection with any awards they hold. If the whole Committee has a conflict of interest, the investigation team bypasses the Committee and takes their recommendations directly to the CEO, the People and Remuneration Committee Chair and/or the Chair of the Telstra Board, as appropriate.

No matters were considered for malus or clawback by the Clawback Committee and no lapsing, forfeiture or recovery of securities held by Senior Executives was recommended or approved during FY25 under the Malus and Clawback Policy.

2. Senior Executive remuneration

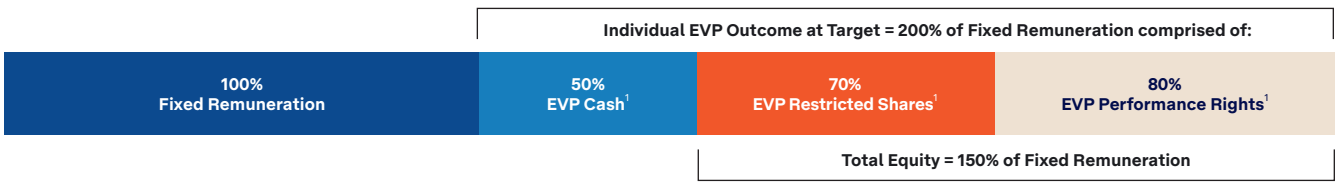
2.1 FY25 Remuneration Structure

The following diagram illustrates the remuneration framework that applied to our Senior Executives during FY25.

Attract, motivate and retain highly skilled people	Support our strategy and reinforce our culture, behaviours and habits	Link financial reward outcomes to employee contribution and company performance	Align to long term shareholder value creation
Fixed Remuneration	**EVP**		
Cash		**Equity**	
Base salary + Superannuation	Each Senior Executive's Individual EVP Outcome was determined having regard to the EVP Scorecard Outcome (based on Telstra's performance against customer, strategic, and financial priorities), their target EVP opportunity and their individual performance, and was ultimately at the discretion of the Board		
Set taking into account both internal and external relativity for roles of a similar size and complexity, any proven and consistent high performance and/or a notable increase in experience and contribution	25% of the FY25 Individual EVP Outcome is provided in cash	35% of the FY25 Individual EVP Outcome is deferred as Restricted Shares over four years with 25% of the Restricted Shares eligible to vest each year following the end of the Initial Performance Period	40% of the FY25 Individual EVP Outcome is allocated in Performance Rights, which are subject to a 5-year Relative Total Shareholder Return (RTSR) performance condition
		May be forfeited or lapsed if employment ceases other than for a Permitted Reason or a malus or clawback event occurs	
Internally consistent and market competitive base reward	Recognises sustainable performance in the medium to longer term		
	Rewards annual performance, providing specific focus on strategic priorities	Recognises the criticality of strategic non-financial measures as drivers of longer-term value creation	Focuses on achieving longer-term superior performance for stakeholders

(a) FY25 remuneration mix for Senior Executives

The graph below shows the FY25 remuneration mix for Senior Executives expressed as a percentage of Fixed Remuneration (FR).



1. The percentages shown are calculated from the 25% Cash, 35% Restricted Share and 40% Performance Right components of the FY25 EVP multiplied by the FY25 EVP target opportunity of 200% of Fixed Remuneration.

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(b) Current Senior Executive Fixed Remuneration and contract details

The following table summarises the fixed remuneration for Senior Executives as of 30 June 2025 and notice and termination payment provisions that apply under the ongoing service contracts for current Senior Executives as of 14 August 2025.

Name	Title	Fixed Remuneration[1]	Notice period	Termination payment
Vicki Brady	CEO	$2,392,547[2]	6 months	6 months
Michael Ackland	CFO	$1,252,547[2]	6 months	6 months
Kim Krogh Andersen	GE P&T	$1,175,000[3]	6 months	6 months
Oliver Camplin-Warner	GE TE	$1,114,000[4]	6 months	6 months
Amanda Hutton	GE TB	$1,114,000[3]	6 months	6 months
Brendon Riley	GE & CEO Telstra InfraCo	$1,403,752[2]	6 months	12 months[5]
Shailin Sehgal	GE GN&T	$1,114,000[4]	6 months	6 months
Kathryn van der Merwe	GE PC&C	$1,051,302[2]	6 months	6 months
Brad Whitcomb	GE TC	$1,200,000[3]	6 months	6 months

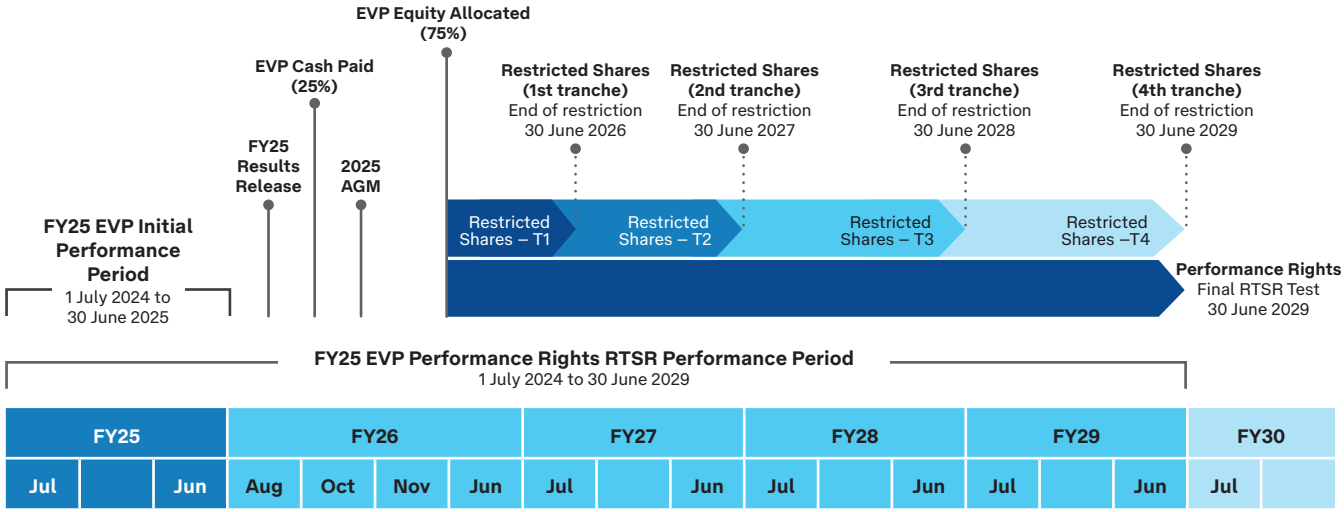
1. Senior Executive fixed remuneration as of 30 June 2025.
2. Fixed remuneration increased by $1,302 on 1 July 2024 to reflect the legislated increase in Superannuation Guarantee Contribution from 11% to 11.5%.
3. As disclosed in the 2024 Remuneration Report, the Board determined to increase the fixed remuneration of Kim Krogh Andersen, Group Executive Products and Technology, from $1,103,752 to $1,175,000, the fixed remuneration of Brad Whitcomb, Group Executive Telstra Consumer, from $1,153,752 to $1,200,000 and the fixed remuneration of Amanda Hutton, Group Executive Telstra Business, from $1,051,302 to $1,114,000. These changes took effect on 1 October 2024.
4. In 2025, the Board approved an increase in fixed remuneration from $1,051,302 to $1,114,000 for Oliver-Camplin Warner, effective 1 March 2025 and an increase in fixed remuneration from $1,051,302 to $1,114,000 for Shailin Sehgal, effective 21 March 2025. These executives were appointed to their roles in March 2024. Their fixed remuneration at that time recognised their promotion to more senior roles. The fixed remuneration increases awarded in March 2025 recognised their proven performance in role and their level of remuneration in relation to similar roles in the ASX20.
5. Brendon Riley has a 12-month termination payment clause in his contract that was negotiated upon commencing employment at Telstra in February 2011. Telstra's current policy is to provide for a six-month termination payment in executive contracts.

Upon notice being given, Telstra can require a Senior Executive to work through the notice period or may terminate employment immediately by providing payment in lieu of notice, or a combination of both. Any payment in lieu of notice is calculated based on the Senior Executive's fixed remuneration as at the date of termination.

There is no termination payment if termination is for serious misconduct or redundancy (unless the severance payment under Telstra's redundancy policy would be less than the termination payment, in which case the termination payment applies instead).

(c) FY25 Executive Variable Remuneration Plan (EVP) structure

The Senior Executives participated in the FY25 EVP. The construct of the FY25 EVP is illustrated in the diagram below:

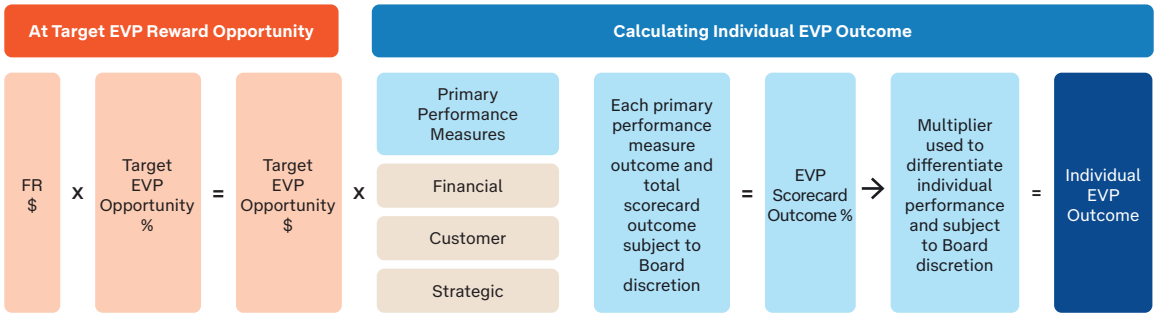


At the 2025 AGM to be held on 14 October 2025, we will seek shareholder approval for the Restricted Shares and Performance Rights to be allocated to the CEO under the FY25 EVP.

The table below outlines the key features of the FY25 EVP.

<table>
<tr><th>FY25 EVP design attributes</th><th>Detail</th></tr>
<tr><td>EVP Reward opportunity</td><td>
<table>
<tr><th colspan="2">As a % of Fixed Remuneration</th></tr>
<tr><td>Threshold</td><td>100%</td></tr>
<tr><td>Target</td><td>200%</td></tr>
<tr><td>Maximum</td><td>300%</td></tr>
</table>
</td></tr>
<tr><td>Initial Performance Period</td><td>1 year (1 July 2024 to 30 June 2025)</td></tr>
<tr><td>Calculation of Individual EVP Outcomes</td><td>
Overview
Each Senior Executive's Individual EVP Outcome for FY25 is set out in Section 2.5(c).

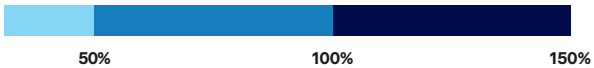
Each Senior Executive's Individual EVP Outcome was determined by the Board taking into consideration their 'at target' EVP reward opportunity, the EVP Scorecard Outcome, their individual performance (in the case of the GEs including their performance relative to each other) and other factors in accordance with its decision framework, including any material risk events identified, the severity of their impact, and the executive's accountability for the matter.



EVP Scorecard Outcomes
The EVP Scorecard Outcome was determined by the Board following an assessment of Telstra's performance against the primary performance measures (described in detail below) during FY25 (referred to as the Initial Performance Period).

The primary performance measures operated independently, and each measure was given a weighting and defined threshold, target and maximum performance level. If performance fell between any of those levels, the outcome was determined proportionately commensurate with the following range.

Metric Performance Range


Senior Executive Performance Outcome


The Board had discretion to adjust the outcome against each primary performance measure to ensure there were no windfall gains or losses. No adjustments were approved by the Board in FY25.

The Board also had discretion to adjust the overall EVP Scorecard Outcome if it was considered to be appropriate when taking into account matters including Telstra's performance, customer experience and shareholder expectations. Such adjustment was not considered appropriate for FY25.

The EVP Scorecard Outcome was then multiplied by a percentage based on the Senior Executive's individual performance, to determine each Senior Executive's Individual EVP Outcome. Refer to Section 2.3 for further information on discretion exercised in determining FY25 Individual EVP Outcomes.
</td></tr>
</table>

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FY25 EVP design attributes	Detail
Primary performance measures	The primary performance measures outlined below were selected for FY25 because they provide the critical link between delivering Telstra's T25 strategy and Telstra's Corporate Plan and increasing shareholder value. The Board believes that the strategic, customer and financial measures directly demonstrate the delivery of critical components of the T25 strategy and are fundamental key drivers of long term value creation. To assist shareholders' understanding of these measures and their relevance to Telstra's performance, further information on each measure is provided below. Refer to Section 2.2 for the threshold, target and maximum for each measure and their weightings.

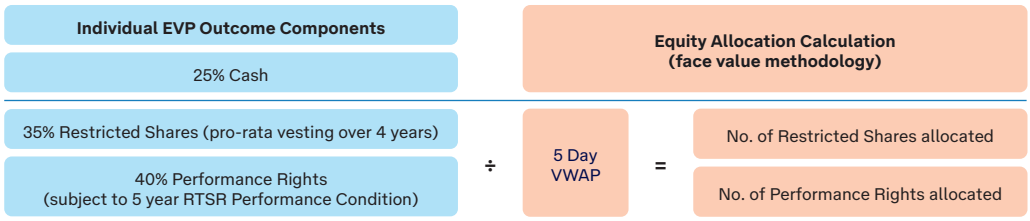
Primary Performance Measures

	Measure and metric	Rationale for why chosen
Financial (60%)	**Fixed Core Cost Reduction** Net fixed cost out from FY23 to FY25	• Key indicator of financial performance. • Aligns to our external cost reduction commitments. • Aligns to the growth and value pillar of our T25 scorecard.
Financial (60%)	**Underlying EBITDA** Underlying EBITDA is Earnings Before Interest, Tax, Depreciation & Amortisation, and excludes guidance adjustments	• Key indicator of financial performance. • Ensures appropriate focus on profit and cost to deliver. • A strong indicator of underlying company profitability. • Aligns to the growth and value pillar of our T25 scorecard.
Financial (60%)	**Free Cash Flow** Free Cashflow after lease payments defined as 'operating cash flows' less 'investing cash flows', less 'payments for lease liabilities', and excludes spectrum and guidance adjustments	• Key indicator of financial performance. • Appropriate for a capital-intensive business and critical in managing the company's ability to pay a dividend and maintain balance sheet strength. • Aligns to the growth and value pillar of our T25 scorecard.
Financial (60%)	**Underlying Return on Invested Capital** Underlying ROIC is Total NOPAT less guidance adjustments after tax, divided by Average Invested Capital	• Key indicator of financial performance. • Reflects our T25 strategy focus on growth and financial returns. • Aligns to the growth and value pillar of our T25 scorecard.
Customer (25%)	**Episode NPS** Measures our customer experience from their feedback on each episode using a Net Promoter Score	• Focuses leaders on continuously improving the customer service experience, driving both customer attraction and retention. • Underpins company-wide improvement programs focused on improving our operational excellence by identifying and eliminating the causes of unnecessary customer effort and pain points. • Aligns to the customer experience pillar of our T25 scorecard.
Customer (25%)	**RepTrak** Measures our reputation score on the RepTrak index	• Includes the sentiment of customers and non-customers, but also provides a broader, more holistic measure which picks up on all the key drivers of company reputation. • Focuses leaders on the company's reputation in the community, with customers and prospective customers, and with prospective employees, driving both customer and employee attraction and retention. • RepTrak scores can be influenced by external factors, such as wider economic conditions and consumer sentiment towards corporate Australia. When assessing Telstra's annual performance, we may take into consideration the year-on-year movement in the RepTrak Benchmark 60 average score (which measures the reputation of the 60 largest brands in Australia by revenue and market presence). • It is an indicator of how stakeholders feel about Telstra. • Aligns to the responsible business pillar of our T25 scorecard.

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<table>
<tr><th>FY25 EVP design attributes</th><th>Detail</th></tr>
<tr><td>Primary performance measures (continued)</td><td>
Primary Performance Measures
Strategic (15%)
Responsible Business
Our % reduction in absolute scope 1 + 2 greenhouse gas emissions and % reduction in absolute scope 3 greenhouse gas emissions, both from our FY19 baseline (excluding Digicel Pacific)
• Inclusion of this metric in our scorecard leans into Telstra's contribution to addressing this pressing issue and specifically recognises broad community concern about our changing environment.
• Scope 1 + 2 greenhouse gas emissions are those caused by fossil fuels and grid electricity we use. Scope 3 greenhouse gas emissions are mainly those from our value chain (e.g. suppliers and customers). Both metrics will be assessed separately and combined with an equal weighting (50% each), as set out below.
<table>
<tr><th>Reduce emissions</th><th>Weight</th><th>Threshold</th><th>Target</th><th>Max</th></tr>
<tr><td>Scope 1 + 2</td><td>50%</td><td>40%</td><td>41%</td><td>43%</td></tr>
<tr><td>Scope 3</td><td>50%</td><td>40%</td><td>41%</td><td>43%</td></tr>
<tr><td>Blended targets (rounded to nearest whole %)</td><td>100%</td><td>40%</td><td>41%</td><td>43%</td></tr>
</table>
• The Responsible Business targets were set assuming the closure of our 3G network by end November 2024 and exclude Digicel Pacific which Telstra acquired during FY23.
• Aligns to the responsible business pillar of our T25 scorecard.
Digital Leadership
Launching Application Programming Interface (API)-first products
• This measure focuses on enablers of Digital Leadership that will support our external commitment of 100% API-first architecture for customer management and product development.
• In FY25, we measured "Number of Compliant API First Product Releases (#)" by tracking the number of products released that are compliant with the API first principles.
• These product releases will make use of the Reusable ITaaS and NaaS API capabilities, meet the principles of the Product Architecture Blueprint and the Telstra Reference Architecture Model, and make distinct, new capabilities available to the market.
• For FY25 we targeted 4 API-First product releases from a targeted pool of 8 viable products, with a proposed threshold of 3 products released and stretch target of 6 products released.
People Engagement
Maintain employee engagement in the high performing norm
• Focuses leaders on our employee engagement and the importance of employees as stakeholders.
• Supports engagement at the current level of 79 which is above the 75th percentile of the high performing norm, with our stretch target reflecting our ambition to achieve the 90th percentile score of 82.
• A highly engaged workforce is critical for attracting and retaining the talent required to deliver on our ambitious strategy.
To assess the primary performance measures, the Board reviewed the Group's results, including the financial statements which are audited by Deloitte, our external auditor. It also reviewed Deloitte's agreed-upon procedures report on performance against the primary performance measures.
Refer to Section 2.2 for further information.
</td></tr>
<tr><td>EVP outcome – cash vs equity balance</td><td>A Senior Executive's Individual EVP Outcome is provided as a combination of cash (25%), Restricted Shares (35%) and Performance Rights (40%) which are subject to a Relative Total Shareholder Return (RTSR) performance condition. This results in a 25:75 ratio of cash to equity. On vesting of a Performance Right, the holder will receive a share or, at Telstra's discretion, a cash amount equivalent to the value of a share at vesting.</td></tr>
</table>

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FY25 EVP design attributes	Detail
Equity allocation methodology	 The number of Restricted Shares and Performance Rights to be allocated to a Senior Executive is based on the dollar value of their Individual EVP Outcome, multiplied by 35% for Restricted Shares and 40% for Performance Rights, and then divided by the five day volume weighted average price (VWAP) of Telstra shares commencing on the day after the FY25 results announcement (i.e. a face value allocation methodology).
Issue/exercise price	As the Restricted Shares and Performance Rights form part of a Senior Executive's variable remuneration, no amount is payable by the Senior Executive on grant of the Restricted Shares or on grant or vesting of the Performance Rights. Both the Restricted Shares and any shares to be provided on the vesting of Performance Rights will be purchased on-market.
Restriction and performance periods for equity	**Restricted Shares** Restricted Shares will be eligible to vest in four equal tranches, with 25% eligible to vest each year for the four years following 30 June 2025 (being the end of the Initial Performance Period). i.e. on 30 June 2026, 30 June 2027, 30 June 2028, and 30 June 2029. **Performance Rights** The Performance Rights are subject to an RTSR performance condition, tested over a five-year performance period from 1 July 2024 to 30 June 2029. Refer to the secondary performance measures Section outlined below for further information. In certain limited circumstances, such as a takeover event where 50% or more of shares of the Telstra group's head entity are acquired, the Board may exercise discretion to accelerate vesting of the Performance Rights and accelerate the end of the Restriction Periods for the Restricted Shares.
Secondary performance measures	In addition to the primary performance measures (which are assessed over the one year period to 30 June 2025) the Performance Rights component of each Senior Executive's Individual EVP Outcome only vests if, and to the extent that, the RTSR performance condition is satisfied at the end of the five year performance period on 30 June 2029. Any Performance Rights that vest following the testing of the RTSR performance condition will be automatically exercised following the release of Telstra's annual results for FY29 and any Performance Rights that do not vest following the testing will lapse (and expire) at that time. This means Senior Executives have a double hurdle in relation to the Performance Right component of their Individual EVP Outcome, with performance measured over both the Initial Performance Period and the five-year RTSR Performance Period. RTSR measures the performance of a Telstra share (including the value of any cash dividends and other shareholder benefits paid during the RTSR Performance Period) relative to the performance of ordinary securities issued by the other entities in the comparator group (being entities in the S&P / ASX100 index as of 1 July 2024 (excluding resources companies)) over the RTSR Performance Period. The Board believes that RTSR is an appropriate secondary performance measure because it links executive reward to Telstra's share price and dividend performance relative to entities in the comparator group over the long term. This reinforces the ultimate focus on shareholder value creation and helps align actual pay outcomes with returns delivered to long term shareholders. Under the RTSR performance condition, the number of Performance Rights that vest will be determined as follows:

RTSR Ranking	Vesting
Below the 50th percentile	0%
At the 50th percentile	50%
Between 50th and 75th percentiles	Straight-line vesting from 50% to 100%
At the 75th percentile or above	100%

Both the starting price and end price for the purpose of calculating Telstra's RTSR are the average of Telstra's daily closing share price over the 30 day period to 30 June of the relevant year. The starting price that will be used to determine Telstra's RTSR at the end of the RTSR Performance Period for the FY25 EVP is $3.57.

FY25 EVP design attributes	Detail
Dividends	**Restricted Shares** Participants receive dividends on Restricted Shares during the Restriction Periods consistent with other Telstra shareholders. This is appropriate because these Restricted Shares do not have any further performance conditions. The intent is to mirror the experience of shareholders while deferring the remuneration so that it can be more easily subject to forfeiture if the Participant ceases employment other than for a Permitted Reason or for malus or clawback. **Performance Rights** No dividends are paid on Performance Rights prior to vesting. For any Performance Rights that ultimately vest following satisfaction of the RTSR performance condition, a cash payment equivalent to the dividends paid by Telstra during the period between allocation of the Performance Rights and vesting will be made at or around the time of vesting, subject to applicable taxation (Dividend Equivalent Payment).
Leavers	**Before the Restricted Shares and Performance Rights are allocated** If a Senior Executive ceases employment for a Permitted Reason, the Senior Executive is eligible for a pro-rata Individual EVP Outcome based on the proportion of time they were employed during FY25. The Senior Executive will receive: • the cash component of their pro-rata Individual EVP Outcome; and • a grant of Cash Rights (or, at the Board's discretion, cash, if the Senior Executive ceases employment due to death, total and permanent disablement or certain medical conditions) in lieu of Performance Rights and Restricted Shares. On vesting, a Cash Right entitles the executive to a cash payment equivalent to the value of a Telstra share at the end of the applicable RTSR Performance Period or Restriction Period (as applicable). A Cash Right granted in lieu of a Restricted Share also entitles the Senior Executive to receive an amount equal to dividends paid on Telstra shares between the date the Cash Right is allocated and the end of the applicable Restriction Period, at or around the same time that Telstra pays the dividend. A Cash Right granted in lieu of a Performance Right entitles the Senior Executive, if the Cash Right vests, to receive an amount equivalent to dividends paid on Telstra shares between allocation and vesting of the Cash Right after the end of the RTSR Performance Period. Where the Senior Executive receives Cash Rights, there is no change to the Restriction Periods, the RTSR Performance Period or the RTSR performance condition. If the Senior Executive ceases employment for any other reason, their EVP entitlement is forfeited. This ensures equal treatment for all executives and that departing executives continue to make decisions that are aligned to the long term interests of our shareholders. **After the Restricted Shares and Performance Rights are allocated** If a Senior Executive ceases employment for a Permitted Reason after the Restricted Shares and Performance Rights have been allocated, those Restricted Shares and Performance Rights will remain on foot. There is no change to the Restriction Periods, the RTSR Performance Period, or the RTSR performance condition. If the Senior Executive ceases employment for any other reason, their Restricted Shares and Performance Rights are forfeited.
Malus and Clawback	The Board has discretion to exercise malus or clawback of unvested or vested Performance Rights and Restricted Shares if certain malus or clawback events occur before, or after, the Performance Rights vest or the Restricted Shares are transferred to the Senior Executive following the end of the applicable Restriction Period. Malus and Clawback events include: • fraud, dishonesty, gross misconduct or material breach of obligations by the Senior Executive or behaviour that brings Telstra into disrepute or may negatively impact Telstra's long term financial strength; • where the Senior Executive causes a significant deterioration in Telstra's financial performance or negatively impacts Telstra's standing, reputation or relationship with its key regulators; • where the financial results that led to the Performance Rights or Restricted Shares being granted or vested are subsequently shown to be materially misstated; • where the Senior Executive fails to fulfil responsibilities under Telstra's risk management framework resulting in a material breach of Telstra's risk management framework; • where the Senior Executive has retired and subsequently re-enters the workforce (other than in a manner consistent with Telstra's Age Retirement Policy); or • where the Board determines that the Performance Rights or Restricted Shares were allocated in error or are an inappropriate benefit.

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(d) Financial performance

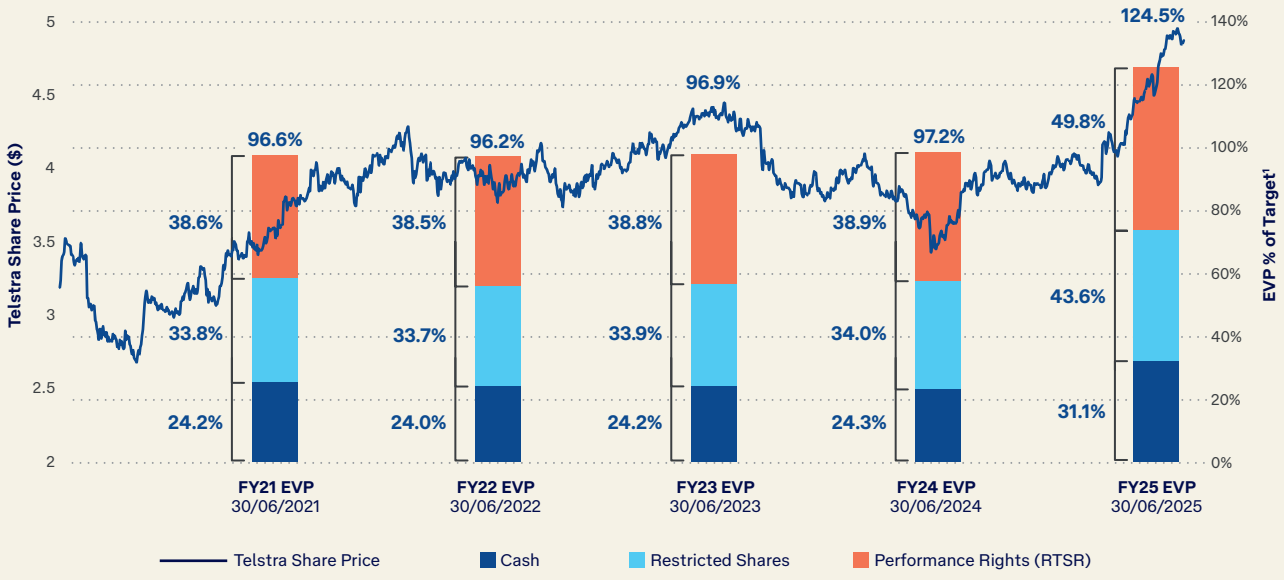
The table below provides a summary of Telstra's key financial results over the past five financial years.

Financial Performance[1]	FY25 $m	FY24 $m	FY23 $m	FY22 $m	FY21 $m
Earnings					
Total Income	23,610	23,482	23,245	22,045	23,132
EBITDA	8,607	7,528	7,862	7,256	7,638
Net Profit[2]	2,172	1,622	1,928	1,688	1,857
Shareholder Value					
Share Price ($)[3]	4.84	3.62	4.30	3.85	3.76
Total Dividend Paid Per Share (cents)[4]	18.5	17.5	17.0	16.0	16.0

1. For the year ended 30 June 2023, Telstra's financial results include the historical financial information of the Telstra Group for both the period before and after the Restructure. The results for FY21 – FY22 are the consolidated results of Telstra Corporation Limited and its controlled entities when Telstra Corporation Limited was the parent entity of the Telstra Group before the Restructure.
2. Net Profit attributable to equity holders of the Telstra entity.
3. Share prices are as of 30 June for the respective year. The closing share price for FY20 was $3.13.
4. We paid dividends to holders of Telstra's ordinary shares twice each year over the past five financial years, an interim and a final dividend. The amounts included in this table relate to dividends paid during the financial year. Therefore, for each respective year, the amount includes the dividend paid for the previous year final dividend and the current year interim dividend. Refer to Note 4.2 to the financial statements in the Financial Report for further information about dividends paid in FY25.

(e) Historical Individual EVP Outcomes relative to the Telstra share price

The graph below provides a useful comparison of performance and shows the average Individual EVP Outcomes for FY21 through to FY25 as a percentage of the target opportunity, relative to the performance of Telstra's share price over the past five years. For the purposes of the graph, Telstra means Telstra Corporation Limited up until 31 October 2022 (the date it was replaced by Telstra Group Limited as the head entity of the Telstra group) and Telstra Group Limited after that time.

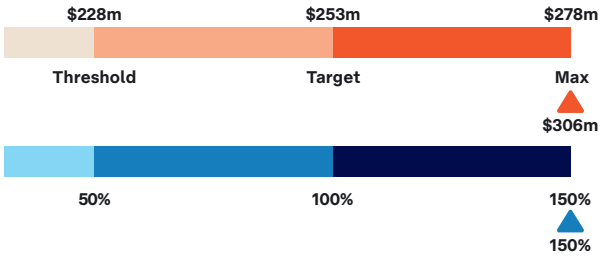
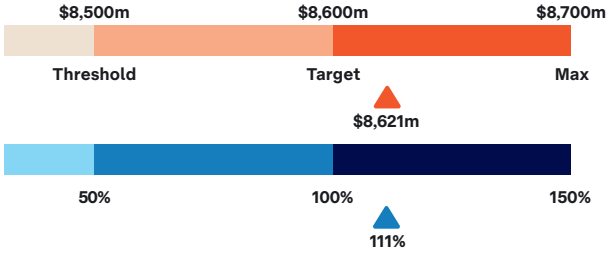
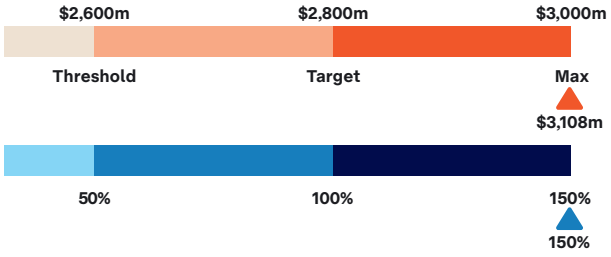
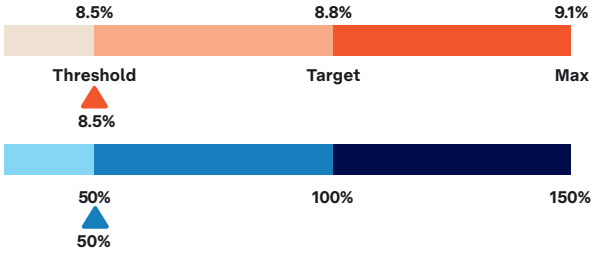


1. The average Individual EVP outcomes as a percentage of target is shown for all Senior Executives (including the CEO and former Senior Executives) for the relevant period.

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2.2 FY25 EVP Scorecard Outcome

The Board evaluated Telstra's performance against the primary performance measures. The threshold, target and maximum levels for each measure (as outlined in our 2024 Remuneration Report) were set to be robust and appropriately demanding, taking into account the key deliverables and milestones outlined in our T25 strategy, planned financial outcomes contained within our FY25 Corporate Plan and FY25 guidance as announced on 15 August 2024. The levels for all financial measures were determined in line with market guidance, with each target level approximating the midpoint of that guidance and each maximum level equal to or above the maximum guidance range.

Measures	Weighting	Targets and Performance Outcomes
Fixed Core Cost Reduction ($m) Net fixed cost out from F23 to FY25	15%	
Underlying EBITDA ($m) Earnings Before Interest, Tax, Depreciation & Amortisation, and excludes guidance adjustments	15%	
Free Cash Flow ($m) Free Cashflow after lease payments defined as 'operating cash flows' less 'investing cash flows', less 'payments for lease liabilities', and excludes spectrum and guidance adjustments	15%	
Underlying Return on Invested Capital Total NOPAT less guidance adjustments after tax, divided by Average Invested Capital	15%	

1. The adjustments to EBITDA to calculate Underlying EBITDA, and to Free Cash Flow to calculate Guidance Free Cash Flow, have been reviewed by our external auditor, Deloitte, for consistency with the basis set out in the guidance we provided to the market.

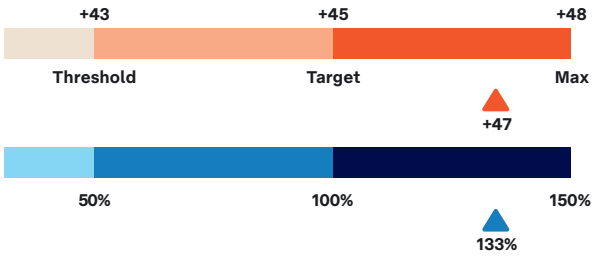
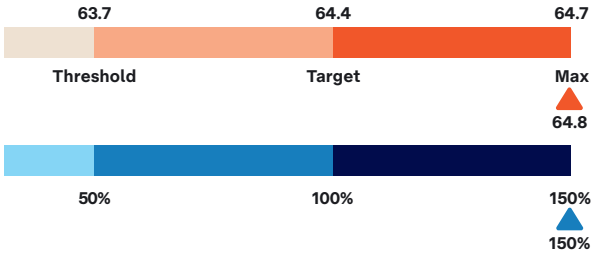
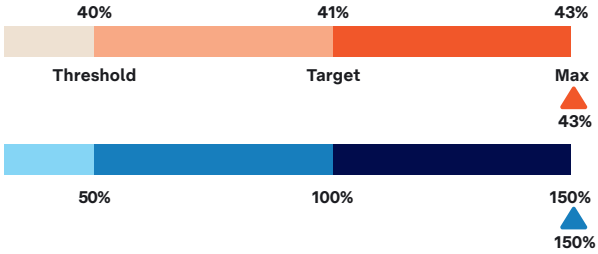
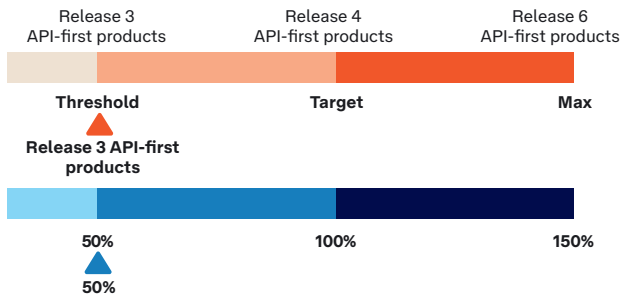
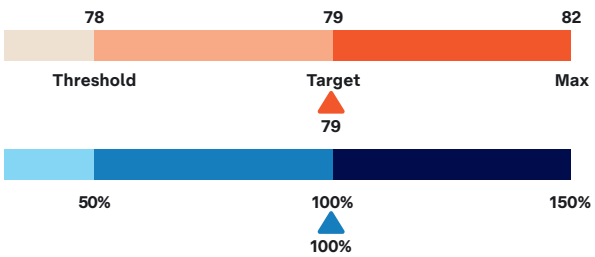
The Board maintained absolute discretion to ensure the EVP Scorecard Outcome was appropriate, taking into account matters including Telstra's performance, customer experience and shareholder expectations. All primary performance measure outcomes and the EVP Scorecard Outcome for FY25 are driven by the results achieved and no adjustments were made.

The EVP Scorecard Outcome for FY25 was 119% of the target opportunity (79% of maximum).

	Weighted Result (% of Target)	Additional information
	22.5 %	We achieved $306m of cost reduction during FY25 which was well above FY25 EVP maximum. We have reviewed the agreed-upon procedures report from our external auditor, Deloitte, with no reported findings for the calculation. This outcome includes several offsetting items reviewed by the Board that were not adjusted for because collectively they did not reduce performance below the EVP maximum. These items included lower commissions following the Boost acquisition, changes in Telstra Enterprise, and changed accounting treatment from the prior year for copper recovery costs and certain customer compensation payments. Benefits to Fixed Core Cost resulting from certain impairments made for Telstra Enterprise in FY24 were allowed for when setting the original FY25 EVP threshold, target and maximum and therefore no adjustments were made. Reported operating costs included $61m related to guidance adjustments, including an impairment of London Hosting Centre assets ($50m), consistent with the adjustments to Reported EBITDA noted below. The Board determined that excluding the operating cost guidance adjustments from Fixed Core Cost Reduction was appropriate for remuneration purposes. They were adjusted in accordance with Telstra's guidance adjustment policy. This policy ensures results on a remuneration basis are calculated on the same basis and under the same assumptions as those on which the original guidance was issued.
	16.6 %	Underlying EBITDA of $8,621m on a guidance basis was reported by Telstra for FY25 which was between the FY25 EVP target and maximum. The calculation of this result was reviewed by our external auditor, Deloitte[1]. The Digicel Pacific earnout provision release was $39m and was included in Underlying EBITDA and when setting the EVP threshold, target and maximum for Underlying EBITDA. It was also allowed for when setting the original FY25 guidance and so has not been adjusted. Benefits to FY25 Underlying EBITDA resulting from certain impairments made for Telstra Enterprise in FY24, including to deferred acquisition costs, were similarly allowed for when setting the original FY25 guidance and EVP threshold, target and maximum. Reported EBITDA of $8,607m for FY25 included $14m net cost related to guidance adjustments. The material adjustments were a gain on a data centre lease ($43m) and an impairment of London hosting centre assets ($50m). The adjustments to EBITDA to calculate Underlying EBITDA were reviewed by our external auditor, Deloitte, for consistency with the basis set out in the guidance Telstra provided to the market. The Board determined that excluding the guidance adjustments from Underlying EBITDA was appropriate for remuneration purposes. They were adjusted in accordance with Telstra's guidance adjustment policy. This policy ensures results on a remuneration basis are calculated on the same basis and under the same assumptions as those on which the original guidance was issued.
	22.5 %	Free Cash Flow (including $325m strategic investment) of $3,108m on a guidance basis was reported for Telstra for FY25 which was above the FY25 EVP maximum. The calculation of this result was reviewed by our external auditor, Deloitte[1]. Reported Free Cash Flow of $3,956m for FY25 included $762m for lease payments, $57m for spectrum payments and $143m net receipts from M&A. The adjustments to Reported Free Cash Flow to calculate Guidance Free Cash Flow were reviewed by our external auditor, Deloitte, for consistency with the basis set out in the guidance Telstra provided to the market. The Board determined that excluding the $143m net inflow associated with M&A guidance adjustments from Free Cash Flow was appropriate for remuneration purposes. They were adjusted in accordance with Telstra's guidance adjustment policy. This policy ensures results on a remuneration basis are calculated on the same basis and under the same assumptions as those on which the original guidance was issued.
	7.5 %	Underlying ROIC of 8.5% was reported by Telstra for FY25 which was at the FY25 EVP threshold, and up 0.2 percentage points on FY24. The calculation of this result was reviewed by our external auditor, Deloitte. Reported ROIC of 8.5% for FY25 included $4m net operating profit after tax related to guidance adjustments. The Board determined that excluding the guidance adjustments from Underlying ROIC was appropriate for remuneration purposes. They were adjusted in accordance with Telstra's guidance adjustment policy. This policy ensures results on a remuneration basis are calculated on the same basis and under the same assumptions as those on which the original guidance was issued.

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Measures	Weighting	Targets and Performance Outcomes
Episode NPS Measures our customer experience from their feedback on each episode using a Net Promoter Score	15%	
RepTrak Measures our reputation score on the RepTrak index	10%	
Responsible Business Our % reduction in absolute scope 1 + 2 greenhouse gas emissions and % reduction in absolute scope 3 greenhouse gas emissions, both from our FY19 baseline (excluding Digicel Pacific)	5%	
Digital Leadership Launching Application Programming Interface (API)-first products	5%	
People Engagement Maintain employee engagement in the high-performing norm	5%	
		Total

	Weighted Result (% of Target)	Additional information
	20.0 %	At the end of FY25 our Episode NPS was +47, which was above the FY25 EVP target, and up 1 point on FY24. We have reviewed the agreed-upon procedures report from our external auditor, Deloitte, with no reported findings for the calculation. In setting the FY25 EVP Episode NPS threshold and target the Board considered the customer experience performance based on a 12 month moving average allowing for a forecasted year of various and significant changes including the exit of the Platinum product, forecasted impacts from plan refreshes, channel mix changes and elevated service demand in the second half of the year due to anticipated customer migration-driven demand. Consistent with the prior year, the Board set the maximum FY25 EVP Episode NPS at 2 points above the actual outcome for FY24. The overall FY25 Episode NPS is a weighted calculation of survey results from Telstra business segments – 65% Telstra Consumer and Small Business (combined calculation) and 35% Telstra Enterprise. The Telstra Consumer and Small Business results were driven by strong performance when customers signed up for new plans or relocated their fixed service, along with a continued focus on resolving faults. The Telstra Enterprise results were achieved through targeted customer improvement initiatives and enhanced issue resolution.
	15.0 %	Telstra's FY25 annual RepTrak Reputation Score was 64.8 points measured as the average of four quarters. This result was above the FY25 EVP maximum and up 1.1 points on FY24. We have reviewed the agreed-upon procedures report from our external auditor, Deloitte, with no reported findings for the calculation. In setting the FY25 EVP RepTrak target the Board considered several factors, including the 0.2 point improvement achieved in FY24. Relative to this, the FY25 EVP target improvement of 0.7 point was considered ambitious reflecting a strong commitment to advancing Telstra's reputation. In FY25 we achieved our highest annual RepTrak score since we commenced tracking over 15 years ago, finishing 0.1 points ahead of our FY25 EVP maximum.
	7.5%	We have now reduced our absolute scope 1+2 emissions by 44% and our absolute scope 3 emissions by 43%, from an FY19 baseline. These results were above the FY25 EVP maximum. The calculation of this result was reviewed by our external auditor, Deloitte. Our absolute scope 1+2 emissions reduction increased from 37% in FY24 to 44% in FY25 driven largely by reduced Australian energy consumption (from decommissioning of legacy equipment and energy efficiency programs) and ongoing decarbonisation of the Australian electricity grid. Of our FY25 absolute scope 1+2 emissions reduction, 76% was due to our own direct efforts to reduce our energy consumption, and 24% was due to Australian grid decarbonisation. Telstra is actively contributing to Australian grid decarbonisation through our investments in new wind and solar farms in Australia, and towards our target of enabling renewable energy generation equivalent to our consumption by the end of 2025. Our absolute scope 3 emissions reduction increased from 37% in FY24 to 43% in FY25 driven largely by a reduction in supplier-related emissions. Telstra is actively working with suppliers to decarbonise the products and services they supply to us through engagement, procurement processes and contractual terms. These outcomes exclude Digicel Pacific which Telstra acquired during FY23.
	2.5%	We met the "Number of Compliant API-First Product Releases (#)" with three products released. The assessed performance on this measure was at FY25 EVP threshold. We have reviewed the agreed-upon procedures report from our external auditor, Deloitte, with no reported findings for the calculation. The three products released were: 1) Adaptive Networks, Adaptive Fibre; 2) Adaptive Networks, Telstra Internet Direct (TID); and 3) Dynamic 5G. The two Adaptive Networks products will transform how our business customers can design, order, track, manage, and monitor their network and connectivity services, also winning the Excellence in Customer Experience award from TM Forum at the 2025 DTW Ignite event in Copenhagen. Dynamic 5G offers a high-performance mobile experience for Enterprise and Business customers by providing a dedicated slice of our mobile network for committed throughput. It has won two major awards: Best Mobile Partnership/Initiative (Comms Day) and 5G Innovation of the Year (Glotel).
	5.0%	Telstra's employee engagement score for FY25 was 79, placing us within Glint's Global Top 25% benchmark. This score was the same as our FY24 score and at the FY25 EVP target. We have reviewed the agreed-upon procedures report from our external auditor, Deloitte, with no reported findings for the calculation. In setting the FY25 EVP People Engagement target, the Board considered that maintaining a score of 79 was appropriate to support Telstra's culture. The FY25 EVP threshold and target were also set considering the significant organisation changes planned for the year including the large number of roles made redundant in late FY24 and extending into FY25. It was predicted these changes would impact employee engagement in the short term, and that maintaining employee engagement at the same level as FY24 was an appropriate target. The FY25 EVP target keeps us in the Top 25% benchmark of global companies. The FY25 EVP maximum reflected our ambition to achieve the 90th percentile score of 82 and was set at the same level as FY24 EVP maximum. In FY25, we focused on taking action across all levels of the organisation (including Telstra-wide, function specific and leader levels) to both amplify our strengths and address improvement opportunities. Listening to and engaging our people and taking action on their feedback is a key reason why we have maintained our high levels of employee engagement throughout the year.
% of Target	**119%**	
% of Max	**79%**	

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2.3 Individual performance and the exercise of Board discretion in determining Individual EVP Outcomes

The EVP Scorecard Outcome (outlined above) was an input into each Senior Executive's Individual EVP Outcome. As outlined in Section 2.1, each Senior Executive's Individual EVP Outcome was determined taking into consideration the EVP Scorecard Outcome, their "at target" EVP reward opportunity and their individual performance. Individual performance is assessed against functional (and in the case of the CEO, company) financial, business and customer metrics, contribution to, and achievement of, company objectives, leadership of the Senior Executive's own team and their enterprise-wide leadership, and their performance in relation to risk and compliance.

The Individual EVP Outcome for each Senior Executive was determined by multiplying the EVP Scorecard Outcome by a percentage reflecting each participant's individual performance relative to their peers in the executive team. For each Senior Executive with a performance rating on our 1 to 5 scale, this percentage could range from 0% to 170%. For a performance rating of 3, the Individual EVP Outcome will centre around the EVP Scorecard Outcome. For those with a performance rating of 4 or 5, the Individual EVP Outcomes will be higher to reflect their relative individual performance. In all cases the maximum possible Individual EVP Outcome, including both company performance (the EVP Scorecard Outcome) and individual performance (from the multiplier percentage), will always be 300% of the individual's fixed remuneration.

The Board also had discretion, in determining a Senior Executive's Individual EVP Outcome, to take into account factors in accordance with its decision framework such as any material risk events identified, the severity of their impact and the executive's accountability for the matter. Further information on the CEO's performance is provided in Section 2.5(a).

At the end of FY25:

- The CEO's individual performance rating was a 4 on our 1 to 5 scale. The CEO's EVP outcome was determined by multiplying the EVP Scorecard Outcome of 119.1% of target (or 79.4% of maximum) by 110% representing her performance rating for the year and her relative performance in the executive team. The CEO's individual performance was assessed by the Board in accordance with the annual performance evaluation process for the CEO, taking into account a range of considerations including her individual scorecard performance, leadership behaviour and conduct, people engagement and effective application of risk management practices; and
- Each Group Executive's individual performance was assessed by the CEO in accordance with an annual performance evaluation process, taking into account a range of considerations including the Group Executive's individual scorecard performance, leadership behaviour and conduct, people engagement, effective application of risk management practices and performance relative to the other Group Executives. The CEO's recommended assessment for each Group Executive was provided to the People and Remuneration Committee for endorsement, and then to the Board for approval.

Please refer to 2.5(a) for further information on the CEO's performance in FY25 and to Table 2.5(c) for the FY25 Individual EVP Outcomes.

2.4 FY21 EVP Performance Rights RTSR Outcome

Performance Rights that were awarded under the FY21 EVP and allocated in November 2021, were subject to an RTSR performance condition measured over a five year performance period from 1 July 2020 to 30 June 2025. Vesting of the Performance Rights was determined on a straight-line basis, with 50% of Performance Rights vesting if Telstra's RTSR ranked at the 50th percentile of the comparator group, and up to 100% of Performance Rights vesting if Telstra's RTSR ranked at the 75th percentile or above of the comparator group. No Performance Rights vest where Telstra's RTSR ranked below the 50th percentile of the comparator group. The comparator group comprised the ASX100 (excluding resource companies) as of 1 July 2020. Each Performance Right that vests following testing of the performance condition entitles a Senior Executive to one Telstra share (or, at Telstra's discretion, a cash amount equal to the value of one Telstra share).

The RTSR performance condition for the Performance Rights was tested following the conclusion of the performance period on 30 June 2025 and the results and vesting outcome are detailed below. The results were calculated by an external provider.

FY21 EVP Vesting Outcomes[1]

Test date	Performance Condition	Percentile Rank	Vesting
30 June 2025	RTSR measured against the ASX100 (excluding resource companies) as of 1 July 2020	62nd Percentile	74%

1. As a result of the Restructure, Telstra's RTSR performance over the performance period took into account Telstra Corporation Limited's performance up until 31 October 2022 (the date it was replaced by Telstra Group Limited as the parent entity of the Telstra Group) and Telstra Group Limited's performance after that time.

The Board had discretion to remove companies from the comparator group in circumstances such as acquisitions, insolvency and de-listings. The Board exercised its discretion under the FY21 EVP terms to remove the following companies from the comparator group prior to the calculation of the vesting results.

FY21 EVP Comparator Group Removals

Afterpay	Crown Resorts
Altium Money	Link Administration Holdings Ltd
Ausnet Services Limited	Spark Infrastructure Group
Boral Limited	Sydney Airport
Cimic Group Limited	Virgin Money UK Plc
Coca-Cola Group Limited	

2.5 Detailed remuneration and interests in Telstra shares

The tables in this Section disclose Senior Executive information and only represent their time as Senior Executives.

(a) Actual pay which crystallised in FY25 for Senior Executives

As a general principle, the Australian Accounting Standards require the value of share-based payments to be calculated at the time of grant and to be expensed over the performance period and applicable service period. This may not reflect what Senior Executives actually received or became entitled to during the year.

The tables in this Section are voluntary disclosures and are not prepared in accordance with Australian Accounting Standards. They are designed to provide greater transparency for shareholders on the pay and benefits the Senior Executives actually received, or became entitled to receive, during FY25 while they were a Senior Executive.

Senior Executives receive a significant portion of their variable remuneration in the form of equity. The value they actually receive from that variable remuneration is tied directly to Telstra's share price performance and whether the variable remuneration vests. We believe this demonstrates that our reward framework effectively aligns with our shareholders' interests and demonstrates the linkage between pay and performance.

The statutory tables for Senior Executive remuneration can be found in Sections 2.5(b) to (e).

The following table details the actual remuneration the CEO received, or became entitled to receive, during FY25 in comparison to FY24.

Name	Year	Fixed Remuneration ($000)	Individual EVP Outcome payable as cash ($000)[2]	Value of EVP Restricted Shares that became unrestricted ($000)[3,4]	Value of EVP Performance Rights that vest ($000)[3,5]	Total ($000)	% change from prior year
Vicki Brady (CEO)	2025	2,393	1,567	1,462	760	6,182	26%
	2024[1]	2,391	1,130	923	452	4,896	

1. These numbers were reported in our 2024 Remuneration Report.
2. For FY25, amount relates to the cash component of the FY25 EVP, earned in FY25 and payable in September 2025. For FY24, the amount relates to the cash component of the FY24 EVP, earned in FY24 and paid in September 2024.
3. Equity in this table has been valued based on Telstra's share price on 30 June for each respective year. For FY25 this price is $4.84 and for FY24 this price is $3.62.
4. Amount relates to the value of variable remuneration earned in prior financial years which was provided as Restricted Shares. For the amount reported for FY25, the Restriction Period for these shares ended on 30 June 2025 and relates to Tranche 4 of the FY21 EVP, Tranche 3 of the FY22 EVP, Tranche 2 of the FY23 EVP and Tranche 1 of the FY24 EVP. For the amount reported for FY24, the Restriction Period for these shares ended on 30 June 2024 and relates to the Tranche 4 of the FY20 EVP, Tranche 3 of the FY21 EVP, Tranche 2 of the FY22 EVP and Tranche 1 of the FY23 EVP.
5. The RTSR outcome of the FY21 EVP was that 74% of the Performance Rights will vest. The RTSR outcome of the FY20 EVP was that 52% of the Performance Rights vested.

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The increase in the CEO's remuneration for FY25 was driven almost entirely by increased variable reward. This included a higher Individual EVP outcome in FY25, 87.3 % of maximum earned by the CEO in FY25 in comparison to 63% of maximum in FY24. The value of the CEO's vesting equity also increased year on year, in part reflecting the 34% increase in Telstra's share price over the year to 30 June 2025.

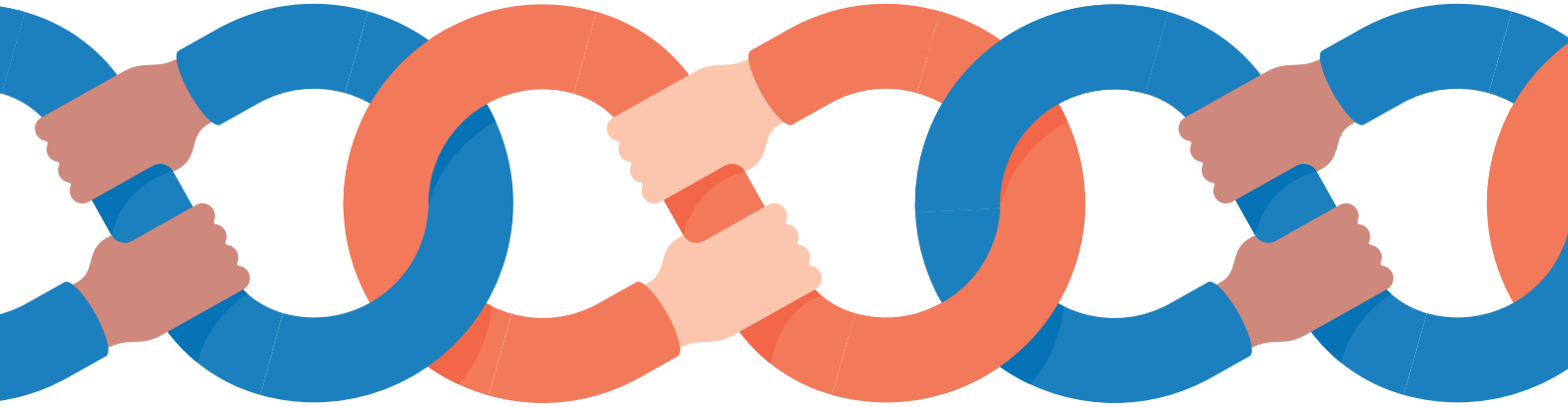
The increased Individual EVP outcome compared to the prior year flows from both a higher Telstra EVP Scorecard Outcome for FY25 of 79% of maximum (66.3% of maximum in FY24), and higher individual performance multiplier percentage for the CEO of 110% (FY24 95%). The higher EVP Scorecard Outcome is explained in Section 2.2 of this report and represents strong financial performance, with above target outcomes for three of the four financial measures and three of the five non-financial measures, including improved outcomes in Telstra's reputational measure, customer experience (episode NPS) and reduced greenhouse gas emissions. Telstra customer complaints to the industry's Ombudsman fell again in FY25 and have fallen by more than 70% since FY21.

The CEO's individual performance multiplier percentage for FY25 was 110% (with a performance rating of 4 on our one to five scale). The average individual performance multiplier percentage for the Senior Executive team was 105% (including the CEO). The CEO's individual performance rating reflects the Board's assessment of Ms Brady's leadership of the company over the past year, including improved cost outcomes, the ongoing repositioning of Telstra's business portfolio with enhanced capital disciplines, the strengthening of Telstra's senior leadership team and major strategic initiatives including the launch of Connected Future 30, the data and AI joint venture with Accenture, the satellite partnership with SpaceX and the additional $800m being invested in Telstra's 5G network over four years (within our existing capital investment envelope).

The value of the CEO's Performance Rights that vest and Restricted Shares that become unrestricted increased year on year. This reflects:

- the increase in Telstra's share price from $3.62 on 30 June 2024 to $4.84 on 30 June 2025;
- that more Performance Rights will vest under the FY21 EVP than last year under the FY20 EVP (reflecting an improved RTSR outcome year on year with the higher Telstra share price in FY25); and
- that more Restricted Shares became unrestricted in FY25 relative to FY24 (in part reflecting Ms Brady's elevation to the CEO role in 2022).

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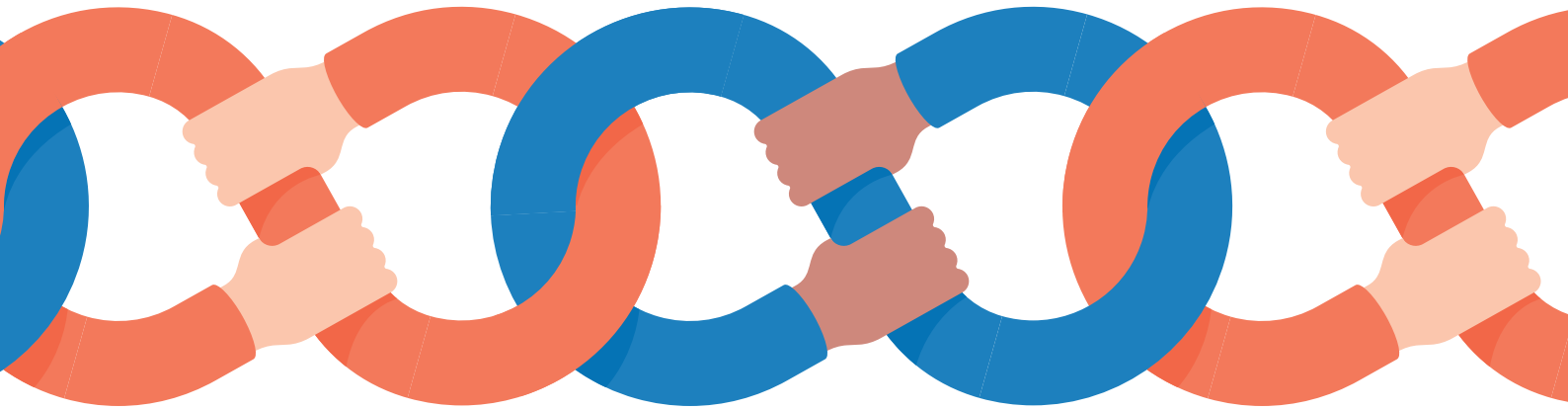
The following table details the actual remuneration Senior Executives (other than the CEO) received, or became entitled to receive, during FY25.

Name	Fixed Remuneration ($000)	Individual EVP Outcome payable as cash ($000)[1]	Value of STI or EVP Restricted Shares that became unrestricted ($000)[2,3]	Value of EVP Performance Rights that vest ($000)[2,4]	Total ($000)
Michael Ackland	1,253	873	1,033	747	3,906
Kim Krogh Andersen	1,157	770	886	749	3,562
Oliver Camplin-Warner	1,072	704	242	–	2,018
Amanda Hutton	1,098	664	310	–	2,072
Brendon Riley	1,404	794	1,194	1,045	4,437
Shailin Sehgal	1,069	664	157	–	1,890
Kathryn van der Merwe	1,025	653	239	–	1,917
Brad Whitcomb	1,188	715	407	–	2,310

The table only includes Senior Executives (other than the CEO) who held that position as of 30 June 2025.

1. Amount relates to the cash component of the FY25 EVP, earned in FY25 and payable in September 2025.
2. Equity in this table has been valued based on the Telstra closing share price on 30 June 2025 of $4.84.
3. Amount includes the value of Restricted Shares awarded under the FY21 (Tranche 4), FY22 (Tranche 3), FY23 (Tranche 2) and FY24 (Tranche 1) EVPs which were earned in a previous year, but subject to a Restriction Period ending 30 June 2025.
4. The RTSR outcome of the FY21 EVP was that 74% of the Performance Rights vested.

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(b) Senior Executive remuneration (main table)

The table below has been prepared in accordance with the requirements of the Corporations Act and the relevant Australian Accounting Standards and relates only to the periods that the person was a Senior Executive. The figures provided under the equity settled share-based payments columns are based on accounting values and do not reflect actual payments received by Senior Executives. As continuing employment conditions and/or performance conditions apply, not all Restricted Shares, Performance Rights and Cash Rights may vest.

		Short term employee benefits				Post-employment benefits
Name and title	**Year**	**Salary & fees ($000)[1]**	**EVP cash ($000)[2]**	**Non–monetary benefits ($000)[3]**	**Other ($000)[4]**	**Superannuation ($000)[5]**
Vicki Brady CEO	**2025**	**2,363**	**1,567**	**29**	**(7)**	**30**
	2024	2,364	1,130	39	(7)	27
Michael Ackland CFO	**2025**	**1,223**	**873**	**1**	**67**	**30**
	2024	1,224	622	3	41	27
Kim Krogh Andersen GE P&T	**2025**	**1,127**	**770**	**18**	**(3)**	**30**
	2024	1,075	631	50	3	27
Oliver Camplin-Warner GE TE	**2025**	**1,042**	**704**	**20**	**3**	**30**
	2024	343	174	3	5	7
Amanda Hutton GE TB	**2025**	**1,068**	**664**	**11**	**9**	**30**
	2024	508	273	5	(35)	14
Brendon Riley GE & CEO InfraCo	**2025**	**1,374**	**794**	**21**	**12**	**30**
	2024	1,375	872	41	(27)	27
Shailin Sehgal GE GN&T	**2025**	**1,039**	**664**	**1**	**9**	**30**
	2024	286	145	4	16	7
Kathryn van der Merwe GE PC&C	**2025**	**995**	**653**	**3**	**3**	**30**
	2024	994	559	2	1,521	27
Brad Whitcomb GE TC	**2025**	**1,158**	**715**	**9**	**43**	**30**
	2024	1,125	717	8	38	27
Dean Salter Former GE GBS	**2025**	**80**	**54**	**–**	**5**	**9**
	2024	998	522	4	(9)	27
Total current and former KMP	**2025**	**11,469**	**7,458**	**113**	**141**	**279**
	2024	10,292	5,645	159	1,546	217

In the table above, EVP Cash, Restricted Shares, Performance Rights and Cash Rights are dependent on the satisfaction of performance conditions (an overview of those performance conditions is included above in Section 2.1(c)). All other items are not related to performance.

1. Includes salary and salary sacrifice benefits (excluding salary sacrifice superannuation which is included under Superannuation), and where applicable is adjusted for leave without pay.
2. For FY25, the amounts relate to performance in FY25 under the FY25 EVP, which will be paid in September 2025. For FY24, the amounts relate to cash amounts paid for performance in FY24 under the FY24 EVP. Those cash amounts were paid in September 2024.
3. Includes the cost of personal use of Telstra products and services, the provision of car parking and where applicable, benefits in accordance with Telstra's relocation policy for those executives who were repatriated or relocated to Australia in recent years. Where applicable, the value of non-monetary benefits has been grossed up for FBT by the relevant FBT rates.
4. Includes the net movement of annual leave entitlement balance and, for Kathryn van der Merwe in 2024, a sign on payment of $1,500,000, $750,000 paid on commencement and $750,000 paid in June 2024. The sign on payment in 2024 was made in recognition of her giving up equity awards with her former employer to join Telstra and only represented a portion of the value of unvested equity she forfeited on resignation from her former employer.
5. Represents company contributions to superannuation. Telstra does not provide any other post-employment benefits. Includes an increase in super contributions for FY25, partially funded from salary and fees, due to indexation of the Maximum Superannuation Contribution Base.
6. Termination benefits for Dean Salter of $851,555 comprised of a $326,308 payment in lieu of notice and a $525,247 termination payment as per his employment contract which included severance pay in line with Telstra's Redundancy Policy and payment for his accrued but unused leave. Dean Salter ceased employment on 31 July 2024. The termination benefits provided to Dean Salter were paid in compliance with Part 2D.2, Division 2 of the Corporations Act.

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	Termination Benefits	Other long term benefits		Share–based payments Accounting value (at risk)($)[8]			
	Termination benefits ($000)[6]	Accrued leave benefits ($000)[7]	Dividend Equivalent Payment Accrual ($000)	Restricted shares ($000)[9]	Performance rights ($000)[10]	Cash Rights ($000)[11]	Total ($000)[12]
	–	**59**	**214**	**1,675**	**800**	**–**	**6,730**
	–	59	162	1,331	537	–	5,642
	–	**31**	**158**	**995**	**482**	**–**	**3,860**
	–	31	138	868	446	–	3,400
	–	**29**	**132**	**873**	**417**	**–**	**3,393**
	–	27	101	726	357	–	2,997
	–	**27**	**7**	**496**	**129**	**–**	**2,458**
	–	9	–	88	11	–	640
	–	**27**	**17**	**564**	**166**	**–**	**2,556**
	–	13	–	167	38	–	983
	–	**35**	**177**	**1,192**	**982**	**1,465**	**6,082**
	–	35	160	994	532	–	4,009
	–	**27**	**6**	**431**	**119**	**–**	**2,326**
	–	7	–	51	8	–	524
	–	**26**	**21**	**545**	**178**	**–**	**2,454**
	–	26	–	250	91	–	3,470
	–	**30**	**45**	**720**	**254**	**–**	**3,004**
	–	28	9	457	160	–	2,569
	852	**2**	–	**27**	**23**	**609**	**1,661**
	–	26	52	617	452	755	3,444
	852	**293**	**777**	**7,518**	**3,550**	**2,074**	**34,524**
	–	261	622	5,549	2,632	755	27,678

7. Includes the net movement of long service leave entitlement balances.
8. The accounting values included in the table relate to the current year amortised value of all Restricted Shares, Performance Rights and Cash Rights that had not yet fully vested at the commencement of the financial year. The value of each equity instrument is calculated by applying valuation methodologies or is based on the market value of Telstra shares at the grant date as described in note 5.2 to the financial statements and is then amortised, based on the maximum achievable allocation, over the relevant vesting period. This value includes an assumption that the instruments will vest at the end of the vesting period unless forfeited during the financial year. As required under AASB 2, "Share-based Payment" accounting expense that was previously recognised as remuneration is reversed if the service condition or the non-market performance condition is not met.
9. This includes the amortised value of the Restricted Share component of the FY25, FY24, FY23, FY22 and FY21 EVPs and, for Oliver Camplin-Warner, Amanda Hutton and Shailin Sehgal, the Restricted Share component of the FY24, FY23, and FY22 STI.
10. This includes the amortised value of the Performance Right component of the FY25, FY24, FY23, FY22, and FY21 EVPs.
11. As required under AASB 2, the accounting expense for the FY25 Cash Rights that will be awarded to Brendon Riley in lieu of Restricted Shares and Performance Rights is recognised for the period 1 July 2024 to his separation date of 30 September 2025. So, this expense has been largely recognised in this reporting period even though the EVP Cash Rights will not be eligible to vest until the end of their respective restriction and performance periods. The FY25 Cash Rights are subject to the same time conditions and performance measures as those applying to FY25 Restricted Shares and Performance Rights to be allocated to other Senior Executives.
12. The total for FY24 of $27.678 million in this table is different to the FY24 Remuneration Report total for FY24 of $30.172 million as it does not include remuneration for David Burns and Nikos Katinakis of $2.494 million.

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(c) FY25 EVP Payments (cash and equity)

Name	Breakdown of FY25 Individual EVP Outcomes[1]						
	Maximum potential EVP opportunity ($000)[2]	25% Cash component ($000)	35% Restricted Shares component[3] ($000)	40% Performance Rights component[3] ($000)	Individual EVP Outcome ($000)	% of maximum opportunity earned	% of maximum opportunity forfeited
Vicki Brady	7,178	1,567	2,194	2,508	6,269	87.3%	12.7%
Michael Ackland	3,758	873	1,222	1,396	3,491	92.9%	7.1%
Kim Krogh Andersen	3,525	770	1,078	1,231	3,079	87.3%	12.7%
Oliver Camplin-Warner	3,342	704	984	1,125	2,813	84.2%	15.8%
Amanda Hutton	3,342	664	929	1,061	2,654	79.4%	20.6%
Brendon Riley[4]	4,211	794	1,112	1,271	3,177	75.4%	24.6%
Shailin Sehgal	3,342	664	929	1,061	2,654	79.4%	20.6%
Kathryn van der Merwe	3,076	653	915	1,045	2,613	84.9%	15.1%
Brad Whitcomb	3,600	715	1,000	1,143	2,858	79.4%	20.6%
Dean Salter[4]	268	54	74	85	213	79.5%	20.5%

1. The FY25 Individual EVP Outcomes were approved by the Board on 11 August 2025.
2. Represents the maximum potential EVP opportunity specific to their time as Senior Executives for FY25, adjusted for any variation in fixed remuneration or any leave without pay taken throughout FY25 that impacts the maximum potential EVP opportunity available. If the minimum threshold performance is not met, the minimum possible EVP payment is nil.
3. The Restricted Shares and Performance Rights awarded are expected to be allocated shortly after Telstra's 2025 Annual General Meeting and are subject to Restriction Periods and performance periods (as set out in Section 2.1(c)) and the Senior Executive's continued employment.
4. As Dean Salter ceased employment, and Brendon Riley will cease employment, for Permitted Reasons before the allocation of their FY25 Restricted Shares and Performance Rights under the EVP, they will be granted Cash Rights in lieu of those Restricted Shares and Performance Rights.

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(d) Number and value of rights over equity instruments allocated, vested and exercised during FY25

Name	Equity Movements						
	Total rights held at 1 July 2024[1]	Rights allocated during FY25[2]	Value of rights allocated ($000)[3]	Rights vested and exercised during FY25[4]	Value of rights vested and exercised ($000)[5]	Other changes (lapsed rights)	Total rights held at 30 June 2025[6]
Vicki Brady	1,165,245	456,147	424	(124,962)	495	(115,350)	**1,381,080**
Michael Ackland	921,586	251,246	500	(102,713)	407	(94,812)	**975,307**
Kim Krogh Andersen	673,003	254,574	507	(47,411)	188	(43,764)	**836,402**
Oliver Camplin-Warner	–	70,278	140	–	–	–	**70,278**
Amanda Hutton	–	183,877	366	–	–	–	**183,877**
Brendon Riley	1,042,511	352,009	700	(138,847)	550	(128,167)	**1,127,506**
Shailin Sehgal	–	58,757	117	–	–	–	**58,757**
Kathryn van der Merwe	–	225,584	449	–	–	–	**225,584**
Brad Whitcomb	95,342	289,260	576	–	–	–	**384,602**
Dean Salter	382,525	–	–	–	–	–	**382,525**

All service and performance conditions for rights granted in previous financial years are summarised in the Remuneration Report for each relevant year of grant. Each equity instrument granted, vested or exercised in FY25 (where applicable) in the table above was issued by Telstra Corporation Limited (if issued prior to the Restructure) or Telstra Group Limited (if issued after the Restructure) and resulted or will result (on vesting and exercise) in one ordinary Telstra Group Limited share (or, at Telstra Group Limited's discretion, a cash amount equal to the value of one ordinary Telstra Group Limited share) being provided to the holder per equity instrument. No amount is payable by the KMP on grant, vesting or exercise of their rights. Restricted Shares are excluded from this table. Refer to Sections 2.5(c) and (e) for further information.

1. The balance reflects the number of equity instruments held on the later of 1 July 2024 or the date on which the executive commenced as a KMP. Refer to the list of KMP at the end of the Key Highlights Section of this report for further information.
2. Rights allocated during FY25 were the FY24 EVP Performance Rights allocated on 1 November 2024. Approval for the issue of FY24 EVP Performance Rights allocated to Vicki Brady was obtained from shareholders at our 2024 AGM, and as a result the grant date of those awards for accounting purposes is considered to be the date of that AGM as described in note 3 below. The FY25 EVP Performance Rights will be allocated after Telstra's 2025 AGM, refer to Section 2.1 for more information. Approval for the issue of FY25 EVP Performance Rights to be allocated to Vicki Brady will be sought from shareholders at our 2025 AGM, and as a result the grant date of those awards for accounting purposes will be considered to be the date of the 2025 AGM (rather than 15 August 2024).
3. The fair value reflects the valuation approach required by AASB 2 using an option pricing model for Performance Rights granted. The fair value of the Performance Rights allocated in FY25 under the FY24 EVP are based on the grant dates of 15 October 2024 for the CEO and 17 August 2023 for all other Senior Executives, respectively. The fair value of Performance Rights granted under the FY24 EVP are $0.93 for the CEO, and $1.99 for Senior Executives.
4. Rights vested in this column relate to the Performance Rights awarded under the FY20 EVP that was performance tested following the conclusion of the performance period on 30 June 2024 and resulted in 52% of the Performance Rights vesting.
5. The value of the Performance Rights vested and exercised reflects the market value at the date the instruments vested and were exercised.
6. The balance reflects the number of rights held on 30 June 2025 or, if earlier, the date on which the executive ceased to hold the KMP position. Refer to the list of KMP at the end of the Key Highlights Section of this report for further information. Dean Salter ceased employment for a Permitted Reason and so his unvested equity remains on foot and will vest in accordance with the original timeframes and performance conditions in the EVP Plan rules.

There are no Performance Rights or options held by any KMP's related parties and no Performance Rights or options held indirectly or beneficially by our KMP. As of 30 June 2025, there were no options or Performance Rights vested, or vested and exercisable or vested and unexercisable. As outlined in Section 2.4, the secondary performance condition applying to the FY21 EVP Performance Rights was tested following the conclusion of the performance period on 30 June 2025 and 74% of those Performance Rights will vest. Shares will be provided in respect of those vesting Performance Rights following the date of this report.

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(e) Senior Executive interests in Telstra Shares

During FY25, our Senior Executives and their related parties held Telstra shares directly, indirectly or beneficially as follows:

Name	Total shares held at 1 July 2024[1,2]	Restricted Shares allocated[3]	Performance Rights Exercised[4]	Net shares acquired or disposed of and other changes[5]	Total shares held at 30 June 2025[6]	Shares held nominally at 30 June 2025[6,7]
Vicki Brady	1,282,367	399,128	124,962	–	1,806,457	864,117
Michael Ackland	1,484,795	219,840	102,713	–	1,807,348	1,503,038
Kim Krogh Andersen	588,877	222,752	47,411	–	859,040	475,881
Oliver Camplin-Warner	109,040	79,063	–	–	188,103	123,789
Amanda Hutton	384,164	165,377	–	–	549,541	228,527
Brendon Riley	1,704,470	308,009	138,847	(300,000)	1,851,326	1,340,756
Shailin Sehgal	98,487	64,109	–	–	162,596	86,796
Kathryn van der Merwe	–	197,386	–	–	197,386	197,386
Brad Whitcomb	83,424	253,103	–	–	336,527	315,671
Dean Salter	340,209	–	–	–	340,209	281,106
Total	**6,075,833**	**1,908,767**	**413,933**	**(300,000)**	**8,098,533**	**5,417,067**

1. Total shareholdings include shares held by our Senior Executives and their related parties. Unless related to our employee share plans, shares acquired or disposed of by our Senior Executives and their related parties during FY25 were on an arm's length basis at market price.
2. Reflects the number of shares held on the later of 1 July 2024 or the date on which the executive commenced as a KMP. Refer to the list of KMP at the end of the Key Highlights Section of this report for further information.
3. Restricted Shares in this column were allocated on 1 November 2024 and relate to the FY24 EVP. The approval for the issue of Restricted Shares allocated to Vicki Brady was obtained from shareholders at our 2024 Annual General Meeting. The allocation of Restricted Shares under the FY25 EVP will be made after the reporting date of 30 June 2025, therefore they have not been included in the table above.
4. Includes FY20 EVP Performance Rights that vested as unrestricted shares on 16 August 2024.
5. For Brendon Riley the movement relates to sale of shares.
6. The balance reflects the number of shares held on 30 June 2025 or, if earlier, the date on which the executive ceased to hold the KMP position. Refer to the list of KMP at the end of the Key Highlights Section of this report for further information.
7. Nominally refers to shares held either indirectly or beneficially by Senior Executives and shares held by their related parties including certain Restricted Shares held beneficially by Senior Executives. These shares are subject to a Restriction Period, such that the Senior Executive is restricted from dealing with the shares until the Restriction Period ends. Refer to note 5.2 to the financial statements for further details.

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3. Non-executive Director remuneration

3.1 Non-executive Director fee structure

Overview

Our non-executive Directors are remunerated with set fees and do not receive any performance-based pay. This supports non-executive Directors' ability to maintain independence and impartiality when making decisions affecting the future direction of the Company.

Superannuation contributions are included within each non-executive Director's total remuneration, in accordance with the ASX Listing Rules and Telstra policy. Non-executive Directors may choose to increase the proportion of their remuneration taken as superannuation, subject to legislative requirements.

Telstra does not provide retirement benefits for non-executive Directors other than the superannuation contributions noted above.

Sections 1.1(f) and (g) of this report provide details of the share ownership policy and securities trading restrictions that apply to our non-executive Directors. Section 3 provides full details of non-executive Director remuneration for FY25.

Non-executive Directors are remunerated in accordance with Telstra's Constitution, which provides for an aggregate fee pool that is set, and varied, only by approval of a resolution of shareholders at the AGM. The current annual fee pool of $3.5 million was approved by shareholders at Telstra's 2012 AGM. The total of Board and Committee fees, including superannuation, paid to non-executive Directors in FY25 remained within the approved fee pool.

(a) FY25 Board and standing Committee fees

On an annual basis the Board conducts a market review of Board fees. As reported in our 2024 Remuneration Report the Board determined not to increase fees in FY25. The Board fee structure (inclusive of superannuation) during FY25 was:

FY25 Board Fees	Chair	Non-executive Director (annual base fee)
Board	$790,000	$240,000

The Board Committee structure changed from 1 March 2025 (see our Corporate Governance Statement). The fees below applied until 28 February 2025.

FY25 Committee Fee to 28 February 2025	Chair	Committee Member
Audit & Risk Committee	$70,000	$35,000
People and Remuneration Committee	$58,000	$29,500
Nomination Committee*	–	–

* All non-executive Directors are members of the Nomination Committee and do not receive a fee for this Committee.

To better balance our standing Board Committee's workloads and recognising increasing regulatory and reporting requirements, a decision was made to restructure from three Committees to four Committees from 1 March 2025. All non-executive Directors are members of the Nomination Committee, so the important role of this Committee is encompassed within their base board fees.

For other Committees, a standard fee for Committee Chairs and a standard fee for Committee members was also implemented from 1 March 2025 to reflect the important role that these Committees and their respective members have in the governance of Telstra. The fees that previously applied to the Audit and Risk Committee were reduced to reflect the transfer of risk matters to the Risk and Sustainability Committee. The People and Remuneration Committee fees increased to reflect increased accountability regarding employee Health, Safety and Wellbeing.

Further detail on the role of each Committee is provided in the 2025 Corporate Governance Statement.

The fees below applied from 1 March 2025.

FY25 Committee Fee from 1 March 2025	Chair	Committee Member
Audit Committee	$65,000	$32,500
Risk and Sustainability Committee	$65,000	$32,500
People and Remuneration Committee	$65,000	$32,500
Nomination Committee*	–	–

* All non-executive Directors are members of the Nomination Committee and do not receive a fee for this Committee.

The Board Chair does not receive Committee fees if he is a Member of a Board Committee. No remuneration for additional or special duties was paid to non-executive Directors in FY25.

(b) Changes to the Board and Committee composition

In addition to the changes to the Board Committee structure detailed in Telstra's 2025 Corporate Governance Statement, there were two changes to the Board and Committee composition during FY25.

- Niek Jan van Damme retired as a non-executive Director and as a member of the People and Remuneration Committee effective 15 October 2024; and
- David Lamont joined the Board effective 3 December 2024 and was appointed to the Risk & Sustainability Committee and as Chair of the Audit Committee.

(c) FY26 Board fees

Following the FY25 market review, and for the first time since 1 October 2022, the Board determined to increase Board fees in FY26. From 1 October 2025, the Board Chair annual fee will increase from $790,000 to $810,000 (2.5% increase) and the non-executive Director annual base fee will increase from $240,000 to $245,000 (2.1% increase).

In addition to reviewing Board fees, the Board acknowledged the in-demand and deep global telecommunications expertise provided by our current offshore non-executive Directors, Eelco Blok and Roy H Chestnutt. Their international knowledge and experience are very valuable to Telstra and difficult to recruit. Non-executive Director remuneration varies in quantum and structure in different jurisdictions and equivalence is not always easily achieved within standard Australian remuneration structures.

To recognise the critical contribution of our current offshore non-executive Directors, the Board determined to introduce an additional annual payment of $40,000 each for Eelco Blok and Roy H Chestnutt from 1 July 2025. Both Eelco Blok and Roy H Chestnutt have more than 30 years direct experience in telecommunications. Eelco Blok's last executive role was CEO at KPN for seven years and Roy H Chestnutt was Executive Vice President, Chief Strategy Officer at Verizon.

This payment recognises the difference in fees applicable in some offshore domiciles, relates to them as individual directors and the specialised in-demand expertise they bring, and the extra time investment they make doing their role from an offshore location. It does not apply to any other non-executive Directors and will not automatically apply to any offshore non-executive Director recruited in the future.

3.2 Detailed remuneration and interests in Telstra shares

(a) Non-executive Director remuneration

Name and title	Year	Short term benefits		Post-engagement benefits	
		Salary and fees ($000)[1]	Non-monetary benefits ($000)[2]	Superannuation ($000)[3]	Total ($000)[7]
Craig W Dunn[4] Chair	**2025**	**760**	**–**	**30**	**790**
	2024	621	–	27	648
Eelco Blok[5] Director	**2025**	**246**	**–**	**5**	**251**
	2024	235	–	5	240
Maxine Brenner Director	**2025**	**289**	**1**	**30**	**320**
	2024	272	–	27	299
Roy H Chestnutt[5] Director	**2025**	**268**	**–**	**6**	**274**
	2024	270	1	5	276
David Lamont[4] Director	**2025**	**163**	**–**	**16**	**179**
	2024	–	–	–	–
Ming Long Director	**2025**	**275**	**–**	**30**	**305**
	2024	277	–	27	304
Bridget Loudon Director	**2025**	**243**	**1**	**28**	**272**
	2024	243	1	26	270
Elana Rubin[6] Director	**2025**	**300**	**1**	**–**	**301**
	2024	277	3	21	301
Niek Jan van Damme[4,5] Former Director	**2025**	**78**	**2**	**2**	**82**
	2024	264	38	5	307
Total	**2025**	**2,622**	**5**	**147**	**2,774**
	2024	2,459	43	143	2,645

1. Includes fees for membership on Board standing committees and remuneration for payroll adjustments, additional or special duties (where applicable). No remuneration for additional or special duties was paid to non-executive Directors in FY24 or FY25.
2. Includes the provision of car parking, travel as well as the value of Telstra products and services provided to non-executive Directors. The value of non-monetary benefits has been grossed up where required for FBT by the relevant FBT rates.
3. Includes an increase in super contributions for FY25, funded from salary and fees, due to indexation of the Maximum Superannuation Contribution Base.
4. Craig Dunn was appointed Chair of the Telstra Board effective 17 October 2023. Niek Jan van Damme retired from the Board and the People and Remuneration Committee on 15 October 2024, and David Lamont was appointed to the Board and the Audit and Risk Committee effective 3 December 2024.
5. As Eelco Blok, Roy Chestnutt, and Niek Jan van Damme are overseas residents, their superannuation contributions for FY24 and FY25 are less than the contributions for Australian resident non-executive Directors.
6. An employer superannuation guarantee shortfall exemption certificate has been granted by the ATO for the 2025 financial year. Based on the exemption approval Telstra has met the required Superannuation Guarantee obligation.
7. The total for FY24 of $2.645 million in this table is different to the total of $2.880 million for FY24 in the FY24 Remuneration Report as it does not include remuneration for John P Mullen of $235,000.

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(b) Non-executive Directors' interests in Telstra shares

During FY25, our non-executive Directors and their related parties held Telstra shares directly, indirectly or beneficially as follows:

Name	Total shares held at 1 July 2024[1]	Net shares acquired or disposed of and other changes[1]	Total shares held at 30 June 2025[1,2]	Shares held nominally at 30 June 2025[2,3]
Craig W Dunn	99,147	29,353	128,500	127,800
Eelco Blok	75,000	–	75,000	–
Maxine Brenner	28,750	23,900	52,650	52,650
Roy H Chestnutt	73,766	–	73,766	73,766
David Lamont	–	100,000	100,000	100,000
Ming Long	51,589	29,011	80,600	–
Bridget Loudon	12,500	49,500	62,000	62,000
Elana Rubin	89,830	–	89,830	19,424
Niek Jan van Damme	77,000	–	77,000	–
Total	**507,582**	**231,764**	**739,346**	**435,640**

1. Total shareholdings include shares held by our non-executive Directors and their related parties. Shares acquired or disposed of by our non-executive Directors and their related parties during FY25 were on an arm's length basis at market price.
2. For Niek Jan van Damme, the balance represents shares held as at the date on which he ceased to be KMP.
3. Nominally refers to shares held either indirectly or beneficially by non-executive Directors including those shares held by their related parties.

4. Looking forward to FY26

4.1 Senior Executive Leadership Changes

On 12 May 2025, Telstra announced that Brendon Riley, CEO of Telstra InfraCo, will retire on 30 September 2025 and be replaced by Steven Worrall, previously Microsoft's Managing Director Australia and New Zealand. Steven Worrall will commence on 1 September 2025. We are grateful for the very valuable contribution Brendon has made in his fourteen years at Telstra, and we are very pleased to have Steven Worrall join Telstra as our new GE and CEO InfraCo.

4.2 FY26 Senior Executive fixed remuneration

On an annual basis the Board conducts a market review of Senior Executive remuneration and also considers other factors including internal relativities and any change in the accountabilities of Senior Executive roles.

On reviewing each executive's performance and relevant market data, the Board has determined to increase the fixed remuneration of the CEO and two Group Executives, effective 1 October 2025. The fixed remuneration of Vicki Brady, CEO, will increase from $2,393,797 to $2,500,000. This is the first increase in fixed remuneration the CEO has received since her appointment to CEO in September 2022, apart from legislated superannuation guarantee increases. It is also the first fixed remuneration increase that a Telstra CEO has received since 2017.

The fixed remuneration of Michael Ackland, CFO, will increase from $1,253,797 to $1,350,000 and the fixed remuneration of Kim Krogh Andersen, Group Executive Products and Technology, will increase from $1,176,250 to $1,250,000. These two executives are high performing and were critical to the strong company results delivered in FY25. Further, their ongoing contribution is fundamental to Telstra's successful delivery of our Connected Future 30 strategy. The Board has increased their fixed remuneration to reflect this and to ensure their remuneration remains well positioned relative to the market.

4.3 New Incentive Plan Design for FY26

(a) Our Executive Remuneration Framework for FY26

In FY26 we will transition from our Executive Variable Remuneration Plan (EVP) to a more widely used and understood remuneration framework that is designed to support Telstra's new Connected Future 30 strategy and align executive remuneration with shareholder expectations. It aims to attract and retain talented executives and appropriately balance their focus on annual deliverables while also driving longer-term returns critical to our Connected Future 30 strategy.

(b) The major changes

The EVP will be replaced with separate short term incentive (STI) and long term incentive (LTI) components.

Executive Remuneration Framework

Threshold, Target and Maximum Opportunity	Fixed remuneration (FR)	Short term incentive (STI)	Long term incentive (LTI)
		50% of FR at Threshold 100% of FR at Target 150% of FR at Maximum	75% of FR at Threshold 150% of FR at Maximum

The STI outcome will be determined based on an annual scorecard, with 60% weighting on financial measures and 40% weighting on customer and other relevant strategic measures, along with an assessment of executives' individual performance.

The LTI will be awarded in two equal tranches of Performance Rights. The vesting of one tranche of Performance Rights will be subject to a performance condition linked to Telstra's 3-year average underlying return on invested capital (uROIC), with vesting of the other tranche subject to a performance condition linked to Telstra's 4-year relative total shareholder return (RTSR). The vesting range for uROIC will be set by the Board each year and disclosed retrospectively. The comparator group for the RTSR tranche will be 20 companies (ex-resources) in the ASX 50 with comparable risk and return profiles to Telstra.

(c) The case for change

In late October 2024, Telstra initiated a review of its executive remuneration framework. The review was overseen by the Chair of the People and Remuneration Committee and the Board Chair and assisted by external remuneration consultants. It was timed to align with the completion of our work on the company's new strategy, Connected Future 30, and initiated to help ensure Telstra's remuneration framework continues to support the delivery of that strategy and align with how we create value for our major stakeholders, particularly our shareholders. Substantial changes were last made to Telstra's remuneration framework in FY18 and so an important aspect of the review was to compare our existing EVP framework with current market practice.

Telstra's core business model involves making significant investments in telecommunications infrastructure and technologies over the medium to long term to provide leading connectivity networks that our customers value and which in turn helps create value for our shareholders. Critical to this is investing the right amount of capital in the right infrastructure opportunities at the right time. Best practice capital management disciplines are key and are best measured by uROIC. History tells us that this measure is highly correlated with value creation for shareholders. Our Connected Future 30 strategy is built on this premise, and a key financial goal of our strategy is to achieve an underlying ROIC of 10% by FY30. See the Forward-looking statements at the front of this Annual Report for further information on the key goals under the Connected Future 30 strategy.

With this context, the Board concluded that Telstra's executive remuneration framework could be improved by:

- Increasing emphasis on longer term outcomes by introducing separate short term and long term incentives. More opportunity in longer term incentives encourages management to create value over the medium and long term.
- Introducing uROIC as a key vesting determinant for LTI (aligning it with Telstra's 3-year business planning cycle), given the criticality of effective capital management to Telstra's business strategy and the high correlation of this measure with shareholder value creation.
- Retaining RTSR as a vesting determinant for LTI over a 4-year period to align with shareholder outcomes but sharpening its effectiveness by introducing a comparator group with comparable risk and return characteristics to Telstra. This reduces the likelihood that RTSR will be impacted by factors outside of management's control and increases the economic efficiency of variable reward for both senior managers and shareholders.

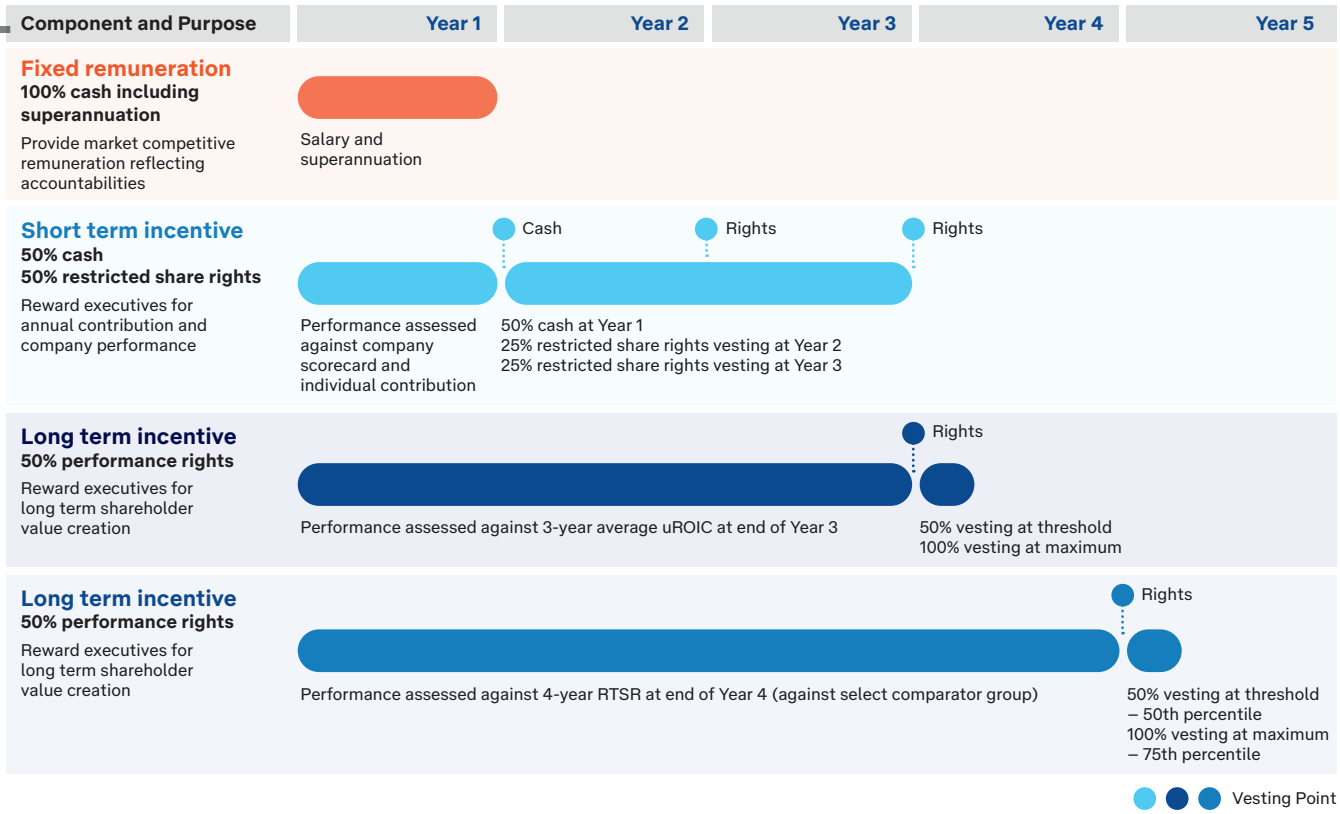
Benchmarking by our remuneration consultants demonstrates the key aspects of our new remuneration framework are more consistent with market practice, including the target and maximum opportunities for both the STI and LTI components and the vesting periods for both components.

(d) The key aspects of the new executive remuneration framework

The new executive remuneration framework comprises annual fixed remuneration, cash STI, deferred STI (provided as Restricted Share Rights) and an LTI granted in two tranches of Performance Rights, each with its own performance hurdle.

Performance and vesting of each element of the framework is independent of the other, ensuring management focus on both annual and longer-term results. Performance is tested on different measures of performance over an extended period, with an emphasis on sustainable performance.

The framework delivers fixed remuneration in year 1, cash STI early in year 2, deferred STI vesting at the end of years 2 and 3, and the LTI is tested at the end of years 3 and 4. Incentive opportunities can be realised each vesting year as depicted below.



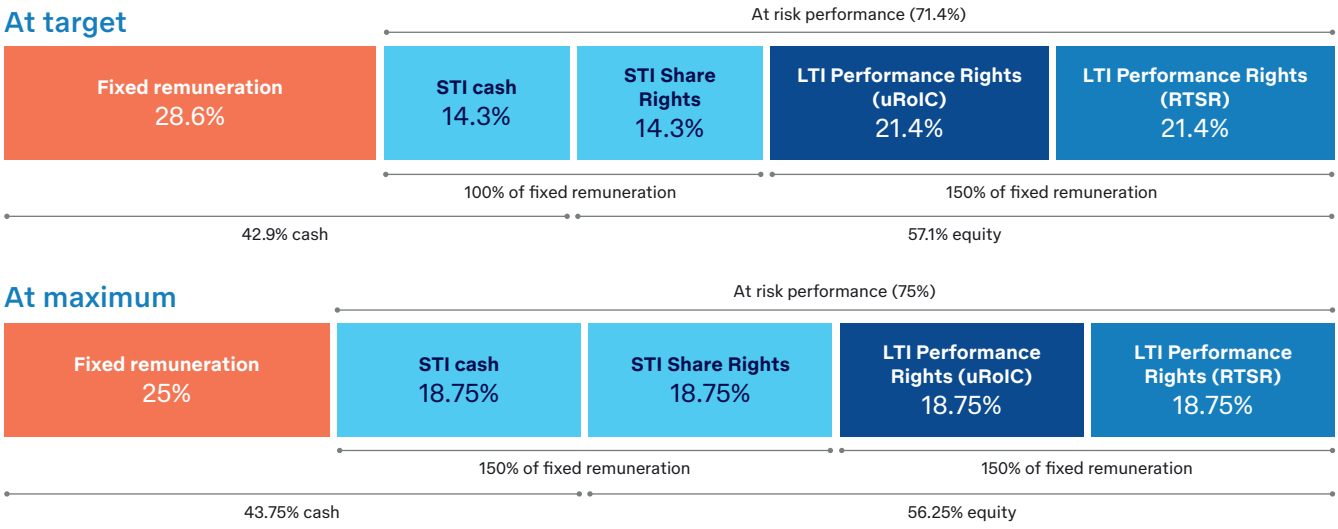
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Vested Restricted Share Rights and Performance Rights can be exercised by the executive within a trading window up to the expiry date which will generally be seven years after vesting. This can be shortened to three years for executives who cease employment with Telstra (see Section 4.3(j)). The exercise terms of the Restricted Share Rights and Performance Rights encourage executives to hold equity for longer term alignment with shareholder interests.

All variable remuneration outcomes are ultimately at the discretion of the Board and Restricted Share Rights and Performance Rights may be forfeited or lapsed if employment ceases other than for a Permitted Reason or a malus or clawback event occurs.

(e) Remuneration Mix

The new framework has greater emphasis on long term outcomes while maintaining maximum variable reward at 300% of fixed remuneration. At threshold, target and maximum performance, the majority of variable reward is awarded as equity.



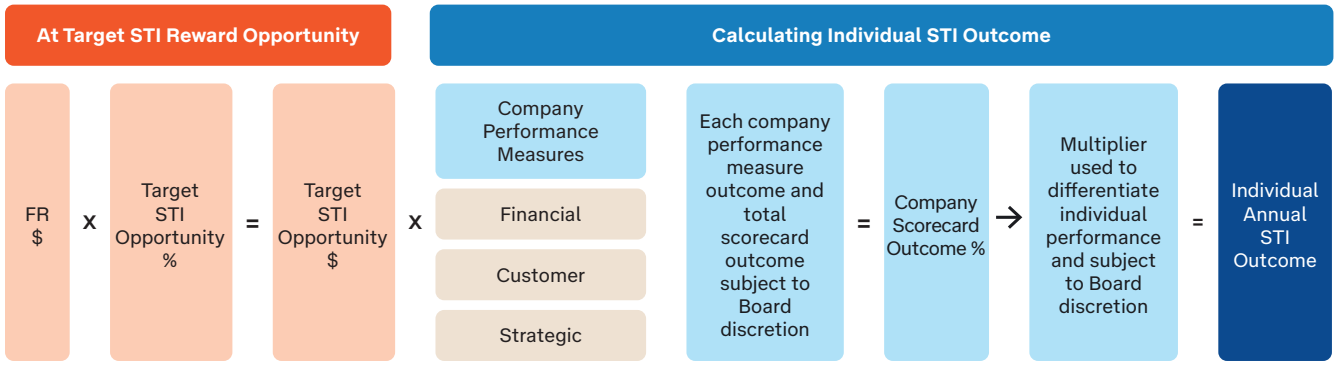
(f) Fixed Remuneration

Fixed remuneration includes base salary and superannuation. It continues to be set with regard for both internal and external relativity for roles of a similar size and complexity, any proven and consistent high performance and/or a notable increase in experience and contribution.

(g) FY26 Short Term Incentive

The STI will be 50% of fixed remuneration at threshold, 100% at target and 150% at maximum performance. The STI outcome will be determined having regard to:

- the FY26 Company Scorecard Outcome based on 60% financial measures and 40% customer and strategic measures,
- the executive's target STI opportunity, and
- their individual performance.



See Section 4.4 for detail on the FY26 STI scorecard.

Half of any FY26 Individual STI outcome will be awarded in cash, and half will be deferred into Restricted Share Rights. Restricted Share Rights will be deferred for up to two years with half vesting after 12 months and half vesting after 24 months.

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(h) FY26 Long Term Incentive

The FY26 LTI opportunity will be 150% of fixed remuneration. Shareholder approval will be sought for the FY26 LTI grant to the CEO at the 2025 AGM. Further details will be set out in the Notice of Meeting for the AGM.

The LTI will be granted in two equal tranches of Performance Rights with one tranche subject to a performance condition linked to Telstra's 3-year average uROIC and the other tranche subject to a performance condition linked to Telstra's 4-year RTSR.

Underlying Return on Invested Capital Tranche

The new framework introduces an LTI tranche with a 3-year average uROIC hurdle, directly linking executive reward to capital efficiency and long term value creation. This supports Telstra's Connected Future 30 strategy of achieving a 10% uROIC by FY30 while ensuring disciplined investment. See the Forward-looking statements at the front of this Annual Report for further information on the key goals under the Connected Future 30 strategy.

uROIC is defined as Net Operating Profit After Tax (NOPAT) less guidance adjustments after tax, divided by average invested capital. Invested capital is defined as Net Debt and Equity. Guidance adjustments include material one-offs such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs, and other items as determined by the Board. The Board will also adjust uROIC outcomes to ensure there are no material windfall gains or losses, including due to impairments or depreciation changes, and disclose any adjustment when the uROIC hurdle is tested.

The threshold-to-maximum range for uROIC will be disclosed in the remuneration report for the year in which the uROIC hurdle is tested to ensure the vesting range targets are not interpreted as forward-looking statements. The uROIC threshold-to-maximum range is aligned with our Connected Future 30 strategy, with the maximum consistent with expectations to meet or exceed the level required to achieve our 10% uROIC target by FY30. In the short to medium term, the Board expects to set the threshold for the 3-year average uROIC above the level of the most recently reported full year uROIC. The nature and financial dynamics of Telstra's operating business, means that the threshold-to-maximum range for 3-year average uROIC is likely to be relatively narrow, and no more than one percentage point. The uROIC range accommodates the potential need to invest capital in some opportunities that may be uROIC dilutive in the 3-year performance period but deliver returns in periods beyond that.

Performance Rights in the uROIC tranche will only vest if the uROIC performance condition is satisfied at the end of the 3-year performance period. The number of Performance Rights in the tranche that vest will be determined as follows:

uROIC – three-year average	Vesting
Below Threshold	0%
At Threshold	50%
Between Threshold and Maximum	Straight-line vesting from 50% to 100%
At Maximum	100%

Performance Rights that do not vest following the testing will lapse (and expire) at that time.

In addition to being a metric for the LTI, uROIC is a metric in the company's FY26 STI Scorecard. The FY26 STI Scorecard is used to determine STI outcomes across the company. Return on invested capital is a critical focus for the whole company and the STI outcome applies to the whole business. This approach broadens concentration on uROIC beyond our Senior Executives who participate in the LTI. The Board has determined it is appropriate to have uROIC in both the FY26 STI and LTI frameworks to reinforce Telstra's strategic focus on sustainable value creation under the Connected Future 30 strategy and goal to achieve 10% uROIC by FY30 and manage risk by ensuring uROIC is a focus over multiple time periods.

The STI metric is a one-year absolute uROIC measure to drive annual operational discipline, while the LTI metric is a three-year average uROIC to focus management on achieving a sustained performance over the longer term. This structure helps mitigate the risk of short term decision-making at the expense of long term value. It also helps ensure that capital allocation decisions are made with a view to long term shareholder value. Each year the Board reviews metrics for inclusion in the STI scorecard and so the ongoing inclusion of uROIC as an STI metric will be considered and determined on an annual basis. Further detail on the uROIC metric in the FY26 STI Scorecard is provided in Section 4.4 of this report

Relative Total Shareholder Return Tranche

RTSR measures the performance of a Telstra share (including the value of any cash dividends and other shareholder benefits paid during the RTSR Performance Period) relative to the performance of ordinary shares issued by the other entities in the comparator group over the RTSR Performance Period

The Board believes that RTSR is an appropriate performance measure because it links executive reward to Telstra's share price and dividend performance relative to entities in the comparator group over the long term. This reinforces the ultimate focus on shareholder value creation and helps align actual pay outcomes with returns delivered to long term shareholders.

The comparator group will comprise the 20 companies in the ASX 50 ex-resources with the lowest 5-year beta as of June 2025. Beta measures how sensitive a company's share price is to changes in the market and Telstra has one of the lowest betas in the ASX 100. The Board considered a number of different parameters to use in setting the comparator group and elected to proceed with this option having regard to alignment with our strategy, simplicity and how the Board wants management to position the company. The Board will review the comparator group at the start of every financial year for each new tranche.

The RTSR comparator group for the FY26 LTI is:

Amcor	Lottery Corporation
APA Group	Medibank Private
Aristocrat Leisure	QBE Insurance Group
ASX	Resmed
Brambles	Sigma Healthcare
Cochlear	Sonic Healthcare
Coles Group	Suncorp Group
Computershare	Transurban Group
CSL	Treasury Wine Estates
Insurance Australia Group	Woolworths Group

The Board has discretion to remove companies from the comparator group in circumstances such as acquisitions, insolvency and delistings.

Performance Rights in the RSTR tranche will only vest if the RTSR performance condition is satisfied at the end of the four-year performance period. The number of Performance Rights that vest will be determined as follows:

RTSR Ranking	Vesting
Below the 50th percentile	0%
At the 50th percentile	50%
Between 50th and 75th percentiles	Straight-line vesting from 50% to 100%
At the 75th percentile or above	100%

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Performance Rights that do not vest following the testing will lapse (and expire) at that time.

Both the starting price and end price for the purpose of calculating each company's TSR are the average of its daily closing share price over the 30-day period to 30 June of the relevant year. The starting price that will be used to determine Telstra's RTSR at the end of the RTSR Performance Period for the FY26 LTI is $4.87.

(i) Treatment of Rights on Vesting

If an executive has not met Telstra's minimum shareholding requirement (MSR) at the time their Rights vest, their vested Rights will be automatically exercised and the shares they receive will be subject to a restriction on sale until the MSR can be satisfied without relying on those shares, or the executive ceases employment with Telstra. Otherwise, an executive is able to exercise the vested Performance Rights and receive shares within trading windows and subject to the requirements of the Company's Securities Trading Policy up to the expiry date, which will generally be seven years after vesting.

At the time of exercise of Rights, executives will also be entitled to a dividend equivalent payment that will be provided in shares. The dividend equivalent payment will reflect the dividends paid by Telstra during the period between the allocation of the Rights and the date the Rights are exercised.

(j) Treatment on Cessation of Employment

Generally, if an executive ceases employment for reasons of redundancy, death, total and permanent disablement, certain medical conditions, retirement, separation by mutual agreement or Telstra initiated separation for a reason unrelated to performance or conduct (Permitted Reason):

- Unvested STI Restricted Share Rights that have been granted will be retained by the executive and remain subject to the original restriction period;
- A portion of unvested LTI Performance Rights allocated will be retained by the executive having regard to the time lapsed in the performance period up until the date of cessation. The retained Performance Rights will remain subject to the original performance period and the performance conditions; and
- Vested STI and LTI Rights that have not been exercised will be retained by the executive who is free to exercise the vested Rights during any trading window under the Securities Trading Policy which occurs in the 7 years from when the Rights vested, or in the 3 years from the date of cessation, whichever is shorter.

If an executive ceases employment for any reason other than a Permitted Reason before the end of the performance period or restriction period, all unvested Rights will lapse. Vested Rights that have not been exercised will be retained by the executive who remains free to exercise the vested Rights for shares until the earlier of the expiry date and three years after the date of cessation of employment.

4.4 FY26 STI Performance Measures and Targets

It is our intention to continue to provide meaningful information to enable shareholders to assess the appropriateness of our remuneration targets and provide transparency over remuneration outcomes. The Board considers this an imperative as our operating environment requires careful shareholder consideration of the need to appropriately recognise and reward strong management performance for the value created for the Company and its shareholders.

The performance measures and targets selected by the Board are designed to focus the Senior Executives on delivering the first year of our Connected Future 30 strategy, and to help ensure that financial rewards are linked directly to their contributions, to company performance and to long term shareholder value creation.

In setting the performance measures and targets for FY26 STI, the Board sought to ensure they were robust and sufficiently demanding, taking into account the key deliverables and milestones outlined in our Connected Future 30 strategy and FY26 scorecard, planned financial outcomes contained within our FY26 Corporate Plan and FY26 guidance (as announced on 14 August 2025).

The targets that apply to the FY26 STI Scorecard do not constitute market guidance. Subsequent adjustments to guidance throughout the year (for example unplanned one-off events) and their impact on incentive outcomes will be considered both during the financial year as those events may occur and also at the end of the financial year, in accordance with established principles to ensure that outcomes appropriately reflect the performance of Senior Executives. Any adjustments that the Board makes will be fully disclosed to shareholders in next year's Remuneration Report. The Board also has the ability to amend the performance measures themselves if it considers it appropriate having regard to Telstra's business circumstances and priorities.

Telstra's Investor Day presentation on 27 May 2025 on Connected Future 30 (see **www.telstra.com.au/aboutus/investors/investor-presentations**) set out the company's key targets and measures of performance for our new strategy, both financial and non-financial. Three key financial measures in our Connected Future 30 strategy are Cash EBIT, Operating Leverage and uROIC and are included in the FY26 STI scorecard. They differ to the key financial measures used in the FY25 EVP scorecard which were Fixed Cost Core Reduction, Underlying EBTDA, Free Cash Flow and uROIC.

uROIC is a metric in the Company's FY26 STI Scorecard and the FY26 LTI. Return on invested capital is a critical focus for the whole company and the STI outcome applies to the whole business. This approach broadens concentration on uROIC beyond our Senior Executives who participate in the LTI. The STI metric is a one-year absolute uROIC measure to drive annual operational discipline, while the LTI metric is a three-year average uROIC to focus management on achieving a sustained performance over the longer term. Further detail on the uROIC metric in the FY26 LTI Scorecard is provided in Section 4.3 of this report.

A series of non-financial targets and performance measures were introduced as part of our Connected Future 30 strategy. Some are new to Telstra or have not been previously included in the scorecard and there is a limit to how many performance measures can be included in any scorecard. Some of the new measures may be appropriate to include in the STI scorecard in future years. However, the Board requires more historical performance outcomes to provide it with sufficient confidence to set appropriate annual performance targets.

The non-financial measures and targets included in the FY26 STI scorecard align appropriately with Connected Future 30. There are some differences to those measures used in the FY25 EVP scorecard, with the introduction of Strategic NPS (a performance measure for Connected Future 30) and the removal of the API product measure. Episode NPS and Reptrak have both been retained, as have our measures for Responsible Business (emission reduction targets) and Employee Engagement which are both performance measures for Connected Future 30.

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FY26 STI Performance Measures and Targets

Performance Measure		Metric	Weighting	FY25 EVP Actual[1]
Financial 60% of total weighting	Cash EBIT	Management have defined Cash EBIT as Underlying EBITDA, less BAU Capex, less Lease Amortisation, less Spectrum Amortisation	20%	New Metric
	Operating Leverage	Operating Leverage is the extent by which the percentage growth in Underlying Income exceeds the percentage growth in Cash EBIT costs (Underlying Operating Expenses, BAU capex, spectrum amortisation and lease amortisation) each year	20%	New Metric
	Underlying Return On Invested Capital	Underlying ROIC is Total NOPAT less guidance adjustments after tax, divided by Average Invested Capital	20%	8.5%
Customer 30% of total weighting	Episode NPS	Measures our customer experience from their feedback on each episode using a Net Promoter Score	10%	+47
	Strategic NPS	Strategic NPS captures overall customer advocacy, driven by customers' perceptions and experience related to factors such as network, service, value and loyalty and overall brand strength and reputation	10%	New Metric
	RepTrak	Measures our reputation score on the RepTrak index	10%	64.8
Strategic 10% of total weighting	Sustainability	Our % reduction in absolute scope 1 + 2 greenhouse gas emissions and % reduction in absolute scope 3 greenhouse gas emissions, both from our FY19 baseline (excluding Digicel Pacific)	5%	44% reduction in absolute scope 1 + 2 emissions 43% reduction in absolute scope 3 emissions
	People Engagement	Maintain employee engagement within the global top 25% benchmark[1]	5%	79

Calculation of Blended Sustainability Metric for FY26 STI:

Reduce emissions[2]	Weight	Threshold	Target	Max
Scope 1 + 2	50%	47%	49%	51%
Scope 3	50%	44%	46%	48%
Blended targets (rounded to nearest whole %)	100%	46%	48%	50%

	FY26			Rationale for why chosen
	Threshold	Target	Max	
	Aligned to bottom end of Market Guidance[2] range	Aligned to midpoint of Market Guidance[2] range	Aligned to top end of Market Guidance[2] range	• Key indicator of financial performance. • Ensures appropriate focus on profit as well as costs and capital expenditure. • Strong indicator of underlying company cash generation. • Aligns to our Connected Future 30 strategy.
	Aligned to the bottom implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the midpoint implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the top of range implied by Cash EBIT Market Guidance[2] range (and other assumptions)	• Key indicator of financial performance. • Ensures continued focus on strong cost discipline and heightened discipline over capital expenditure. • Positive operating leverage is achieved when revenue grows faster than costs, leading to improved profitability. • Aligns to our Connected Future 30 strategy.
	Aligned to the bottom implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the midpoint implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the top of range implied by Cash EBIT Market Guidance[2] range (and other assumptions)	• Key indicator of financial performance. • Ensures effective capital management. • High correlation of this measure with shareholder value creation. • Aligns to our Connected Future 30 strategy focus on growth, portfolio and investment management, disciplined capital management and financial returns.
	+47	+49	+51	• Focusses Telstra on continuously improving the customer service experience, driving both customer advocacy and retention by measuring customer sentiment immediately after a specific episode. • Underpins company-wide improvement programs focused on improving operational excellence as measured by Episode NPS. • Aligns to the Customer Engagement pillar of our Connected Future 30 strategy.
	20	22	24	• Focusses Telstra on continuously improving the overall customer experience, driven by customers' perceptions and experience related to factors such as network, service, value and loyalty and overall brand strength and reputation, driving both customer advocacy and retention as well as long term perception. • Underpins company-wide improvement programs focused on improving the holistic measure of customer advocacy as measured by Strategic NPS. • sNPS is a Connected Future 30 target.
	64.8	65.8	66.8	• It is an indicator of how stakeholders feel about Telstra. • Includes the sentiment of customers and non-customers, but also provides a broader, more holistic measure which picks up on all the key drivers of company reputation. • Focusses leaders on Telstra's reputation in the community, with customers and prospective customers, and with prospective employees, driving both customer and employee attraction and retention. • RepTrak scores can be influenced by external factors, such as wider economic conditions and consumer sentiment towards corporate Australia. When assessing Telstra's annual performance, we may take into consideration the year-on-year movement in the RepTrak Benchmark 60 average score (which measures the reputation of the 60 largest brands in Australia by revenue and market presence). • Aligns to the Sustainability enabler of our Connected Future 30 strategy.
	46%	48%	50%	• The inclusion of this metric in Telstra's scorecard demonstrates our commitment to reduce our contribution to climate change and consequential impacts (such as more frequent and severe extreme weather events). • Scope 1 + 2 greenhouse gas emissions are those caused by the fossil fuels and grid electricity we use. Scope 3 greenhouse gas emissions are mainly those from our value chain (e.g. emissions generated by our suppliers in providing goods and services to us, and by our customers in using our products). • Both metrics will be assessed separately and combined with an equal weighting (50% each), as set out below this table. • Aligns to the Sustainability enabler of our Connected Future 30 strategy.
	79	80	81	• Focusses leaders on employee engagement and reflects the importance of Telstra's employees as key stakeholders. • Supports our high performance mindset by maintaining employee engagement within the Top 25% of companies globally. • A highly engaged workforce is critical for attracting and retaining the talent required to deliver on our Connected Future 30 strategy. • Aligns to the People and Culture enabler of our Connected Future 30 strategy.

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1. For metrics continuing from FY25, the FY25 EVP Actual refers to the FY25 EVP performance outcomes as outlined in Section 2.2. For Underlying ROIC refer to Section 2.1 for the FY25 definition. For Sustainability the FY25 EVP Actual refers to the actual performance outcomes for the reduction in absolute scope 1, 2 and 3 greenhouse gas emissions in FY25. Market Guidance means guidance for FY26 as set out in Telstra's ASX announcement dated 14 August 2025.
2. The Sustainability targets exclude Digicel Pacific which Telstra acquired during FY23.

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5. Glossary

Cash Rights

Rights granted to a Senior Executive who ceases employment for a Permitted Reason before the Restricted Shares and Performance Rights are granted in respect of the EVP in lieu of those Restricted Shares and Performance Rights. The Cash Rights are subject to the same time conditions and performance measures as those applying to those Restricted Shares and Performance Rights. On vesting, a Cash Right will entitle the Senior Executive to a cash payment equivalent to the value of a Telstra share at the end of the applicable Restriction Period or performance period. A Cash Right granted in lieu of a Restricted Share also entitles the Senior Executive to receive an amount equal to dividends paid on Telstra shares between the date the Cash Right is allocated and the end of the applicable Restriction Period, at or around the same time that Telstra pays the dividend. A Cash Right granted in lieu of a Performance Right entitles the Senior Executive, if the Cash Right vests, to receive an amount equivalent to dividends paid between allocation and vesting of the Cash Right after the end of the applicable performance period.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

EVP

Executive Variable Remuneration Plan.

EVP Scorecard Outcome

The outcome determined by the Board following an assessment of Telstra's performance against the primary performance measures under the EVP during the Initial Performance Period, after making such adjustments as it considers necessary to ensure the outcome is appropriate, that is then used as an input for determining each Senior Executive's Individual EVP Outcome.

Fixed Remuneration or FR

Base salary plus company and private salary sacrificed superannuation contributions.

FY

Financial year.

Individual EVP Outcome

The individual award earned by a Senior Executive under the EVP taking into consideration their performance, the EVP Scorecard Outcome, their 'at target' EVP reward opportunity and other factors in accordance with the Board's decision framework such as any material risk events identified, the severity of their impact and the Senior Executive's accountability for the matter.

Initial Performance Period

1 year (1 July 2024 – 30 June 2025).

KMP

Key Management Personnel, being people with authority and responsibility for planning, directing and controlling the activities of Telstra and the Group, directly or indirectly.

LTI

Long term incentive plan.

NPS

Net Promoter Score is a non-financial performance metric that we use to measure customer experience at Telstra. The Episode NPS performance measure is based on responses to internal surveys following actual service experiences customers had with Telstra. The overall Episode NPS result for Telstra is a weighted average calculation of the survey results from Telstra business segments – Consumer & Small Business contribute collectively at 65% and Telstra Enterprise at 35%.

Performance Right

A right to a share or, at Telstra's discretion, a cash amount equivalent to the value of a share, at the end of a performance period, subject to the satisfaction of certain performance measures and continuing employment conditions.

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Permitted Reason

Permitted Reason under the FY25 EVP, FY26 STI and FY26 LTI means death, total and permanent disablement, certain medical conditions, mutual separation, company initiated separation for a reason unrelated to performance or conduct, redundancy or retirement.

Related parties

of a person means:

- a close member of the person's family; and/or
- an entity over which the person or close family member has, directly or indirectly, control, joint control or significant influence

Restricted Share

A Telstra share that is subject to a Restriction Period.

Restricted Share Right

A right to receive a Telstra share subject to satisfaction of a deferral period.

Restriction Period

A period during which a Telstra share is subject to a continuing employment condition and cannot be traded. Restricted Shares are transferred to a Senior Executive on the first day after the end of the Restriction Period that Senior Executives are able to deal in shares under Telstra's Securities Trading Policy.

Restructure

The corporate restructure of the Telstra Group implemented during FY23, which included Telstra Group Limited becoming the new parent entity of the Telstra Group with effect from 31 October 2022 (Telstra Corporation Limited was the parent entity of the Telstra Group prior to that date).

Relative Total Shareholder Return (RTSR)

Measures the performance of a Telstra share (including the value of any cash dividend and other shareholder benefits paid during the period) relative to the performance of ordinary securities issued by the other entities in a comparator group over the same period.

RTSR Performance Period

For the FY25 EVP performance rights: the five-year performance period ending on 30 June 2029 over which the RTSR performance condition will be measured.

For the FY26 LTI performance rights: the four-year performance period ending on 30 June 2029 over which the RTSR performance condition will be measured.

Senior Executive

Refers to the CEO and those GEs who are KMP.

Underlying EBITDA

Underlying EBITDA is Earnings Before Interest, Tax, Depreciation & Amortisation. It excludes guidance adjustments.

Underlying Return on Invested Capital (uROIC)

uROIC is defined as Net Operating Profit After Tax (NOPAT) less guidance adjustments after tax, divided by average invested capital. Invested capital is defined as Net Debt and Equity. Guidance adjustments include material one-offs such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs, and other items as determined by the Board.

Directors' Report

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Rounding

The Telstra Entity is a company of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as amended from time to time and issued pursuant to section 341(1) of the Corporations Act 2001. Except where otherwise indicated, the amounts in this Directors' Report and the accompanying financial report have been rounded to the nearest million dollars ($m) and amounts in the Remuneration Report have been rounded to the nearest thousand dollars ($000).

This report is made on 14 August 2025 in accordance with a resolution of the Directors.

Craig W Dunn
Chair
14 August 2025

Vicki Brady
Chief Executive Officer and Managing Director
14 August 2025

Independence Declaration by Auditor to the Directors of Telstra Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Telstra Group Limited.

As lead audit partner for the audit of the financial report of Telstra Group Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- No contraventions of any applicable code of professional conduct in relation to the audit; and
- No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Telstra Group Limited and the entities it controlled during the financial year.

DELOITTE TOUCHE TOHMATSU

Matt Sheerin
Partner
Chartered Accountants

14 August 2025

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Financial Report

Telstra Group Limited and controlled entities

Australian Business Number (ABN): 56 650 620 303

Financial report: introduction and contents

As at 30 June 2025

About this report

This is the financial report for Telstra Group Limited (referred to as the Company or the Telstra Entity) and its controlled entities (together referred to as we, us, our, Telstra, the Telstra Group or the Group) for the year ended 30 June 2025.

Telstra Group Limited is a 'for profit' company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

This financial report was authorised for issue in accordance with a resolution of the Telstra Group Limited Board of Directors on 14 August 2025. The Directors have the power to amend and reissue the financial report.

Reading the financials

Section introduction

The introduction at the start of each section outlines the focus of the section and explains the purpose and content of that section.

Note and topic summary

A summary at the start of certain notes explains the objectives and content of that note, or at the start of certain specific topics clarifies complex concepts, which users may not be familiar with.

Narrative table

Some narrative disclosures are presented in a tabular format to provide readers with a clearer understanding of the information being presented.

Information panel

The information panel describes our key accounting estimates and judgements applied in the preparation of the financial report, which are relevant to that section or note.

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Income Statement

For the year ended 30 June 2025

Telstra Group	Note	Year ended 30 June 2025 $m	Year ended 30 June 2024 $m
Income			
Revenue (excluding finance income)	2.2	23,125	22,928
Other income	2.2	485	554
		23,610	**23,482**
Expenses			
Labour		3,990	4,291
Goods and services purchased		8,212	8,441
Net impairment losses on financial assets		118	92
Other expenses	2.3	2,666	3,114
		14,986	**15,938**
Share of net loss from joint ventures and associated entities	6.5	**(17)**	**(16)**
		15,003	**15,954**
Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)		**8,607**	**7,528**
Depreciation and amortisation	2.3	4,691	4,479
Earnings before interest and income tax expense (EBIT)		**3,916**	**3,049**
Finance income	2.2	103	112
Finance costs	2.3	742	696
Net finance costs		**639**	**584**
Profit before income tax expense		**3,277**	**2,465**
Income tax expense	2.4	934	677
Profit for the year		**2,343**	**1,788**
Profit for the year attributable to:			
Equity holders of Telstra Entity		2,172	1,622
Non-controlling interests		171	166
		2,343	**1,788**
Earnings per share (cents per share)		cents	cents
Basic	2.5	18.9	14.1
Diluted	2.5	18.8	14.0

The notes following the financial statements form part of the financial report.

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Statement of Comprehensive Income

For the year ended 30 June 2025

Telstra Group	Note	Year ended 30 June 2025 $m	Year ended 30 June 2024 $m
Profit for the year attributable to:			
Equity holders of Telstra Entity		2,172	1,622
Non-controlling interests		171	166
		2,343	**1,788**
Items that will not be reclassified to the income statement			
Retained profits			
Actuarial loss on defined benefit plans attributable to equity holders of Telstra Entity	5.3	(19)	(34)
Income tax on actuarial loss on defined benefit plans		8	10
Cumulative gain from the fair value of equity investments at fair value through other comprehensive income transferred to retained earnings on disposal		85	-
Fair value of equity instruments reserve			
Changes in the fair value of equity investments at fair value through other comprehensive income		58	(14)
Cumulative gain from the fair value of equity investments at fair value through other comprehensive income transferred to retained earnings on disposal		(85)	-
Foreign currency translation reserve			
Translation differences of foreign operations attributable to non-controlling interests		1	(3)
		48	**(41)**
Items that may be subsequently reclassified to the income statement			
Foreign currency translation reserve			
Translation differences of foreign operations attributable to equity holders of Telstra Entity		(302)	(38)
Cash flow hedging reserve			
Changes in cash flow hedging reserve	4.5	(47)	62
Share of other comprehensive income of equity accounted investments		(1)	(2)
Income tax on movements in the cash flow hedging reserve	4.5	14	(19)
Cost of hedging reserve			
Changes in the value of the cost of hedging reserve		(20)	(29)
Income tax on movements in the cost of hedging reserve		6	9
		(350)	**(17)**
Total other comprehensive income		**(302)**	**(58)**
Total comprehensive income for the year		**2,041**	**1,730**
Total comprehensive income for the year attributable to:			
Equity holders of Telstra Entity		1,869	1,567
Non-controlling interests		172	163

The notes following the financial statements form part of the financial report.

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Statement of Financial Position

As at 30 June 2025

Telstra Group	Note	As at 30 June 2025 $m	As at 30 June 2024 $m
Current assets			
Cash and cash equivalents	2.6	1,012	1,046
Trade and other receivables and contract assets	3.3	3,677	3,828
Deferred contract costs	3.6	108	140
Inventories	3.7	485	518
Derivative financial assets	4.4	230	232
Current tax receivables	2.4	246	35
Prepayments		347	308
Assets classified as held for sale	6.4	390	-
Total current assets		**6,495**	**6,107**
Non-current assets			
Trade and other receivables and contract assets	3.3	1,157	1,342
Deferred contract costs	3.6	773	794
Inventories	3.7	100	162
Investments – accounted for using the equity method	6.5	222	636
Investments – other		381	33
Property, plant and equipment	3.1	20,651	20,867
Intangible assets	3.1	11,775	12,421
Right-of-use assets	3.2	2,681	2,666
Derivative financial assets	4.4	481	211
Deferred tax assets	2.4	51	74
Defined benefit asset	5.3	201	237
Total non-current assets		**38,473**	**39,443**
Total assets		**44,968**	**45,550**
Current liabilities			
Trade and other payables	3.8	4,212	4,626
Employee benefits	5.1	677	721
Other provisions	7.2	130	349
Lease liabilities	3.2	502	530
Borrowings	4.4	4,314	3,698
Derivative financial liabilities	4.4	82	97
Current tax payables	2.4	56	28
Contract liabilities and other revenue received in advance	3.4	1,487	1,477
Liabilities classified as held for sale	6.4	61	-
Total current liabilities		**11,521**	**11,526**
Non-current liabilities			
Other payables	3.8	28	10
Employee benefits	5.1	141	130
Other provisions	7.2	217	196
Lease liabilities	3.2	2,597	2,578
Borrowings	4.4	10,582	10,162
Derivative financial liabilities	4.4	91	176
Deferred tax liabilities	2.4	1,843	1,783
Defined benefit liabilities	5.3	9	14
Contract liabilities and other revenue received in advance	3.4	1,623	1,623
Total non-current liabilities		**17,131**	**16,672**
Total liabilities		**28,652**	**28,198**
Net assets		**16,316**	**17,352**

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Statement of Financial Position (continued)

As at 30 June 2025

Telstra Group	Note	As at 30 June 2025 $m	As at 30 June 2024 $m
Equity			
Share capital	4.3	2,345	3,095
Reserves	4.3	1,766	2,135
Retained profits		9,788	9,692
Equity available to Telstra Entity shareholders		**13,899**	**14,922**
Non-controlling interests		2,417	2,430
Total equity		**16,316**	**17,352**

The notes following the financial statements form part of the financial report.

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Statement of Cash Flows

For the year ended 30 June 2025

Telstra Group	Note	Year ended 30 June 2025 $m	Year ended 30 June 2024 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax (GST))		25,647	25,196
Payments to suppliers and employees (inclusive of GST)		(17,540)	(17,386)
Government grants received for operating activities		197	185
Net cash generated from operations		**8,304**	**7,995**
Income taxes paid	2.4	(980)	(946)
Net cash provided by operating activities	2.6	**7,324**	**7,049**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,375)	(2,288)
Payments for intangible assets		(1,499)	(2,776)
Capital expenditure (before investments)		**(3,874)**	**(5,064)**
Payments for shares in controlled entities (net of cash acquired)		(125)	(389)
Payments for equity accounted investments		(53)	(47)
Payments for other financial assets held as investments		(145)	(32)
Total capital expenditure (including investments)		**(4,197)**	**(5,532)**
Proceeds from sale of property, plant and equipment		129	146
Proceeds from sale of equity accounted investments		134	-
Proceeds from sale of other financial assets held as investments		131	-
Proceeds from sale and leaseback		52	98
Distributions received from equity accounted investments		26	64
Receipts of the principal portion of finance lease receivables		67	70
Government grants received for investing activities		79	62
Interest received		69	65
Repayment of loans by associated entity		152	35
Other		(10)	2
Net cash used in investing activities		**(3,368)**	**(4,990)**
Operating cash flows less investing cash flows		**3,956**	**2,059**
Cash flows from financing activities			
Proceeds from borrowings		6,066	9,465
Repayment of borrowings		(5,441)	(7,829)
Payment of principal portion of lease liabilities	3.2	(632)	(643)
Share buy-back	4.3	(751)	-
Purchase of shares for employee share plans		(18)	(19)
Finance costs paid		(871)	(726)
Dividends/distributions paid to non-controlling interests		(180)	(167)
Dividends paid to equity holders of Telstra Entity	4.2	(2,137)	(2,022)
Other		(33)	(1)
Net cash used in financing activities		**(3,997)**	**(1,942)**
Net (decrease)/increase in cash and cash equivalents		**(41)**	**117**
Cash and cash equivalents at the beginning of the year		1,046	932
Effects of exchange rate changes on cash and cash equivalents		7	(3)
Cash and cash equivalents at the end of the year	2.6	**1,012**	**1,046**

The notes following the financial statements form part of the financial report.

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Statement of Changes in Equity

For the year ended 30 June 2025

Telstra Group	Note	Share capital	Reserves	Retained profits	Total	Non-controlling interests	Total equity
		$m	$m	$m	$m	$m	$m
Balance at 1 July 2023		**3,095**	**2,196**	**10,116**	**15,407**	**2,409**	**17,816**
Profit for the year		-	-	1,622	**1,622**	166	**1,788**
Other comprehensive income		-	(31)	(24)	**(55)**	(3)	**(58)**
Total comprehensive income for the year		**-**	**(31)**	**1,598**	**1,567**	**163**	**1,730**
Dividends	4.2	-	-	(2,022)	**(2,022)**	-	**(2,022)**
Transactions with non-controlling interests		-	(30)	-	**(30)**	(142)	**(172)**
Additional shares purchased	4.3	(19)	-	-	**(19)**	-	**(19)**
Share-based payments		19	-	-	**19**	-	**19**
Balance at 30 June 2024		**3,095**	**2,135**	**9,692**	**14,922**	**2,430**	**17,352**
Profit for the year		-	-	2,172	**2,172**	171	**2,343**
Other comprehensive income		-	(377)	74	**(303)**	1	**(302)**
Total comprehensive income for the year		**-**	**(377)**	**2,246**	**1,869**	**172**	**2,041**
Dividends	4.2	-	-	(2,137)	**(2,137)**	-	**(2,137)**
Share buy-back (net of income tax)	4.3	(751)	-	-	**(751)**	-	**(751)**
Transactions with non-controlling interests		-	(5)	-	**(5)**	(185)	**(190)**
Other transfers		-	13	(13)	**-**	-	**-**
Additional shares purchased	4.3	(18)	-	-	**(18)**	-	**(18)**
Share-based payments		19	-	-	**19**	-	**19**
Balance at 30 June 2025		**2,345**	**1,766**	**9,788**	**13,899**	**2,417**	**16,316**

The notes following the financial statements form part of the financial report.

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Section 1. Basis of preparation

This section explains the basis of preparation of our financial report, describes changes in our accounting policies and provides a summary of our key accounting estimates and judgements.



1.1 Basis of preparation of the financial report

This financial report is a general purpose financial report, prepared by a 'for profit' entity, in accordance with the requirements of the Australian *Corporations Act 2001 (Cth) (Corporations Act)*, Accounting Standards applicable in Australia and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). It also complies with International Financial Reporting Standards (IFRS) and Interpretations published by the International Accounting Standards Board (IASB).

The financial report is presented in Australian dollars and, unless otherwise stated, all values have been rounded to the nearest million dollars ($m) under the option available under the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 as amended from time to time. The functional currency of the Telstra Entity and its Australian controlled entities is Australian dollars. The functional currency of certain non-Australian controlled entities is not Australian dollars. The results of these entities are translated into Australian dollars in accordance with our accounting policy described in note 1.3.1.

The financial report is prepared on a historical cost basis, except for some categories of financial instruments, which are recorded at fair value.

Where relevant, comparative information has been reclassified to ensure comparability with the current year disclosures and presentation.

1.2 Terminology used in our income statement

EBITDA reflects earnings before interest, income tax, depreciation and amortisation. EBIT is a similar measure to EBITDA, but takes into account depreciation and amortisation.

We believe EBITDA is useful as it is a widely recognised measure of operating performance.

1.3 Principles of consolidation

Our financial report includes the consolidated assets and liabilities of the Telstra Entity and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the financial year.

An entity is considered to be a controlled entity where we are exposed, or have rights, to variable returns from our involvement with the entity and have the ability to affect those returns through our power to direct the activities of the entity. We consolidate the results of our controlled entities from the date on which we gain control until the date we cease control.

The effects of intra-group transactions and balances are eliminated from our consolidated financial statements.

Non-controlling interests in the results and equity of controlled entities are shown separately in our income statement, statement of comprehensive income, statement of financial position and statement of changes in equity.

The financial statements of the Group's controlled entities are prepared using consistent accounting policies with those of the Telstra Entity. Adjustments are made to bring the reporting periods in line with those of the Group where necessary.

1.3.1 Translation of financial reports of foreign operations that have a functional currency other than the Australian dollar

The financial reports of our foreign operations are translated into Australian dollars (our presentation currency) using the following method:

Foreign currency amount	Exchange rate
Assets and liabilities including goodwill and fair value adjustments arising on consolidation	The reporting date rate
Equity items	The initial investment date rate
Income statement	Average rate (or the transaction date rate for significant identifiable transactions)

The exchange differences arising from the translation of financial statements of foreign operations are recognised in other comprehensive income.

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Section 1. Basis of preparation (continued)

1.4 Key accounting estimates and judgements

Preparation of the financial report requires management to make estimates and judgements.

1.4.1 Summary of key management judgements

The accounting policies and significant management judgements and estimates used, and any changes thereto, are set out in the relevant notes. The key accounting estimates and judgements are included in the following notes:

Key accounting estimates and judgements	Note	Page
Assessment of a significant financing component in mass market contracts	2.2	121
Determining standalone selling prices	2.2	122
Assessment of a significant financing component in Indefeasible Right of Use (IRU)	2.2	123
Assessment of a significant financing component in nbn Definitive Agreements (DAs)	2.2	124
Unrecognised deferred tax assets	2.4	129
Capitalisation of development costs	3.1	134
Useful lives and residual values of tangible and intangible assets	3.1	134
Impairment assessment of our ubiquitous telecommunications network	3.1	135
Determining CGUs and their recoverable amount for impairment assessment of goodwill	3.1	136
Determining lease term for property leases	3.2	138
Determining incremental borrowing rates for property leases	3.2	140
Estimating expected credit losses	3.3	144
Amortisation period of deferred contract costs	3.6	147
Long service leave provision	5.1	168
Defined benefit plan	5.3	174
Equity-like securities issued to the Australian Government	6.3	180
Significant influence over Telstra Super Pty Ltd	6.5	184
Significant influence over Titanium Ventures Fund III, L.P.	6.5	184

1.5 Other accounting policies

Relevant accounting policies are included in the respective notes to the financial statements. Changes in the accounting policies and impacts from the accounting standards to be applied in future reporting periods, as well as other accounting policies not disclosed elsewhere in the financial report are detailed below.

1.5.1 Changes in accounting policies

(a) New and amended accounting standards

A number of amended accounting standards became effective in the current reporting period but none of those had a material impact on our accounting policies.

(b) Other changes

Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Act 2024 made minor amendments to the *Corporations Act* for public companies to disclose in their annual financial reports additional tax residency information about entities within the consolidated group. We have reflected these requirements in the disclosures in the consolidated entity disclosure statement.

1.5.2 New accounting standards to be applied in future reporting periods

In June 2024, AASB issued AASB 18 'Presentation and Disclosure in Financial Statements'. AASB 18 significantly updates the requirements for presentation and disclosures in the financial statements, with a particular focus on improving the reporting of financial performance as it requires classification of income and expenses into particular categories. It also introduces disclosure of management-defined performance measures. AASB 18 is effective for Telstra from 1 July 2027, with early application permitted, and requires a restatement of the comparative reporting period. We are currently assessing the expected impact from AASB 18 on our financial reporting.

We have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and, with the exception of AASB 18 described above, we do not expect any of them to have a material impact on our financial results upon adoption.

1.5.3 Transactions and balances in foreign currency

Foreign currency transactions are translated into the relevant functional currency at the spot exchange rate at the transaction date. At the reporting date, amounts receivable or payable denominated in foreign currencies are translated into the relevant functional currency at market exchange rates as at the reporting date. Any currency translation gains and losses that arise are included in our income statement.

Non-monetary items denominated in foreign currency that are measured at fair value (i.e. certain equity instruments not held for trading) are translated using the exchange rates at the date when the fair value was determined. Differences arising from the translation are reported as part of the fair value gain or loss in line with the recognition of the changes in the fair value of the non-monetary item.

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Section 2. Our performance

This section explains our results, performance of our segments, which are reported on the same basis as our internal management structure, and our earnings per share for the period. It also provides disaggregated revenue, details of selected income and expense items, information about taxation and a reconciliation of our profit to net cash generated from operating activities.



2.1 Segment information

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations of the Group through the eyes of management.

Our operating segments represent the functions which offer our main products and services in the market. However, only some of our operating segments meet the disclosure criteria for reportable segments.

2.1.1 Operating segments

We report segment information on the same basis as our internal management reporting structure at the reporting date. Segment comparatives reflect any organisational changes that have occurred since the end of the prior financial year to present a like-for-like view.

During the financial year 2025, there were no changes to our operating segments.

Our 'Networks, IT and Product' segment consists of two operating segments, being Global Networks and Technology and Product and Technology, which have been combined for reporting purposes as they have similar economic characteristics and provide support functions underpinning operations of the other segments.

In our segment results, the 'All Other' category includes functions that do not qualify as operating segments as well as the operating segments which are not material to be reported individually.

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Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

We have six reportable segments as follows:

Segment	Operation
Telstra Consumer (TC)	• provides telecommunication and technology products and services to consumer customers in Australia using mobile and fixed network technologies • operates contact centres, retail stores, a retail distribution network, digital channels, distribution systems and the Telstra Plus customer loyalty program in Australia
Telstra Business (TB)	• provides telecommunication and technology products and services to small and medium businesses in Australia • operates Telstra Business Technology Centres and digital channel partner network servicing small and medium business customers
Telstra Enterprise Australia (TEA)	• provides telecommunication services, advanced technology solutions, network capacity and management, unified communications, cloud, security, industry solutions, integrated and monitoring services to government and large enterprise and business customers in Australia
Telstra International (TI)	• provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through our Digicel Pacific business • provides a full suite of telecommunication services, including satellite services, advanced technology solutions, network capacity and management, cloud, security, industry solutions, integrated and monitoring services to government and enterprise and business customers outside of Australia • provides wholesale services outside of Australia, including voice and data • manages Telstra's networks outside Australia, including international subsea cables, in conjunction with Networks, IT and Product and Telstra InfraCo segments
Networks, IT and Product (NIT&P)	• Global Networks and Technology supports the other segments and their respective revenue generating activities by maintaining high level of reliability and security of our global network platforms and cloud infrastructure. It maintains our networks and is accountable for our network intelligence and automation. • Product and Technology works with other functions to create and deliver products and solutions for customers across all segments. It has accountability for product strategy, innovation, development, and life cycle where products are incubated and brought to scale. It is also accountable for Telstra's IT and Data & AI functions and our digital platforms underpinning our customer digital experience.
Telstra InfraCo	• operates in Australia and provides telecommunication products and services delivered over Telstra networks to other carriers, carriage service providers and internet service providers • provides other Telstra functions and wholesale customers with access to network infrastructure within Telstra InfraCo's asset accountabilities • operates the fixed passive network infrastructure including data centres, exchanges, poles, ducts, pits and pipes and fibre network • designs and constructs fibre, exchanges and other infrastructure • provides nbn co with long-term access to certain components of our infrastructure under the Infrastructure Services Agreement • operates the passive and physical mobile tower assets owned or operated by the Amplitel business

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Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

Consistent with information presented for internal management reporting, the result of each segment is measured based on its EBITDA contribution, which differs from our reported EBITDA.

The table below details how we determine segment income and EBITDA contribution of each segment.

Nature of transaction	Description	Measurement basis	Impact on segment results
Transactions with external parties	Any transactions between any of the Telstra Group entities with: • an external counterparty, e.g. supplier or customer • any related party which is not controlled by the Telstra Group, i.e. it is not eliminated on consolidation.	Accounted for in accordance with the Australian Accounting Standards.	The effects of all transactions with external parties are included in the segment results.
Transactions with other segments	Any transactions between segments arising from inter-company legal agreements between entities controlled by the Telstra Group.	Different measurement bases apply to our transactions between segments depending on their nature: • transactions arising from agreements entered into as a result of the Telstra Group restructure completed on 1 January 2023, including charges for use of our infrastructure assets and other services, are measured based on a 'management view', i.e. all charges earned/incurred are recognised when incurred as either income or expenses. Such recognition may differ from the requirements of the Australian Accounting Standards in a number of areas, for example lease accounting. • any transactions other than those described above are accounted for in accordance with the Australian Accounting Standards. Transactions within the same segment are eliminated within that segment's results except for the transactions detailed under table A. Any transactions other than those arising from the agreements entered into as a result of the Telstra Group restructure are excluded from the segment's results. Any transactions with other segments are eliminated on consolidation, therefore the total Telstra Group reported income and total reported EBITDA reconcile to the statutory financial statements.	The effects of the transactions with other segments are included in the segment results and, depending on the nature of the transaction, either measured based on the management view or as accounted under the Australian Accounting Standards.
Some transactions which are managed centrally or by one segment	Certain items and transactions are managed centrally or by one of the segments even if they relate to results of multiple segments.	Accounted for in accordance with the Australian Accounting Standards.	The effects of these transactions are included in the segment results as detailed below.

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Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

The following transactions are managed centrally rather than being allocated to each segment, or by one segment even if they relate to results of multiple segments:

- network service delivery expenses other than those supporting passive infrastructure and related to customers serviced by TC, TB, TEA, TI and Telstra InfraCo segments are included in NIT&P segment
- revenue associated with mobile handsets (and the corresponding cost of goods sold) sold via dealers to the customers of TB segment is included in TC segment
- Telstra Limited's promotion and advertising expenses related to TB and TEA segments are included in TC segment
- call centres and retail stores costs associated with TB segment are reported in TC segment
- some commission costs related to acquisition of TB customer contracts are included in TC
- Telstra Limited's redundancy and restructuring expenses are included in 'All Other' category rather than being allocated to TC, TB, TEA, NIT&P and Telstra InfraCo segments.

2.1.2 Segment results

Table A details our segment results and a reconciliation of EBITDA contribution to the Telstra Group's EBITDA, EBIT and profit before income tax expense.

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Table A **Telstra Group**	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Sub-total	Elimina-tions	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2025									
Mobility	7,283	1,835	1,313	-	-	584	-	**11,015**	-	**11,015**
Fixed - Consumer and Small Business (C&SB)	3,564	735	-	-	-	-	-	**4,299**	-	**4,299**
Fixed - Enterprise	-	298	3,147	-	-	-	-	**3,445**	(26)	**3,419**
InfraCo Fixed	-	-	-	-	-	2,710	-	**2,710**	(1,117)	**1,593**
Amplitel	-	-	-	-	-	470	-	**470**	(370)	**100**
Fixed - Active Wholesale	-	-	-	-	-	349	-	**349**	-	**349**
International	-	-	-	2,587	-	-	-	**2,587**	(215)	**2,372**
Other	15	(1)	25	-	434	46	640	**1,159**	(696)	**463**
Total management reported income	**10,862**	**2,867**	**4,485**	**2,587**	**434**	**4,159**	**640**	**26,034**	**(2,424)**	**23,610**
Transactions between segments	(3)	(1)	(31)	(215)	(407)	(1,523)	(244)	**(2,424)**	2,424	**-**
Total external income	**10,859**	**2,866**	**4,454**	**2,372**	**27**	**2,636**	**396**	**23,610**	**-**	**23,610**
Share of net loss from equity accounted entities	-	-	-	(1)	(4)	-	(12)	**(17)**	-	**(17)**
EBITDA contribution	**4,885**	**1,915**	**1,676**	**693**	**(2,724)**	**3,004**	**(842)**	**8,607**	**-**	**8,607**
Depreciation and amortisation										**(4,691)**
Telstra Group EBIT										**3,916**
Net finance costs										**(639)**
Telstra Group profit before income tax expense										**3,277**

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.2 Segment results (continued)

Table A (continued) Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Sub-total	Elimina-tions	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2024									
Mobility	7,089	1,794	1,355	-	-	484	-	**10,722**	-	**10,722**
Fixed - C&SB	3,615	740	-	-	-	-	-	**4,355**	-	**4,355**
Fixed - Enterprise	-	331	3,206	-	-	-	-	**3,537**	(19)	**3,518**
InfraCo Fixed	-	-	-	-	-	2,746	-	**2,746**	(1,157)	**1,589**
Amplitel	-	-	-	-	-	453	-	**453**	(357)	**96**
Fixed - Active Wholesale	-	-	-	-	-	366	-	**366**	-	**366**
International	-	-	-	2,578	-	-	-	**2,578**	(223)	**2,355**
Other	18	(9)	51	-	466	83	653	**1,262**	(781)	**481**
Total management reported income	**10,722**	**2,856**	**4,612**	**2,578**	**466**	**4,132**	**653**	**26,019**	**(2,537)**	**23,482**
Transactions between segments	(4)	(1)	(45)	(223)	(439)	(1,552)	(273)	**(2,537)**	2,537	**-**
Total external income	**10,718**	**2,855**	**4,567**	**2,355**	**27**	**2,580**	**380**	**23,482**	**-**	**23,482**
Share of net profit/(loss) from equity accounted entities	-	-	-	5	(12)	-	(9)	**(16)**	-	**(16)**
EBITDA contribution	**4,480**	**1,931**	**1,629**	**755**	**(2,743)**	**2,895**	**(1,419)**	**7,528**	**-**	**7,528**
Depreciation and amortisation										**(4,479)**
Telstra Group EBIT										**3,049**
Net finance costs										**(584)**
Telstra Group profit before income tax expense										**2,465**

Certain intra-segment transactions within the Telstra InfraCo segment have not been eliminated within that segment, i.e. $44 million (2024: $49 million) internal income and internal expenses have been presented on a gross basis.

Negative revenue amounts in the tables relate to certain corporate level adjustments.

Information about our non-current assets by geographical market is presented in table B.

Our geographical operations are split between our Australian and offshore operations. No individual foreign country within our offshore operations has material revenue or non-current assets.

The carrying amount of our segment non-current assets excludes financial assets, inventories, defined benefit assets, deferred contract costs and deferred tax assets.

Table B Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Carrying amount of non-current assets		
Located in Australia	30,834	31,581
Located offshore	4,495	5,009
	35,329	**36,590**

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Section 2. Our performance (continued)

2.2 Income

Table A Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Revenue from contracts with customers	22,717	22,537
Revenue from other sources	408	391
Total revenue (excluding finance income)	**23,125**	**22,928**
Other income		
Net gain on disposal of property, plant and equipment and intangible assets	93	137
Net gain on disposal of businesses and investments	5	-
Net gain related to lease arrangements	96	113
Government grants	238	230
Net gain on derivative financial instruments not related to financing	2	27
Other miscellaneous income	51	47
	485	**554**
Total income (excluding finance income)	**23,610**	**23,482**
Finance income		
Finance income (excluding income from finance leases)	83	89
Finance income from finance leases (Telstra as a lessor)	20	23
	103	**112**
Total income	**23,713**	**23,594**

Revenue from other sources includes income from:

- customer contributions to extend, relocate or amend our network assets, where the customer does not purchase any ongoing services under the same (or linked) contract(s)
- late payment fees
- our lease arrangements, including finance leases where Telstra is a dealer-lessor and operating leases (refer to note 3.2.2 for further details about our lease arrangements).

Net gain on disposal of property, plant and equipment and intangible assets includes $74 million (2024: $110 million) net gain on sale of our legacy copper assets which has been presented net of the disposal costs in the financial year 2025 (2024: presented excluding the disposal costs).

Net gain related to lease arrangements includes $45 million net gain (2024: $1 million net loss) on lease modifications, $20 million (2024: $63 million) gain on finance leases and $31 million (2024: $50 million) net gain on sale and leaseback of certain exchange properties.

Government grants include income under the Telstra Universal Service Obligation Performance Agreement, the Federal Government's Mobile Black Spot Program and other individually immaterial government grants. There are no unfulfilled conditions or other contingencies attached to these grants.

Net gain on derivative financial instruments not related to financing reflects changes in the fair value of our energy power purchase agreements accounted for as derivative financial instruments.

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue

Table B presents the disaggregated revenue from contracts with customers based on the nature and the timing of transfer of goods and services.

We recognise revenue from contracts with customers when the control of goods or services has been transferred to the customer. Revenue from sale of services is recognised over time, whereas revenue from sale of goods is recognised at a point in time.

Other revenue from contracts with customers includes licensing revenue (recognised either at a point in time or over time) and agency revenue (recognised over time). Refer to note 2.2.2 for further details about our contracts with customers.

Table B **Telstra Group**	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2025							
Sale of services	8,565	2,658	3,838	2,256	1	2,253	308	**19,879**
Sale of goods	1,972	186	503	54	-	2	38	**2,755**
Other revenue from contracts with customers	29	3	29	1	-	-	21	**83**
	10,566	**2,847**	**4,370**	**2,311**	**1**	**2,255**	**367**	**22,717**
	Year ended 30 June 2024							
Sale of services	8,398	2,662	3,856	2,266	1	2,093	292	**19,568**
Sale of goods	2,012	166	586	73	-	3	33	**2,873**
Other revenue from contracts with customers	25	5	50	-	-	-	16	**96**
	10,435	**2,833**	**4,492**	**2,339**	**1**	**2,096**	**341**	**22,537**

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table C presents total revenue from external customers disaggregated by major products.

Table C Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2025							
Mobile	**7,283**	**1,835**	**1,313**	**-**	**-**	**584**	**-**	**11,015**
Revenue from contracts with customers	7,265	1,824	1,309	-	-	584	-	**10,982**
Revenue from other sources	18	11	4	-	-	-	-	**33**
Fixed - C&SB	**3,362**	**735**	**-**	**-**	**-**	**-**	**-**	**4,097**
Revenue from contracts with customers	3,289	728	-	-	-	-	-	**4,017**
Revenue from other sources	73	7	-	-	-	-	-	**80**
Fixed - Enterprise	**-**	**298**	**3,121**	**-**	**-**	**-**	**-**	**3,419**
Revenue from contracts with customers	-	297	3,081	-	-	-	-	**3,378**
Revenue from other sources	-	1	40	-	-	-	-	**41**
InfraCo Fixed	**-**	**-**	**-**	**-**	**-**	**1,464**	**-**	**1,464**
Revenue from contracts with customers	-	-	-	-	-	1,232	-	**1,232**
Revenue from other sources	-	-	-	-	-	232	-	**232**
Amplitel	**-**	**-**	**-**	**-**	**-**	**89**	**-**	**89**
Revenue from contracts with customers	-	-	-	-	-	88	-	**88**
Revenue from other sources	-	-	-	-	-	1	-	**1**
Fixed - Active Wholesale	**-**	**-**	**-**	**-**	**-**	**349**	**-**	**349**
Revenue from contracts with customers	-	-	-	-	-	349	-	**349**
International	**-**	**-**	**-**	**2,325**	**-**	**-**	**-**	**2,325**
Revenue from contracts with customers	-	-	-	2,311	-	-	-	**2,311**
Revenue from other sources	-	-	-	14	-	-	-	**14**
Other products and services	**12**	**(2)**	**(18)**	**-**	**2**	**2**	**371**	**367**
Revenue from contracts with customers	12	(2)	(20)	-	1	2	367	**360**
Revenue from other sources	-	-	2	-	1	-	4	**7**
Total revenue from contracts with customers	**10,566**	**2,847**	**4,370**	**2,311**	**1**	**2,255**	**367**	**22,717**
Total revenue from other sources	**91**	**19**	**46**	**14**	**1**	**233**	**4**	**408**
	10,657	**2,866**	**4,416**	**2,325**	**2**	**2,488**	**371**	**23,125**
Other income	**202**	**-**	**38**	**47**	**25**	**148**	**25**	**485**
	10,859	**2,866**	**4,454**	**2,372**	**27**	**2,636**	**396**	**23,610**

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table C (continued) Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2024							
Mobile	**7,089**	**1,795**	**1,354**	**-**	**-**	**484**	**-**	**10,722**
Revenue from contracts with customers	7,066	1,782	1,354	-	-	484	-	**10,686**
Revenue from other sources	23	13	-	-	-	-	-	**36**
Fixed - C&SB	**3,421**	**740**	**-**	**-**	**-**	**-**	**-**	**4,161**
Revenue from contracts with customers	3,359	732	-	-	-	-	-	**4,091**
Revenue from other sources	62	8	-	-	-	-	-	**70**
Fixed - Enterprise	**-**	**331**	**3,187**	**-**	**-**	**-**	**-**	**3,518**
Revenue from contracts with customers	-	329	3,138	-	-	-	-	**3,467**
Revenue from other sources	-	2	49	-	-	-	-	**51**
InfraCo Fixed	**-**	**-**	**-**	**-**	**-**	**1,390**	**-**	**1,390**
Revenue from contracts with customers	-	-	-	-	-	1,168	-	**1,168**
Revenue from other sources	-	-	-	-	-	222	-	**222**
Amplitel	**-**	**-**	**-**	**-**	**-**	**76**	**-**	**76**
Revenue from contracts with customers	-	-	-	-	-	75	-	**75**
Revenue from other sources	-	-	-	-	-	1	-	**1**
Fixed - Active Wholesale	**-**	**-**	**-**	**-**	**-**	**366**	**-**	**366**
Revenue from contracts with customers	-	-	-	-	-	366	-	**366**
International	**-**	**-**	**-**	**2,343**	**-**	**-**	**-**	**2,343**
Revenue from contracts with customers	-	-	-	2,339	-	-	-	**2,339**
Revenue from other sources	-	-	-	4	-	-	-	**4**
Other products and services	**13**	**(10)**	**(5)**	**-**	**1**	**3**	**350**	**352**
Revenue from contracts with customers	10	(10)	-	-	1	3	341	**345**
Revenue from other sources	3	-	(5)	-	-	-	9	**7**
Total revenue from contracts with customers	**10,435**	**2,833**	**4,492**	**2,339**	**1**	**2,096**	**341**	**22,537**
Total revenue from other sources	**88**	**23**	**44**	**4**	**-**	**223**	**9**	**391**
	10,523	**2,856**	**4,536**	**2,343**	**1**	**2,319**	**350**	**22,928**
Other income	**195**	**(1)**	**31**	**12**	**26**	**261**	**30**	**554**
	10,718	**2,855**	**4,567**	**2,355**	**27**	**2,580**	**380**	**23,482**

Revenue from other products and services includes revenue generated by Telstra Health and miscellaneous income.

Negative revenue amounts disclosed in the tables above related to certain corporate level adjustments and consolidation eliminations.

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table D presents total revenue from external customers disaggregated by geographical markets.

Our geographical operations are split between our Australian and offshore operations. No individual foreign country within our offshore operations has material revenue.

Table D **Telstra Group**	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2025							
Australian customers	**10,657**	**2,866**	**4,416**	**193**	**2**	**2,488**	**350**	**20,972**
Revenue from contracts with customers	10,566	2,847	4,370	193	1	2,255	346	**20,578**
Revenue from other sources	91	19	46	-	1	233	4	**394**
Offshore customers	**-**	**-**	**-**	**2,132**	**-**	**-**	**21**	**2,153**
Revenue from contracts with customers	-	-	-	2,118	-	-	21	**2,139**
Revenue from other sources	-	-	-	14	-	-	-	**14**
Total revenue from contracts with customers	**10,566**	**2,847**	**4,370**	**2,311**	**1**	**2,255**	**367**	**22,717**
Total revenue from other sources	**91**	**19**	**46**	**14**	**1**	**233**	**4**	**408**
	10,657	**2,866**	**4,416**	**2,325**	**2**	**2,488**	**371**	**23,125**
Other income	**202**	**-**	**38**	**47**	**25**	**148**	**25**	**485**
	10,859	**2,866**	**4,454**	**2,372**	**27**	**2,636**	**396**	**23,610**
	Year ended 30 June 2024							
Australian customers	**10,523**	**2,856**	**4,536**	**214**	**1**	**2,319**	**344**	**20,793**
Revenue from contracts with customers	10,435	2,833	4,492	214	1	2,096	335	**20,406**
Revenue from other sources	88	23	44	-	-	223	9	**387**
Offshore customers	**-**	**-**	**-**	**2,129**	**-**	**-**	**6**	**2,135**
Revenue from contracts with customers	-	-	-	2,125	-	-	6	**2,131**
Revenue from other sources	-	-	-	4	-	-	-	**4**
Total revenue from contracts with customers	**10,435**	**2,833**	**4,492**	**2,339**	**1**	**2,096**	**341**	**22,537**
Total revenue from other sources	**88**	**23**	**44**	**4**	**-**	**223**	**9**	**391**
	10,523	**2,856**	**4,536**	**2,343**	**1**	**2,319**	**350**	**22,928**
Other income	**195**	**(1)**	**31**	**12**	**26**	**261**	**30**	**554**
	10,718	**2,855**	**4,567**	**2,355**	**27**	**2,580**	**380**	**23,482**

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers

We generate revenue from external customer contracts, which vary in their form (standard or bespoke), term (casual, short-term and long-term) and customer segment (consumer, small to medium business, government and large enterprise), with the main contracts being:

- retail consumer contracts (mass market prepaid and post-paid mobile, fixed and media plans)
- retail small to medium business contracts (mass market and off-the-shelf technology solutions)
- retail enterprise and government contracts (carriage, standardised and bespoke technology solutions and their management)
- network capacity contracts, mainly Indefeasible Right of Use (IRU)
- wholesale contracts for telecommunication services
- nbn Definitive Agreements (nbn DAs) and related arrangements.

We sell a wide range of goods and services, which are provided either directly by us or by third parties. Generally, we act as principal rather than an agent in our contracts with customers.

The nature and type of contracts with customers are further described below.

(a) Telstra Consumer (TC) and Telstra Business (TB) contracts

We offer prepaid and post-paid services to our TC and TB mass market customers. Our mass market contracts are homogeneous in nature and sold directly by us or via our dealer channel. These contracts often offer a bundle of goods and services. Some also include options to purchase additional goods or services free of charge or at a discount (i.e. material rights).

We offer no-lock-in (month to month) post-paid service plans to our mobile mass market TC and TB customers. In those arrangements, our customers can purchase a device, either outright or on a device repayment contract, together with a no-lock-in service plan. If a customer cancels their no-lock-in service plan, any outstanding device balance becomes payable immediately.

Where we sell a service plan and a device on a device repayment contract together with that plan, and offer a discount to the customer who takes up that bundle and purchases directly from us, or through a dealer that is acting as our agent, we allocate the discount between the device and services based on their relative standalone selling prices. For our service bundle plans sold via dealers, who in their own right also sell the device to the customer, the whole discount is allocated to services only.

TB also offers fixed plans and technology solutions under fixed term contracts, which incur early termination charges if cancelled by the customer during the fixed term. Fixed term contracts typically have a two to three year term, with the majority of fixed and technology solutions contracts being 24 month contracts.

In some of our fixed post-paid service plans we also act as a lessor in an operating lease for modem devices. Lease components of those contracts are separately accounted for as revenue from other sources.

Generally, we allocate the consideration, and any relevant discounts, to all products in the bundle based on a mixture of observable and estimated standalone selling prices of these products.

By and large we recognise revenue from the sale of goods on their delivery and from sale of services based on the passage of time. The consideration allocated at contract inception to material rights is recognised as revenue either when the customer exercises the option and benefits from the free or discounted products or when the rights are forfeited.

We offer deferred payment terms when customers purchase certain handsets and other devices under a device repayment contract.

Assessment of a significant financing component in mass market contracts

We have applied judgement to determine that no significant financing component exists in our bundled arrangements offering no-lock-in mobile plans and device repayment contracts sold directly by us to TC customers. We considered factors such as significance of financing in the context of the contract as a whole, commercial objectives of our offers, the duration of deferred payment terms and interest rates prevailing in the marketplace.

Generally, mass market TC and TB contracts are not modified due to their homogeneous nature. However, because our no-lock-in mass market fixed and mobile post-paid service plans are month to month contracts, customers can change plans once each month or cancel their services altogether.

We offer a loyalty program, Telstra Plus, under which our consumer and small business customers can earn points redeemable in the future for certain goods and services. The program also provides customers access to tier benefits in the form of free or discounted entertainment and other services. Points awarded for purchases of Telstra goods and services are accounted for as material rights, with any amount allocated to the points initially recognised as a contract liability in the statement of financial position. When a customer redeems the points or they expire we recognise revenue from sale of goods or services transferred or from forfeiture of the material rights. We also recognise revenue when, based on customers redemption patterns, we expect that the likelihood of the customers utilising the points is remote (i.e. breakage). Discretionary bonus points that do not relate to accounting contracts are classified as a marketing offer and expensed at the time the points are awarded. Tier benefits reduce revenue of the related accounting contracts.

TB offers loyalty programs and technology funds for medium business customers under which they can obtain additional free products. At contract inception, a portion of the consideration is allocated to such products and recognised as a contract liability in the statement of financial position. We recognise revenue when the customer either exercises the option and benefits from the free products or when the rights are forfeited.

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers (continued)

(b) Telstra Enterprise Australia (TEA) contracts

TEA transacts with large enterprise and government customers. Large and complex TEA contracts are usually bespoke in nature as they deliver tailored solutions and services. Outside of the large customers, the contracts are mostly standard.

Our TEA legal contracts often are in a form of multi-year framework agreements under which customers can order goods and services. These arrangements include performance conditions and grant different types of discounts or incentives. Such framework agreements are rarely considered contracts for accounting purposes. Instead, revenue recognition rules are applied to goods and services ordered under each valid purchase order or a statement of work raised under the terms of the framework agreement.

In some of our TEA contracts we also act as a dealer-lessor for certain customer premise equipment used by our customers as part of the solutions management and outsourcing services. Leases embedded in those contracts are separately accounted for, usually as dealer-lessor finance leases with finance lease receivables recognised in the statement of financial position.

Some of our TEA contracts include two phases: a build phase followed by the management of the technology solutions. Due to the complex nature of those arrangements, we analyse the facts and circumstances of each contract in order to determine goods and services ordered and timing of revenue recognition. If the build phase (or its components) qualifies as a separate service, we recognise the build phase revenue over the term of the build or at its completion depending on when the customer obtains control over the technology solution.

From time to time our bespoke TEA contracts are varied or renegotiated. When this happens, we assess the scope of the modification or its impact on the contract price in order to determine whether the amendment must be treated as a separate contract, as if the existing contract were terminated and a new contract signed, or whether the amendment must be considered as a change to the existing contract.

Under some of our enterprise arrangements, we receive customer contributions to extend or amend our network assets to ultimately enable delivery of telecommunication services to that customer. Where the counterparty makes a contribution for network construction activities and purchases ongoing services under the same (or linked) contract(s), the upfront contribution is added to the total consideration in the customer contract and is allocated to the goods and services to be delivered under that contract.

Our TEA accounting contracts include multiple goods and services. Generally, we allocate the consideration and any relevant discounts to all the products in the accounting contract based on the standalone selling prices. However, some discounts granted under the framework agreements may be allocated to selected goods or services only if specific performance conditions apply. Any consideration allocated to a lease component is based on the relative standalone selling price of the lease.

Determining standalone selling prices

We have applied judgement to determine standalone selling prices in order to allocate the consideration to goods and services sold under the same customer contract.

In the absence of observable prices, we use various estimation methods, including an adjusted market assessment and cost plus margin approach, to arrive at a standalone selling price. We have determined that the negotiated prices are largely aligned to the standalone selling prices.

We recognise revenue from management services or fixed fee services based on passage of time and from usage-based carriage contracts when the services have been consumed.

Some of our framework agreements offer enterprise loyalty programs and technology funds under which a customer can obtain additional free products. At contract inception, a portion of the consideration is allocated to such products and recognised as a contract liability in the statement of financial position. We recognise revenue when the customer either exercises the option and benefits from the free products or when the rights are forfeited.

Our large commercial arrangements often incorporate service level agreements, e.g. agreed delivery time or service reinstatement time. If we fail to comply with these commitments, we will compensate the customer. The expected amount of such compensation reduces the revenue for the period in which a service level commitment has not been met, and it is recognised as soon as not meeting the commitment becomes probable. Some arrangements also include benchmarking or consumer price index clauses, which are accounted for as variable consideration, usually from the time the price changes take effect.

(c) Telstra International (TI) contracts

TI offers prepaid and post-paid mobile services to consumer customers in South Pacific through Digicel Pacific business. These contracts often offer a bundle of goods and services, including products such as hardware, voice, text and data services, media content and others. TI also offers mobile services, fixed broadband services and technology solutions to small business and enterprise customers.

TI contracts are either fixed term contracts, where early termination charges apply if the customer cancels the contract; or casual month-to-month contracts, where the customer may cancel the contract at any time without any significant termination penalty. Fixed term contracts are typically short term and rarely exceed five years, with the majority of consumer, small business and enterprise contracts with a term of up to three years.

We recognise TI revenue from sale of goods on their delivery and service revenue is generally recognised based on passage of time.

Where goods and services are provided as a bundle, we allocate the consideration and any relevant discounts to all products in the bundle based on their estimated relative standalone selling prices. Where observable prices are not available, we estimate standalone selling prices based on the cost plus margin approach.

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers (continued)

(c) Telstra International (TI) contracts (continued)

Some of our international arrangements include long-term network capacity arrangements (some being take-or-pay arrangements) as well as managed services such as security and backups, for which revenue is usually recognised based on passage of time. IRU arrangements often include upfront payments for services which will be delivered over multiple years.

Assessment of a significant financing component in Indefeasible Right of Use (IRU)

We have applied judgement to assess if a financing component is significant in the context of the contract as a whole and, where relevant, to determine appropriate discount rates.

We account for a significant financing component in our domestic and international bespoke network capacity agreements, i.e. IRUs, where customers make an upfront payment in advance of receiving services. These contracts have an average legal contract term between 10 and 25 years.

Where Telstra receives financing from the customer, revenue recognised over the contract term exceeds the cash payment received in advance of performance by the amount of interest expense recognised in net finance costs.

During the financial year 2025, we recognised $36 million (2024: $39 million) interest expense for our IRU arrangements.

(d) Telstra InfraCo contracts (excluding contracts with nbn co)

Telstra InfraCo typically transacts with carriage services providers and internet service providers, who in turn sell their services to their end users.

Revenue arises from fixed network service contracts, including usage-based contracts and fixed bundles, with a term typically of up to three years. Other contracts provide data and IP and mobile products such as interconnect, bulk SMS and pre- and post-paid mobile services.

Telstra InfraCo legal contracts are generally signed as multi-year framework agreements, which set out pricing for the agreed services, the term and any renewal options, incentives, discounts and one-off fees.

Some of our framework agreements specify a minimum spend commitment (i.e. a take-or-pay arrangement), in which case the accounting contract may exist also at the framework agreement level.

Customer contributions to extend or amend our network assets to ultimately enable delivery of telecommunication services are recognised when those services are delivered.

Telstra InfraCo's service revenue is generally recognised over time during the period over which the services are rendered, mostly based on passage of time as the service provider (i.e. our customer) receives unlimited calls and data.

Some of Telstra InfraCo contracts include multiple goods and services. We allocate the consideration, and any relevant discounts, generally to all the products in the accounting contract based on the negotiated prices, which are largely aligned to the estimated standalone selling prices of goods and services promised under the contracts. However, some discounts granted under the framework agreements may be allocated only to selected goods or services based on the specific performance conditions in the framework agreement.

Some of our Telstra InfraCo contracts grant customers access to our passive infrastructure assets. Lease component(s) in those contracts are classified as either operating or finance leases, for which we recognise revenue from other sources or other income, respectively.

(e) Agreements with nbn co

The main contracts with nbn co are nbn DAs and related arrangements.

Revenue from contracts with nbn co is reported within the Telstra InfraCo segment. Amounts recognised as other income are recorded in TC and Telstra InfraCo segments.

Our nbn DAs and related arrangements include a number of separate legal contracts with both nbn co and the Commonwealth Government which have been negotiated together with a common commercial objective. These contracts have been combined for revenue assessment. The combined contract has a minimum term of 30 years for accounting purposes.

The combined nbn DAs and related arrangements include a number of separately priced elements, some of which are not accounted for under the revenue recognition standard. For example, income recognised under the separately priced Telstra Universal Service Obligation Performance Agreement is accounted for as government grant and presented as other income.

Services provided under the Infrastructure Services Agreement (ISA) are accounted for under the revenue recognition standard. We recognise revenue from providing long-term access to our infrastructure, including ducts and pits, dark fibre and exchange rack spaces, over time, initially based on the cumulative nbn network rollout percentage and after rollout completion based on passage of time.

The ISA consideration includes a number of fixed and variable components depending on the progress of the nbn network rollout and the final number of the existing fixed line premises as defined and determined under ISA. Given the nbn network rollout is substantially complete and following contract amendments signed in March 2024, significant variability in the ISA consideration has been removed. However, payments for services delivered under the ISA will continue to be indexed to consumer price index for the remaining contracted period.

The build of nbn related infrastructure was not considered a separate service, therefore payments received for it under a separate legal agreement have been combined and accounted for together with the ISA long-term access services. These upfront payments have been recorded as a contract liability in the statement of financial position and are recognised as services transfer over the ISA average contracted period of 35 years. The remaining contracted period of the ISA is 22 years.

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers (continued)

(e) Agreements with nbn co (continued)

We deliver a number of different services under the nbn DAs and related arrangements, some of which are transferred at different periods to those when we receive the consideration.

Assessment of a significant financing component in nbn Definitive Agreements (DAs)

We have applied judgement to assess if a financing component is significant in the context of the contract as a whole and, where relevant, to determine appropriate discount rates.

We do not separately account for the financing component in our nbn DAs and related arrangements because it is not significant to the accounting contract.

2.2.3 Revenue for contracted goods and services yet to be delivered

Sometimes goods and services purchased under the same customer contract will be transferred to the customer over multiple reporting periods.

Table E presents aggregate consideration allocated to the remaining goods, services and material rights promised under the contracts where a customer has made a firm commitment before the balance date but goods and services will be transferred after 30 June 2025. Any future amounts arising from contracts where the customer has not made a firm commitment, such as usage-based contracts, are not included in the disclosed amounts. Presented time bands best depict the future revenue recognition profile.

Table E Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Less than 1 year	4,053	4,083
Between 1 to 2 years	2,290	2,528
Between 2 to 5 years	4,962	4,788
Between 5 to 10 years	7,952	7,582
Between 10 to 20 years	16,780	16,373
More than 20 years	3,594	5,373
	39,631	**40,727**

Future revenue arising from nbn DAs is estimated based on assumptions which are reassessed at each reporting period. However, given its size, long-term nature and variable consideration components (refer to note 2.2.2 for details), the actual amounts recognised in the future periods may still materially differ from our estimates.

Any amounts arising from our existing customer contracts which will be recognised as 'revenue from other sources' or 'other income', for example operating lease income or net gain on sale of assets, are excluded from revenue for contracted goods and services yet to be delivered.

2.2.4 Recognition and measurement

Our revenue recognition accounting policies are described below.

(a) Revenue from contracts with customers

Revenue from contracts with customers arises from goods and services sold as part of our ordinary activities.

(i) Accounting contracts with customer

Revenue recognition principles are applied to accounting contracts which are agreements between two or more parties that create enforceable rights and obligations.

The accounting contract may not align with the legal contract and in some cases multiple legal contracts may need to be combined to form one accounting contract. In other instances, a legal contract may only provide a framework agreement (i.e. an offer) and an accounting contract only exists when the customer commits to purchase goods or services.

Any components of the contract which are accounted for under other accounting standards are separated out and accounted for under those other standards.

(ii) Goods, services and/or material rights

Revenue is recognised when Telstra fulfils its contractual obligation to deliver promised goods and services (or a bundle of goods and services) to the customer.

A contractual promise giving the customer an option to purchase additional goods and services at a discount (i.e. material right) must be accounted for separately if the incremental discount is at least five per cent compared to other customers. For arrangements with an incremental discount lower than five per cent, judgement is required to determine if material rights should be accounted for separately if the aggregate impact is significant. For example, this might be the case for arrangements offering material rights to our retail customers.

A good or service is separately accounted for if a customer can benefit from it on its own or together with other readily available resources, and no transformative relationship exists with other promised goods or services.

(iii) Variable consideration

If a contractual amount includes a variable component, we estimate the amount to which we will be entitled in exchange for promised goods and services. Examples of variable consideration include discounts, rebates, refunds, credits and price concessions. To estimate an amount of variable consideration, we use either the most likely amount or the expected value method depending on which better predicts the variable amount. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of cumulative revenue recognised will not occur.

(iv) Significant financing component

If the period between when we would transfer the good or service to the customer and when the customer would pay for them is expected to be greater than one year, we assess whether revenue should be adjusted for significant financing component, i.e. reduced if we offer deferred payment terms or increased if we receive an advance payment from customer. The significance of financing is assessed relative to the total contract value and interest rates used reflect credit characteristics of the counterparty receiving financing.

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Section 2. Our performance (continued)

2.2 Income (continued)

2.2.4 Recognition and measurement (continued)

(a) Revenue from contracts with customers (continued)

(v) Allocation of revenue to goods and services

We allocate the consideration to the goods and services based on their relative standalone selling prices. Standalone selling price is the price for which we would sell the goods or services on a standalone basis, i.e. not in a bundle. We determine standalone selling price at contract inception using an observable price for a standalone sale of substantially the same good or service under similar circumstances and to a similar class of customers. If no observable price is available, we estimate the standalone selling price using an appropriate method, e.g. adjusted market assessment approach, expected cost plus a margin approach or a residual approach.

In some instances, in order to correctly reflect the amount of revenue we expect to be entitled to, we allocate variable consideration, discounts or a significant financing component to some but not all goods, services and/or material rights.

(vi) Timing of revenue recognition

Revenue is recognised when control of the good or service is transferred to the customer, i.e. when the customer can benefit from the good or service and decide how to use them.

We recognise revenue over time when the customer simultaneously receives and consumes the benefits provided to them or we create or enhance an asset controlled by the customer. Otherwise, we recognise revenue at a point in time.

We use either input or output methods to measure progress when selling goods or services. Output methods use direct measurements of the value to the customer, for example, milestones reached. Input methods use our efforts or inputs in measuring the performance, for example, our labour hours used relative to the total expected labour hours.

When revenue is recognised at a point in time, the allocated consideration is recognised when control over a good is transferred to the customer. In determining this, we consider the customer's obligation to pay, transfer of legal title to the good, physical possession of the good, the customer's acceptance, and risks and rewards of ownership.

(vii) Contract modifications

From time to time, our contracts are renegotiated after contract inception and their scope and/or price change. A contract modification will result in a cumulative change to revenue already recognised only when the remaining goods and services are not separate from those already delivered.

(viii) Gross versus net presentation

When we control the promised goods and services before they are transferred to the customer and we have primary obligation for their delivery, we act as principal in the contract with a customer and recognise revenue at gross amounts. When we act as an agent of a third-party provider, we recognise revenue net of amounts payable to that third party.

(b) Revenue from other sources

Revenue from other sources includes income arising from arrangements other than those accounted for under the revenue recognition standard.

Contract terminations generally trigger different rights and obligations. These rights and obligations are not related to our performance and were not considered at inception of the accounting contract. Therefore, where relevant, any income over and above the recovery of the consideration due for the delivered goods or services is not classified as revenue from customer contracts. Instead, we classify it as revenue from other sources.

We earn revenue from some of our lease arrangements described in note 3.2. This includes revenue from operating leases and from finance leases where Telstra is a dealer-lessor of customer premise equipment. We recognise revenue from operating leases over the lease term, and revenue from sale of goods as a dealer-lessor at a point in time at the commencement date of the lease.

Where a (combined) accounting contract includes lease and non-lease components and Telstra is a lessor, we allocate the consideration to lease and non-lease components applying the relative standalone selling prices requirements for revenue from contracts with customers.

We receive contributions to extend, relocate or amend our network assets. Where the counterparty makes a contribution for network construction activities that is neither a government grant nor relates to the purchase of ongoing services under the same (or linked) contract(s), we recognise revenue over the period of the network construction activities.

Revenue from other sources also includes late payment fees, which are recognised when charged and their collectability is reasonably assured.

(c) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and Telstra will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement as other income over the period necessary to match them with the costs that they are intended to compensate.

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Section 2. Our performance (continued)

2.3 Expenses

We classify expenses (apart from finance costs) by nature as this classification more accurately reflects the type of operations we undertake.

Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Included in our labour expenses are the following:		
Employee redundancy	114	324
Share-based payments	25	19
Defined contribution plan expense	332	331
Defined benefit plan expense	47	43
Cost of goods sold (included in our goods and services purchased)	2,694	2,883
Other expenses		
Impairment losses (excluding net losses on financial assets)	154	534
General and administration	995	1,037
Service contracts and other agreements	999	1,047
Promotion and advertising	286	294
Other operating expenses	232	202
	2,666	**3,114**
Depreciation and amortisation		
Depreciation of property, plant and equipment	2,414	2,429
Depreciation of right-of-use assets	600	619
Amortisation of intangible assets	1,677	1,431
	4,691	**4,479**
Finance costs		
Interest on borrowings	711	656
Interest on lease liabilities (Telstra as a lessee)	130	111
Other	(5)	19
	836	**786**
Less: interest on borrowings capitalised	(94)	(90)
	742	**696**

The following paragraphs provide further information about our expenses and finance costs:

- share-based payments expense relates to both cash-settled and equity-settled share plans. Refer to note 5.2 for further details about our share-based payments arrangements.
- impairment losses include $72 million (2024: $261 million) impairment of deferred contract costs and $55 million (2024: $248 million) impairment of property, plant and equipment, intangible assets and right of use assets
- interest on borrowings has been capitalised using a capitalisation rate of 5.0 per cent (2024: 5.0 per cent)
- other finance costs include unrealised valuation impacts on our borrowings and derivatives. These include net gains/losses which arise from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not effective or the hedge accounting criteria are not met. These fair values increase or decrease because of changes in financial indices and prices over which we have no control. All unrealised amounts unwind to nil at maturity of the underlying instrument.

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Section 2. Our performance (continued)

2.4 Income taxes

This note sets out our tax accounting policies and provides an analysis of our income tax expense and deferred tax balances, including a reconciliation of tax expense to accounting profit.

Current income tax is based on the accounting profit adjusted for differences in accounting and tax treatments of income and expenses (i.e. taxable income).

Deferred income tax, which is accounted for using the balance sheet method, arises because the accounting income is not always the same as taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, a deferred tax asset or liability must be recognised in the statement of financial position.

This note also provides disclosures which form part of the requirements of the Australian Board of Taxation's Voluntary Tax Transparency Code.

2.4.1 Income tax expense

Table A provides a reconciliation of notional income tax expense to actual income tax expense.

Table A **Telstra Group**	Year ended 30 June	
	2025	2024
	$m	$m
Major components of income tax expense		
Current tax expense	872	972
Deferred tax resulting from the origination and reversal of temporary differences	46	(287)
Under/(over) provision of tax in prior years	16	(8)
	934	**677**
Reconciliation of notional income tax expense to actual income tax expense		
Profit before income tax expense	3,277	2,465
Notional income tax expense calculated at the Australian tax rate of 30% (2024: 30%)	983	740
Notional income tax expense differs from actual income tax expense due to the tax effect of:		
Different tax rates in overseas jurisdictions	(24)	(41)
Net non-taxable items	(41)	(14)
Under/(over) provision of tax in prior years	16	(8)
Income tax expense on profit	**934**	**677**
Income tax benefit recognised during the year directly in other comprehensive income or equity	**(28)**	**-**

Tables B and C include disclosures which form part of the requirements of the Australian Board of Taxation's Voluntary Tax Transparency Code. Any disclosed amounts are determined in accordance with the Australian Accounting Standards.

Table B provides a breakdown of effective income tax rates and Tax Transparency Code effective income tax rates (TTC ETR) for both the Telstra Entity and its Australian resident controlled entities and the Telstra Group.

Table B **Telstra Group**	Year ended 30 June			
	2025		2024	
	Group	Australia	Group	Australia
Effective income tax rate	28.5%	24.5%	27.5%	27.5%
Tax Transparency Code effective income tax rate	28.0%	24.3%	28.5%	28.3%

The effective income tax rate for the Telstra Group of 28.5 per cent (2024: 27.5 per cent) was calculated as income tax expense divided by profit before income tax expense. Refer to the key non-taxable and non-deductible items impacting our effective tax rate as detailed below.

The TTC ETR for the Telstra Group of 28.0 per cent (2024: 28.5 per cent) differs from the effective income tax rate due to excluding the impact of under or over provision of tax in prior years and amended assessments. The 2024 TTC ETRs have been updated to include the impact of the net over provision of tax and amended 2024 assessments reflected in the current year income tax expense.

The TTC ETR forms part of the requirements of the Voluntary Tax Transparency Code to disclose the income tax expense borne by Telstra in respect of the Australian and global operations for the individual year.

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Section 2. Our performance (continued)

2.4 Income taxes (continued)

2.4.1 Income tax expense (continued)

Non-taxable and non-deductible items include the tax effect of:

- $185 million non-taxable income relating to non-controlling interests in trusts, and
- $137 million non-taxable amount related to overseas profits taxed at lower corporate tax rates (i.e. below 30%), offset by
- $56 million non-deductible amount related to current and future withholding taxes for which no tax offset is available, and
- $59 million of attributable taxable income from foreign controlled entities.

Table C provides a reconciliation of income tax expense to income tax paid during the year.

Table C Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Income tax expense	934	677
(Under)/over provision in prior years	(16)	8
Temporary differences recognised in deferred tax expense		
Trade and other receivables and contract assets	2	13
Deferred contract costs	22	88
Property, plant and equipment	(351)	(2)
Right-of-use assets	(12)	78
Intangible assets	318	86
Trade and other payables	18	48
Provision for employee entitlements	(75)	60
Lease liabilities	25	(59)
Borrowings and derivative financial instruments	(3)	(21)
Contract liabilities and other revenue received in advance	7	(12)
Other	3	8
	(46)	**287**
Current tax expense	**872**	**972**
Net income tax refunds for prior years	(82)	(33)
Net income tax receivable next year	190	7
Income tax paid	**980**	**946**

2.4.2 Deferred tax assets/(liabilities)

Table D details the amount of deferred tax assets and liabilities recognised in the statement of financial position, which include impact of foreign exchange movements.

Table D Telstra Group	Year ended/as at 30 June	
	2025	2024
	$m	$m
Deferred tax items recognised in the income statement		
Trade and other receivables and contract assets	(184)	(190)
Allowance for doubtful debts	50	40
Deferred contract costs	(171)	(196)
Investments	-	(4)
Property, plant and equipment	(2,269)	(1,805)
Right-of-use assets	(616)	(507)
Intangible assets	(421)	(753)
Trade and other payables	210	255
Provision for employee entitlements	245	309
Other provisions	124	128
Lease liabilities	702	566
Defined benefit asset	137	132
Borrowings and derivative financial instruments	18	22
Contract liabilities and other revenue received in advance	484	461
Capital tax losses	2	6
Income tax losses	35	27
Undistributed reserves and withholding taxes	(102)	(117)
Other	6	(7)
	(1,750)	**(1,633)**
Deferred tax items recognised in other comprehensive income or equity		
Investments	2	2
Defined benefit asset	(197)	(205)
Borrowings and derivative financial instruments	141	121
Other	6	6
	(48)	**(76)**
Other movements		
Deferred tax liabilities reclassified to liabilities held for sale	6	-
Net deferred tax liability	**(1,792)**	**(1,709)**
Comprising:		
Deferred tax assets	51	74
Deferred tax liabilities	(1,843)	(1,783)
	(1,792)	**(1,709)**

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Section 2. Our performance (continued)

2.4 Income taxes (continued)

2.4.2 Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets

We apply judgement to recognise a deferred tax asset and review its carrying amount at each reporting date. The carrying amount is only recognised to the extent that it is probable that sufficient taxable profit will be available in the future to utilise this benefit. Any amount unrecognised could be subsequently recognised if it has become probable that future taxable profit will allow us to benefit from this deferred tax asset.

Table E details deferred tax assets not recognised in the statement of financial position.

Table E Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Deferred tax assets not recognised		
Capital tax losses	2,601	2,615
Income tax losses	83	84
Deductible temporary differences	103	95
	2,787	**2,794**

2.4.3 International tax reform - Pillar Two income taxes

From 1 July 2024 a 15 per cent global minimum tax and 15 per cent domestic minimum tax applies to the Telstra Group globally. The Australian Pillar Two rules have been enacted. Pillar Two legislation has also been enacted or substantively enacted in a number of offshore jurisdictions where our controlled entities operate.

We applied the transitional safe harbour rules for the financial year 2025, and in respect of the jurisdictions where the transitional rules were not satisfied, the top up tax exposure did not have a material impact on our financial results.

We have applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.4.4 Tax consolidated group

Under the Australian taxation law, the Telstra Entity and its eligible Australian resident wholly-owned entities (members) form a tax consolidated group and are treated as a single entity for income tax purposes. The Telstra Entity is the head entity of the group and, in addition to its own transactions, it recognises the current tax liabilities and the deferred tax assets arising from unused tax losses and tax credits for all members in the tax consolidated group.

Entities within the tax consolidated group have entered into an income tax sharing agreement and an income tax funding agreement with Telstra Group Limited as the head entity.

The income tax sharing agreement specifies methods of allocating any tax liability in the event the head entity defaults on its group payment obligations and the treatment where a member exits the tax consolidated group.

Under the income tax funding agreement, the head entity will pay the tax consolidated group liabilities to the Commissioner of Taxation and each of the members has agreed to pay/receive a current tax payable to/receivable from the head entity based on the current tax liability or current tax asset recorded in the financial statements of the relevant member. The Telstra Entity will also compensate the members for any deferred tax assets relating to unused tax losses and tax credits.

Amounts receivable (net of allowance for doubtful debts) by the Telstra Entity of $991 million (2024: $1 billion) and payable by the Telstra Entity of $95 million (2024: $82 million) under the income tax funding agreement are due in the next financial year upon final settlement of the current tax payable for the tax consolidated group.

2.4.5 Recognition and measurement

Our income tax expense is the sum of current and deferred income tax expenses. Current income tax expense is calculated on accounting profit after adjusting for non-taxable and non-deductible items based on rules set by the tax authorities. Deferred income tax expense is calculated at the tax rates that are expected to apply for the period in which the deferred tax asset is realised or the deferred tax liability is settled. Both our current and deferred income tax expenses are calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Our current and deferred taxes are recognised as an expense in the income statement, except when they relate to items that are directly recognised in other comprehensive income or equity. In this case, our current and deferred tax expenses are also recognised directly in other comprehensive income or equity.

Our current and deferred taxes must also recognise the impact of any uncertain tax positions. If it is probable that a relevant tax authority would accept our tax treatment, our tax balances are recognised under that tax treatment. Otherwise, for each uncertain tax position for which it is not probable that the relevant tax authority will accept the tax treatment, we use the most likely amount or the expected value to estimate our tax balances.

We apply the balance sheet method for calculating our deferred tax balances. Deferred tax is the expected tax payable or recoverable on all taxable and deductible temporary differences determined with reference to the tax bases of assets and liabilities and their carrying amount for financial reporting purposes as at the reporting date.

We generally recognise deferred tax liabilities for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill
- the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither our accounting profit nor our taxable income at the time of the transaction (single transactions where both deductible and taxable temporary differences arise on initial recognition that result in deferred tax assets and liabilities of the same amount are excluded from this exemption).

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Section 2. Our performance (continued)

2.4 Income taxes (continued)

2.4.5 Recognition and measurement (continued)

For our investments in controlled entities, joint ventures and associated entities, recognition of deferred tax liabilities is required unless we are able to control the timing of our temporary difference reversal and it is probable that the temporary difference will not reverse.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carried forward unused tax losses and tax credits, can be utilised.

Deferred tax assets and deferred tax liabilities are offset in the statement of financial position where they relate to income taxes levied by the same taxation authority and to the extent that we intend to settle our current tax assets and liabilities on a net basis.

2.5 Earnings per share

This note outlines the calculation of Earnings per Share (EPS), which is the amount of post-tax profit attributable to each share. EPS excludes profit attributable to non-controlling interests and takes into account the average number of shares weighted by the number of days on issue.

We calculate basic and diluted EPS. Diluted EPS reflects the effects of the equity instruments allocated to our employee share schemes under the Telstra Growthshare Trust.

Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Earnings used in the calculation of basic and diluted EPS		
Profit for the year attributable to equity holders of Telstra Entity	**2,172**	**1,622**
Weighted average number of ordinary shares	Number of shares (millions)	
Weighted average number of ordinary shares used in the calculation of basic EPS	11,514	11,543
Dilutive effect of certain employee share instruments	10	10
Weighted average number of ordinary shares used in the calculation of diluted EPS	**11,524**	**11,553**
	cents	cents
Basic EPS	18.9	14.1
Diluted EPS	18.8	14.0

When we calculate the basic EPS, we adjust the weighted average number of ordinary shares to exclude the shares held in trust by Telstra Growthshare Trust (Growthshare).

Information about equity instruments issued under Growthshare can be found in note 5.2.

2.6 Notes to the statement of cash flows

2.6.1 Reconciliation of profit to net cash provided by operating activities

Table A provides a reconciliation of profit to net cash provided by operating activities.

Table A Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Profit for the year	2,343	1,788
Add/(subtract) items classified as investing/financing activities		
Finance income	(103)	(112)
Finance costs	742	696
Net gain on disposal of property, plant and equipment and intangible assets	(93)	(137)
Net gain on disposal of businesses, controlled entities and equity accounted investments	(5)	-
Revenue of a dealer-lessor	(20)	(46)
Net gain on lease related transactions	(96)	(113)
Government grants received relating to investing activities	(30)	(24)
Add/(subtract) non-cash items		
Depreciation and amortisation	4,691	4,479
Share-based payments	25	19
Defined benefit plan expense	47	43
Share of net loss from joint ventures and associated entities	17	16
Impairment losses (excluding inventories, trade and other receivables, and deferred contract costs)	55	251
Effects of exchange rate changes	14	25
Other	(34)	(58)
Cash movements in operating assets and liabilities		
Decrease/(increase) in trade and other receivables and contract assets	280	(24)
Decrease/(increase) in inventories	85	(108)
Increase in prepayments and other assets	(77)	(5)
Decrease in deferred contract costs	42	267
(Decrease)/increase in trade and other payables	(138)	212
Decrease in contract liabilities and other revenue received in advance	(118)	(59)
Decrease in net tax liability	(39)	(260)
(Decrease)/increase in provisions	(264)	199
Net cash provided by operating activities	**7,324**	**7,049**

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Section 2. Our performance (continued)

2.6 Notes to the statement of cash flows (continued)

2.6.2 Cash and cash equivalents

Table B details the nature of our cash and cash equivalents.

Table B Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Cash at bank and on hand	559	557
Bank deposits and negotiable certificates of deposit	453	489
Cash and cash equivalents in the statement of cash flows	**1,012**	**1,046**

Cash and cash equivalents in the statement of financial position include $103 million (2024: $130 million) held by our controlled entities in China, Papua New Guinea, India and Indonesia. These amounts are subject to regulatory controls and as a result, our ability to utilise these funds for general operating activities by the other entities within the Telstra Group may be constrained.

2.6.3 Recognition, measurement and presentation

(a) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, bank deposits and negotiable certificates of deposit that are held to meet short-term cash commitments rather than for investment purposes.

Bank deposits and negotiable certificates of deposit are classified as financial assets held at amortised cost.

(b) Short-term borrowings in financing cash flows

Where our short-term borrowings are held for the purpose of meeting short-term cash commitments, we report the cash receipts and subsequent repayments in financing activities on a net basis in the statement of cash flows.

(c) Goods and Services Tax (GST) (including other value-added taxes)

We record our revenue, expenses and assets net of any applicable GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivable and payable balances in the statement of financial position, and receipts from customers and payments to suppliers in the statement of cash flows include GST where we have either included GST in our price charged to customers or a supplier has included GST in their price charged to us. The net amount of GST due to the ATO but not paid is included in our current trade and other payables.

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Section 3. Our core assets, lease arrangements and working capital

This section describes our core long-term tangible (owned and leased) and intangible assets underpinning the Group's performance and provides a summary of our asset impairment assessment. This section also describes our short-term assets and liabilities, i.e. our working capital supporting the operating liquidity of our business.



3.1 Property, plant and equipment and intangible assets

This note provides details of our tangible and intangible assets, including goodwill, and their impairment assessment.

Our impairment assessment compares the carrying values of our cash generating units (CGUs) with their recoverable amounts determined using a 'value in use' calculation. The value in use calculations use key assumptions such as cash flow forecasts, discount rates and terminal growth rates.

3.1.1 Property, plant and equipment

Table A shows movements in the net book value of our property, plant and equipment (PPE) assets during the financial year.

Table A **Telstra Group**	Land and buildings	Communication assets	Other plant and equipment	Total property, plant and equipment
	$m	$m	$m	$m
Net book value at 1 July 2023	**596**	**20,158**	**215**	**20,969**
Additions	48	2,233	123	**2,404**
Depreciation expense	(75)	(2,243)	(111)	**(2,429)**
Impairment losses	-	(28)	-	**(28)**
Other movements	(3)	(41)	(5)	**(49)**
Net book value at 30 June 2024 comprising:	**566**	**20,079**	**222**	**20,867**
Cost	1,181	60,308	1,230	**62,719**
Accumulated depreciation and impairment	(615)	(40,229)	(1,008)	**(41,852)**
Net book value at 1 July 2024	**566**	**20,079**	**222**	**20,867**
Additions	34	2,191	104	**2,329**
Depreciation expense	(68)	(2,223)	(123)	**(2,414)**
Impairment losses	(5)	(10)	(1)	**(16)**
Reclassification to assets held for sale	-	(21)	(2)	**(23)**
Other movements	2	(77)	(17)	**(92)**
Net book value at 30 June 2025 comprising:	**529**	**19,939**	**183**	**20,651**
Cost	1,166	58,283	1,152	**60,601**
Accumulated depreciation and impairment	(637)	(38,344)	(969)	**(39,950)**

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.1 Property, plant and equipment (continued)

The following paragraphs provide further information about our fixed asset classes:

- additions to PPE include $37 million (2024: $41 million) of capitalised borrowing costs directly attributable to qualifying assets
- land and buildings include leasehold improvements related to right-of-use assets recognised under our leasing arrangements (Telstra as a lessee)
- communication assets include network land and buildings that are essential to the operation of our communication assets
- our buildings and communication assets are mainly used by us to generate revenue, however we also generate rental income from these assets. Given their dual purpose, it is impractical to separately present the assets under the operating lease arrangements. As at 30 June 2025, the total net book value of the assets used for dual purpose was $2,705 million (2024: $2,672 million).
- as at 30 June 2025, $1,578 million (2024: $1,385 million) of PPE was under construction and not installed and not ready for use
- other movements include $62 million (2024: $19 million) net transfers from/to intangible assets, $3 million (2024: $35 million) decrease due to net foreign exchange differences, and other individually insignificant transactions.

3.1.2 Goodwill and other intangible assets

Table B shows movements in the net book value of our intangible assets during the financial year.

Table B **Telstra Group**	Goodwill	Software assets	Licences	Other intangible assets	Total intangible assets
	$m	$m	$m	$m	$m
Net book value at 1 July 2023	**3,464**	**4,045**	**1,762**	**1,718**	**10,989**
Additions	-	1,452	1,216	71	**2,739**
Acquisitions through business combinations	232	1	-	52	**285**
Amortisation expense	-	(992)	(277)	(162)	**(1,431)**
Impairment losses	(52)	(86)	-	-	**(138)**
Net foreign currency exchange differences	(5)	-	-	-	**(5)**
Other movements	-	(12)	(6)	-	**(18)**
Net book value at 30 June 2024 comprising:	**3,639**	**4,408**	**2,695**	**1,679**	**12,421**
Cost	3,783	14,024	4,708	3,016	**25,531**
Accumulated amortisation and impairment	(144)	(9,616)	(2,013)	(1,337)	**(13,110)**
Net book value at 1 July 2024	**3,639**	**4,408**	**2,695**	**1,679**	**12,421**
Additions	-	1,470	1	15	**1,486**
Acquisitions through business combinations	69	-	-	85	**154**
Amortisation expense	-	(1,198)	(321)	(158)	**(1,677)**
Impairment losses	-	(2)	-	-	**(2)**
Net foreign currency exchange differences	(203)	-	-	(137)	**(340)**
Reclassification to assets held for sale	(287)	(2)	-	(42)	**(331)**
Other movements	-	44	4	16	**64**
Net book value at 30 June 2025 comprising:	**3,218**	**4,720**	**2,379**	**1,458**	**11,775**
Cost	3,347	14,685	4,712	2,787	**25,531**
Accumulated amortisation and impairment	(129)	(9,965)	(2,333)	(1,329)	**(13,756)**

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.2 Goodwill and other intangible assets (continued)

The following paragraphs detail further information about our intangible asset classes:

- additions to software assets include $57 million (2024: $49 million) of capitalised borrowing costs directly attributable to qualifying assets
- software assets mostly comprise internally generated assets
- licences comprise of spectrum and apparatus licences obtained to operate a range of radiocommunications devices
- impairment losses recognised in the financial year 2024 related to goodwill of Alliance Automation Pty Ltd and Aqura Technologies Pty Ltd CGUs and other intangible assets mainly due to our enterprise reset
- other movements include $62 million (2024: $19 million) net transfers to/from property, plant and equipment to intangible assets and other individually insignificant transactions.

Capitalisation of development costs

We apply judgement to determine whether to capitalise development costs.

Development costs are only capitalised if the project is assessed to be technically and commercially feasible, we are able to use or sell the asset, and we have sufficient resources and intent to complete the development.

As at 30 June 2025, $935 million (2024: $916 million) of software assets were not installed and not ready for use.

3.1.3 Depreciation and amortisation

Table C presents the weighted average useful lives of our property, plant and equipment and identifiable intangible assets with a definite useful life.

Table C
Telstra Group

	Expected benefit (years) As at 30 June	
	2025	2024
Property, plant and equipment		
Buildings	30	30
Communication assets	27	27
Other plant and equipment	7	7
Intangible assets		
Software assets	8	9
Licences	17	16
Other intangibles	20	19

Useful lives and residual values of tangible and intangible assets

We apply judgement to estimate useful lives and residual values of our assets and review them each year. If useful lives or residual values need to be modified, the depreciation and amortisation expense changes from the date of reassessment until the end of the revised useful life for both the current and future years.

Assessment of useful lives and residual values includes a comparison with international trends for telecommunication companies and, in relation to communication assets, a determination of when the asset may be superseded technologically or made obsolete. For intangible assets, specifically business software, useful lives are adjusted to align with expected retirement dates of the relevant applications under the current corporate strategies.

During the financial year 2025, the net effect of the assessment of useful lives was $59 million increase (2024: $64 million decrease) in depreciation expense and $30 million (2024: $33 million) decrease in amortisation expense.

3.1.4 Translation of Digicel Pacific acquisition accounted assets

We acquired Digicel Pacific in July 2022 and denominated the purchase price allocation in US dollars. Following the continued devaluation of the PNG Kina from its historic alignment with US dollar as a result of foreign exchange market reforms, we have amended the denomination of these allocations to PNG Kina to better align with the main underlying operating currency.

Consequently, during the financial year 2025, we have adjusted the carrying amounts of the goodwill and the related fair value adjustments to intangible assets and property, plant and equipment arising from the acquisition to reflect the foreign currency translation from PNG Kina to Australian Dollars. The impacts of this reassessment reduced goodwill by $231 million, other intangible assets by $145 million, property plant and equipment by $18 million, deferred tax liabilities by $47 million and a corresponding adjustment of $347 million was recognised in the foreign currency translation reserve.

3.1.5 Impairment assessment

All non-current tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Goodwill and intangible assets with an indefinite useful life are not subject to amortisation and are assessed for impairment at least annually. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount.

The recoverable amount of an asset is the higher of its fair value less cost of disposal and its value in use. Fair value less cost of disposal is measured with reference to quoted market prices in an active market. Value in use represents the present value of the future amount expected to be recovered through the cash inflows and outflows arising from the asset's continued use and subsequent disposal.

We identify CGUs, the smallest groups of assets that generate largely independent cash inflows from other assets or groups of assets. CGUs to which goodwill is allocated cannot be larger than an operating segment.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.5 Impairment assessment (continued)

(a) Telstra Entity ubiquitous telecommunication network

An impairment assessment is performed at the level of our Telstra Entity ubiquitous telecommunications network CGU.

Impairment assessment of our ubiquitous telecommunications network

We have determined that assets which form part of the Telstra Entity ubiquitous telecommunications network, comprising the customer access network and the core network, are working together to generate independent cash inflows. No one item of telecommunications equipment is of any value without the other assets to which it is connected to deliver our products and services.

Indicators of impairment may include changes in our operating and economic assumptions or possible impacts from risks such as changing economic and market conditions and climate related events. We apply judgement in determining whether certain trends with an adverse impact on our cash flows are considered impairment indicators.

We continue to operate in uncertain economic environments with persistent inflation and other economic pressures. However, given the long-lived nature of the majority of our assets and the nature of the services we provide, the expected return on the assets is not significantly impacted. As a result, we did not consider the uncertain economic environment as an impairment indicator of our ubiquitous telecommunications network.

We continue to assess the potential impacts of both acute and chronic physical climate hazards on our assets, including bushfires, tropical cyclones, coastal erosion and inundation, intense rainfall events and increasing temperatures, as well as the impact of extreme weather events on our operations and service delivery.

We have already incorporated in our management forecasts some financial impacts related to our short-medium term environmental goals associated with both reducing our absolute scope 1+2 greenhouse gas emissions by 70 per cent by 2030 (from the financial year 2019 baseline) and enabling renewable energy generation equivalent to 100 per cent of our consumption by 2025, as well as existing proactive spend and some reactive spend related to climate hazards. However, work is ongoing to incorporate other potential long-term financial impacts of climate change and our relevant adaptation strategies in our forward plans.

Based on our experience with extreme weather events, and considering the diverse location and nature of our assets as well as our continued focus on network resiliency and business continuity programs, we do not consider the potential impacts of climate and the transition to a lower carbon economy to be an impairment indicator at this stage. In addition, based on the analysis performed, the range of financial impacts identified and quantified to date for possible climate scenarios, namely proactive and reactive spend items, is not significant compared to the excess of the recoverable amount over the carrying value of our ubiquitous telecommunications network.

As we continue to assess climate impacts to our business, we will incorporate any identified financial impacts into our impairment assessment. Should we identify material adverse effects of climate or the transition to a lower carbon economy on our cash flows, we may deem it an impairment indicator in the future.

Management forecasts require significant judgements and assumptions and are subject to risk and uncertainty that may be beyond our control. Hence, there is a possibility that changes in circumstances will materially alter projections, which may impact our assessment of impairment indicators and the recoverable amount of assets at each reporting date.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.5 Impairment assessment (continued)

(b) Goodwill

The carrying amount of goodwill has been allocated to the CGUs as detailed in table D.

Table D Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Digicel Pacific[1,2]	1,391	1,611
Telstra Enterprise International Group[1,3]	644	628
Telstra Consumer Group[3,4]	408	341
Telstra Enterprise Australia Group[3,5]	377	437
Health Group[3]	251	251
Versent[5]	n/a	221
PowerHealth Group	89	89
Fetch TV	32	32
Other[5,6]	26	29
	3,218	**3,639**

1 These CGUs operate in overseas locations. Therefore, the goodwill allocated to these CGUs will fluctuate in line with movements in applicable foreign exchange rates.

2 Goodwill allocated to the Digicel Pacific CGU includes a reduction of $231 million adjustment reflecting translation of Digicel Pacific acquisition accounted assets as detailed in note 3.1.4.

3 The Telstra Enterprise International Group, Telstra Enterprise Australia Group, Telstra Consumer Group and Health Group CGUs include goodwill from past acquisitions integrated into these businesses.

4 During the financial year 2025, Telstra acquired Boost Tel Pty Limited and its controlled entities and its operations were integrated into Telstra Consumer Group CGU. In addition, a final goodwill adjustment related to Telstra Business Group CGU (included in 'Other') has been transferred from Telstra Consumer Group CGU to 'Other'.

5 Certain goodwill included in these CGUs have been reclassified to assets held for sale.

6 Other includes other individually immaterial CGUs.

We used a value in use calculation to determine the recoverable amounts of our CGUs with allocated goodwill.

Determining CGUs and their recoverable amount for impairment assessment of goodwill

We apply judgement to identify our CGUs and determine their recoverable amounts using a value in use calculation. These judgements include cash flow forecasts, as well as the selection of growth rates, terminal growth rates and discount rates based on experience and our expectations for the future.

Our cash flow projections are based on five-year management-approved forecasts unless a different period is justified. The forecasts use management estimates to determine income, expenses, capital expenditure and cash flows for each asset and CGU.

We have concluded that the discounted cash flows generated continue to support the carrying values of our CGUs, thus no impairment has been identified.

We have used the following key assumptions in determining the recoverable amount of our material CGUs to which goodwill has been allocated:

Table E Telstra Group	Discount rate		Terminal value growth rate	
	2025	2024	2025	2024
	%	%	%	%
Digicel Pacific	12.2	13.9	3.0	3.0
Telstra Enterprise International Group	8.8	8.3	2.0	2.0
Telstra Consumer Group	11.0	12.2	2.5	2.5
Telstra Enterprise Australia Group	12.0	13.3	2.5	2.5
Health Group	12.7	12.6	2.5	2.5
Versent[1]	n/a	14.8	n/a	2.5
PowerHealth Group	15.7	16.1	2.5	2.5
Fetch TV	13.7	14.2	2.5	2.5

1 Versent CGU has been reclassified to assets held for sale.

The discount rate represents the pre-tax discount rate applied to the cash flow projections. The discount rate reflects the market determined, risk-adjusted discount rate that is adjusted for specific risks relating to the CGU and the countries in which it operates.

The terminal value growth rate represents the growth rate applied to extrapolate our cash flows beyond the forecast period. These growth rates are based on our expectation of the CGUs' long-term performance in their markets.

We also perform sensitivity analyses to examine the effect of a change in key assumptions across all CGUs. For the most sensitive CGU, the pre-tax discount rate would need to increase by 154 basis points (2024: 22 basis points) or the terminal value growth rate would need to decrease by 228 basis points (2024: 33 basis points) or the EBITDA forecasts would need to decrease by 10.4 per cent (2024: 1.6 per cent) before the recoverable amount would equal its carrying value.

No other reasonably possible changes in key assumptions will result in a material impairment charge for the other CGUs.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.6 Recognition and measurement

Our policy for recognition and measurement of property, plant and equipment and intangible assets is detailed in the table below.

Asset class	Recognition and measurement
Property, plant and equipment	Property, plant and equipment, including assets under construction, is recorded at cost less accumulated depreciation and impairment. Cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use. We capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. All other borrowing costs are recognised as an expense in our income statement when incurred. Property, plant and equipment other than freehold land are depreciated on a straight-line basis in the income statement from the time when the assets are installed and ready for use. Items of property, plant and equipment excluding leasehold improvements are depreciated over their estimated useful lives. Leasehold improvements are depreciated over the shorter of the lease term and the useful life of the assets.
Goodwill	Goodwill acquired in a business combination is measured at cost. Cost represents the excess of what we pay for the business combination over the fair value of the identifiable net assets acquired at the date of acquisition. Goodwill is not amortised but is tested for impairment on an annual basis or when an indication of impairment arises. Goodwill arising on the acquisition of joint ventures or associated entities constitutes part of the cost of the investment.
Internally generated intangible assets	Internally generated intangible assets include mainly IT development costs incurred in design, build and testing of new or improved IT products and systems. Research costs are expensed when incurred. Capitalised development costs include: • external direct costs of materials and services consumed • payroll and payroll-related costs for employees (including contractors) directly associated with the project • borrowing costs that are directly attributable to the qualifying assets. Internally generated intangible assets have a finite life and are amortised on a straight-line basis over their useful lives.
Acquired intangible assets	We acquire other intangible assets either as part of a business combination or through a separate acquisition. Intangible assets acquired in a business combination are recorded at their fair value at the date of acquisition and recognised separately from goodwill. Intangible assets acquired through a specific acquisition are recorded at cost. Intangible assets that are considered to have a finite life are amortised on a straight-line basis over the useful lives. Intangible assets that are considered to have an indefinite life are not amortised but tested for impairment on an annual basis or when an indication of impairment exists.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements

This note provides details about our leasing arrangements, where Telstra is either a lessee or a lessor, including arrangements where Telstra is an intermediate lessor (i.e. subleases).

3.2.1 Telstra as a lessee

Our most significant lease contracts relate to network and non-network properties, including:

- land and buildings supporting our network assets and data centres
- office buildings and retail spaces.

Other lease arrangements include:

- spaces on mobile towers
- renewable energy plants
- motor vehicles
- equipment, mobile devices, laptops, personal computers, printers and other assets.

None of our leases include residual value guarantees. Other features of our leases are described below.

(a) Leases with extension, termination and purchase options

We do not have any significant purchase options in our property leases.

Extension options are included in a number of commercial and network property leases and are taken up to maximise the operational flexibility in terms of managing the assets used in our core business operations.

The majority of extension and termination options within our lease contracts are exercisable only by us and not by the respective lessor, with the exception of 'holdover periods' in our property leases, where generally either party can terminate the lease.

The extension, termination and purchase options are considered when determining lease term.

Determining lease term for property leases

We apply judgement to determine a lease term for leases with extension, termination or purchase options. We also consider lease modifications where we continue to use the same underlying asset for an extended term.

Our property lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, with typical fixed term periods between one and 15 years.

In determining the lease term, we consider all facts and circumstances that create an economic incentive to exercise an extension, termination or purchase option, including holdover periods where relevant.

In particular, we consider contractual terms under which the lease term can be extended or terminated, potential relocation costs, asset specific factors and any relevant leasehold improvements or our wider strategy and policy decisions.

We also consider long-term inter-company arrangements to access tower sites and exchanges located on land leased from third parties.

Extension options are only included in the lease term if the lease is reasonably certain to be extended. Periods beyond termination options are only included in the lease term if it is reasonably certain that the lease will not be terminated.

The longer the fixed lease term, the less certain a lessee is to exercise an option to extend the lease.

The extension options for leases of office buildings have generally not been included in the lease term due to a competitive marketplace and our commercial ability to either substantially renegotiate or replace these assets instead of exercising the extension options.

Our termination options have been considered reasonably certain not to be exercised; therefore, the lease terms have not been shortened and all future cash flows have been included in the measurement of the lease liability.

The lease term assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment and that is within our control as a lessee.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.1 Telstra as a lessee (continued)

(b) Leases with lease payment increases

Under most of our lease arrangements, we pay fixed lease payments which may also include fixed rent increases, both of which are included in the measurement of lease liabilities at initial recognition or at the time of reassessment. However, some of our property leases may contain other escalation clauses, including increases subject to future consumer price index or at greater of fixed increase and future consumer price index and/or increases subject to market rates. Such increases are included in the measurement of lease liabilities at the time of reassessment.

No material remeasurements of lease liabilities resulting from such escalation clauses were recognised during the financial year 2025.

(c) Leases with variable lease payments that do not depend on an index or a rate

Some of our leases, such as leases of renewable energy plants, include variable lease payments that do not depend on an index or a rate. Such payments are not included in the measurement of the lease liability and are expensed as incurred in 'other expenses' in the income statement.

(d) Right-of-use assets

Table A shows movements in net book value of our right-of-use assets during the financial year.

Table A **Telstra Group**	Right-of-use assets for underlying assets		
	Land and buildings	Other	Total
	$m	$m	$m
Net book value at 1 July 2023	**2,081**	**744**	**2,825**
Additions	391	218	**609**
Depreciation expense	(436)	(183)	**(619)**
Impairment losses	(82)	-	**(82)**
Terminations	(22)	(9)	**(31)**
Derecognition due to finance subleases	-	(9)	**(9)**
Other movements	2	(29)	**(27)**
Net book value at 30 June 2024 comprising:	**1,934**	**732**	**2,666**
Cost	3,791	1,409	**5,200**
Accumulated depreciation and impairment	(1,857)	(677)	**(2,534)**
Net book value at 1 July 2024	**1,934**	**732**	**2,666**
Additions	520	278	**798**
Depreciation expense	(422)	(178)	**(600)**
Impairment losses	(37)	-	**(37)**
Terminations	(85)	(16)	**(101)**
Derecognition due to finance subleases	(7)	(7)	**(14)**
Other movements	5	(36)	**(31)**
Net book value at 30 June 2025 comprising:	**1,908**	**773**	**2,681**
Cost	4,185	1,542	**5,727**
Accumulated depreciation and impairment	(2,277)	(769)	**(3,046)**

Other movements include other individually insignificant transactions.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.1 Telstra as a lessee (continued)

(d) Right-of-use assets (continued)

Table B provides information about the weighted average useful lives of our right-of-use assets.

Table B Telstra Group	Weighted average useful life (years) As at 30 June	
	2025	2024
Right-of-use assets		
Land and buildings	11	11
Other	8	8

(e) Lease liabilities

Lease liabilities do not include leases with variable payments which do not depend on an index or a rate, for which associated outstanding rental payments as at balance date continue to be included in trade and other payables.

Determining incremental borrowing rates for property leases

We apply judgement to determine incremental borrowing rates for our property leases because the interest rates implicit in leases are not readily determinable for those arrangements.

The incremental borrowing rates are determined with reference to rates sourced from market-based credit adjusted yield curves which are independently derived and reasonably reflect the credit risk of the lessee. The discount rates also reflect:

- the lease term (based on the weighted average repayment term)
- any guarantees which may be in place
- the impact of any security if significant to pricing.

As at 30 June 2025, the weighted average incremental borrowing rate was 4.0 per cent (2024: 3.2 per cent).

Table C presents maturity analysis of our lease liabilities.

Table C Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Undiscounted future cash flows		
Less than 1 year	631	611
1 to 2 years	461	487
2 to 5 years	1,086	1,033
More than 5 years	1,719	1,592
Total undiscounted lease liabilities	**3,897**	**3,723**
Future finance charges	(798)	(615)
Present value of lease liabilities	**3,099**	**3,108**
Comprising:		
Current	502	530
Non-current	2,597	2,578
	3,099	**3,108**

Measurement of lease liabilities reflects judgements made about discounted future cash flows arising from reasonably certain extension options and lease modifications, which must be reassessed should the circumstances change.

Potential future cash outflows of $1,270 million (2024: $1,669 million) are not reflected in the measurement of lease liabilities as they relate to leases which are yet to commence and/or extension options that we assessed as not reasonably certain. Almost 90 per cent (2024: 90 per cent) of those cash flows would occur after five years. These outflows represent contractual undiscounted future cash flows estimated based on fixed lease payments only, payable over:

- for leases yet to commence - the legally non-cancellable lease term
- for leases already recognised in the statement of financial position and for those yet to commence - all extension options exercisable only by us (i.e. excluding holdover periods).

Such cash flows are not contractually payable until options have been legally exercised (if at all) and/or until the effective dates of already executed new contracts.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.1 Telstra as a lessee (continued)

(f) Amounts recognised in the income statement and cash outflows for leases

Table D presents amounts recognised in the income statement and the cash outflows related to our lease arrangements.

Table D Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Amounts recognised in the income statement		
Income from operating subleases (in revenue from other sources)	13	8
Net gain on sale and leaseback transactions (in other income)	31	50
Net gain/(loss) on modifications and reassessment of leases (in other income)	45	(1)
Depreciation of right-of-use assets (in depreciation and amortisation expense)	(600)	(619)
Impairment losses (in other expenses)	(37)	(82)
Expense for leases with variable payments (in other expenses)	(6)	(7)
Interest expense on lease liabilities (in net finance costs)	(130)	(111)
Cash outflows for leases		
In cash flows from operating activities	(6)	(7)
In cash flows from financing activities (principal portion)	(632)	(643)
In cash flows from financing activities (interest portion)	(130)	(108)

3.2.2 Telstra as a lessor (including a dealer-lessor and an intermediate lessor)

Our lease arrangements where Telstra is a lessor, including a dealer-lessor and intermediate lessor, include the following main categories:

- leases and subleases of property assets, including office and network buildings
- finance leases where Telstra is a dealer-lessor of communication assets dedicated to solution management
- leases of modem devices to our consumer and small business customers
- leases of dark fibre and exchange buildings
- leases of spaces on mobile towers.

Our key finance and operating leases are described below.

(a) Finance leases

(i) Finance leases where Telstra is a dealer-lessor

We enter into finance lease arrangements with our customers predominantly for communication assets dedicated to solution management. At lease commencement date, we recognise revenue and a selling profit from these transactions as we have no risks associated with the remaining rights in the underlying assets.

(ii) Subleases

Generally, we rent office and network buildings for our own use and not with the intention to earn rental income. However, where our needs or the intended use of the rented properties change and we have assessed that exiting a lease is uneconomical, we may sublease property assets on market terms for all or a part of the remaining non-cancellable lease term of the head lease.

These subleases are either classified as operating lease or finance lease. For finance subleases, at lease commencement date, we record a net gain or loss on the derecognised right-of-use asset and recognise a finance lease receivable. We have no risks associated with any retained rights in the underlying assets as the properties are vacated and returned to the landlords at the end of the non-cancellable lease term.

(iii) Leases of passive infrastructure assets

Generally, we hold our infrastructure assets for our own use and not with the intention to earn rental income. However, we also generate some revenue from rental of dark fibre, exchange building floorspace and spaces on mobile towers mainly to our wholesale customers.

These leases are either classified as operating lease or finance lease.

(iv) Finance lease receivable maturity analysis

Table E sets out the maturity analysis of undiscounted lease payments receivable and the unearned finance income for our finance lease receivables. No unguaranteed residual values accrue under our finance leases.

Table E Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Undiscounted lease payments receivable under finance leases		
Less than 1 year	92	93
1 to 2 years	36	32
2 to 3 years	49	57
3 to 4 years	39	40
4 to 5 years	33	28
More than 5 years	176	166
Total undiscounted lease payments receivables	**425**	**416**
Less: unearned finance income	(169)	(130)
Net investment in the lease	**256**	**286**
Allowance for doubtful debts	(1)	(1)
	255	**285**
Comprising		
Current	66	72
Non-current	189	213
	255	**285**

During the financial year 2025, we added $53 million (2024: $128 million) new finance lease receivables and recognised interest income of $20 million (2024: $23 million).

Refer to note 3.3.1 for details regarding impairment assessment of our finance lease receivables.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.2 Telstra as a lessor (including a dealer-lessor and an intermediate lessor) (continued)

(b) Operating leases

Table F sets out maturity analysis of undiscounted future lease payments receivable under our operating leases.

Table F Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Within 1 year	112	96
Within 1 to 2 years	75	68
Within 2 to 3 years	60	53
Within 3 to 4 years	51	33
Within 4 to 5 years	41	20
After 5 years	243	131
	582	**401**

(c) Amounts recognised in the income statement

Table G presents amounts relating to our lease arrangements where Telstra is a lessor (including an intermediate lessor) recognised in the income statement during the financial year.

Table G Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Revenue from dealer-lessor finance leases (in revenue from other sources)	34	46
Income from operating leases, including subleases (in revenue from other sources)	105	87
Net gain on derecognition due to finance leases, including subleases (in other income)	20	63
Finance income from finance leases (in finance income)	20	23

3.2.3 Recognition and measurement

(a) Lease identification and lease term

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset, including a physically distinct portion of an asset, for a period of time in exchange for consideration. The customer has the right to control the use of an identified asset if the supplier has no substantive substitution rights, and the customer obtains substantially all of the economic benefits from use of the identified asset and has the right to direct its use.

A contract may include lease and non-lease components, which are accounted for separately. We allocate the consideration to lease and non-lease components based on their relative standalone (selling) prices.

If a lease has been identified at inception of the arrangement, a lease term is determined considering a non-cancellable period and reasonably certain extension, termination or purchase options.

(b) Telstra as a lessee

A lessee recognises a right-of-use asset and a lease liability at lease commencement date. The lease liability is initially measured as a present value of the following lease payments:

- fixed payments (including any in-substance fixed lease payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially using the index or rate as at the commencement date
- the exercise price of a purchase option, if the purchase option was assessed as reasonably certain to be exercised
- payments for penalties for terminating the lease, if the lease term reflects that the lessee will exercise that option.

Lease payments expected to be made under a reasonably certain extension option are also reflected in the measurement of the lease liability.

Where lease arrangements include market rent review clauses, lease liabilities are measured excluding any expected impacts from market rent reviews until they are legally binding and can be reliably measured.

The lease payments are discounted using the interest rate implicit in the lease, unless that rate is not readily determinable, in which case the lessee's incremental borrowing rate is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that do not depend on an index or a rate are recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

At the commencement of the lease, right-of-use assets are measured at cost, which comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. Where an obligation exists to dismantle, remove or restore a leased asset or the site it is located on and a provision has been raised, the right-of-use asset also includes these restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that we will exercise the purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

Right-of-use assets are reviewed for impairment under the same policy as our property, plant and equipment assets. Refer to note 3.1.5 for further details regarding impairment testing.

Costs of improvements to the leased properties are capitalised as leasehold improvements and usually depreciated over the shorter of the useful life of the improvements and the term of the lease.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.3 Recognition and measurement (continued)

(b) Telstra as a lessee (continued)

We reassess lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed (reflecting reassessment of or exercise of an extension or termination options previously not included in the measurement of the lease liability) or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- the future lease payments change due to changes in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

(c) Telstra as a lessor (including a dealer-lessor and an intermediate lessor)

We distinguish between finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased asset from the lessor to the lessee, and operating leases under which the lessor effectively retains substantially all such risks and benefits. Lease classification is made at the inception date and is only reassessed if a lease is modified.

Where we are an intermediate lessor, we account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Where we lease assets via a finance lease, a finance lease receivable (i.e. a net investment in the lease) is recognised at the lease commencement date and measured at the present value of the lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term and discounted using the interest rate implicit in the lease.

Finance lease receipts are allocated between finance income and a reduction of the finance lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Where we are a dealer-lessor, at the commencement of the lease, in addition to the finance lease receivable we also recognise a selling profit or loss (being the difference between revenue from other sources and the cost of sale) from the sale of the underlying asset.

Income from operating leases is recognised on a straight-line basis over the term of the relevant lease and presented in the income statement as revenue from other sources.

(d) Sale and leaseback transactions

When we sell and lease back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer:

- if yes, we measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by us as a seller-lessee. Accordingly, we recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.
- if not, as a seller-lessee we continue to recognise the transferred asset and we recognise a financial liability equal to the transfer proceeds.

3.3 Trade and other receivables and contract assets

3.3.1 Current and non-current trade and other receivables and contract assets

Table A Telstra Group	Note	As at 30 June	
		2025	2024
		$m	$m
Current			
Trade receivables from contracts with customers		2,516	2,731
Finance lease receivables	3.2	66	72
Accrued revenue		256	227
Other receivables		218	250
		3,056	**3,280**
Contract assets	3.5	621	548
		3,677	**3,828**
Non-current			
Trade receivables from contracts with customers		661	659
Finance lease receivables	3.2	189	213
Amounts owed by joint ventures and associated entities	6.5	-	139
Other receivables		38	51
		888	**1,062**
Contract assets	3.5	269	280
		1,157	**1,342**

The majority of our receivables are in the form of contracted agreements with our customers. In general, the terms and conditions of these contracts require settlement between 14 and 30 days from the date of invoice. Credit risk associated with trade and other receivables and contract assets has been provided for.

Our trade receivables include receivables with deferred payment terms over 12, 24 or 36 months arising from mass market plans of hardware and services. Amounts expected to be collected within 12 months from the reporting date are presented as current assets.

Trade receivables from contracts with customers represent an unconditional right to receive consideration (primarily cash) which normally arises when the goods and services have been delivered and/or a valid invoice has been issued. By contrast, contract assets relate to our rights to consideration for goods or services provided to the customer but for which we do not have an unconditional right to payment at the reporting date.

In general, we invoice customers in advance for services provided under our prepaid or fixed fee (usually monthly) contracts and in arrears for usage-based contracts (e.g. carriage services under enterprise contracts). In those cases, we would recognise a contract liability and a contract asset, respectively.

Refer to note 3.5 for movements in net contract assets and contract liabilities.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.3 Trade and other receivables and contract assets (continued)

3.3.1 Current and non-current trade and other receivables and contract assets (continued)

Other current receivables include funds that do not meet the criteria to be classified as cash and cash equivalents as they are not available for use by the Telstra Group. They mainly include $15 million (2024: $12 million) monies held on behalf of our Digicel Pacific customers in respect of the mobile money business.

Refer to note 6.5.1 for further details on amounts owed by joint ventures and associated entities.

(a) Impairment of trade and other receivables and contract assets

Trade and other receivables and contract assets are exposed to customers' credit risk and are subject to impairment assessment.

If a credit loss (i.e. a shortfall between the contractual and expected cash flows) is expected, an allowance for doubtful debt is raised to reduce the carrying amount of trade and other receivables and contract assets. For both receivables and contract assets we estimate the expected credit loss using one or a combination of a portfolio approach and/or an individual account by account assessment as detailed below.

(i) Portfolio approach

The portfolio approach is based on historical credit loss experience and, where appropriate, adjusted to reflect current conditions and estimates of future economic outlook. This approach is mostly applied to balances arising from our consumer and small to medium business customer contracts. Under this approach, receivables and contract assets are grouped based on shared credit risk characteristics, such as:

- account status (services still active or not)
- customers' payment history
- the days past due.

For each grouping, the expected credit loss is then calculated on the probability that an account within the group will default (i.e. it will become past due by more than 90 days, or when an invoice will be overdue for our no-lock-in consumer plans) and the expected loss rate when they default, both represented as a percentage of the exposure at default and determined at the customer account level.

Our provision rates range from 0.1 per cent (2024: 0.1 per cent) for balances not past due to 91.0 per cent (2024: 91.0 per cent) for balances where the payment is overdue by more than 90 days and the customer's services have been deactivated.

(ii) Individual approach

The individual approach is an account by account assessment based on credit history, knowledge of debtor's financial situation, such as insolvency or entering a payment plan, or other known credit risk specific to the debtor, such as judgement based on the debtor's industry. This approach is applied to balances arising from contracts with large enterprise and government customers as well as to other accounts in TEA, TI, Telstra InfraCo, TC and TB segments where some detrimental change in payment behaviour has been noticed or certain thresholds have been exceeded by a customer.

Balances arising from our transactions with nbn co (reported in Telstra InfraCo and TC segments) are separately assessed based on the Australian government credit risk rating.

We estimate our allowance for impairment as detailed below.

Estimating expected credit losses

We apply judgement to estimate the expected credit losses for our trade and other receivables measured at amortised cost and for contract assets.

For trade receivables and contract assets arising from our Telstra Consumer, Telstra Business and Telstra Enterprise Australia customers, we have implemented a scenario-based approach incorporating base, good and bad economic scenarios. The overall expected credit loss was calculated as a weighted average of the three scenarios.

Our analysis has shown that generally overall macroeconomic factors, such as unemployment rates, interest rates or gross domestic product have no strong correlation with our bad debt losses unless certain thresholds are exceeded. As at 30 June 2025, those macroeconomic factors were within the relevant thresholds.

The aging analysis and loss allowance in relation to trade receivables from contracts with customers, finance lease receivables and contract assets are detailed in table B. The analysis is based on the original due date of the receivables, including where repayment terms for certain long outstanding receivables have been renegotiated. Contract assets are not yet due for collection, thus the entire balance has been included in the 'not past due' category. Unallocated receipts from or credits granted to customers have been included in the 'not past due' category.

Table B
Telstra Group

	As at 30 June			
	2025		2024	
	Gross	Allow-ance	Gross	Allow-ance
	$m	$m	$m	$m
Not past due	3,850	(66)	4,015	(58)
Past due 1 - 30 days	296	(11)	277	(5)
Past due 31 - 60 days	105	(7)	102	(9)
Past due 61 - 90 days	56	(10)	55	(13)
Past 91 days	245	(136)	243	(104)
	4,552	**(230)**	**4,692**	**(189)**

Accrued revenue, amounts owed by joint ventures and associated entities, and other receivables (before allowance for doubtful debts) totalling $524 million (2024: $675 million) are subject to impairment assessment using the general approach and include 55 per cent (2024: 33 per cent) of balances with counterparties with an external credit rating of A- or above, and 19 per cent (2024: 40 per cent) of balances with counterparties with an external credit rating between B+ and B-. The remaining balance is related to individually insignificant debtors, and there is no concentration of credit risk in those amounts.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.3 Trade and other receivables and contract assets (continued)

3.3.1 Current and non-current trade and other receivables and contract assets (continued)

(a) Impairment of trade and other receivables and contract assets (continued)

We hold security for a number of trade receivables, including past due or impaired receivables, in the form of guarantees, letters of credit and deposits. During the financial year 2025, the securities we called upon were insignificant. These trade receivables, along with our trade receivables that are neither past due nor impaired, comprise customers who have a good debt history and are considered recoverable. Further, we limit our exposure to credit risk from trade receivables by establishing a maximum payment period and, in certain instances, cease providing further services after 90 days from the past due date (or 30 days for our no-lock-in consumer plans).

Movements in the allowance for doubtful debts in respect of all our trade and other receivables and contracts assets, regardless of the method used in measuring the impairment allowance, are detailed in table C.

Table C Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Opening balance 1 July	**(197)**	**(193)**
Additional allowance	(181)	(139)
Amount used	28	39
Amount reversed	109	96
Closing balance 30 June	**(241)**	**(197)**

Impairment allowance related to accrued revenue, amounts owed by joint ventures and associated entities, and other receivables (i.e. balances not presented in table B) amounted to $11 million (2024: $8 million).

3.3.2 Recognition and measurement

Trade and other receivables and contract assets are financial assets which are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

Contract assets are initially recorded at the transaction price allocated as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other goods or services under the same contract (or group of contracts) and/or we are yet to issue a valid invoice. Contract assets are subsequently measured to reflect relevant transaction price adjustments (where required) and are transferred to trade receivables when the right to payment becomes unconditional.

(a) Impairment of financial assets

We estimate the expected credit losses for our financial assets (including contract assets) measured at amortised cost depending on their nature on either of the following basis:

- for accrued revenue, amounts owed by joint ventures and associated entities, and other receivables - using a general approach, i.e. 12-month expected credit loss which results from all possible default events within the 12 months after the reporting date. However, if the credit risk of a financial asset at the reporting date has increased significantly since its initial recognition, loss allowance is calculated based on lifetime expected credit losses.
- for trade receivables from contracts with customers, contract assets and lease receivables - using a simplified approach, i.e. lifetime expected credit loss which results from all possible default events over the expected life of a financial instrument.

Any expected credit loss is discounted at the original effective interest rate.

Any customer account with debt more than 90 days past due (or when an invoice is overdue for our no-lock-in (month to month) mass market plans) is considered to be in default.

Trade and other receivables and contract assets are written off against the impairment allowance or directly against their carrying amounts and expensed in the income statement when all collection efforts have been exhausted and the financial asset is considered uncollectable. Factors indicating there is no reasonable expectation of recovery include insolvency and significant time period since the last invoice was issued.

3.4 Contract liabilities and other revenue received in advance

Contract liabilities arise from our contracts with customers and represent amounts paid (or due) to us by customers before receiving the goods and/or services promised under the contract.

Other revenue received in advance comprises upfront consideration under contracts giving rise to revenue from other sources or other income, for example from sale of assets.

Amounts expected to be recognised as revenue within 12 months from the reporting date are presented as current liabilities.

Table A presents customer payments received in advance under different types of our commercial arrangements.

Table A Telstra Group	Note	As at 30 June	
		2025	2024
		$m	$m
Current			
Contract liabilities	3.5	1,344	1,334
Other revenue received in advance		143	143
		1,487	**1,477**
Non-current			
Contract liabilities	3.5	1,040	1,062
Other revenue received in advance		583	561
		1,623	**1,623**

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.5 Net contract assets and contract liabilities

Contract assets and contract liabilities arise due to the timing differences between revenue recognition and customer invoicing. Our billing arrangements for goods and services as well as different types of discounts, credits or other incentives can vary depending on the type and nature of the contracts with customers. As a result, at times under the same accounting contract, we may recognise both a contract asset and a contract liability. At each reporting date, any balances arising from the same accounting contract are presented net in the statement of financial position as either a net contract asset or a net contract liability.

The net presentation mainly impacts our small to medium business and enterprise framework arrangements that offer loyalty programs and technology funds, and nbn Definitive Agreements, where multiple legal contracts have been combined as one accounting contract.

Table A presents opening and closing balances of our current and non-current contract assets and contract liabilities and their total net movement for the period.

Table A **Telstra Group**	As at 30 June	
	2025	2024
	$m	$m
Current contract assets	621	548
Non-current contract assets	269	280
Total contract assets	**890**	**828**
Current contract liabilities	(1,344)	(1,334)
Non-current contract liabilities	(1,040)	(1,062)
Total contract liabilities	**(2,384)**	**(2,396)**
Total net contract liabilities	**(1,494)**	**(1,568)**
Decrease/(increase) in net contract liabilities for the year	74	(152)

Generally, contract assets increase when we recognise revenue for goods and services transferred to the customer before billing and decrease when we invoice customers for already provided goods and services.

On the other hand, contract liabilities increase when we receive consideration in advance of transferring the goods and services to the customer, and decrease when we recognise revenue for the goods and services previously prepaid by the customer.

Other changes in our contract assets and contract liabilities represent movements resulting from changes in the transaction prices due to timing of invoicing and recognition of discounts, credits and other incentives.

The following selected movements contributed to the overall decrease of $74 million (2024: $152 million increase) in the net contract liabilities:

- $1,382 million (2024: $1,441 million) revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the reporting period
- $7 million increase (2024: $14 million) reflecting cumulative catch-up adjustments to revenue recognised in the prior reporting periods
- $11 million net decrease (2024: nil) reflecting reclassification to assets and liabilities classified as held for sale.

Refer to note 3.3.1 for details regarding impairment assessment of contract assets.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.6 Deferred contract costs

We pay dealer commissions to acquire customer contracts and we incur upfront set-up and other costs related to customer contracts. When those costs support the delivery of goods and services in the future and are expected to be recovered, they are deferred in the statement of financial position and amortised on a basis consistent with the transfer of goods and services to which these costs relate.

Table A provides movements in net book values of the deferred contract costs.

Table A **Telstra Group**	Costs to obtain a contract	Costs to fulfill a contract			Total deferred contract costs
	Commis-sions	Set-up costs	Costs of service provider	Total	
	$m	$m	$m	$m	$m
Net book value at 1 July 2023 comprising:	**875**	**43**	**284**	**327**	**1,202**
Current	n/a	-	114	114	**114**
Non-current	875	43	170	213	**1,088**
Additions	223	8	386	394	**617**
Amortisation expense	(252)	(10)	(362)	(372)	**(624)**
Impairment losses	(261)	-	-	-	**(261)**
Net book value at 30 June 2024 comprising:	**585**	**41**	**308**	**349**	**934**
Current	n/a	-	140	140	**140**
Non-current	585	41	168	209	**794**
Net book value at 1 July 2024	**585**	**41**	**308**	**349**	**934**
Additions	220	6	378	384	**604**
Amortisation expense	(215)	(9)	(349)	(358)	**(573)**
Impairment losses	(72)	-	-	-	**(72)**
Reclassification to assets held for sale	-	-	(12)	(12)	**(12)**
Net book value at 30 June 2025 comprising:	**518**	**38**	**325**	**363**	**881**
Current	n/a	-	108	108	**108**
Non-current	518	38	217	255	**773**

Amortisation period of deferred contract costs

We apply judgement to estimate the amortisation period of deferred contract costs to obtain a contract.

For sales commissions paid on acquisition of the initial contract which are not commensurate with recontracting commissions, the amortisation period reflects the average estimated customer life for respective types of contracts.

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Section 3. Our core assets, lease arrangements and working capital (continued)

3.6 Deferred contract costs (continued)

3.6.1 Recognition and measurement

We capitalise costs to obtain an accounting contract when the costs are incremental, i.e. would not have been incurred if the contract had not been obtained and are recoverable either directly via reimbursement by the customer or indirectly through the contract margin.

We immediately expense the incremental costs of obtaining contracts if the period of benefit is one year or less.

Costs to fulfil a contract relate directly to an identified good or service or indirectly to other activities that are necessary under the contract but that do not result in a transfer of goods or services.

Costs to fulfil a contract include set-up costs and prepaid costs of a service provider related to goods and services which will be transferred in the future reporting periods.

We capitalise costs to fulfil a contract if:

- the costs relate directly to a contract or a specifically identified anticipated contract
- the costs generate or enhance resources that we control and will use when transferring future goods and services
- we expect to recover the costs.

We amortise deferred contract costs in 'goods and services purchased' expense over the term that reflects the expected period of benefit of the expense. This period may extend beyond the initial contract term to the estimated customer life or average customer life of the class of customers. We use the amortisation pattern consistent with the method used to measure progress and recognise revenue for the related goods or services.

We assess whether deferred contract costs are impaired whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. We recognise impairment losses in 'other expenses'.

3.7 Inventories

Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Current		
Goods for resale	408	443
Network and other inventory	77	75
	485	**518**
Non-current		
Network and other inventory	100	162
	100	**162**

3.7.1 Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. For the majority of inventory items, we assign cost using the weighted average cost basis.

Net realisable value of items expected to be sold is the estimated selling price less the estimated costs incurred in marketing, selling and distribution.

Net realisable value of items expected to be consumed, for example used in the construction of another asset, is the net value expected to be earned through future use.

3.8 Trade and other payables

Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Current		
Trade payables	1,117	1,476
Accrued expenses	1,921	1,859
Accrued capital expenditure	527	542
Accrued interest	168	157
Contingent consideration	-	67
Other payables	479	525
	4,212	**4,626**
Non-current		
Other payables	28	10
	28	**10**

Trade payables and other payables are non-interest bearing liabilities. Our payment terms vary, however payments are generally made within 20 days to 90 days from the invoice date.

Contingent consideration relates to payment obligations arising from our acquisitions of controlled entities and is measured at fair value. Refer to note 4.5.6 for further details.

3.8.1 Recognition and measurement

Trade and other payables, including accruals, are recorded when we are required to make future payments as a result of purchases of assets or services. Trade and other payables are financial liabilities initially recognised at fair value and carried at amortised cost using the effective interest method.

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Section 4. Our capital and risk management

This section provides information on our approach to capital management and our capital structure. Our total capital is defined as equity and net debt. Also outlined in this section are the financial risks that we are exposed to and how we manage these financial risks.



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4.1 Capital management

Capital management is undertaken in accordance with the capital management framework and financial parameters regularly reviewed and approved by the Board.

We manage our capital structure with the aim to provide returns for shareholders and benefits for other stakeholders, while:

- safeguarding our ability to continue as a going concern
- maintaining an optimal capital structure and cost of capital that provides flexibility for strategic investments.

In order to maintain or adjust our capital structure, we may issue or repay debt, adjust the amount of dividends to be paid to shareholders or return capital to shareholders.

Notes 4.3 and 4.4 provide further details on each component of capital, being equity and net debt.

4.2 Dividend

We currently pay dividends to equity holders of the Telstra Entity twice a year, an interim and a final dividend. Table A below provides details about the dividends paid during the financial year.

Table A Telstra Entity	Year ended 30 June			
	2025	2024	2025	2024
	$m	$m	cents	cents
Previous year final dividend paid	1,040	982	9.0	8.5
Interim dividend paid	1,097	1,040	9.5	9.0
	2,137	**2,022**	**18.5**	**17.5**

On 14 August 2025, the Directors of Telstra Group Limited resolved to pay a fully franked final dividend for the financial year 2025 of 9.5 cents per ordinary share. The final dividend will be fully franked at a tax rate of 30 per cent. The record date for the final dividend will be 28 August 2025, with payment to be made on 25 September 2025. From 27 August 2025, shares will trade excluding entitlement to the dividend.

On 14 August 2025, the Board determined that the Telstra Group Limited Dividend Reinvestment Plan (DRP) will continue to operate for the final dividend for the financial year 2025. The election date for participation in the DRP is 29 August 2025.

As at 30 June 2025, the final dividend for the financial year 2025 was not determined or publicly recommended by the Board. Therefore, no provision for the dividend had been raised in the statement of financial position. A $1,081 million provision for the final dividend payable has been raised as at the date of resolution.

There are no income tax consequences for the Telstra Group resulting from the resolution and payment of the final dividend, except for $464 million of franking debits arising from the payment of this dividend that will be adjusted in our franking account balance.

Table B provides information about our franking account balance.

Table B Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Franking account balance (deficit)	(81)	(34)
Franking debits that will arise from the receipt of income tax receivable as at 30 June (at a tax rate of 30% on a tax received basis)	(207)	(35)
	(288)	**(69)**

We believe that our current balance in the franking account, combined with the franking credits that will arise on income tax instalments expected to be paid in the financial year 2026, will be sufficient to fully frank our 2025 final dividend.

4.3 Equity

This note provides information about our share capital and reserves presented in the statement of changes in equity.

We have established the Telstra Growthshare Trust to administer the Company's employee share schemes. The trust is consolidated as it is controlled by us. Shares held within the trust are used to satisfy future vesting of entitlements in these employee share schemes and reduce our contributed equity.

4.3.1 Share capital

Table A details components of our share capital balance.

Table A Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Contributed equity	2,379	3,130
Shares held by employee share plans	(40)	(44)
Net services received under employee share plans	6	9
	2,345	**3,095**

Section 4. Our capital and risk management (continued)

4.3 Equity (continued)

4.3.1 Share capital (continued)

(a) Contributed equity

During the financial year 2025, we conducted an on-market share buy-back of 169,398,366 ordinary shares for the total consideration of $751 million (including transaction costs). The buy-back was conducted in the ordinary course of trading at an average price per share of $4.43. The shares bought back were subsequently cancelled.

As at 30 June 2025, there were 11,385,028,987 (2024: 11,554,427,353) authorised fully paid ordinary shares on issue. Each of our fully paid ordinary shares carries the right to one vote on a poll at a meeting of the Company.

Holders of our shares also have the right to receive dividends and to participate in the proceeds from sale of all surplus assets in proportion to the total shares issued in the event of the Company winding up.

(b) Share buy-back impact on earnings per share (EPS)

EPS is the amount of post-tax profit attributable to each share. It excludes profit attributable to non-controlling interests and takes into account the average number of shares weighted by the number of days on issue.

The EPS would have been higher had we completed the on-market share buy-back at the beginning of this reporting period.

(c) Shares held by employee share plans

As at 30 June 2025, the number of shares held by employee share plans totalled 10,481,232 shares of Telstra Group Limited (2024: 11,422,109).

During the financial year 2025, Telstra Growthshare Pty Ltd (the trustee of the Telstra Growthshare Trust that administers our employee share schemes) purchased on-market 4,659,600 shares of Telstra Group Limited for the purposes of the employee incentive schemes for a total consideration of $18 million and at the average price per share of $3.93.

(d) Net services received under employee share plans

We measure the fair value of services received under employee share plans by reference to the fair value of the equity instruments granted. The net services received under employee share plans represent the cumulative value of share-based payment expense recognised after the establishment of Telstra Group Limited as the parent entity following the Telstra Group restructure completed on 1 January 2023.

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Section 4. Our capital and risk management (continued)

4.3 Equity (continued)

4.3.2 Reserves

Table B details our reserve balances.

Table B Telstra Group	Foreign currency translation reserve	Cash flow hedging reserve	Cost of hedging reserve	Fair value of equity instruments reserve	General reserve	Total reserves
	$m	$m	$m	$m	$m	$m
Balance at 1 July 2023	**134**	**(49)**	**(17)**	**51**	**2,077**	**2,196**
Other comprehensive income	(38)	41	(20)	(14)	-	**(31)**
Transactions with non-controlling interests	-	-	-	-	(30)	**(30)**
Balance at 30 June 2024	**96**	**(8)**	**(37)**	**37**	**2,047**	**2,135**
Other comprehensive income	(302)	(34)	(14)	(27)	-	**(377)**
Transactions with non-controlling interests	8	-	-	-	(13)	**(5)**
Other transfers	13	-	-	-	-	**13**
Balance at 30 June 2025	**(185)**	**(42)**	**(51)**	**10**	**2,034**	**1,766**

The table below details the nature and purpose of our reserves.

Reserve	Nature and purpose
Foreign currency translation reserve	Represents exchange differences arising from the conversion of the non-Australian controlled entities' financial statements into Australian dollars. This reserve is also used to record our percentage share of exchange differences arising from our equity accounted non-Australian investments in joint ventures and associated entities.
Cash flow hedging reserve	Represents the effective portion of gains or losses on remeasuring the fair value of hedge instruments, where a hedge qualifies for hedge accounting.
Cost of hedging reserve	Represents changes in the fair value of our derivative financial instruments attributable to certain costs of hedging, for example, movements in foreign currency basis spread and option premiums (time value). The cost of hedging related to foreign currency basis and option premiums are included in interest on borrowings in the income statement over the life of the borrowing.
Fair value of equity instruments reserve	Represents changes in fair value of equity instruments we have elected to measure at fair value through other comprehensive income.
General reserve	Represents other items we have taken directly to equity.

4.3.3 Recognition and measurement

Issued and paid-up capital is recognised at the fair value of the consideration received by the Telstra Entity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of income tax, as a reduction of the share proceeds received.

Services received under employee share plans (i.e. share-based payments) increase our share capital balance and vested employee share plans decrease the share capital balance resulting in a net movement in our equity.

We record purchases of the Telstra Entity shares underpinning our employee share plans as a reduction in share capital.

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Section 4. Our capital and risk management (continued)

4.4 Net debt

As part of our capital management we monitor net debt. Net debt equals total lease liabilities, borrowings and derivative financial instruments, less cash and cash equivalents.

This note provides information about components of our net debt and related finance costs.

Table A lists the carrying value of our net debt components (both current and non-current balances).

Table A Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Lease liabilities	(3,099)	(3,108)
Borrowings	(14,896)	(13,860)
Net derivative financial instruments	538	170
Gross debt	**(17,457)**	**(16,798)**
Cash and cash equivalents	1,012	1,046
Net debt	**(16,445)**	**(15,752)**

No components of net debt are subject to any externally imposed capital requirements except for a $200 million non-recourse facility entered into by Telstra PM Pty Ltd with Export Finance Australia. A subset of these facilities contains debt covenants to measure debt serviceability with which we are compliant as at 30 June 2025.

All amounts owing under or in relation to the borrowing facilities with Export Finance Australia in respect of the Digicel Pacific acquisition (referred to as 'non-recourse borrowing facilities' in table B) are secured by:

- substantially all of the assets (including any shares) and undertakings of substantially all of the acquired entities, comprising Digicel Pacific Limited and each of its wholly-owned subsidiaries
- the assets (including any shares) and undertakings of Telstra PM Pty Ltd and BidCo (S) Pte. Ltd
- the shares in Telstra PM Pty Ltd held by Telstra PM Holdings Pty Ltd.

Table B summarises the key movements in net debt during the financial year and provides our gearing ratio. Our gearing ratio equals net debt divided by total capital, where total capital equals equity, as shown in the statement of financial position, plus net debt.

Table B Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Opening net debt at 1 July	**(15,752)**	**(14,418)**
Non-recourse borrowing facilities	7	(54)
Debt issuance	(1,595)	(1,198)
Drawings (term bank loans)	(150)	-
Commercial paper (net)	(680)	(1,201)
Revolving bank facilities (net)	427	(630)
Debt repayments	1,370	1,416
Other borrowings	(4)	31
Lease liability payments	632	643
Net cash outflow/(inflow)	**7**	**(993)**
Fair value (loss)/gain impacting:		
Equity	(72)	34
Other expenses	(15)	13
Finance costs	3	3
Other non-cash movements		
Lease liability (Telstra as a lessee)	(623)	(560)
Other loans and derivatives	41	55
Total non-cash movements	**(666)**	**(455)**
Total increase in gross debt	**(659)**	**(1,448)**
Net (decrease)/increase in cash and cash equivalents (including effects of foreign exchange rate changes)	(34)	114
Total increase in net debt	**(693)**	**(1,334)**
Closing net debt at 30 June	**(16,445)**	**(15,752)**
Total equity	(16,316)	(17,352)
Total capital	**(32,761)**	**(33,104)**
	%	%
Gearing ratio	50.2	47.6

During the financial year 2025, we issued debt of $1,595 million, comprised of:

- 12-year €700 million Euro bond ($1,147 million Australian dollar equivalent)
- 7-year $448 million Australian bond.

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Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.1 Borrowings

Table C details the carrying and fair values of borrowings included in the statement of financial position.

Table C Telstra Group	As at 30 June 2025		As at 30 June 2024	
	Carrying value	Fair value	Carrying value	Fair value
	$m	$m	$m	$m
Current borrowings				
Unsecured notes	1,344	1,334	1,556	1,533
Bank and other loans - unsecured	661	661	511	514
Commercial paper - unsecured	2,295	2,295	1,623	1,623
Non-recourse borrowing facilities	14	14	7	7
Other financial liabilities	-	-	1	1
	4,314	**4,304**	**3,698**	**3,678**
Non-current borrowings				
Unsecured notes	7,645	7,694	6,808	6,888
Bank and other loans - unsecured	1,324	1,324	1,745	1,751
Non-recourse borrowing facilities	1,198	1,217	1,195	1,204
Other financial liabilities	415	321	414	300
	10,582	**10,556**	**10,162**	**10,143**
Total borrowings	**14,896**	**14,860**	**13,860**	**13,821**

Unsecured notes comprise bonds and private placements.

Our commercial paper is used principally to support working capital and short-term liquidity and continues to be supported by a combination of liquid financial assets, and access to committed bank facilities, as well as to hedge some of our net investments in controlled entities in United States dollars.

Other financial liabilities represent amounts arising from sale and leaseback transactions accounted as financial liabilities under the accounting standards.

(a) Recognition and measurement

	Recognition and measurement
Initial recognition and measurement	Borrowings are recognised initially on the trade date (the date on which we become a party to the contractual provisions of the instrument). All loans and borrowings are initially recorded at fair value, which typically reflects the proceeds received, net of directly attributable transaction costs.
Subsequent measurement	After initial recognition, all borrowings are measured at amortised cost, using the effective interest method. Any difference between proceeds received net of direct transaction costs and the amount payable at maturity is recognised over the term of the borrowing using the effective interest method. Borrowings that are in designated fair value hedge relationships are adjusted for fair value movements attributable to the hedged risk.
Derecognition	Borrowings are derecognised when our contractual obligations are discharged, cancelled or expired. Any gain or loss is recognised in the income statement when the borrowing is derecognised.

Borrowings are classified as non-current borrowings except for those that mature in less than 12 months from the reporting date, which are classified as current borrowings.

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Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.2 Derivatives

Derivatives are financial instruments that derive their value from the price of an underlying item such as interest rate, foreign currency exchange rate, credit spread or other index.

We enter into derivative transactions in accordance with policies approved by the Board to manage our exposure to market risks and volatility of financial outcomes that arise as part of our normal business operations. We do not speculatively trade in derivative financial instruments.

Table D shows the carrying value of each class of derivative financial instruments.

Table D **Telstra Group**	As at 30 June 2025		As at 30 June 2024	
	Assets	Liabilities	Assets	Liabilities
	$m	$m	$m	$m
Current derivative financial instruments				
Cross currency swaps	199	(29)	182	(77)
Interest rate swaps and options	5	(8)	27	(8)
Other derivatives	26	(45)	23	(12)
	230	**(82)**	**232**	**(97)**
Non-current derivative financial instruments				
Cross currency swaps	353	(47)	128	(176)
Interest rate swaps and options	29	(44)	17	-
Other derivatives	99	-	66	-
	481	**(91)**	**211**	**(176)**
Total derivative financial instruments	**711**	**(173)**	**443**	**(273)**

The terms of a derivative contract are determined at inception, therefore any movements in the price of the underlying item over time will cause the contract value to fluctuate, which is reflected in the change in fair value of the derivative.

Where the fair value of a derivative is positive, it is carried as an asset, and where negative, as a liability. Both parties are therefore exposed to the credit quality of the counterparty. We are exposed to credit risk on derivative assets as a result of the potential failure of the counterparties to meet their contractual obligations.

Refer to note 4.5.3 for information about our credit risk policies.

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Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.2 Derivatives (continued)

(a) Recognition and measurement

	Recognition and measurement
Initial recognition and subsequent measurement	Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value at each reporting date. Recognition of resulting gains or losses depends on the designation of the derivative as a hedging instrument and the nature of the item being hedged.
Right to set-off	We record derivative financial instruments on a net basis in our statement of financial position where we have a legally recognised right to set-off the derivative asset and the derivative liability, and we intend to settle on a net basis or simultaneously.
Derecognition	Derivative assets are derecognised when the rights to receive cash flows from the derivative assets have expired or have been transferred and we have transferred substantially all the risks and rewards of the asset. Derivative liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

Derivative financial instruments are presented as current and non-current assets or liabilities based on future cash flows. The portion to be realised or settled within 12 months from the reporting date is classified as current, with the remaining portion classified as non-current.

Derivatives embedded in host contracts that are financial assets are not separated from financial asset hosts and a hybrid contract is classified in its entirety at fair value.

Derivatives embedded in other financial liabilities or host contracts are treated as separate financial instruments when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

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Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.3 Finance costs

Table E presents our net finance costs. Interest expense on borrowings are net amounts after offsetting interest income and interest expense on associated derivative instruments.

Table E Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Interest income	61	60
Finance income from finance leases (Telstra as a lessor)	20	23
Finance income from contracts with customers	11	15
Net interest income on defined benefit plan	11	14
Total finance income	**103**	**112**
Interest expense on borrowings	(711)	(656)
Interest expense on lease liabilities	(130)	(111)
Gross interest on debt	**(841)**	**(767)**
Finance costs from contracts with customers	(45)	(50)
Net gains on financial instruments included in remeasurements	50	31
	5	**(19)**
Interest capitalised	94	90
Total finance costs	**(742)**	**(696)**
Net finance costs	**(639)**	**(584)**

Net gains on financial instruments included in remeasurements within net finance costs comprise unrealised valuation impacts on our borrowings and derivatives. These include net unrealised gains or losses which arise from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective. These fair values increase or decrease because of changes in financial indices and prices over which we have no control.

4.5 Financial instruments and risk management

Our underlying business activities result in exposure to operational risks and financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk.

Our overall risk management program seeks to mitigate these risks in order to reduce volatility of our financial performance and to support the delivery of our financial targets. Financial risk management is carried out centrally by our treasury department under policies approved by the Board.

Our financial risk management strategies ensure that we can withstand market disruptions for extended periods.

This note summarises how we manage these financial risks. Our Group Treasury Policy was updated and approved by the Board during the financial year 2025.

4.5.1 Managing our interest rate risk

Interest rate risk arises from changes in market interest rates. Borrowings issued at fixed rates expose us to fair value interest rate risk. Variable rate borrowings give rise to cash flow interest rate risk, which is partially offset by cash and cash equivalents balances held at variable rates.

We manage interest rate risk on our net debt portfolio by:

- limiting interest rate fluctuations using cross currency, interest rate swaps and options. Refer to note 4.4.2 for further details on derivatives
- ensuring access to diverse sources of funding
- reducing risks of refinancing by establishing and managing our target maturity profiles.

(a) Exposure

The use of cross currency interest rate swaps, interest rate swaps and options allows us to manage the level of exposure our borrowings have to interest rate risks.

Table A shows our fixed to floating ratio based on the carrying value of our borrowings. The post hedge position differs from the pre hedge position where we have derivative hedging instruments in place.

Table A Telstra Group	As at 30 June			
	2025		2024	
	Pre hedge	Post hedge	Pre hedge	Post hedge
	$m	$m	$m	$m
Floating rate borrowings	(5,392)	(5,753)	(4,986)	(5,648)
Fixed rate borrowings	(9,089)	(8,728)	(8,458)	(7,796)
Other financial liabilities	(415)	(415)	(416)	(416)
Total borrowings	**(14,896)**	**(14,896)**	**(13,860)**	**(13,860)**

Refer to note 4.4.1 for further details on our borrowings.

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.1 Managing our interest rate risk (continued)

(a) Exposure (continued)

Table B summarises as at 30 June our floating rate derivative instruments showing estimated gross nominal floating rate interest cash flows until maturity, associated nominal amounts in the underlying currency and weighted average maturity.

Table B Telstra Group			As at 30 June 2025			As at 30 June 2024		
	Native currency	Receive/ (pay)	Nominal interest flows	Nominal/ Principal amounts	Weighted average maturity	Nominal interest flows	Nominal/ Principal amounts	Weighted average maturity
			$m	$m	years	m	$m	years
Interest rate swaps								
3MBBSW	AUD	Receive	384	2,300	4.1	199	550	6.4
3MBBSW	AUD	Pay	(269)	(1,000)	5.5	(289)	(775)	6.6
3MTSOF	USD	Receive	7	100	1.7	13	100	2.7
6MTSOF	USD	Receive	52	400	3.4	44	350	2.4
Interest rate options								
3MBBSW	AUD	Receive	-	1,625	4.4	-	-	-
Cross currency swaps								
3MBBSW	AUD	Pay	(1,060)	2,429	8.0	(483)	(1,343)	5.9

(b) Sensitivity

We have performed a sensitivity analysis based on the interest rate risk exposures of our financial instruments as at 30 June. In accordance with our policy to swap foreign currency borrowings into Australian dollars, interest rate sensitivity relates primarily to movements in the Australian interest rates.

We have selected a sensitivity range of plus/minus 25 basis points (2024: 25 basis points) as a reasonably possible shift in interest rates taking into account the current level of both short-term and long-term interest rates, historical volatility and market expectations of future movements. The sensitivity reflects a change in benchmark rates only. This is not a forecast or prediction of future market conditions.

Table C shows the results of our sensitivity analysis on the impacts to profit after tax and on equity.

Table C Telstra Group	As at 30 June			
	2025		2024	
	Gain/(loss)			
	Net profit	Equity	Net profit	Equity
	$m	$m	$m	$m
Interest rates (+25bp)	(8)	45	(9)	22
Interest rates (-25bp)	8	(45)	9	(22)

The results of the sensitivity analysis are driven primarily from the following factors:

- any increase or decrease in interest rates will impact our net unhedged floating rate financial instruments and therefore will directly impact profit or loss
- changes in the fair value of derivatives which are part of effective cash flow hedge relationships are deferred in equity.

The analysis does not include the impact of any management action that might take place if the interest rate shifts were to occur.

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.2 Managing our foreign currency risk

Foreign currency risk is our risk that the value of a financial commitment, forecast transaction, recognised asset or liability will fluctuate due to changes in foreign exchange rates. We issue debt offshore and operate internationally and hence we are exposed to foreign exchange risk from various currencies.

This risk exposure arises primarily from:

- borrowings denominated in foreign currencies
- trade and other creditor balances denominated in foreign currencies
- firm commitments or highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies
- translation risk associated with our net investments in foreign controlled entities (foreign operations).

(a) Borrowings

We mitigate the foreign currency exposure on foreign currency denominated borrowings by converting these borrowings to Australian dollars using cross currency swaps.

Table D shows the cross currency swaps that are hedging our unsecured notes and forward foreign exchange contracts that are hedging United States dollar denominated commercial paper.

Table D
Telstra Group

	As at 30 June 2025				As at 30 June 2024			
	Exposure	Cross currency swap/forward foreign exchange contract receive/ (pay)		Carrying value	Exposure	Cross currency swap/forward foreign exchange contract receive/ (pay)		Carrying value
	Local currency		Australian dollars		Local currency		Australian dollars	
	m	m	$m	$m	m	m	$m	$m
Euro	(3,050)	3,050	(4,941)	(5,383)	(2,350)	2,350	(3,793)	(3,669)
United States dollars	(500)	500	(650)	(765)	(1,500)	1,500	(1,958)	(2,263)
Japanese yen	-	-	-	-	(5,000)	5,000	(62)	(47)
Unsecured notes denominated in foreign currency			**(5,591)**	**(6,148)**			**(5,813)**	**(5,979)**
United States dollars	(975)	975	(1,514)	(1,473)	(750)	750	(1,136)	(1,104)
Commercial paper			**(1,514)**	**(1,473)**			**(1,136)**	**(1,104)**

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.2 Managing our foreign currency risk (continued)

(b) Trading

We have some exposure to foreign currency risk from our operating (transactional) activities. We manage this risk by:

- hedging a proportion of the exposure of foreign exchange transaction risk arising from firm commitments or highly probable forecast transactions denominated in foreign currencies in accordance with our risk management policy. These transactions may be physically settled in a foreign currency or in Australian dollars but with direct reference to quoted currency rates in accordance with a contractual formula.
- economically hedging a proportion of foreign currency risk associated with trade and other creditor balances.

We hedge the above risks using forward foreign exchange contracts.

Table E summarises forward foreign exchange contracts that are hedging our transactional currency exposures.

Table E	As at 30 June 2025				As at 30 June 2024			
Telstra Group	Exposure	Forward foreign exchange contract receive/(pay)			Exposure	Forward foreign exchange contract receive/(pay)		
	Local currency		Austra-lian dollars	Average exchange rate	Local currency		Austra-lian dollars	Average exchange rate
	m	m	$m	$	m	m	$m	$
Transactions to and from wholly-owned controlled entities								
British pounds sterling	-	-	-	-	(47)	24	(46)	0.52
Forecast transactions								
United States dollars	(734)	325	(516)	0.63	(336)	170	(254)	0.67
Indian rupee	(14,290)	5,716	(102)	55.78	(15,491)	6,196	(110)	56.24
Philippine peso	(551)	221	(6)	35.93	(610)	244	(6)	39.41
Trade payables								
United States dollars	(34)	34	(53)	0.65	(45)	45	(67)	0.67

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.2 Managing our foreign currency risk (continued)

(c) Natural offset

Our direct foreign exchange exposure arising from the impact of translation of the results of our foreign entities to Australian dollars is, in part, naturally offset at the Group level by foreign currency denominated operating and capital expenditure of functions, for which we do not have hedges in place.

(d) Sensitivity

We have performed a sensitivity analysis based on our foreign currency risk exposures existing at balance date.

Table F shows the impact that a plus/minus 10 per cent shift in applicable exchange rates would have on our profit after tax and on equity.

Table F Telstra Group	As at 30 June			
	2025		2024	
	Gain/(loss)			
	Net profit	Equity	Net profit	Equity
	$m	$m	$m	$m
Exchange rates (+10%)	72	(4)	83	7
Exchange rates (-10%)	(88)	4	(95)	(9)

A shift of plus/minus 10 per cent has been selected as a reasonably possible change taking into account the current level of exchange rates and the volatility observed both on a historical basis and on market expectations of future movements. This is not a forecast or prediction of future market conditions. We have disclosed the sensitivity analysis on a total portfolio basis and not separately by currency.

Any unhedged foreign exchange positions associated with our transactional exposures will directly affect profit or loss as a result of foreign currency movements.

There is no significant impact on profit or loss from foreign currency movements associated with our borrowings portfolio that are swapped to Australian dollars as an offsetting entry will be recognised on the associated hedging instrument.

We are exposed to equity impacts from foreign currency movements associated with our offshore investments and our derivatives in cash flow hedges. The translation of our foreign entities' results into the Group's presentation currency has not been included in the above sensitivity analysis as this represents translation risk rather than transaction risk.

The analysis does not include the impact of any management action that might take place if these events occurred.

4.5.3 Managing our credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss. We are exposed to credit risk from our operating activities (primarily customer credit risk) and financing activities.

We manage credit risk by:

- applying Board approved credit policies
- monitoring exposure to high-risk debtors
- requiring collateral where appropriate
- assigning credit limits to all financial counterparties.

We may also be subject to credit risk on transactions not included in the statement of financial position, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in notes 7.3.1 and 7.4.2.

(a) Customer credit risk

Trade and other receivables and contract assets consist of a large number of customers, spread across the consumer, business, enterprise, government and international sectors. Our credit management team assesses customers' credit quality, and defines and monitors credit limits by customer. Sales to overdue customers are prohibited unless appropriately approved. Compliance with credit limits and approval process is regularly monitored. Other than nbn co, we do not have any significant credit risk exposure to a single customer or group of customers.

Refer to note 3.3 for details about our trade and other receivables and contract assets.

(b) Treasury credit risk

We are exposed to credit risk from the investment of surplus funds (primarily deposits) and from the use of derivative financial instruments.

We have a number of exposures to individual counterparties. To manage this risk, we have Board approved policies that limit the amount of credit exposure to any single counterparty. Counterparty credit ratings and market conditions are reviewed continually with limits being revised and utilisation adjusted where appropriate.

We also manage our credit exposure using a value at risk (VaR) methodology, which is an industry standard measure that estimates the maximum potential exposure of our risk positions as a result of future movements in market rates. This helps to ensure that we do not underestimate credit exposure with any single counterparty. Using VaR analysis at 30 June 2025, 100 per cent (2024: 100 per cent) of our derivative credit exposure was with counterparties that have a credit rating of A- or better.

4.5.4 Managing our liquidity risk

Our objective is to maintain a balance between continuity and flexibility of funding through the use of liquid financial instruments, long-term and short-term borrowings, and committed available bank facilities.

We manage liquidity risk by:

- defining minimum levels of cash and cash equivalents
- defining minimum levels of cash and cash equivalents plus undrawn bank facilities
- closely monitoring rolling forecasts of liquidity reserves on the basis of expected business cash flows
- using instruments which trade in highly liquid markets with highly rated counterparties
- investing surplus funds in liquid instruments.

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.4 Managing our liquidity risk (continued)

Our access to commercial paper programs continues to be supported by a combination of liquid financial assets, and access to committed bank facilities.

Table G shows our total and undrawn committed bank facilities. As at 30 June 2025, we had total available facilities of $4,771 million, the majority of which were held by the Telstra Entity.

Table G **Telstra Group**	As at 30 June	
	2025	2024
	$m	$m
Facilities available	4,771	4,029
Facilities used	(1,126)	(1,553)
Facilities unused	**3,645**	**2,476**

Our committed facilities mature on a staggered basis over the next 5 years with $3,850 million maturing beyond 12 months.

Drawings under our bank facilities and commercial paper issues are shown on a gross basis in the statement of cash flows.

Table H shows the maturity profile of our financial liabilities including estimated interest payments. We reduce refinancing risk by ensuring that our borrowings mature in different periods. Table H also includes the cash inflows and outflows of derivative financial assets as these assets have a direct relationship with an underlying financial liability and both the asset and the liability are managed together.

The amounts disclosed are undiscounted contractual future cash flows and therefore do not reconcile to the amounts in the statement of financial position.

Table H **Telstra Group**	Contractual maturity									
	As at 30 June 2025					As at 30 June 2024				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Unsecured notes	(1,344)	(550)	(3,389)	(4,700)	**(9,983)**	(1,556)	(1,210)	(2,923)	(2,814)	**(8,503)**
Commercial paper	(2,323)	-	-	-	**(2,323)**	(1,658)	-	-	-	**(1,658)**
Bank and other loans	(661)	(989)	(334)	(1)	**(1,985)**	(511)	(341)	(1,402)	(2)	**(2,256)**
Non-recourse borrowing facilities	(14)	(20)	(209)	(969)	**(1,212)**	(7)	(13)	(149)	(1,033)	**(1,202)**
Other financial liabilities	(21)	(22)	(69)	(797)	**(909)**	(19)	(19)	(57)	(744)	**(839)**
Interest on unsecured notes, non-recourse facilities, bank and other loans	(434)	(391)	(919)	(736)	**(2,480)**	(379)	(308)	(702)	(540)	**(1,929)**
Lease liabilities	(631)	(461)	(1,086)	(1,719)	**(3,897)**	(611)	(487)	(1,033)	(1,592)	**(3,723)**
Trade/other payables and accrued expenses	(4,212)	(28)	-	-	**(4,240)**	(4,626)	(10)	-	-	**(4,636)**
Derivative inflows	5,456	576	3,479	2,667	**12,178**	3,441	1,380	2,085	1,860	**8,766**
Derivative outflows	(5,410)	(654)	(3,438)	(2,631)	**(12,133)**	(3,382)	(1,415)	(2,208)	(2,021)	**(9,026)**
Total	**(9,594)**	**(2,539)**	**(5,965)**	**(8,886)**	**(26,984)**	**(9,308)**	**(2,423)**	**(6,389)**	**(6,886)**	**(25,006)**

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.5 Hedge accounting

Hedging refers to the way in which we use financial instruments, primarily derivatives, to manage our exposure to financial risks. The gain or loss on the underlying item (the 'hedged item') is expected to move in the opposite direction to the gain or loss on the derivative (the 'hedging instrument'), therefore offsetting our risk position. Hedge accounting allows the matching of the gains and losses on hedged items and associated hedging instruments in the same accounting period to minimise volatility in the income statement.

In order to qualify for hedge accounting, prospective hedge effectiveness testing must meet all of the following criteria:

- an economic relationship exists between the hedged item and hedging instrument
- the effect of credit risk does not dominate the value changes resulting from the economic relationship
- the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

To the extent permitted by the Australian Accounting Standards, we formally designate and document our financial instruments by hedge type as follows:

	Fair value hedges	Cash flow hedges	Net investment hedges
Objectives of this hedging arrangement	To hedge the exposure to changes in the fair value of borrowings which are issued at a fixed rate, or denominated in foreign currency, by converting to floating rate borrowings denominated in Australian dollars.	To hedge the exposure to changes in cash flows from borrowings that bear floating interest rates or are denominated in foreign currency. Cash flow hedging is also used to mitigate the foreign currency exposure arising from highly probable and committed future foreign currency cash flows.	To offset the foreign exchange exposure arising from the translation of our foreign investments from their functional currency to Australian dollars.
Instruments used	We enter into cross currency and interest rate swaps to mitigate our exposure to changes in the fair value of our long-term borrowings.	We enter into cross currency swaps, interest rate swaps and options to hedge future variable cash flows arising from our borrowings. We use forward foreign exchange contracts to hedge a portion of firm commitments and highly probable forecast transactions.	Where we choose to hedge our net investment exposures, we use forward foreign exchange contracts, cross currency swaps and/or borrowings in the relevant currency of the investment.
Economic relationships	In all our hedge relationships, the critical terms of the hedging instrument and hedged item (including face values, cash flows and currency) are generally aligned.		
Discontinuation of hedge accounting	Hedge accounting is discontinued when a hedging instrument expires, is sold, terminated, or no longer meets the criteria for hedge accounting. At that time, any cumulative gains or losses relating to cash flow hedges recognised in equity are initially retained in equity and subsequently recognised in the income statement as the previously hedged item affects profit or loss. For fair value hedges, the cumulative adjustment recorded against the carrying value of the hedged item at the date hedge accounting ceases is amortised to the income statement using the effective interest method. For net investment hedges, any cumulative gains or losses that have been accumulated in the foreign currency translation reserve are initially retained in equity and subsequently recognised in the income statement on the disposal or partial disposal of the foreign operation.		

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.5 Hedge accounting (continued)

Table I shows the carrying value of each component of our gross debt including derivative financial instruments categorised by hedge type.

Table I Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Borrowings by hedge designation		
Fair value hedges	(2,966)	(1,357)
Cash flow hedges	(6,853)	(4,839)
Net investment hedge	(392)	(395)
Not in an accounting hedge relationship	(4,685)	(7,269)
Total borrowings	**(14,896)**	**(13,860)**
Lease liabilities	(3,099)	(3,108)
Total borrowings and lease liabilities	**(17,995)**	**(16,968)**
Derivative assets by hedge designation		
Fair value hedges	138	-
Cash flow hedges	432	343
Not in an accounting hedge relationship	141	100
Total derivative assets	**711**	**443**
Derivative liabilities by hedge designation		
Fair value hedges	(79)	(236)
Cash flow hedges	(85)	(23)
Not in an accounting hedge relationship	(9)	(14)
Total derivative liabilities	**(173)**	**(273)**
Total gross debt	**(17,457)**	**(16,798)**

The principal value of our gross debt on an equivalent basis was $17,493 million (2024: $16,812 million). Principal value represents contractual obligations less future finance charges, excluding fair value remeasurements, and for foreign denominated balances, equates to the principal value in the underlying currency converted at the spot exchange rate as at 30 June 2025.

(a) Derivatives not in an accounting hedge relationship

Some derivatives may not qualify for hedge accounting or are specifically not designated as a hedge as natural offset achieves substantially the same accounting results. This includes:

- interest rate swaps entered to offset against existing positions resulting in natural accounting offsets
- forward foreign currency contracts that are used to economically hedge exchange rate fluctuations associated with trade payables or other liability and asset balances denominated in a foreign currency
- power purchase agreements accounted for as derivative financial instruments.

(b) Fair value hedges

All changes in the fair value of the underlying item relating to the hedged risk are recognised in the income statement together with the changes in the fair value of derivatives. The net difference is recorded in the income statement as ineffectiveness. The carrying value of borrowings in effective fair value hedge relationships is adjusted for gains or losses attributable to the risk(s) being hedged.

Table J outlines the cumulative amount of fair value hedge adjustments that are included in the carrying amount of borrowings in the statement of financial position.

Table J Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Principal value	(3,046)	(1,482)
Unamortised discounts/premiums	8	10
Amortised cost	**(3,038)**	**(1,472)**
Cumulative fair value hedge adjustments	72	115
Carrying amount	**(2,966)**	**(1,357)**

Table K shows the ineffectiveness recognised in the income statement. We have excluded foreign currency basis spreads and option time value from our designated fair value and cash flow hedge relationships.

Table K Telstra Group	Year ended 30 June	
	2025	2024
	(Gain)/ loss	(Gain)/ loss
	$m	$m
Remeasurement of hedged item used to measure ineffectiveness	197	(13)
Change in value of hedging instruments	(203)	1
Net gain before tax from ineffectiveness	**(6)**	**(12)**
Net gain after tax	(4)	(8)

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.5 Hedge accounting (continued)

(c) Cash flow hedges

The portion of the gain or loss on the hedging instrument that is effective (i.e. offsets the movement on the hedged item) is recognised directly in the cash flow hedging reserve in equity and any ineffective portion is recognised within net finance costs directly in the income statement.

Gains or losses deferred in the cash flow hedging reserve are subsequently:

- transferred to the income statement when the hedged transaction affects profit or loss
- included in the measurement of the initial cost of the assets where the hedged item is for purchases of property, plant and equipment
- transferred immediately to the income statement if a forecast hedged transaction is no longer expected to occur.

During the financial years 2025 and 2024, there was no material impact on profit or loss resulting from ineffectiveness of our cash flow hedges or from discontinuing hedge accounting for forecast transactions no longer expected to occur.

Table L presents the hedge gains or losses transferred to and from the cash flow hedging reserve.

Table L **Telstra Group**	Year ended 30 June	
	2025	2024
	$m	$m
Changes in fair value of cash flow hedges	(84)	(42)
Changes in fair value transferred to other expenses	(15)	33
Changes in fair value transferred to goods and services purchased	(6)	(3)
Changes in fair value transferred to finance costs	60	77
Changes in fair value transferred to property, plant and equipment	(2)	(3)
Changes in cash flow hedging reserve	**(47)**	**62**
Income tax on movements in the cash flow hedging reserve	14	(19)
	(33)	**43**

Table M shows when the cash flows are expected to occur with respect to items in cash flow hedges (i.e. notional cash outflows). These amounts are the undiscounted cash flows reported in Australian dollars.

Table M **Telstra Group**	As at 30 June	
	2025	2024
	$m	$m
Non-capital items		
Within 1 year	(630)	(651)
Capital items		
Within 1 year	(120)	(153)
Borrowings		
Within 1 year	(2,784)	(1,623)
Within 1 to 5 years	(1,865)	(3,122)
After 5 years	(440)	(434)
	(5,839)	**(5,983)**

Non-capital items will be recognised in the income statement in the same period in which the cash flows are expected to occur. For capital items, the hedged assets affect the income statement as the assets are depreciated over their useful lives.

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.6 Valuation and disclosures within fair value hierarchy

The financial instruments included in the statement of financial position are measured either at fair value or their carrying value approximates fair value, with the exception of borrowings, which are held at amortised cost.

To determine fair value, we use both observable and unobservable inputs. We classify the inputs used in the valuation of our financial instruments according to a three level hierarchy as shown below. The classification is based on the lowest level input that is significant to the fair value measurement as a whole.

During the financial year 2025, there were no changes in valuation techniques for recurring fair value measurements of our financial instruments. There were also no transfers between fair value hierarchy levels.

The table below summaries the methods used to estimate the fair value of our financial instruments. As at 30 June 2025, there were no financial instruments measured using level 1 inputs.

Level	Financial instrument	Fair value
Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities	Listed investments in equity instruments	Quoted prices in active markets.
Level 2: the lowest level input that is significant to the fair value measurement is directly (as prices) or indirectly (derived from prices) observable	Borrowings, cross currency, interest rate swaps and options	Valuation techniques maximising the use of observable market data. Present value of the estimated future cash flows using appropriate market-based yield curves, which are independently derived or option pricing models with inputs for yield and volatility curves. Yield and volatility curves are sourced from readily available market data quoted for all major interest rates and currencies.
	Forward contracts	Quoted forward rates at reporting date for contracts with similar maturity profiles.
Level 3: one or more key inputs for the instrument are not based on observable market data (unobservable inputs)	Unlisted investments in equity instruments, power purchase agreements accounted for as derivatives, and embedded foreign exchange derivative	Valuation techniques (where one or more of the significant inputs is not based on observable market data) include reference to discounted cash flows and fair values of recent orderly sell transactions between market participants involving instruments that are substantially the same. For embedded foreign exchange derivative, the fair value is determined using long-term foreign exchange rate estimates where observable market prices are unavailable for certain currency pairs. For unlisted investments denominated in foreign currencies, valuation technique also includes movements in exchange rates.
	Contingent consideration	Initial recognition: expectations of future performance of the business. Subsequent measurement: present value of the future expected cash flows.

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.6 Valuation and disclosures within fair value hierarchy (continued)

Table N categorises our financial instruments which are measured at fair value, according to the valuation methodology applied.

Table N Telstra Group	As at 30 June 2025			As at 30 June 2024		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	$m	$m	$m	$m	$m	$m
Assets						
Derivative financial instruments	588	123	**711**	362	81	**443**
Investments in unlisted securities	-	381	**381**	-	33	**33**
	588	**504**	**1,092**	**362**	**114**	**476**
Liabilities						
Derivative financial instruments	(173)	-	**(173)**	(273)	-	**(273)**
Contingent consideration	-	-	**-**	-	(67)	**(67)**
	(173)	**-**	**(173)**	**(273)**	**(67)**	**(340)**
Total	**415**	**504**	**919**	**89**	**47**	**136**

Fair value of borrowings presented in table C in note 4.4.1 was measured using level 2 inputs.

Derivative financial assets measured using level 3 inputs included $88 million (2024: $43 million) embedded foreign exchange derivative. Its fair value was determined using long-term foreign exchange rate estimates as observable market prices were unavailable for certain currency pairs. During the financial year 2025, we recognised in the income statement a $45 million net gain on remeasurement of this derivative financial asset.

As at 30 June 2025, investments in unlisted securities included investment in DAZN Group Limited (DAZN) recognised following the disposal of our investment in NXE Australia Pty Limited and its controlled entities (NXE Group). Refer to note 6.5.1 for details of this transaction. The investment in DAZN is measured at fair value through other comprehensive income and it is denominated in foreign currency. Therefore, any related foreign exchange component has been included in the changes in fair value of this investment.

Table O details movements in contingent consideration measured using level 3 inputs.

Table O Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Opening balance at 1 July	**67**	**251**
Cash settlements made during the period	(30)	(114)
Remeasurements recognised in the income statement	(39)	(61)
Interest recognised in the income statement	-	6
Translation impacts recognised in foreign currency translation reserve	2	(2)
Transfer to other provisions	-	(13)
Closing balance at 30 June	**-**	**67**

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Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.7 Offsetting and netting arrangements

Table P presents financial assets and financial liabilities that are offset, or subject to enforceable master netting arrangements or other similar agreements but not offset.

The column 'net amounts' shows the impact on the statement of financial position if all set-off rights were exercised. 'Related amounts not offset in the statement of financial position' reflect amounts subject to conditional offsetting arrangements.

Table P
Telstra Group

	Effects of offsetting in the statement of financial position			Related amounts not offset in the statement of financial position		
	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts presented in the statement of financial position	Financial instruments	Collateral received or pledged	Net amounts
	$m	$m	$m	$m	$m	$m
	A	B	C=A-B	D	E	F=C-D-E
	As at 30 June 2025					
Cash and cash equivalents	686	676	**10**	-	-	**10**
Borrowings	(676)	(676)	**-**	-	-	**-**
Trade and other receivables and contract assets	293	77	**216**	44	4	**168**
Trade and other payables	(155)	(77)	**(78)**	(44)	-	**(34)**
Derivative financial assets	588	-	**588**	119	-	**469**
Derivative financial liabilities	(173)	-	**(173)**	(119)	-	**(54)**
Total	**563**	**-**	**563**	**-**	**4**	**559**
	As at 30 June 2024					
Cash and cash equivalents	519	468	**51**	-	-	**51**
Borrowings	(468)	(468)	**-**	-	-	**-**
Trade and other receivables and contract assets	311	79	**232**	47	9	**176**
Trade and other payables	(173)	(79)	**(94)**	(47)	-	**(47)**
Derivative financial assets	362	-	**362**	101	-	**261**
Derivative financial liabilities	(273)	-	**(273)**	(101)	-	**(172)**
Total	**278**	**-**	**278**	**-**	**9**	**269**

A number of the Telstra Group wholly-owned subsidiaries have entered into customary multi-entity bank account set-off facilities, under which bank accounts are managed on an aggregated basis. As a result, cash and overdraft balance sheet positions of different legal entities are presented net in the statement of financial position.

Our rights of set-off that are not otherwise included in column B of table P, related to:

- our inter-operative tariff arrangements with some of our international roaming partners, where we have executed agreements that allow the netting of amounts payable and receivable by us on cessation of the contract
- our wholesale customers, where we have executed wholesale services supply agreements that allow for the netting of amounts payable and receivable by us in certain circumstances where there is a right to suspend the supply of services or on the expiration or termination of the agreement
- our derivative financial instruments, where we have executed master netting arrangements under our International Swaps and Derivatives Association agreements. These agreements allow for the netting of amounts payable and receivable by us or the counterparty in the event of default or a credit event. In line with contractual provisions, in the event of insolvency all derivatives with a positive or negative fair value that exist with the respective counterparty are offset against each other, leaving a net receivable or liability.

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Section 5. Our people

We are working to attract and retain employees with the skills and passion to best serve our markets. This section provides information about our employee benefits obligations. It also includes details of our employee share plans and compensation paid to key management personnel.



5.1 Employee benefits

5.1.1 Aggregate employee benefits

Our employee related obligations include:

- liabilities for wages and salaries and related on-costs (presented within current trade and other payables)
- annual leave, long service leave and employee incentives (presented within current and non-current employee benefits) and
- redundancy provisions (presented within current other provisions).

Table A provides a summary of all these employee obligations.

Table A Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Accrued labour and on-costs	638	623
Current employee benefits	677	721
Non-current employee benefits	141	130
Current redundancy provisions	9	199
	1,465	**1,673**

As at 30 June 2025, $9 million (2024: $199 million) provision has been raised for redundancy costs based on the detailed formal plan developed and communicated to the Telstra Group employees likely to be affected. The execution of the detailed formal plan for which a redundancy provision has been raised is expected to be completed by the end of the financial year 2026.

We apply judgement and use estimates in measuring our provisions for employee benefits.

Long service leave provision

We applied judgement to determine the following key assumptions used in the calculation of long service leave entitlements:

- 3.7 per cent (2024: 3.7 per cent) weighted average projected increases in salaries
- 5.0 per cent (2024: 5.4 per cent) discount rate.

The discount rate used to calculate the present value has been determined by reference to market yields at 30 June 2025 on eight year (2024: eight year) high quality corporate bonds which have due dates similar to those of our liabilities.

For the amounts of the provision presented as current, we do not have the right at the end of the financial year to defer settlement for any of these obligations. However, based on experience, we do not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Amounts disclosed in table B have been determined in accordance with an actuarial assessment and reflect leave that is not expected to be taken or paid within the next 12 months.

Table B Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Leave obligations expected to be settled after 12 months	344	367

5.1.2 Recognition and measurement

The liabilities for employee benefits relating to wages and salaries, annual leave and other current employee benefits are accrued at their nominal amounts. These are calculated based on remuneration rates expected to be current at the settlement date and include related costs.

Certain employees who have been employed by Telstra for at least 10 years are entitled to long service leave of three months or more depending on the actual length of employment. We accrue liabilities for long service leave not expected to be paid or settled within 12 months of the reporting date at present values of future amounts expected to be paid. This is based on the projected increases in wage and salary rates over an average of 10 years, experience of employee departures and periods of service.

Provisions are recognised when:

- the Telstra Group has a present legal or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or events
- it is probable that a future sacrifice of economic benefits will arise
- a reliable estimate can be made of the amount of the obligation.

We recognise a provision for redundancy costs when a detailed formal plan for the redundancies has been developed and a valid expectation has been created that the redundancies will be carried out in respect of the employees likely to be affected.

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Section 5. Our people (continued)

5.2 Employee share plans

We have a number of employee share plans pursuant to which equity is awarded to executives as part of their total remuneration. Active share plans are conducted through the Telstra Growthshare Trust (Growthshare). Telstra wholly owns Telstra Growthshare Pty Ltd (the Trustee), which is the corporate trustee for Growthshare. The results of the Trustee are consolidated into our Telstra Group financial report.

A transaction will be classified as share-based compensation where the Group receives services from employees and pays for these either in shares or similar equity instruments or in cash but the amounts due are based on the Telstra share price.

This note summarises the primary employee share plans conducted through Growthshare and the key events in the share-based payment arrangements that have occurred during the financial year.

We have granted the following types of equity instruments as part of our equity-settled employee share plans:

- restricted shares
- performance rights.

Restricted shares are Telstra shares that are subject to a restriction period.

Performance rights are rights to Telstra shares subject to the satisfaction of certain performance measures and service conditions over a defined performance period.

Telstra has discretion to provide the holder of a performance right with a share or a cash amount equivalent to the value of a share on vesting of a performance right. Further information can be found in note 5.2.1.

The table below provides a summary of the instruments granted under the equity-settled employee share plans outstanding at 30 June 2025.

Type of equity instrument	Financial year granted	Restriction period	Date of testing against performance hurdles	Performance hurdles	Number of instruments allocated and outstanding at 30 June 2025
Executive Variable Remuneration Plan (EVP) restricted shares	FY25	Four equal tranches with the respective tranches restricted from one to four years from the end of the initial performance period	n/a	n/a	The restricted shares for FY25 are expected to be allocated in the first half of FY26
	FY24		n/a	n/a	2,058,499
	FY23		n/a	n/a	1,225,665
	FY22		n/a	n/a	664,861
	FY21		n/a	n/a	438,715

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Section 5. Our people (continued)

5.2 Employee share plans (continued)

Type of equity instrument	Financial year granted	Restriction period	Date of testing against performance hurdles	Performance hurdles	Number of instruments allocated and outstanding at 30 June 2025
Short-term incentive (STI) restricted shares	FY25	Three equal tranches with the respective tranches restricted from one to three years from the end of the performance period	n/a	n/a	The STI restricted shares for FY25 are expected to be allocated in the first half of FY26
	FY24		n/a	n/a	1,882,095
	FY23		n/a	n/a	1,356,346
	FY22		n/a	n/a	580,488
EVP performance rights	FY25	n/a	30 June 2029	Relative Total Shareholder Return (RTSR)	The performance rights for FY25 are expected to be allocated in the first half of FY26
	FY24	n/a	30 June 2028	RTSR	2,352,568
	FY23	n/a	30 June 2027	RTSR	1,867,678
	FY22	n/a	30 June 2026	RTSR	1,519,677
	FY21	n/a	30 June 2025	RTSR	2,005,541

We will also grant cash rights in lieu of restricted shares and performance rights under the FY25 EVP to Brendon Riley who will cease employment as CEO, Telstra InfraCo in September 2025. The cash rights are expected to be allocated in the first half of the financial year 2026. The cash rights provided in lieu of restricted shares are subject to the same time condition as restricted shares and the cash rights provided in lieu of performance rights are subject to the same performance hurdle as performance rights.

Provided they have not been forfeited earlier, the EVP and STI restricted shares, as well as shares allocated on the vesting of EVP performance rights, will be transferred to the relevant executive on the first day of the first trading window occurring under Telstra's Securities Trading policy following the end of the relevant restriction period or the vesting date, as applicable.

The definition of Relative Total Shareholder Return (RTSR) is set out in the Remuneration Report Glossary (the Remuneration Report forms part of the Directors' Report).

5.2.1 Description of share-based payment arrangements

(a) Executive Variable Remuneration Plan (EVP)

Under the EVP, the amount earned by the CEO and eligible Group Executives is determined at the end of an initial one year performance period based on certain factors, including Telstra's performance against certain predetermined performance measures and the executive's individual performance (including their performance relative to other executives), with the Board retaining discretion to adjust the outcome to ensure it is appropriate. A component of the amount earned under the EVP is provided in restricted shares and a component in performance rights.

Refer to the Remuneration Report for further details on the FY25 EVP structure.

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Section 5. Our people (continued)

5.2 Employee share plans (continued)

5.2.1 Description of share-based payment arrangements (continued)

(a) Executive Variable Remuneration Plan (continued)

The allocation of restricted shares and performance rights under the FY25 EVP is expected to be made after the 2025 Annual General Meeting. Shareholder approval will be sought at the 2025 Annual General Meeting for the CEO's FY25 EVP equity allocation.

If an executive leaves Telstra other than for a Permitted Reason (the definition of which is set out in the Remuneration Report Glossary) before the end of the relevant performance or restriction period, their performance rights will lapse and restricted shares will be forfeited. Performance rights and restricted shares may also lapse, be forfeited or recovered if certain clawback (malus) events occur.

(i) Restricted shares (equity-settled)

The table summarising the instruments granted under the equity-settled employee share plans lists the restriction periods for each EVP restricted share plan. No further performance hurdles will apply once the restricted shares are allocated. During the restriction period, executives are entitled to vote and earn dividends on their restricted shares from the actual allocation date. However, they are restricted from dealing with the shares during this period.

(ii) Performance rights (equity-settled)

Once allocated, the EVP performance rights are tested against a RTSR measure over a five year period inclusive of the initial one year performance period (refer to the table summarising the instruments granted under the equity-settled employee share plans for testing dates).

The FY25, FY24, FY23 and FY22 EVP performance rights will vest on a straight-line scale, with 50 per cent of the performance rights vesting if Telstra's RTSR ranks at the 50th percentile against a comparator group comprising the ASX100, excluding resource companies (Comparator Group) over the performance period, up to 100 per cent of the performance rights vesting where Telstra's RTSR ranks at the 75th percentile of the Comparator Group or above.

No performance rights will vest if Telstra's RTSR ranks below the 50th percentile of the Comparator Group. Any performance rights that do not vest following testing against the RTSR measure will lapse.

Testing of the outstanding FY21 EVP performance rights as at 30 June 2025 resulted in 74 per cent of those performance rights to vest due to the RTSR performance hurdle being met. Telstra ranked at the 62nd percentile against the Comparator Group over the performance period.

No dividends are paid on performance rights prior to vesting. For performance rights that do vest, a cash payment equivalent to dividends paid by Telstra during the period between allocation of the performance rights and vesting will be made at or around the time of vesting, subject to applicable taxation. This cash entitlement is not included in the grant date fair values of the performance rights as this is accounted for separately.

(iii) Cash rights (cash-settled)

Under the EVP, the executives who cease employment for a Permitted Reason before allocation of the restricted shares and performance rights will receive cash rights in lieu of restricted shares and performance rights.

As at 30 June 2025, we recorded a $10 million (2024: $5 million) liability pertaining to the outstanding cash rights issued to certain executives that cease employment for a Permitted Reason.

(b) STI restricted shares

Under the STI arrangements, 25 per cent of an eligible executive's actual STI payment is provided as restricted shares. The table summarising the instruments granted under the equity-settled employee share plans lists the restriction periods for each STI restricted share plan.

Performance hurdles are applied in determining the number of restricted shares allocated to executives, and therefore, restricted shares are not subject to any other performance hurdles once they have been allocated. During the restriction period, from the actual grant date, executives are entitled to vote and earn dividends on their restricted shares. However, they are restricted from dealing with the shares during this period.

If an executive leaves Telstra other than for a Permitted Reason before the end of the relevant restriction period, their restricted shares are forfeited. Restricted shares may also be forfeited or recovered if certain clawback (malus) events occur.

5.2.2 Fair value measurement

(a) EVP restricted shares

EVP restricted shares were measured based on the Board approved dollar amount outcome for the financial year 2025, with a final number of shares to be allocated after Telstra's 2025 Annual General Meeting. The estimated fair value per share granted in the financial year 2025 was $4.95 (2024: $3.88).

(b) EVP performance rights

Table A provides a weighted average of the inputs used in measuring the fair value of EVP performance rights at grant date.

Table A Telstra Group	Year ended 30 June 2025	 2024
Share price	$3.94	$4.07
Risk free rate	3.61%	4.03%
Dividend yield	4.80%	4.75%
Expected life in years	4.6 years	4.6 years
Expected stock volatility	18%	21%
Fair value ($)	$1.88	$2.00

The expected stock volatility is a measure of the amount by which the price is expected to fluctuate during a period. This is based on an annualised historical daily volatility of closing share prices over a certain period to the measurement date.

5.2.3 Expense recognised in the income statement

Refer to note 2.3 for details about the related employee benefit expenses.

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Section 5. Our people (continued)

5.2 Employee share plans (continued)

5.2.4 Recognition and measurement

For each of our equity-settled employee share plans, we measure the fair value of the equity instrument at grant date and recognise in the income statement the expense over the relevant vesting period with a corresponding increase in equity (i.e. share capital). The expense is adjusted to reflect actual and expected levels of vesting.

Grant date is the date when there is a shared understanding between employees and Telstra of the terms and conditions of the plan and the employees have accepted the offer. This often occurs prior to the allocation of equity instruments to the employees.

The fair values of our equity instruments are calculated by taking into account the terms and conditions of the individual plan and as follows:

Equity instrument	Fair value approach
Restricted shares	By reference to the dollar amount outcome approved by the Board
Performance rights	Black-Scholes methodology and utilises Monte Carlo simulations

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense in the income statement.

5.3 Post-employment benefits

We participate in, or sponsor, defined benefit and defined contribution schemes for our employees. This note provides details of our Telstra Superannuation Scheme (Telstra Super) defined benefit plan.

Our employer contributions to Telstra Super are based on the recommendations from the actuary of Telstra Super in line with any legislative requirements. The net defined benefit asset/(liability) at balance date is also affected by the valuation of Telstra Super's investments and our obligations to members of Telstra Super.

5.3.1 Net defined benefit plan asset/(liability)

Table A details our net defined benefit plan asset/(liability) recognised in the statement of financial position.

Table A Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Fair value of defined benefit plan assets	1,421	1,516
Present value of the defined benefit obligation	1,229	1,293
Net defined benefit asset	**192**	**223**
Attributable to:		
Telstra Super	201	237
Other	(9)	(14)
	192	**223**

5.3.2 Telstra Superannuation Scheme (Telstra Super)

Telstra Group Limited participates in and is the sponsoring employer in Telstra Super, a regulated fund in accordance with the *Superannuation Industry (Supervision) Act 1993 (Cth)* governed by the Australian Prudential Regulation Authority. Certain controlled entities in the Telstra Group are associated employers participating in Telstra Super.

Telstra Super's board of directors operates and governs the plan, including making investment decisions.

Telstra Super has both defined benefit and defined contribution divisions. The defined benefit divisions, which are closed to new members, provide benefits based on years of service and final average salary paid as a lump sum. Post-employment benefits do not include payments for medical costs.

On an annual basis, we engage qualified actuaries to calculate the present value of the defined benefit obligations.

Contribution levels made to the defined benefit divisions are determined by the Telstra Entity after obtaining the advice of the actuary and in consultation with Telstra Super Pty Ltd (the Trustee). These are designed to ensure that benefits accruing to members and beneficiaries are fully funded as they fall due. The benefits received by members of each defined benefit division take into account factors such as each employee's length of service, final average salary, and employer and employee contributions.

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Section 5. Our people (continued)

5.3 Post-employment benefits (continued)

5.3.2 Telstra Superannuation Scheme (Telstra Super) (continued)

Telstra Super is exposed to inflation, credit risk, liquidity risk and market risk. Market risk includes interest rate risk, equity price risk and foreign currency risk. The strategic investment policy of the fund is to build a diversified portfolio of assets to match the projected liabilities of the defined benefit plan.

An internal funding policy is in place between the sponsoring employer (i.e. the Telstra Entity) and the associated employers (i.e. other legal entities under common control which participate in Telstra Super). Refer to note 7.3.2 for further details.

(a) Fair value of defined benefit plan assets

Table B provides a reconciliation of fair value of defined benefit plan assets from the opening to the closing balance.

Table B **Telstra Super**	As at 30 June	
	2025	2024
	$m	$m
Fair value of defined benefit plan assets at the beginning of the year	**1,516**	**1,529**
Employer contributions	11	11
Member contributions	15	16
Benefits paid (including contributions tax)	(202)	(116)
Plan expenses after tax	(3)	(4)
Interest income on plan assets	73	80
Actual asset gain	11	-
Fair value of defined benefit plan assets at the end of the year	**1,421**	**1,516**

(b) Present value of the wholly funded defined benefit obligation

Table C provides a reconciliation of the present value of wholly funded defined benefit obligation from the opening to the closing balance.

Table C **Telstra Super**	As at 30 June	
	2025	2024
	$m	$m
Present value of defined benefit obligation at the beginning of the year	**1,279**	**1,244**
Current service cost	33	37
Interest cost	62	66
Member contributions	6	7
Past service cost	12	7
Benefits paid	(202)	(116)
Actuarial loss due to change in financial assumptions	41	10
Actuarial loss due to change in demographic assumptions	3	12
Actuarial (gain)/loss due to experience	(14)	12
Present value of defined benefit obligation at the end of the year	**1,220**	**1,279**

The actual return on defined benefit plan assets was 6.2 per cent (2024: 5.3 per cent) gain. Net actuarial loss recognised in other comprehensive income for Telstra Super amounted to $19 million (2024: $34 million).

(c) Categories of plan assets

Table D details the weighted average allocation as a percentage of the fair value of total defined benefit plan assets by class based on their nature and risks.

Table D **Telstra Super**	As at 30 June	
	2025	2024
	%	%
Asset allocations		
Equity instruments		
Australian equity[1]	10	10
International equity[1]	11	12
Debt instruments		
Fixed interest[1]	63	63
Other		
Property	9	9
Cash and cash equivalents	5	3
Other	2	3
	100	**100**

1 These assets have quoted prices in active markets.

(i) Related party disclosures

The related party disclosures below relate to Telstra Super as a whole, rather than just the defined benefit plan.

As at 30 June 2025, Telstra Super owned 20,886,140 shares (2024: 33,746,397) in the Telstra Entity at a cost of $76 million (2024: $144 million) and a market value of $101 million (2024: $122 million). All these shares were fully paid at 30 June 2025. During the financial year 2025, we paid a dividend to Telstra Super of $6 million (2024: $6 million). We own 100 per cent of the equity of Telstra Super Pty Ltd, the Trustee of Telstra Super. We have significant influence over Telstra Super Pty Ltd, which is accounted for as an associated entity. Refer to note 6.5.2 for further details.

Telstra Super also holds fixed interest securities issued by the Telstra Entity (2024: Telstra Entity and the Telstra Corporation Limited). As at 30 June 2025, these securities had a cost of $1 million (2024: $2 million) and a market value of $2 million (2024: $2 million).

All purchases and sales of Telstra shares and fixed interest securities by Telstra Super are on an arm's length basis and are determined by the Trustee and/or its investment managers on behalf of the members of Telstra Super.

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Section 5. Our people (continued)

5.3 Post-employment benefits (continued)

5.3.2 Telstra Superannuation Scheme (Telstra Super) (continued)

(d) Actuarial assumptions and sensitivity analysis

Defined benefit plan

The following key assumptions were used in the calculation of our defined benefit obligations:

- 3.3 per cent (2024: 3.3 per cent) average expected rate of increase in future salaries
- 4.7 per cent (2024: 5.3 per cent) discount rate.

We have used a six year (2024: six year) high quality corporate bond rate to determine the discount rate as the term matches closest to the term of the defined benefit obligations.

Our assumption for the salary inflation rate for Telstra Super reflects our long-term expectation for salary increases.

If the estimates prove to be different to actual experience, this may materially affect balances in the next reporting period.

Table E summarises how the defined benefit obligation as at 30 June 2025 would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point (1pp).

Table E **Telstra Super**	Defined benefit obligation	
	1pp increase	1pp decrease
	$m	$m
Discount rate	(63)	70
Expected rate of increase in future salaries	43	(40)

(e) Employer contributions

During the financial year 2025, we paid contributions totalling $11 million (2024: $11 million) at the average rate of five per cent (2024: five per cent) to our defined benefit divisions, following recommendations from the actuary of Telstra Super.

The current five per cent contribution rate was recommended by the actuary of Telstra Super in the last triennial review effective 30 June 2024.

Table F shows the expected proportion of benefits paid from the defined benefit obligation in future years.

Table F **Telstra Super**	Year ended 30 June	
	2025	2024
	%	%
Within 1 year	8	16
Between 1 and 4 years	29	24
Between 5 and 9 years	31	27
Between 10 and 19 years	30	31
After 20 years	2	2
	100	**100**

The weighted average duration of the defined benefit plan obligations at the end of the reporting period was six years (2024: six years).

5.3.3 Other defined benefit schemes

Our controlled entities also participate in both funded and unfunded defined benefit schemes, which are individually and in aggregate immaterial.

5.3.4 Recognition and measurement

(a) Defined contribution plans

Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements and other obligations. The contributions are recorded as an expense in the income statement as they become payable. We recognise a liability when we are required to make future payments as a result of employee services provided.

(b) Defined benefit plans - Telstra Superannuation Scheme

We currently sponsor a post-employment defined benefit plan under the Telstra Superannuation Scheme.

At a reporting date, where the fair value of the plan assets is less than the present value of the defined benefit obligations, the net deficit is recognised as a liability. In the reverse situation, the net surplus is recognised as an asset. We recognise the asset to the extent that we have the ability to control this surplus to generate future funds that will be available to us in the form of reductions in future contributions or as a cash refund.

The actuaries use the projected unit credit method to estimate the present value of the defined benefit obligations of the plan. This method determines each year of service as giving rise to an additional unit of benefit entitlement. Each unit is measured separately to calculate the final obligation. The present value is determined by discounting the estimated future cash outflows using rates based on high quality corporate bonds.

We recognise all our defined benefit costs in the income statement, with the exception of actuarial gains and losses that are recognised directly in other comprehensive income.

Actuarial gains and losses are based on an actuarial valuation of each defined benefit plan at a reporting date. Actuarial gains and losses represent the differences between previous actuarial assumptions of future outcomes and the actual outcome, in addition to the effect of changes in actuarial assumptions.

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Section 5. Our people (continued)

5.4 Key management personnel compensation

Key management personnel (KMP) refer to those who have authority and responsibility for planning, directing and controlling the activities of the Telstra Group. KMP are deemed to include the following:

- the non-executive Directors of the Telstra Entity
- certain executives in the Chief Executive Officer's (CEO's) senior leadership team, including the CEO.

5.4.1 KMP aggregate compensation

During the financial years 2025 and 2024, the aggregate compensation of our KMP was:

Telstra Group	Year ended 30 June	
	2025	2024
	$000	$000
Short-term employee benefits	21,808	21,685
Post-employment benefits	426	413
Other long-term benefits	1,070	1,038
Termination benefits	852	1,051
Share-based payments	13,142	8,865
	37,298	**33,052**

Refer to the Remuneration Report, which forms part of the Directors' Report for further details regarding KMP remuneration.

5.4.2 Other transactions with our KMP and their related parties

During the financial years 2025 and 2024, apart from transactions trivial and domestic in nature and on normal commercial terms and conditions, there were no other transactions with our KMP and their related parties.

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Section 6. Our investments

This section outlines our group structure and includes information about our controlled entities, joint ventures and associated entities. It provides details of changes to these investments and their effect on our financial position and performance during the financial year. It also includes the results of our material joint ventures and associated entities.



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6.1 Changes in the group structure

6.1.1 Current year acquisitions

During the financial year 2025, we acquired a number of controlled entities and incorporated others as detailed below:

- Telstra Sports and Media Streaming Pty Ltd (incorporated on 19 December 2024), of which we own 100 per cent
- Boost Tel Pty Limited and its controlled entities (acquired on 2 December 2024), of which we own 100 per cent.

Details of the significant acquisitions have been disclosed below.

(a) Boost Mobile

On 2 December 2024, we completed the acquisition of 100 per cent of the shares in Boost Tel Pty Limited and its controlled entities (Boost Mobile) for a total consideration of $129 million.

Boost Mobile licenses the Boost brand to us and provides marketing for the pre-paid mobile services that we sell under that brand.

This acquisition gave rise to $69 million goodwill reflecting expected opportunities to increase prepaid mobile revenue via the Boost Mobile marketing strategies. Goodwill is not deductible for income tax purposes.

Table A summarises the effects of the accounting for this acquisition.

Table A **Boost Mobile**	Year ended 30 June 2025 $m
Consideration for acquisition	
Cash consideration	132
Settlement of pre-existing liability in Telstra Group	(3)
Total purchase consideration	**129**
Cash balances acquired	(4)
Outflow of cash on acquisition	**125**
	Fair value
Assets/(liabilities) at acquisition date	
Cash and cash equivalents	4
Right-of-use assets	1
Intangible assets	85
Trade and other payables	(5)
Deferred tax liabilities	(25)
Net assets	**60**
Goodwill on acquisition	69
Total purchase consideration	**129**
Contributions to the Group's performance from acquisition date to 30 June 2025	
Income (excluding finance income)	2
Loss before income tax expense	(5)

We have not incurred significant acquisition costs for this acquisition.

(b) Telstra Group result if all acquisitions occurred on 1 July 2024

If all the acquisitions made during the financial year 2025 had occurred on 1 July 2024, our adjusted consolidated income (excluding finance income) and consolidated profit before income tax expense for the financial year 2025 would have been $23,612 million and $3,282 million, respectively.

6.1.2 Current year deregistrations and disposals

During the financial year 2025, the following entities ceased being a controlled entity:

- PowerHealth Solutions Ltd (deregistered on 2 July 2024)
- Pacnet Global Communications (India) Private Limited (deregistered on 13 August 2024)
- Fred Health Pty Ltd (deregistered on 21 August 2024)
- Fred Retail Pty Ltd (deregistered on 21 August 2024)
- Pharmacy Research Network Pty. Ltd. (deregistered on 21 August 2024)
- Site & Towers (PNG) Limited (amalgamated into Digicel (PNG) Limited on 30 September 2024)
- Sapio Pty Ltd (disposed on 21 October 2024)
- Diaspora Talktime (Australia) Pty Ltd (deregistered on 15 January 2025)
- Digicel Australia Pty Ltd (deregistered on 15 January 2025)
- Hitron Limited (amalgamated into Digicel (PNG) Limited on 31 January 2025)
- Mobile Payment Gateway Pty Limited (deregistered on 10 February 2025).

These deregistrations and disposals had no significant financial impact on our results.

6.2 Investments in controlled entities

6.2.1 Investments in controlled entities

Telstra Group has a direct or indirect interest in over 200 controlled entities across approximately 30 countries. We have controlled entities in Australia, Asia, the South Pacific, New Zealand, Europe, Middle East, Canada and the United States of America. We conduct most of our business through our controlled entities Telstra Limited and Telstra Corporation Limited, which in total constituted 96 per cent of the Group's EBITDA.

Refer to the consolidated entity disclosure statement for a full list of our controlled entities within the Telstra Group.

Section 6. Our investments (continued)

6.2 Investments in controlled entities (continued)

6.2.1 Investments in controlled entities (continued)

(a) Acquisition of the remaining interest in Power Health

On 9 November 2021, we acquired 70 per cent of the shares in Power Solutions Holdings Pty Ltd and its controlled entities (Power Health), however, on the acquisition date of Power Health we applied judgement to determine that we controlled 100 per cent. This was because we had a contractual obligation to purchase the remaining 30 per cent interest from the founding shareholder by 2026. Therefore, the non-controlling interest was deemed to have been acquired at the acquisition date. We accounted for our obligation to purchase the remaining interest as a financial liability.

On 2 July 2024, we completed the acquisition of the remaining 30 per cent of the shares in Power Solutions Holdings Pty Ltd, the parent entity of Power Health, for a total cash consideration of $28 million, taking our legal ownership interest to 100 per cent.

On acquisition, we derecognised the $28 million financial liability associated with our contractual obligation to purchase this remaining 30 per cent interest from the founding shareholder by 2026.

6.2.2 Deed of cross guarantee

Telstra Group Limited and each of the wholly-owned subsidiaries set out below (together the 'Closed Group'), are party to a deed of cross guarantee (Deed), as defined in Australian Securities and Investments Commission (ASIC) legislative instrument: 'ASIC Corporations (Wholly-owned Companies) Instrument 2016/785' (ASIC Instrument).

The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

Pursuant to the ASIC Instrument, the wholly-owned subsidiaries within the Closed Group that are eligible for the benefit of the ASIC Instrument are relieved from the requirement to prepare and lodge separate financial statements, directors' reports and auditors' reports.

The statement of comprehensive income and statement of financial position disclosed in this section present consolidated results of the Closed Group.

The following entities are party to the Deed and part of the Closed Group:

- Telstra Group Limited (holding entity)
- Alliance Automation Pty Ltd
- Aqura Technologies Pty Ltd
- Clinical Technology Holdings Pty Limited
- Clinical Technology Systems Pty Limited
- DLM Automation Pty Ltd
- Epicon IT Solutions Pty. Ltd.
- Fone Zone Pty Ltd
- Fred IT Group Pty Ltd
- Health Communication Network Pty Limited
- Merricks NewCo Pty Ltd
- Mobile Tracking and Data Pty Ltd
- MTData Holdings Pty Ltd
- muru-D Pty Ltd
- Pacnet Internet (A) Pty Ltd
- Pacnet Services (A) Pty. Ltd.
- Service Potential Pty Ltd
- Telstra 3G Spectrum Holdings Pty Ltd
- Telstra Australia Networks Pty Limited
- Telstra Broadcast Services Pty Limited
- Telstra Communications Limited
- Telstra Corporation Limited
- Telstra Energy (Generation) Pty Ltd
- Telstra Energy (Holdings) Pty Ltd
- Telstra Energy (Retail) Pty Ltd
- Telstra Health Pty Ltd
- Telstra Health Services Pty Ltd
- Telstra Holdings Pty Ltd
- Telstra International (Aus) Limited
- Telstra International Holdings Pty Ltd
- Telstra International Networks Pty Limited
- Telstra International Operations Pty Limited
- Telstra Limited
- Telstra Multimedia Pty Limited
- Telstra OnAir Holdings Pty Ltd
- Telstra Pay TV Pty Ltd
- Telstra Plus Pty Ltd
- Telstra Purple Pty Ltd
- Telstra Reach Holdings Pty Ltd
- Telstra Services Solutions Holdings Limited
- Telstra Software Group Pty Ltd
- Telstra Towerco No.2 Pty Ltd
- Telstra Ventures Pty Limited
- Versent Pty Ltd.

There were no new entities added as parties to the Deed for the financial year 2025.

There are no other members of the Extended Closed Group (as defined in the ASIC instrument). Telstra Finance Limited is trustee under the Deed, however, it is not a member of the Closed Group or the Extended Closed Group.

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Section 6. Our investments (continued)

6.2 Investment in controlled entities (continued)

6.2.2 Deed of cross guarantee (continued)

Financial information of the members of the Closed Group presented in tables A to C excludes Telstra Finance Limited. Transactions between the members have been eliminated.

Table A presents statement of financial position of the Closed Group.

Table A Closed Group	As at 30 June	
	2025	2024
	$m	$m
Current assets		
Cash and cash equivalents	495	585
Trade and other receivables and contract assets	3,672	3,771
Deferred contract costs	108	140
Inventories	463	485
Derivative financial assets	211	206
Current tax receivables	211	35
Assets classified as held for sale	389	-
Prepayments	291	247
Total current assets	**5,840**	**5,469**
Non-current assets		
Trade and other receivables and contract assets	1,139	1,315
Deferred contract costs	770	791
Inventories	100	162
Investments – controlled entities	6,566	6,208
Investments – accounted for using the equity method	198	613
Investments – other	31	33
Property, plant and equipment	19,090	19,342
Right-of-use assets	2,215	2,128
Intangible assets	8,238	8,649
Derivative financial assets	403	164
Deferred tax assets	-	9
Defined benefit asset	201	237
Total non-current assets	**38,951**	**39,651**
Total assets	**44,791**	**45,120**

Table A (continued) Closed Group	As at 30 June	
	2025	2024
	$m	$m
Current liabilities		
Trade and other payables	3,669	3,998
Employee benefits	648	694
Other provisions	128	350
Lease liabilities	444	368
Borrowings	5,484	5,269
Derivative financial liabilities	81	97
Contract liabilities and other revenue received in advance	1,355	1,339
Liabilities classified as held for sale	60	-
Total current liabilities	**11,869**	**12,115**
Non-current liabilities		
Other payables	28	10
Employee benefits	127	128
Other provisions	150	127
Lease liabilities	1,942	1,983
Borrowings	11,810	11,527
Derivative financial liabilities	86	176
Deferred tax liabilities	1,385	1,262
Contract liabilities and other revenue received in advance	925	886
Total non-current liabilities	**16,453**	**16,099**
Total liabilities	**28,322**	**28,214**
Net assets	**16,469**	**16,906**
Equity		
Share capital	2,379	3,111
Reserves	29	77
Retained profits	14,061	13,718
Equity available to the Closed Group	**16,469**	**16,906**

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Section 6. Our investments (continued)

6.2 Investment in controlled entities (continued)

6.2.2 Deed of cross guarantee (continued)

Table B presents statement of comprehensive income of the Closed Group.

Table B Closed Group	Year ended 30 June	
	2025	2024
	$m	$m
Profit for the year for the Closed Group	**2,406**	**1,653**
Total other comprehensive income for the Closed Group	**15**	**(17)**
Total comprehensive income for the year for the Closed Group	**2,421**	**1,636**

Table C provides a reconciliation of retained profits of the Closed Group from the opening to the closing balance.

Table C Closed Group	Year ended 30 June	
	2025	2024
	$m	$m
Retained profits at the beginning of the financial year available to the Closed Group	**13,718**	**14,100**
Effect on retained profits from addition of entities to the Closed Group	-	11
Total comprehensive income recognised in retained profits	2,395	1,629
Cumulative gain from investments in equity instruments at fair value through other comprehensive income transferred to retained earnings on disposal	85	-
Dividend	(2,137)	(2,022)
Retained profits at the end of the financial year available to the Closed Group	**14,061**	**13,718**

6.3 Non-controlling interests

Summarised financial information of the Telstra Group entities which have material non-controlling interests is detailed below.

6.3.1 Amplitel business

Table A summarises financial information of the entities which have material non-controlling interests, i.e. Towers Business Operating Trust and Amplitel Pty Ltd (Amplitel business), amalgamated for the year ended and as at 30 June 2025, with a non-controlling interest of 49 per cent (2024: 49 per cent). It represents the amounts before inter-company eliminations of transactions with other entities within the Telstra Group, with the exception of the transactions within the Amplitel business which have been eliminated.

Table A Amplitel business	Year ended/as at 30 June	
	2025	2024
	$m	$m
Statement of financial position		
Current assets	288	291
Non-current assets	2,264	2,182
Total assets	**2,552**	**2,473**
Current liabilities	236	225
Non-current liabilities	1,031	938
Total liabilities	**1,267**	**1,163**
Net assets	**1,285**	**1,310**
Accumulated non-controlling interests	**716**	**755**
Statement of comprehensive income		
Revenue	261	255
Profit/total comprehensive income for the year	**253**	**285**
Profit allocated to non-controlling interests	**97**	**123**
Distributions paid/payable to non-controlling interests	**136**	**131**
Statement of cash flows		
Net cash inflow from operating activities	186	198
Net cash inflow from investing activities	110	105
Net cash outflow from financing activities	(295)	(289)
Net cash inflow	**1**	**14**

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Section 6. Our investments (continued)

6.3 Non-controlling interests (continued)

6.3.2 Telstra PM Pty Ltd and its controlled entities (Telstra PM Group)

In July 2022, we completed the acquisition of 100 per cent of the shares in Digicel Pacific Limited and its controlled entities (Digicel Pacific). This acquisition was partly funded by equity-like securities issued by the Telstra PM Group to the Australian Government, through Export Finance Australia.

Equity-like securities issued to the Australian Government

Telstra PM Group holds 100 per cent of the shares in Digicel Pacific Limited and its controlled entities (Digicel Pacific). This investment was partly funded by equity-like securities issued by the Telstra PM Group to the Australian Government, through Export Finance Australia (EFA). As at 30 June 2025, the non-controlling interests related to the equity-like securities issued to the Australian Government were $951 million (2024: $951 million).

The securities are perpetual, subordinated, unsecured and redeemable in certain circumstances. The securities do not grant the Australian Government any recourse, voting rights, or earnings in respect of the Telstra Group.

We applied judgement to classify the issued securities as equity and present them as non-controlling interests in our consolidated statement of changes in equity.

Table B summarises financial information for the year ended and as at 30 June 2025 of Telstra PM Group which have material non-controlling interests. The financial information represents the amounts before inter-company eliminations of transactions with other entities within the Telstra Group, with the exception of the transactions within the Telstra PM Group which have been eliminated.

Table B **Telstra PM Group**	Year ended/as at 30 June	
	2025	2024
	$m	$m
Statement of financial position		
Current assets	295	292
Non-current assets	2,919	3,354
Total assets	**3,214**	**3,646**
Current liabilities	277	341
Non-current liabilities	1,772	1,836
Total liabilities	**2,049**	**2,177**
Net assets	**1,165**	**1,469**
Accumulated non-controlling interests	**967**	**964**
Statement of comprehensive income		
Revenue	681	738
Profit for the year	**59**	**50**
Total comprehensive income for the year	**(291)**	**45**
Profit allocated to non-controlling interests	**3**	**3**
Statement of cash flows		
Net cash inflow from operating activities	207	257
Net cash outflow from investing activities	(65)	(292)
Net cash (outflow)/inflow from financing activities	(120)	38
Net cash inflow	**22**	**3**

6.3.3 The Exchange Trust

As at 30 June 2025, our controlled entity, The Exchange Trust, which holds a portfolio of 36 Telstra exchanges in Australia, had a 49 per cent (2024: 49 per cent) non-controlling interest balance of $701 million (2024: $702 million). The trustee of The Exchange Trust is Merricks NewCo Pty Ltd, our wholly-owned controlled entity. During the financial year 2025, we paid the minority unit holder of the trust a $38 million (2024: $36 million) dividend.

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Section 6. Our investments (continued)

6.4 Assets and liabilities held for sale

As at 30 June 2025, we have classified $390 million (2024: nil) assets and $61 million (2024: nil) liabilities as held for sale and, in accordance with AASB 5: 'Non-current Assets Held for Sale and Discontinued Operations' (AASB 5), measured them at the lower of carrying amount and fair value less costs to sell.

Assets and liabilities classified as held for sale related to our controlled entities and properties, none of which met the criteria of discontinued operations under AASB 5.

Details of the significant assets and liabilities classified as held for sale have been disclosed below.

6.4.1 Versent disposal group

On 13 August 2025, we signed an agreement, subject to conditions (including consulting with employees and unions), to sell a 75 per cent interest in Telstra Purple Pty Ltd excluding its subsidiaries Alliance Automation Pty Ltd, Aqura Technologies Pty Ltd and Telstra Broadcast Services Pty Limited (Versent disposal group) for a total consideration of $233 million, subject to completion adjustments. We will retain 25 per cent ownership on completion of the disposal and we will account for this retained equity interest as an investment in associates.

In accordance with AASB 5, the carrying value of assets (including $287 million goodwill) and liabilities of the Versent disposal group, with the exception of cash balances which will be recovered via completion adjustments, were classified as held for sale as at 30 June 2025 and measured at the lower of the carrying amount and fair value less costs to sell, with no impairment identified.

There was no material cumulative income or expense recognised in other comprehensive income relating to the Versent disposal group classified as held for sale.

Table A below presents the major classes of assets and liabilities of the Versent disposal group classified as held for sale.

Table A **Versent disposal group**	As at 30 June 2025 $m
Current assets	
Trade and other receivables and contract assets	20
Deferred contract costs	10
Prepayments	1
Total current assets	**31**
Non-current assets	
Deferred contract costs	2
Property, plant and equipment	2
Intangible assets	331
Right-of-use assets	3
Total non-current assets	**338**
Total assets	**369**
Current liabilities	
Trade and other payables	17
Employee benefits	10
Other provisions	1
Lease liabilities	1
Contract liabilities and other revenue received in advance	15
Total current liabilities	**44**
Non-current liabilities	
Other payables	3
Employee benefits	4
Lease liabilities	3
Deferred tax liabilities	6
Contract liabilities and other revenue received in advance	1
Total non-current liabilities	**17**
Total liabilities	**61**
Net assets	**308**

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Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities

We account for joint ventures and associated entities using the equity method. Under this method, we recognise the investment at cost and subsequently adjust it for our share of profits or losses, which are recognised in the income statement and our share of other comprehensive income, which is recognised in the statement of comprehensive income. Generally, dividend received reduces the carrying value of the investment.

The movements in the carrying amount of equity accounted investments in our joint ventures and associated entities are summarised in table A.

Table A
Telstra Group

	As at 30 June			
	Joint ventures		Associated entities	
	2025	2024	2025	2024
	$m	$m	$m	$m
Carrying amount of investments at beginning of year	**90**	**159**	**546**	**527**
Additions	2	4	50	43
Disposals	(134)	-	(363)	-
	(42)	**163**	**233**	**570**
Share of net loss	(1)	(7)	(16)	(9)
Provision for diminution	-	-	-	(3)
Share of distributions	(15)	(55)	(10)	(7)
Changes in fair value of equity instruments reserve	58	(11)	16	(3)
Share of reserves	-	-	(1)	(2)
Carrying amount of investments at end of year	**-**	**90**	**222**	**546**

Additions of associated entities include $50 million (2024: $43 million) of new investments in Titanium Ventures Fund III, L.P. (formerly Telstra Ventures Fund III, L.P.).

6.5.1 Significant disposals

(a) Disposal of our investment in Titanium Ventures Fund II, L.P.

We applied judgement to determine that we had joint control of our investment in Titanium Ventures Fund II, L.P. (formerly Telstra Ventures Fund II, L.P.). While we held 62.5 per cent of the partnership interest on a fully committed basis, key decisions for the entity required the unanimous approval of the Advisory Committee, on which we held one of the two seats, or a majority of at least 75.0 per cent of the fully committed capital.

On 15 December 2024, we completed the disposal of all of our investment in Titanium Ventures Fund II, L.P. for a total consideration of $137 million. As a result, we have transferred $166 million of cumulative gains held in fair value of equity instruments reserve to retained profits.

(b) Disposal of our investment in NXE Group

As at 30 June 2024, our 35 per cent interest in NXE Australia Pty Limited and its controlled entities (NXE Group) was accounted for using the equity method. On 23 December 2024, Telstra entered into a share sale and purchase agreement with DAZN Group Limited (DAZN) to exchange our 35 per cent interest in NXE Group for a 3 per cent equity interest in DAZN valued at $366 million. The transaction was completed on 2 April 2025. The carrying value of our investment in NXE Group was $366 million immediately before the exchange, hence no gain or loss was recognised in our income statement. Our investment in DAZN is recorded in 'Investments – other' in the statement of financial position and measured at fair value through other comprehensive income. Refer to note 4.5.6 for further details about the fair value of this investment.

In February 2020, we entered into a subordinated shareholder loan agreement with NXE Australia Pty Limited under which we made available to NXE Australia Pty Limited a loan facility of up to $170 million at commercial rates of interest. The facility was to mature on 22 December 2027 but contained the ability to prepay the outstanding amount. On 2 April 2025, the $131 million loan and accrued interest was repaid at completion of the share sale and purchase agreement. As at 30 June 2024, the outstanding balance drawn under this facility was $139 million.

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Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities (continued)

6.5.2 List of our investments in joint ventures and associated entities

Table B presents a list of our investments in joint ventures and associated entities, their principal place of business/country of incorporation and our ownership interest.

Table B

Telstra Group

Name of entity	Principal activities	Principal place of business/country of incorporation	Ownership interest as at 30 June 2025 %	Ownership interest as at 30 June 2024 %
Joint ventures				
3GIS Pty Ltd	Management of former 3GIS Partnership (non-operating)	Australia	50.0	50.0
Reach Limited[1]	International connectivity services	Bermuda	50.0	50.0
Titanium Ventures Fund II, L.P. (formerly Telstra Ventures Fund II, L.P.)	Venture capital	Guernsey	-	62.5
Associated entities				
Accenture Technology Services Private Limited	Data and AI services provider	India	40.0	-
Asia Netcom Philippines Corporation[1]	Ownership of physical property	Philippines	40.0	40.0
Australia-Japan Cable Holdings Limited[1]	Network cable provider	Bermuda	46.9	46.9
Dacom Crossing Corporation[1]	Network cable provider	Korea	49.0	49.0
NXE Australia Pty Limited	Pay television	Australia	-	35.0
Pacific Carriage Holdings Limited Inc.[1]	Network cable provider	United States	25.0	25.0
Pivotal Labs Sydney Pty Ltd[2]	Software development	Australia	20.0	20.0
Samoa Submarine Cable Company Limited[3]	Network cable provider	Samoa	16.7	16.7
Southern Cross Cables Holdings Limited[1]	Network cable provider	Bermuda	25.0	25.0
Telstra Converge Inc.[1]	Telecommunication services	Philippines	48.0	48.0
Telstra Super Pty Ltd	Superannuation trustee	Australia	100.0	100.0
Tianjin TenLink Electronic Technology Co., Ltd.[1]	Control system of industrial internet supplier	China	4.8	4.8
Titanium Ventures Fund III, L.P. (formerly Telstra Ventures Fund III, L.P.)	Venture capital	Guernsey	50.0	50.0
TLSA Data & AI Function Pty Ltd	Data and AI services provider	Australia	40.0	-
Tonga Cable Limited[3]	Network cable provider	Tonga	16.6	16.6

1 Balance date is 31 December.

2 Balance date is 31 January.

3 Balance date is 31 March.

We apply judgement to determine if we have significant influence or joint control over our investments as detailed below.

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Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities (continued)

6.5.2 List of our investments in joint ventures and associated entities (continued)

Significant influence over Telstra Super Pty Ltd

We applied judgement to determine that we do not control Telstra Super Pty Ltd even though we own 100.0 per cent of its equity.

Telstra Super Pty Ltd is the trustee for the Telstra Superannuation Scheme. We do not consolidate Telstra Super Pty Ltd as we do not control the board of directors. The board of directors consists of an equal number of employer and member representatives and an independent chairman. Our voting power over the relevant activities is 44.0 per cent, which is equivalent to our representation on the board. The entity is therefore classified as an associated entity as we have significant influence over it.

Significant influence over Titanium Ventures Fund III, L.P.

We applied judgement to determine that we have significant influence of our investment in Titanium Ventures Fund III, L.P.. While we hold 50.0 per cent (2024: 50.0 per cent) on a committed capital amount basis, we have a seat on the Advisory Committee. This gives us the power to participate in the financial and operating policy decisions of the investment.

6.5.3 Other joint ventures and associated entities

Table C presents our share of the aggregate financial information of joint ventures and associated entities.

Table C Telstra Group	Year ended/As at 30 June			
	Joint ventures		Associated entities	
	2025	2024	2025	2024
	$m	$m	$m	$m
Carrying amount of investment	**-**	**90**	**222**	**546**
Group's share of:				
Net loss	(1)	(7)	(16)	(9)
Other comprehensive income	58	(11)	15	(5)
Total comprehensive income	**57**	**(18)**	**(1)**	**(14)**

6.5.4 Suspension of equity accounting

Table D presents our unrecognised share of losses for the financial year and cumulatively for our entities where equity accounting has ceased and the investment is recorded at zero due to losses made by these entities and/or reductions in the equity accounted carrying amount.

Table D Telstra Group	Year ended 30 June			
	Period	Cumula-tive	Period	Cumula-tive
	2025	2025	2024	2024
	$m	$m	$m	$m
Joint ventures				
Reach Limited	(4)	(566)	(4)	(562)
Associated entities				
Australia-Japan Cable Holdings Limited	-	(70)	-	(70)
	(4)	**(636)**	**(4)**	**(632)**

6.5.5 Transactions with our joint ventures and associated entities

Key transactions with our joint ventures and associated entities recorded in the income statement and statement of financial position related to transactions with NXE Group.

As detailed in note 6.5.1, on 2 April 2025 we disposed of our investment in the NXE Group. Accordingly, the transactions disclosed below are up to this date.

(a) Sale and purchase of goods and services

We sold and purchased goods and services, and earned interest from our associated entities. These transactions were in the ordinary course of business and on normal commercial terms and conditions.

Details of individually significant transactions were as follows:

- we purchased from NXE Group pay television services amounting to $328 million (2024: $467 million). The purchases enabled resale of Foxtel services, including Pay TV content, to our existing customers.
- we sold to NXE Group broadband system services, network access services and other professional services totalling $30 million (2024: $44 million) and wholesale services totalling $46 million (2024: $63 million).

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Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities (continued)

6.5.6 Recognition and measurement

(a) Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Our interests in joint ventures are accounted for using the equity method of accounting.

(b) Investments in associated entities

These are investments in entities over which we have the ability to exercise significant influence but we do not control the decisions of the entity. Our interests in associated entities are accounted for using the equity method of accounting.

(c) Equity method of accounting

Investments in associated entities and joint ventures are carried in the consolidated balance sheet at cost plus post-acquisition changes in our share of the investment's net assets and net of impairment loss. Goodwill relating to an investment in an associated entity or joint venture is included in the carrying value of the investment and is not amortised. When Telstra's share of losses exceeds our investment in an associated entity or joint venture, the carrying amount of the investment is reduced to nil and no further losses are recognised.

The equity accounted investments are assessed for impairment annually or when there are impairment indicators.

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Section 7. Other information

This section provides information and disclosures not included in the other sections, for example our external auditor's remuneration, commitments and contingencies, parent entity disclosures and significant events occurring after reporting date.



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7.1 Auditor's remuneration

Our external auditor of the Group is Deloitte Touche Tohmatsu (Deloitte) (2024: Ernst & Young). In addition to the audit and review of our financial reports, Deloitte provides other services throughout the year. This note details the total fees to our external auditors.

Telstra Group	Year ended 30 June	
	2025	2024
	$m	$m
Fees to Deloitte (Australia)/Ernst & Young (Australia)		
Category 1	7.608	10.598
Category 2	0.041	0.043
Category 3	2.002	1.969
Total fees to Deloitte (Australia)/ Ernst & Young (Australia)	**9.651**	**12.610**
Fees to other overseas member firms of Deloitte (Australia)/Ernst & Young (Australia)		
Category 1	3.749	4.477
Category 2	0.005	-
Category 3	1.139	0.059
Category 4	-	0.144
Total fees to other overseas member firms of Deloitte (Australia)/Ernst & Young (Australia)	**4.893**	**4.680**
Total auditor's remuneration	**14.544**	**17.290**

Audit and non-audit fees are disclosed in the following categories:

- Category 1: fees to the group auditor for auditing the statutory financial report of the parent covering the group, and for auditing the statutory financial report of any controlled entities
- Category 2: fees for assurance services that are required by legislation to be provided by the auditor
- Category 3: fees for other assurance and agreed-upon procedures services where there is discretion as to whether the service is provided by the auditor or another firm
- Category 4: fees for other services (e.g. advisory services).

Services in Category 3 included IT security control assessments, various assurance and agreed-upon procedures, and tax services.

Services in Category 4 included other advisory services.

We have processes in place to maintain the independence of our external auditor, including the nature of expenditure on non-audit services. Deloitte also has specific internal processes and policies in place to ensure auditor independence.

7.2 Other provisions

The table below provides a summary of our current and non-current other provisions.

Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Current other provisions	130	349
Non-current other provisions	217	196
Total other provisions	**347**	**545**

As at 30 June 2025, other provisions included $9 million (2024: $199 million) redundancy provisions as detailed in note 5.1.1.

7.3 Parent entity disclosures

This note provides details of Telstra Entity's financial performance and financial position as a standalone entity. The results include transactions with its controlled entities.

Tables A and B provide a summary of the financial information for the Telstra Entity.

Table A Telstra Entity	As at 30 June	
	2025	2024
	$m	$m
Statement of financial position		
Total current assets	2,358	1,593
Total non-current assets	45,253	44,471
Total assets	**47,611**	**46,064**
Total current liabilities	21,807	22,970
Total non-current liabilities	8,838	4,197
Total liabilities	**30,645**	**27,167**
Share capital	2,345	3,095
Reorganisation reserve	(53)	(53)
Cash flow hedging reserve	(13)	14
Cost of hedging reserve	(26)	(8)
Retained profits	14,713	15,849
Total equity	**16,966**	**18,897**

Section 7. Other information (continued)

7.3 Parent entity disclosures (continued)

Reorganisation reserve represents the amounts recognised as a result of the establishment of the new parent entity and other steps of the Telstra Group restructure completed on 1 January 2023.

Table B Telstra Entity	Year ended 30 June	
	2025	2024
	$m	$m
Statement of comprehensive income		
Profit for the year	1,034	49
Total comprehensive income	956	2

Total current assets include nil (2024: $34 million) of provision for impairment losses recognised during the financial year relating to impairment of intercompany receivables due from certain subsidiaries within our Australian tax consolidated group under the income tax funding agreement. This impairment has been eliminated on consolidation of the Telstra Group.

On 30 April 2025, all unsecured notes and derivatives issued by Telstra Corporation Limited were novated to Telstra Group Limited and recognised at their respective market values totalling $4.2 billion.

As at 30 June 2025, the Telstra Entity did not have any capital commitments. Refer to note 7.4.1 for details about the Group capital commitments.

7.3.1 Contingent liabilities and guarantees

Following the completion of the Telstra Group restructure on 1 January 2023, the Telstra Entity became the parent entity in the Telstra Group and the operating businesses are carried out by separate legal entities controlled by it. As a result, the performance obligations under a number of our existing contractual arrangements now apply to these separate legal entities. Where contractually required or otherwise agreed with counterparties, the Telstra Entity has provided parent company guarantees, however those guarantees did not change the overall economic exposure the Telstra Group had under these arrangements prior to the Telstra Group restructure.

(a) Intra-group debt guarantees

The Telstra Entity has entered into the following intra-group debt guarantees:

- a debt guarantee in favour of holders of specified debt issued by Telstra Group Limited under which each of Telstra Limited and Telstra Corporation Limited guarantee all amounts due and payable but unpaid by Telstra Group Limited in respect of the guaranteed debt. Guaranteed debt entered into by Telstra Group Limited comprises of unsecured notes, bank loans, commercial paper, derivatives covering interest rate swaps and options, cross currency swaps and forward foreign exchange contracts. The guarantee will apply for the term of the guaranteed debt, subject to early release in certain circumstances, including if the guaranteed debt is repaid, redeemed, purchased, exchanged, transferred or substituted (or similar) earlier, and, subject to certain applicable limitations and conditions, may also be released early in respect of the guarantee given by Telstra Corporation Limited. Following the issuance of the debt guarantee, it was measured at fair value and accounted for as an adjustment to the guaranteed debt of Telstra Group Limited, with a corresponding reduction in its investments in Telstra Corporation Limited and Telstra Limited.
- a debt guarantee in favour of holders of all unsecured notes and derivatives issued by Telstra Corporation Limited which were novated to Telstra Group Limited on 30 April 2025, under which each of Telstra Limited and Telstra Corporation Limited guarantee all amounts due and payable but unpaid by Telstra Group Limited in respect of the guaranteed debt. The guarantee will apply for the term of the guaranteed debt, subject to early release in certain circumstances, including if the guaranteed debt is repaid, redeemed, purchased, exchanged, transferred or substituted (or similar) earlier. Following the issuance of the debt guarantee, it was measured at fair value and accounted for as an adjustment to the guaranteed debt of Telstra Group Limited, with a corresponding reduction in its investments in Telstra Corporation Limited and Telstra Limited.

The financial impact of the intra-group debt guarantees has been eliminated at the Telstra Group level.

(b) Contingent liabilities and other guarantees

We have also provided the following indemnities, performance guarantees and financial support through the Telstra Entity:

- guarantees to nbn co in respect of payment obligations of Telstra Limited or Telstra Corporation Limited to nbn co up to a maximum of $2.5 billion in respect of the Subscriber Agreement, and $2.5 billion in respect of the Infrastructure Services Agreement. At the reporting date, the likelihood of any claims under these guarantees is considered remote.
- Telstra Group Limited, Telstra Limited, and Telstra Corporation Limited have entered into (i) a multi entity bank account set off facility; and (ii) banking services agreement, for their transactional banking requirements. A cross guarantee and indemnity have been provided by each of Telstra Group Limited, Telstra Limited and Telstra Corporation Limited in respect of amounts due and payable to the applicable bank counterparty under each of these arrangements.
- parent guarantee under which the Telstra Entity has provided a guarantee in favour of Amplitel Pty Ltd as trustee for the Towers Business Operating Trust in respect of obligations from Telstra Limited under the Master Services Agreement.
- guarantees in favour of counterparties in respect of specified obligations of one of our controlled entities under contracts executed under the International Swaps and Derivatives Association agreement (ISDA) between the controlled entity and the swap counterparty. As at 30 June 2025, there was no exposure under those contracts.

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Section 7. Other information (continued)

7.3 Parent entity disclosures (continued)

7.3.2 Recognition and measurement

The accounting policies for the Telstra Entity are consistent with those of the Telstra Group, except for those noted below:

- under our income tax funding agreement, amounts receivable (or payable) recognised by the Telstra Entity for the current tax payable (or receivable) assumed from our Australian wholly-owned entities are booked as current assets or liabilities. These tax amounts are measured using a 'stand-alone taxpayer' approach. Refer to note 2.4.4 for details about amounts receivable and payable by the Telstra Entity under the income tax funding agreement.
- investments in controlled entities, included within non-current assets, are recorded at cost less impairment of the investment value
- under an internal funding policy between the sponsoring employer of Telstra Super (i.e. the Telstra Entity) and the associated employers (i.e. other legal entities under common control which participate in Telstra Super) each entity recognises the net defined benefit cost related to its employees who are members of Telstra Super. Both the Telstra Entity and the associated employers account for their share of the net deficit (i.e. net defined benefit liability) where the fair value of the plan assets allocated to that entity based on the defined benefit obligations of the employees who are members of Telstra Super is less than the present value of the defined benefit obligations of those employees. The Telstra Entity also accounts for any surplus (i.e. net defined benefit asset) where the fair value of the total plan assets exceeds the total present value of the defined benefit obligations of Telstra Super as a whole.
- where the Telstra Entity grants its equity instruments to employees of a subsidiary, the subsidiary records an expense, with a corresponding credit to equity, representing a capital contribution from the Telstra Entity and the Telstra Entity records an increase in its investment in the subsidiary equivalent to the expense in the subsidiary, with a corresponding credit to equity.

7.4 Commitments and contingencies

This note provides details of our commitments for capital expenditure arising from our contractual agreements.

This note also includes information about contingent liabilities for which no provisions have been recognised due to the uncertainty regarding the outcome of future events and/or inability to reliably measure such liabilities.

7.4.1 Capital expenditure commitments

Table A shows capital expenditure commitments contracted for at balance date but not recorded in the financial statements.

Table A Telstra Group	As at 30 June	
	2025	2024
	$m	$m
Property, plant and equipment commitments	1,330	885
Intangible assets commitments	923	184

As at 30 June 2025, the property, plant and equipment commitments include a $573 million commitment for mobile investment program, and the intangible assets commitments include a $564 million commitment for software development from the strategic partnership with Accenture.

7.4.2 Contingent liabilities and contingent assets

Details and estimated maximum amounts (where reasonable estimates can be made) of contingent liabilities for the Telstra Entity are disclosed in note 7.3.1.

(a) Investigations by regulators

The Telstra Group is subject to a range of laws and regulations in Australia and overseas, including in the areas of telecommunications, corporate law, consumer and competition law and occupational health and safety. In Australia, the principal regulators who enforce these laws and regulations and who Telstra Group interacts with are the Australian Competition and Consumer Commission (ACCC), the Australian Communications and Media Authority (ACMA), the Office of the Australian Information Commissioner (OAIC), the Australian Securities and Investments Commission (ASIC), the Australian Securities Exchange (ASX), and Comcare.

The Telstra Group is subject to investigations and reviews from time to time by regulators, including certain current investigations into whether the Telstra Group has complied with relevant laws and regulations. These are taking place in an environment of heightened scrutiny and regulator expectation and include where the Telstra Group has self-reported issues where it has not complied with relevant laws and regulations. In the ordinary course of our business, we identify, and may continue to identify, issues that have the potential to impact our customers and reputation, which do not meet relevant laws or regulations. Where we identify these issues, disclosures will be made as required by the accounting standards, or our other legal disclosure obligations. Provisions will be made for potential liabilities, if arising, in accordance with the accounting standards.

Regulatory investigations and reviews may result in enforcement action, litigation (including class action proceedings), and penalties (both civil and in limited circumstances, criminal).

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Section 7. Other information (continued)

7.4 Commitments and contingencies (continued)

7.4.2 Contingent liabilities and contingent assets (continued)

(b) Common law claims

Certain common law claims by employees and third parties are yet to be resolved. As at 30 June 2025, management believes that the resolution of these contingencies will not have a significant effect on the Telstra Group's financial results.

(c) Indemnities, performance guarantees and financial guarantees

In addition to the items disclosed in note 7.3.1, we have provided the following indemnities, performance guarantees and financial support through our controlled entities:

- indemnities to financial institutions to support bank guarantees to the value of $237 million (2024: $234 million) in respect of the performance of contracts
- indemnities and corporate guarantees to financial institutions and other third parties in respect of performance and other obligations of our controlled entities, with the maximum amount of our contingent liabilities of $269 million (2024: $278 million). After the balance date, guarantees totalling $3 million expired or were cancelled.
- letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains our controlled entity)
- an internal indemnity arrangement in connection to bank guarantees procured from, and indemnities granted to, financial institutions to the value of $237 million (2024: $234 million) in respect of the performance of contracts.

(d) Other contingent liabilities

Other contingent liabilities identified for the Telstra Group relate to the ASIC deed of cross guarantee. A list of the companies that are party to the deed and part of the Closed Group are included in note 6.2.2. Each of these companies that are part of the Closed Group guarantees the payment in full of the debts of the other companies in the Closed Group in the event of their winding up.

In addition to the above matters, entities within the Telstra Group may be recipients of, or defendants in, certain claims, regulatory or legal proceedings and/or complaints made, commenced or threatened. As at 30 June 2025, management believes that the resolution of these contingencies are not at a stage which supports a reasonable evaluation of the likely outcome of the matter and therefore, no provision has been made.

(e) Contingent assets

We had no significant contingent assets as at 30 June 2025.

7.5 Events after reporting date

We are not aware of any matter or circumstance that has occurred since 30 June 2025 that, in our opinion, has significantly affected or may significantly affect in future years:

- our operations
- the results of those operations, or
- the state of our affairs

other than the following:

7.5.1 Final dividend

The details of the final dividend for the financial year 2025 are disclosed in note 4.2.

7.5.2 Disposal of the Versent disposal group

On 13 August 2025, we entered into a legally binding agreement to sell a 75 per cent interest in our controlled entities within the Versent disposal group as detailed in note 6.4.1.

7.5.3 Share buy-back

On 14 August 2025, we announced an on-market share buy-back of up to $1 billion to be conducted during the financial year 2026.

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Consolidated Entity Disclosure Statement

As at 30 June 2025

The consolidated entity disclosure statement is required by section 295(3A) of the *Corporations Act*. It includes disclosures about entities consolidated within the Telstra Group, including details about tax residency of each entity.

The consolidated entity disclosure statement sets out a complete list of Telstra Group and its controlled entities as at 30 June 2025 as detailed in the table below.

Joint ventures (as determined under the accounting standards) are not consolidated as controlled entities in the Telstra Group.

Section 295(3A) of the *Corporations Act* requires disclosure of the tax residency of each entity included in the consolidated entity disclosure statement.

In certain cases, determining tax residency involves judgement as it can be fact dependent and subject to interpretation, requiring consideration of matters such as location of central management and control or place of effective management. We applied the following interpretations in determining tax residency:

- Australian tax residency has been assessed based on current legislation and judicial precedent, including having regard to the Commissioner of Taxation's existing public guidance
- Foreign tax residency has been assessed based on applicable foreign legislation, judicial precedent and regulator guidance.

The table below includes the following details:

- the name of each entity consolidated within the Telstra Group, its country of incorporation or formation, and the ownership percentage of equity held by the subsidiary's immediate and ultimate parent, respectively
- whether the entity was an Australian tax resident and each foreign jurisdiction (if any) the entity was a tax resident
- entities which were a partnership or trust (with all other entities being companies/body corporates) are referenced with (a) with further details provided below the table
- entities which were a trustee of a trust within the Telstra Group, or a partner in a partnership within the Telstra Group are referenced with (a) with further details provided below the table.

Further details about entities within the Telstra Group should be read together with the table below and a related alphabetical reference (if any) next to the entity's name.

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2025	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
Parent entity					
Telstra Group Limited	Australia	Yes	n/a		
Controlled entities					
Telstra Corporation Limited	Australia	Yes	n/a	100.0	100.0
• DCA eHealth Solutions Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Argus Connecting Care Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Communicare eHealth Solutions Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Medinexus Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Merricks NewCo Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
• Telstra Multimedia Pty Limited	Australia	Yes	n/a	100.0	100.0
Telstra ESOP Trustee Pty Limited	Australia	Yes	n/a	100.0	100.0
Telstra Finance Limited	Australia	Yes	n/a	100.0	100.0
Telstra Foundation Ltd (a)	Australia	Yes	n/a	n/a	n/a
Telstra Growthshare Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
Telstra International Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Holdings Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
• Telstra International Operations Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra International Networks Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Australia Networks Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Global (Malaysia) Sdn. Bhd.	Malaysia	No	Malaysia	61.0	61.0
• Pacnet Limited	Bermuda	No	n/a	100.0	100.0
• Pacnet Services Corporation Ltd	Bermuda	No	n/a	100.0	100.0
• Asia Netcom Pacnet (Ireland) Limited	Ireland	No	Ireland	100.0	100.0

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Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2025	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Pacnet Global Corporation (S) Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Pacnet Services (Korea) Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Pacnet Services South Asia (Philippines) Inc.	Philippines	No	Philippines	100.0	100.0
• Pacnet Services (UK) Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Telstra Services (USA) Inc.	United States	No	United States	100.0	100.0
• Pacnet Services (Japan) Corp.	Japan	No	Japan	39.6	100.0
• Pacnet Services Holdings (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Telstra Services (Taiwan) Inc.	Taiwan	No	Taiwan	11.0	100.0
• Telstra Internet (S) Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Pacnet Internet (HK) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Pacific Business Solutions (China)	China	No	China	48.0	48.0
• Pacific Business Solutions (China) Xi'an	China	No	China	100.0	48.0
• Pacific Business Solutions (China) Chongqing	China	No	China	100.0	48.0
• Pacific Business Solutions (China) Tianjin	China	No	China	100.0	48.0
• Pacific Business Solutions (China) Shanghai	China	No	China	100.0	48.0
• Telstra PBS Limited	Hong Kong	No	Hong Kong	100.0	48.0
• Pacific Business Solutions (China) CQ	China	No	China	100.0	48.0
• Pacific Business Solutions (China) Beijing	China	No	China	100.0	48.0
• Pacific Internet India Private Limited	India	No	India	99.9	100.0
• Pacnet Network Limited	Bermuda	No	n/a	100.0	100.0
• Pacnet Network (UK) Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Pacnet Network (Korea) Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Pacnet Network (Philippines) Inc.	Philippines	No	Philippines	100.0	100.0
• Pacnet Services (Japan) Corp.	Japan	No	Japan	57.8	100.0
• Pacnet Cable Limited	Bermuda	No	n/a	100.0	100.0
• C2C Pacnet (Ireland) Limited	Ireland	No	Ireland	100.0	100.0
• Pacnet Cable (Korea) Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Telstra Network & Business Services Korea Co., Ltd	Republic of Korea	No	Republic of Korea	49.0	100.0
• Pacnet Cable (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Pacnet Cable (USA) Inc.	United States	No	United States	100.0	100.0
• Pacnet Services (Japan) Corp.	Japan	No	Japan	2.6	100.0
• Asia Communications Investment Holdings (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Asia Communications Investment (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Telstra Services (Taiwan) Inc.	Taiwan	No	Taiwan	40.0	100.0
• Telstra Services (Taiwan) Inc.	Taiwan	No	Taiwan	49.0	100.0
• Beijing Australia Telecommunications Technical Consulting Services Company Limited	China	No	China	100.0	100.0

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Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2025	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Reach Network India Private Limited	India	No	India	99.9	99.9
• Telstra Asia Limited	British Virgin Islands	No	n/a	100.0	100.0
• Telstra SE Asia Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• PT Reach Network Services Indonesia	Indonesia	No	Indonesia	90.0	100.0
• Telstra Asia Regional Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• Telstra Malaysia Sdn. Bhd.	Malaysia	No	Malaysia	51.0	51.0
• Telstra (Thailand) Co. Ltd	Thailand	No	Thailand	49.0	49.0
• Telstra Philippines Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• Incomgen Holdings Inc.	Philippines	No	Philippines	40.0	40.0
• Telstra Web Holdings Inc.	Philippines	No	Philippines	60.0	64.0
• Telstra Philippines Inc.	Philippines	No	Philippines	60.0	78.4
• Telstra Philippines Inc.	Philippines	No	Philippines	40.0	78.4
• Telstra Web Holdings Inc.	Philippines	No	Philippines	40.0	64.0
• Telstra Global Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• Telstra International Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Telstra Global (HK) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Telstra Cable (HK) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• PT Reach Network Services Indonesia	Indonesia	No	Indonesia	10.0	100.0
• Telstra Global Limited	United Kingdom	No	United Kingdom	100.0	100.0
• PT Telstra Nusantara	Indonesia	No	Indonesia	95.0	95.0
• Telstra UK Limited	United Kingdom	No	United Kingdom, UAE, Sweden	100.0	100.0
• Company 85 Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Telstra Holdings Singapore Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Telstra Incorporated	United States	No	United States, Canada	100.0	100.0
• Telstra India Private Limited	India	No	India	99.9	100.0
• Pacific Internet India Private Limited	India	No	India	0.1	100.0
• Telstra International PNG Limited	Papua New Guinea	No	Papua New Guinea	100.0	100.0
• Telstra Japan K. K.	Japan	No	Japan	100.0	100.0
• Telstra Network Services NZ Limited	New Zealand	No	New Zealand	100.0	100.0
• Telstra Services Korea Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Telstra Network & Business Services Korea Co., Ltd.	Republic of Korea	No	Republic of Korea	51.0	100.0
• Telstra Singapore Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Telstra India Private Limited	India	No	India	0.1	100.0
• Pacific Internet India Private Limited	India	No	India	0.1	100.0
• Telstra Telecommunications Private Limited	India	No	India	0.1	100.0
• Telstra Telecommunications Private Limited	India	No	India	99.9	100.0
• Telstra Global Business Services LLP (a)	India	No	India	50.0	100.0

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Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2025	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Telstra GmbH	Germany	No	Germany	100.0	100.0
• Telstra SARL	France	No	France	100.0	100.0
• Telstra PM Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra PM Pty Ltd	Australia	Yes	n/a	100.0	100.0
• BidCo (S) Pte. Ltd	Singapore	No	Singapore	100.0	100.0
• Digicel Pacific Limited	Bermuda	No	n/a	100.0	100.0
• Digicel (Nauru) Corporation	Nauru	No	Nauru	80.0	80.0
• Digicel International Resources Ltd	Cayman Islands	No	n/a	100.0	100.0
• Digicel Carrier Services (Pacific) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Digicel (Singapore) Private Limited	Singapore	No	Singapore	100.0	100.0
• Digicel (PNG) Limited	Papua New Guinea	No	Papua New Guinea	100.0	100.0
• Digicel (PNG) Financial Services Limited	Papua New Guinea	No	Papua New Guinea	100.0	100.0
• Digicel PNG Foundation Inc.	Papua New Guinea	No	Papua New Guinea	n/a	n/a
• Digicel (Aus) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Diaspora Talktime (New Zealand) Limited	New Zealand	No	New Zealand	100.0	100.0
• Digicel Central Resources (Fiji) Pte Limited	Fiji	No	Fiji	99.0	100.0
• Digicel Pacific Finance Limited	Bermuda	No	n/a	100.0	100.0
• Digicel (Fiji Islands) Pte Limited	Fiji	No	Fiji	100.0	100.0
• Digicel (Fiji) Pte Limited	Fiji	No	Fiji	49.0	100.0
• Digicel (Fiji) Pte Limited	Fiji	No	Fiji	51.0	100.0
• Digicel Central Resources (Fiji) Pte Limited	Fiji	No	Fiji	1.0	100.0
• Digicel (Tonga) Limited	Tonga	No	Tonga	100.0	100.0
• Digicel Media Ventures (Tonga) Limited	Tonga	No	Tonga	100.0	100.0
• Digicel (Tonga) Financial Services Limited	Tonga	No	Tonga	100.0	100.0
• Digicel (Vanuatu) Limited	Vanuatu	No	n/a	100.0	100.0
• Highrise Properties Ltd	Vanuatu	No	n/a	100.0	100.0
• Digicel Properties (Vanuatu) Limited	Vanuatu	No	n/a	100.0	100.0
• Digicel (Samoa) Limited	Samoa	No	Samoa	80.0	80.0
• Digicel (Samoa) Financial Services Ltd	Samoa	No	Samoa	100.0	80.0
• Telstra Reach Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
Telstra Limited	Australia	Yes	n/a	100.0	100.0
• Bridge Point Communications Pty Ltd	Australia	Yes	n/a	100.0	100.0
• CloudMed Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Heritage Telecommunications Ltd	Australia	Yes	n/a	n/a	n/a
• MTData Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Mobile Tracking and Data Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Transport Compliance Services Pty Ltd	Australia	Yes	n/a	100.0	100.0
• MTData NZ Limited	New Zealand	No	New Zealand	100.0	100.0

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Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2025	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• NDC Global Holdings Pty Limited	Australia	Yes	n/a	100.0	100.0
• NDC Global Services Pty Limited	Australia	Yes	n/a	100.0	100.0
• Pacnet Services (A) Pty. Ltd.	Australia	Yes	n/a	100.0	100.0
• Pacnet Internet (A) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Hunterlink Pty Limited	Australia	Yes	n/a	100.0	100.0
• Quantium Telstra Pty Ltd	Australia	Yes	n/a	50.1	50.1
• Telstra Communications Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Holdings) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Retail) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Markets) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Generation) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Foundation (Philippines), Inc.	Philippines	No	Philippines	n/a	n/a
• Telstra Health Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Health Services Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Clinical Technology Holdings Pty Limited	Australia	Yes	n/a	100.0	100.0
• Clinical Technology Systems Pty Limited	Australia	Yes	n/a	100.0	100.0
• Health Communication Network Pty Limited	Australia	Yes	n/a	100.0	100.0
• Phoenix Medical Publishing Pty Limited	Australia	Yes	n/a	100.0	100.0
• MedicalDirector (NZ) Limited	New Zealand	No	New Zealand	100.0	100.0
• MedicalDirector Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Power Solutions Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Powerhealth Solutions W.L.L.	Bahrain	No	n/a	100.0	100.0
• Power Solutions DTD Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Power Solutions Health Management Consulting Limited	Saudi Arabia	No	Saudi Arabia	100.0	100.0
• PowerHealth Solutions Canada Inc	Canada	No	Canada	100.0	100.0
• Power Solutions DTD Limited	Ireland	No	Ireland	100.0	100.0
• Power Health Solutions Limited	New Zealand	No	New Zealand	100.0	100.0
• Power Health Solutions Limited	Hong Kong	Yes	n/a	100.0	100.0
• Fred IT Group Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Medication Knowledge Pty Ltd	Australia	Yes	n/a	100.0	100.0
• MedView Services Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Health UK (Holdings) Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Dr Foster Research Ltd	United Kingdom	No	United Kingdom	100.0	100.0
• Telstra Health UK Ltd	United Kingdom	No	United Kingdom	100.0	100.0
• Telstra International Philippines, Inc.	Philippines	No	Philippines	100.0	100.0
• Telstra OnAir Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Pay TV Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Purple Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Alliance Automation Pty Ltd	Australia	Yes	n/a	100.0	100.0
• DLM Automation Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Aqura Technologies Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Epicon IT Solutions Pty. Ltd.	Australia	Yes	n/a	100.0	100.0
• Service Potential Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Epicon Software Pty Ltd	Australia	Yes	n/a	100.0	100.0

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Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2025	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Telstra Broadcast Services Pty Limited	Australia	Yes	n/a	100.0	100.0
• Versent Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Stax-WMS Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Versent SG Pte. Ltd.	Singapore	No	Singapore	100.0	100.0
• Versent US Inc.	United States	No	United States	100.0	100.0
• Versent Group ESS Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Services Solutions Holdings Limited	Australia	Yes	n/a	100.0	100.0
• Telstra 3G Spectrum Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra International (Aus) Limited (a)	Australia	Yes	Philippines	100.0	100.0
• Telstra Global Business Services LLP (a)	India	No	India	50.0	100.0
• Telstra Plus Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Ventures Pty Limited	Australia	Yes	n/a	100.0	100.0
• Fone Zone Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Fone Zone People Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Sprout Corporation Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Kel 2000 Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Kel 2010 Pty Ltd	Australia	Yes	n/a	100.0	100.0
• One Zero Communications Pty Ltd	Australia	Yes	n/a	100.0	100.0
• One Xerro TLS (Bundaberg) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Geek Squad Australia Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Computer Geek Squad Pty Ltd	Australia	Yes	n/a	100.0	100.0
• One Zero TCS (Warwick) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Virtual Machine Technology Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Media Innovations Holdings Pty Ltd	Australia	Yes	n/a	51.4	51.4
• Media Innovations IP Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Media Innovations Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Media Innovations Management Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Convergent Media Investments Pty Ltd	Australia	Yes	n/a	100.0	51.4
• FetchTV Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Fetch TV Retail Pty Ltd	Australia	Yes	n/a	100.0	51.4
• FetchTV Content Pty Ltd	Australia	Yes	n/a	100.0	51.4
• FetchTV Management Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Media Innovations Services Sdn. Bhd.	Malaysia	No	Malaysia	100.0	51.4
• Telstra Software Group Pty Ltd	Australia	Yes	n/a	100.0	100.0
• muru-D Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Delta Networks Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Boost Tel Pty Limited	Australia	Yes	n/a	100.0	100.0
• Sound Surgeon Pty Limited	Australia	Yes	n/a	100.0	100.0
• Digital Turbine Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Belong Corporation Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Cell Phones Direct Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Sports and Media Streaming Pty Ltd (formerly A.C.N. 683 225 738 Pty Ltd)	Australia	Yes	n/a	100.0	100.0
Telstra Towerco No.2 Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Amplitel Pty Ltd (a)	Australia	Yes	n/a	51.0	51.0

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(a) Entities which were a partnership or trust, or a trustee of a trust, or a partner in a partnership

Entities with reference '(a)' were a partnership or trust, a trustee of a trust within the Telstra Group, or a partner in a partnership within the Telstra Group as at 30 June 2025.

The entities have been classified as partnerships or trusts following the accounting requirements. Refer to note 6.5.6 for our accounting policy regarding recognition and measurement of joint ventures and associated entities.

The following entities were partners in Telstra Global Business Services LLP, a partnership within the Telstra Group:

- Telstra Holdings Pty Ltd
- Telstra International (Aus) Limited.

The table below presents the entities which were a trustee of a trust within the Telstra Group and the trusts that they were trustees of:

Trustee	Trust
Amplitel Pty Ltd	Towers Business Operating Trust
Merricks NewCo Pty Ltd	The Exchange Trust
Telstra Foundation Limited	Telstra Foundation Community Development Fund
Telstra Growthshare Pty Ltd	Telstra Growthshare Trust

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Directors' Declaration

This Directors' Declaration is required by the *Corporations Act 2001* of Australia.

The Directors of Telstra Group Limited have made a resolution that declared:

(a) in the Directors' opinion, the financial statements and notes of the Telstra Group for the financial year ended 30 June 2025 as set out in the financial report are in accordance with the *Corporations Act 2001*, including:
   (i) complying with the Accounting Standards applicable in Australia, International Financial Reporting Standards and Interpretations (as disclosed in note 1.1 to the financial statements), and Corporations Regulations 2001
   (ii) giving a true and fair view of the financial position of Telstra Group Limited and the Telstra Group as at 30 June 2025 and of the performance of Telstra Group Limited and the Telstra Group, for the year ended 30 June 2025

(b) they have received declarations as required by section 295A of the *Corporations Act 2001*

(c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that Telstra Group Limited will be able to pay its debts as and when they become due and payable

(d) at the date of this declaration there are reasonable grounds to believe that the members of the extended closed group identified in note 6.2.2 to the financial statements, as parties to a Deed of Cross Guarantee, will be able to meet any liabilities to which they are, or may become, subject to because of the Deed of Cross Guarantee described in note 6.2.2.

(e) in the Directors' opinion, the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* for the year ended 30 June 2025 is true and correct.

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For and on behalf of the board



Craig W Dunn
Chair



Vicki Brady
Chief Executive Officer and Managing Director

14 August 2025

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of Telstra Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Telstra Group Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Revenue recognition The Group exercises judgement in the application of AASB 15 Revenue from Contracts with Customers ("AASB 15") in accounting for large and complex Telstra Enterprise Australia ("TEA") contracts with customers which are usually bespoke in nature as they deliver tailored solutions and services. The process for revenue recognition for all significant revenue streams, including the accuracy and timing of revenue recorded and related balance sheet amounts is dependent on a number of legacy and new billing systems, interfaces, IT tools, IT systems, automated and manual controls. There is complexity within the billing systems due to technology transformation, multiple internal and outsourced arrangements, the volume of data and revenue recognition data rules. Disclosures relating to revenue recognition can be found at Section 2.2 Income.	For revenue recognised in relation to TEA contracts, we have focused our audit effort on evaluating management's application of AASB 15 in accounting for contracts with customers. We selected a sample of contracts with customers based on risk characteristics and size and performed focused audit procedures on this sample which included: • Obtaining and reading relevant sections of selected contracts and evaluating these in conjunction with management's AASB 15 assessments. This included evaluation of identified performance obligations, allocation of consideration to performance obligations and the impact of timing of fulfilment of performance obligations on recognition of revenue and related fulfilment costs; • For those contracts where performance obligations are met over time, obtaining evidence to support the recording of revenue against performance obligations; and • Assessing any changes to contractual arrangements and whether they have been accounted for appropriately.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Revenue recognition (continued)	For the remainder of contracts with customers in TEA, we have evaluated the population and performed substantive audit procedures on a sample basis. In conjunction with our IT audit specialists, for all significant revenue streams, we have assessed the Group's manual and automated controls (including interfaces and tools) and IT systems that were relevant to the recognition of revenue. We evaluated the design and operating effectiveness of the key manual and automated controls over the capture and measurement of revenue transactions across significant revenue streams. This included but was not limited to assessing the processes and controls over changes to products, pricing and plans. We have assessed the adequacy and appropriateness of the Group's accounting policies and related disclosures in the notes to the financial statements.
Capitalisation of assets, transfer from assets under construction and determination of useful lives The determination of the carrying amount of assets, including property, plant and equipment and software intangible assets, requires judgement to be exercised by management, particularly in the areas noted below: • The decision to capitalise or expense costs; • The assessment of useful lives; and • The timeliness of the transfer from assets under construction to commence depreciation/amortisation. Changes in these judgements can have a significant impact on the results of the Group. Disclosures relating to the capitalisation of assets and useful lives can be found at Section 3.1 Property, plant and equipment and intangible assets.	Our audit procedures to evaluate the determination of the carrying value amount of assets, including property, plant and equipment and software intangible assets included the following; • Obtaining an understanding of the Group's procedures around capitalisation of assets, the transfer from assets under construction and the annual assessment of useful lives; • Evaluating the design and implementation of key controls with respect to the capitalisation of assets, transfer from assets under construction and the annual assessment of useful lives, and where practicable testing the operating effectiveness of these key controls; • Verifying the appropriateness of costs capitalised during the year based on a sample of additions; • Verifying on a sample basis, the appropriateness of the date from which assets commenced depreciation and amortisation; • Performing substantive analytical procedures to audit the depreciation and amortisation expense recognised during the year; • Evaluating the Group's useful life review during the year and the judgements applied as part of the review, including any changes made to useful lives, and any resulting changes in depreciation and amortisation. As part of this evaluation, we also consider significant changes that have taken place during the year or are expected to take place in future periods that would impact the useful life review; and • Evaluating the adequacy of the disclosures included in Section 3.1.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

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

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Remuneration Report

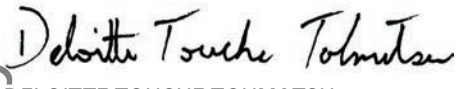
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Telstra Group Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Matt Sheerin
Partner
Chartered Accountants
Melbourne, 14 August 2025

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Shareholder information

Listing information

Stock Exchange Listing

Telstra Group Limited is listed, and its issued shares are quoted on the Australian Securities Exchange (ASX).

Markets on which our debt securities are listed

Telstra Group Limited also has debt securities listed on the ASX and the Singapore Exchange.

Voting rights

Shareholders (whether residents or non-residents of Australia) may vote at a meeting of shareholders in person, directly or by proxy, attorney or representative, depending on whether the shareholder is an individual or a company.

Subject to any rights or restrictions attaching to our shares, on a show of hands each shareholder present in person or by proxy, attorney or representative has one vote and, on a poll, has one vote for each fully paid share held. Presently, we have only one class of fully paid ordinary shares and these do not have any voting restrictions. If shares are not fully paid, on a poll the number of votes attaching to the shares is pro-rated accordingly.

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Distribution of securities and security holdings

The following table shows the number of listed shares on issue at 31 July 2025:

Title of class	Identity of person or group	Amount owned	%
Listed shares	Listed shareholders	11,385,028,987	100

Distribution of shares

The following table summarises the distribution of our listed shares as at 31 July 2025:

Size of holding	Number of shareholders	%	Number of shares	%
1–1,000	539,520	49.56%	289,749,433	2.55%
1,001–5,000	375,011	34.45%	886,279,991	7.78%
5,001–10,000	90,895	8.35%	649,519,187	5.71%
10,001–100,000	80,474	7.39%	1,929,941,174	16.95%
100,001 and over	2,700	0.25%	7,629,539,202	67.01%
Total	**1,088,600**	**100.00%**	**11,385,028,987**	**100.00%**

The number of shareholders holding less than a marketable parcel of shares was 23,114 holdings totalling 1,318,617 shares (based on the closing market price on 31 July 2025).

Substantial shareholding

As at 31 July 2025, the following organisations have disclosed a substantial shareholding notice on the ASX:

Name	Number of shares
STATE STREET CORPORATION AND SUBSIDIARIES[1]	697,178,937

1. Substantial shareholding as at 14 May 2024, as per notice lodged on 16 May 2024.

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Twenty largest shareholders as at 31 July 2025

The following table sets out the Top 20 holders of our shares:

	Shareholder name	Amount owned	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,700,232,050	14.93%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,593,154,892	13.99%
3	CITICORP NOMINEES PTY LIMITED	1,089,060,183	9.57%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,069,015,088	9.39%
5	BNP PARIBAS NOMINEES PTY LIMITED <AGENCY LENDING A/C>	534,295,201	4.69%
6	BNP PARIBAS NOMS PTY LIMITED	183,012,638	1.61%
7	NATIONAL NOMINEES LIMITED	127,766,651	1.12%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	82,341,788	0.72%
9	BNP PARIBAS NOMINEES PTY LIMITED <HUB24 CUSTODIAL SERV LTD>>	80,415,667	0.71%
10	BNP PARIBAS NOMINEES PTY LTD <DEUTSCHE BANK TCA>	61,623,690	0.54%
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	49,017,284	0.43%
12	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	47,525,000	0.42%
13	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	27,638,585	0.24%
14	ARGO INVESTMENTS LIMITED	25,000,000	0.22%
15	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	24,742,851	0.22%
16	ARGO INVESTMENTS LIMITED	23,514,800	0.21%
17	BNP PARIBAS NOMS(NZ) LTD	21,524,535	0.19%
18	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	20,727,358	0.18%
19	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	19,627,142	0.17%
20	IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	15,824,276	0.14%
	Total for Top 20	**6,796,059,679**	**59.69%**
	Total other Investors	**4,588,969,308**	**40.31%**
	Grand Total	**11,385,028,987**	**100.00%**

On-market share buy-back

On 20 February 2025, we announced an on-market share buy-back of up to $750 million, consistent with our capital management framework. The on-market share buy-back commenced on 12 March 2025 and completed on 18 June 2025 with 169,398,366 shares purchased for a total of $749,999,996. The shares were subsequently cancelled.

On 14 August 2025, we announced an additional on-market share buy-back of up to $1 billion to be conducted during the financial year 2026.

Guidance versus reported results

This schedule details adjustments made to the reported results for the current and comparative periods to reflect the performance of the business on the basis on which we provided guidance to the market, which excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. For acquisitions, Underlying EBITDA includes earnout adjustments in the second and subsequent years following acquisition in accordance with our policy. Free cashflow after lease payments (FCFaL) defined as 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities' and excludes spectrum and guidance adjustments. FY25 FCFaL guidance includes around $300m cash outflow related to FY24 restructuring costs.

The following adjustments provide a detailed reconciliation from reported to guidance results for each guidance measure:

	Underlying EBITDA			Free Cashflow	
	FY24 $m	FY25 $m		FY24 $m	FY25 $m
Reported EBITDA	**7,528**	**8,607**	**Reported Free Cashflow**	**2,059**	**3,956**
Adjustments					
M&A Adjustments[1]	30	(36)	M&A Adjustments[1]	394	(143)
Telstra Enterprise reset & impairments[2]	438	50	Telstra Enterprise reset & impairments[2]	n/a	n/a
Restructuring costs[3]	247	0	Restructuring costs[3]	n/a	n/a
Spectrum payments[4]	n/a	n/a	Spectrum payments[4]	1,284	57
Lease[5]	n/a	n/a	Lease[5]	(751)	(762)
Strategic investment[6]	n/a	n/a	Strategic investment[6]	**261**	**325**
Guidance Underlying EBITDA	**8,243**	**8,621**	**Guidance Free Cashflow**	**3,247**	**3,433**

The adjustments set out in the above tables have been reviewed by our auditor in accordance with the Australian Standard on Review Engagements ASRE 2405 Review of Historical Financial Information Other than a Financial Report, for consistency with the guidance basis set out on this page. Our auditors have concluded that based on their review, which is not an audit, nothing has come to their attention that causes them to believe that the adjustments made to reported EBITDA and Free Cashflow set out in the Market Guidance Statement for the year ended 30 June 2025 are not prepared, in all material respects, in accordance with the guidance basis as set out on this page.

Notes:

1. M&A adjustments relating to acquisitions and disposals of controlled entities, joint ventures, associates and other investments and any associated net gains or losses, and contingent consideration.

   FY24 underlying EBITDA also adjusted for Versent Pty Ltd and its controlled entities (Versent) trading performance and additional operating costs related to multiple individually immaterial Telstra Business Technology Centres acquired.

   FY25 underlying EBITDA adjustment including $43m non-cash gain from Tianjin data centre lease.

   M&A adjustments include income adjustments of $81m in FY24 including Versent and $47m in FY25 including non-cash gain from Tianjin data centre lease.

   Free Cashflow adjusted for the following:

   FY24:
   – Payment for the acquisition of Versent.
   – Payment for multiple individually immaterial Telstra Business Technology Centres and associated additional operating costs.
   – Additional equity contribution to Silicon Quantum Computing Pty Ltd.
   – Payment of ~$111m for FY23 Digicel Pacific earn-out.

   FY25:
   – Payment of $125m for the acquisition of Boost Tel Pty Limited and its controlled entities (Boost Mobile).
   – Proceeds of $134m from the disposal of Titanium Ventures Fund II L.P.
   – Receipt of $131m loan repayment from Foxtel.

2. FY24 impairments including for Telstra Enterprise reset ($311m), right-of-use assets following a review of utilisation of our office building leases ($82m), and Retail Energy business ($45m).

   Telstra Enterprise reset including $177m for deferred contract costs and $134m for goodwill, software and inventory.

   FY25 impairments including $50m impairment of London Hosting Centre assets.

3. FY24 Adjustments, over and above normal business as usual redundancies, that relate to organisational changes to simplify operations and improve productivity.

4. Adjustment relating to the impact on free cashflow associated with our spectrum purchases and renewals for FY25 including:
   – $56m instalment payment for our national spectrum licence in the 26 GHz band.
   – $0.6m payments for various ACMA licences.
   – $0.3m payments for area-wide and apparatus licence in various spectrum bands.

5. Adjustment to Free Cashflow for payment of lease liabilities (including principal and interest).

6. Adjustment to Free Cashflow for strategic investment capex measured on an accrued basis and relates to the Intercity Fibre Network and Viasat projects.

n/a Adjustment is not relevant to the respective guidance measure.

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Climate and nature – standing disclosures

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Identification and prioritisation of climate and nature-related risks

New and emerging risks, including those related to climate and nature, are identified through horizon scanning, review of historic incidents and impacts, operational management actions (including major works or projects), anecdotal evidence, desktop assessments and advice from both internal and external subject matter experts.

In addition, we have embedded climate and nature considerations into several key business processes to help with the early identification of potential climate and nature-related concerns. These include:

- Our M&A screening process
- An in-house eco-design tool and assessment model in our product development cycle
- Developing a screening approach for new suppliers.

Identified risks are assessed against our risk management framework which considers consequence and likelihood. Consequences, or risk impacts, are measured across seven categories, including financial, customer, environmental (including climate and nature), health and safety, and compliance. Each consequence category is rated from 1-5 with qualitative and quantitative thresholds for each level. Similarly, the likelihood of the risk occurring is rated from A (Rare) to E (Almost certain). The combination of the consequence and likelihood scores provides the inherent risk rating.

Risk appetite for risks which have the potential to have a material impact on our business is set by the Board and informed by the recommendations of the Risk and Sustainability Committee. The gap, if any, between the inherent risk rating and risk appetite informs our management and control activities to mitigate the severity of consequence, reduce the likelihood of the risk occurring and/or accept the risk rating. The intent is to utilise controls to attain a residual risk rating in alignment with risk appetite.

Scenario analysis is used to provide an indication of the magnitude and direction of change in our exposure to climate hazards. We have modelled the exposure of our Australian above ground and core fibre pathways to both acute and chronic physical climate hazards under three different global heating scenarios (<2°C, 2-3°C and >4°C). This analysis has a time horizon to 2050 and provides an interim 2030 view. For climate transition concerns we take a medium term view, which aligns with our Connected Future 30 strategy, to evaluate trends in customer needs, regulatory reform and market shifts which would be anticipated as part of a transition to a low carbon economy which limits global heating to 1.5°C by 2100.

Climate is often a component or factor of other risks – while it is core to our Material Risks of Climate adaptation and Energy resilience, it is also a consideration in other FY26 Critical Risks or Material Risks such as Safety and wellbeing of our employees and contractors, Resilience of our networks and Effective, responsible and resilient supply chain.

Regular reviews and updates to CEOLT, RSC and Board are provided by respective risk owners. Control owners meet more frequently with relevant working groups and risk managers.

Managing climate and nature-related risks in our supply chain

Business resilience is one of twelve supplier risks embedded in our supplier governance framework. In FY25 we established new processes for embedding climate and nature considerations into our assessment of business resilience for critical suppliers. Once implemented in FY26, the framework will improve our understanding of our suppliers' climate and nature practices, and will enable us to collect more granular supplier and location specific data which we can use to improve our assessment of climate and nature risk over time.

Under our Supplier Code of Conduct, we expect suppliers to implement an environmental management system that conforms to a recognised standard such as ISO14001:2015. We also require suppliers to consider their material impacts and dependencies on nature, including where those could impact delivery of services against their contract with Telstra.

We assess potential environmental impacts, including nature considerations, of projects during supplier risk assessment and at contract tender phase. Where risks are identified, we work with suppliers to implement appropriate risk controls and monitor these during the term of the contract.

Operational environmental risk identification and management

Operational nature and biodiversity risks are managed as part of an environmental management system certified to ISO14001:2015 Environmental Management Systems Standard. Minimum expectations and standards are defined in Telstra's Health, Safety, Wellbeing & Environment (HSWE) Management System Standards which apply where Telstra Group operates (including wholly owned subsidiaries and controlled entities). Telstra verifies compliance through onboarding HSWE assessments, internal and external assurance activities and incident investigations and corrective action plans. No non-conformances were identified during the 2024 surveillance audit against the ISO14001:2015 standard.

Construction, infrastructure maintenance and network operations have the greatest exposure to biodiversity risks (see nature impacts and physical nature risks listed above). Where required, functions or project teams develop specific management systems and plans to address these risks. Where required, environment and cultural heritage experts are engaged to inform environmentally safe and culturally respectful works in areas of potential significance.

Environmental incidents (such as unauthorised access or clearance of land, spills, inappropriate management of waste, or animal strikes) are reported in Telstra's incident management system Donesafe. Environmental risk indicators (such as progress towards achieving environmental targets, environmental audit outcomes and compliance measures) are also monitored by both management and the RSC to manage performance against risk appetite.

Climate scenario analysis methodology

Our climate scenario analysis commenced in 2020 and has evolved year on year to reflect changes in availability of both business and climate data, and developments in best practice methodologies and approaches. This section describes key definitions, assumptions, data sources, scopes, outcomes and limitations of our analysis.

How we define short, medium and long term

Short	1 year – representing our in-year actual experience of climate-related risks and opportunities
Medium	FY26–FY30 – aligned to our Connected Future 30 strategy
Long	FY31–FY50 – to support the planning and delivery of our net-zero emissions commitment

The scenarios we use to identify climate-related risks and stress-test our resilience

	2100 global heating outcome	RCP[1]	Time horizons	Key notes, assumptions and sources
Physical risks	<2°C	2.6	2030 and 2050	Physical risk scenario analysis uses CMIP5 climate model data downscaled for Australian application by CSIRO. We use a range of climate models depending on the variables we wish to test, including: • GFDL-ESM2M – hotter dryer outcome • MIROC5 – warmer wetter outcome. Additional data sources used under licence are noted alongside relevant climate hazards.
	2-3°C	4.5		
	>4°C	8.5		
Transition risks	1.5°C	1.9	2030	**Policy and legal:** • Australian renewable electricity target of 82% by 2030 • Australian emissions reduction target of 75% reduction by 2035 • Expansion of the Safeguard Mechanism in 2026/27 to capture Telstra • Increasing international CBAMs come into effect • ASRS expanding to include TNFD. **Markets:** • Australian energy markets facing increasing price and operational volatility as they decarbonise in alignment with AEMO's 'Step Change' scenario • Complex co-ordination of policy, generation and transmission stakeholders required to meet decarbonisation targets. **Technology:** • Increasing reliance on digital infrastructure across the economy • Growth in data, AI and cloud computing requirements • Direct to handset satellite technology matures • Development of 6G towards 2030. **Key sources include:** • AEMO Integrated System Plan 2024 'Step Change'[2] • Network for Greening the Financial System (NGFS) Net Zero 2050 Scenario[3] • International Energy Agency Net Zero Emissions by 2050[4] • Climateworks Centre decarbonisation scenarios 2023.[5]

Elements of our business which have been tested under these scenarios

Australian operations	Detailed physical climate hazard assessment including financial quantification covering all above ground network assets and major fibre pathways under RCP 2.6, 4.5 and 8.5, with a view of changing exposure in 2030 and 2050. Transition risk assessment covers Australian business operations and reflects both local and global macroeconomic and policy trends. Outputs include detailed qualitative information with some financial quantification.
Digicel Pacific	Desktop assessment of current and future exposure to physical climate hazards between now and 2050 under a RCP 8.5 scenario.
Telstra International	High-level desktop assessment of 80% of locations where we have operational control. Assessment captured change in exposure to heat stress, water scarcity, flooding and cyclones under a RCP 8.5 scenario.
Global supply chain	High-level desktop assessment of our key suppliers (Tier 1 suppliers) and their immediate suppliers (Tier 2 suppliers) exploring exposure to heat stress, water scarcity, flooding and cyclones under a RCP 8.5 scenario.

1. A Representative Concentration Pathway (RCP) projects a future greenhouse gas concentration and its effects on average global temperatures.
2. https://aemo.com.au/-/media/files/major-publications/isp/2024/2024-integrated-system-plan-isp.pdf?la=en
3. https://www.ngfs.net/ngfs-scenarios-portal/explore
4. https://iea.blob.core.windows.net/assets/9a698da4-4002-4e53-8ef3-631d8971bf84/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf
5. https://www.climateworkscentre.org/resource/climateworks-centre-decarbonisation-scenarios-2023-australia-can-still-meet-the-paris-agreement/

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Network exposure to physical climate hazards

The table below describes our approach to determining the exposure of our network assets to a range of acute and chronic climate hazards. It includes key data sources used in the evaluation, other assumptions and our confidence in the outcome. Our methodologies and approaches are tested and refined based on our in-year experiences and updates to best practice. The foundation of our approach and understanding of the magnitude and direction of change in exposure is derived by the Climate Measurement Standards Initiative Technical Guide.

Hazard	Exposure criteria	Key data sources
Prolonged high temperatures	Asset locations are matched to downscaled temperature data under RCP 4.5 and 8.5. The temperature describes the number of days per year a location will experience a maximum temperature of 35°C or greater. An asset is deemed to be exposed if it experiences greater than 40 days per year above this temperature.	Historic baseline: BOM-AWAP 1981-2010 Projections: CMIP5 GFDL-ESM2M, RCP 4.5 and 8.5 Temperature projections are broadly considered to be high confidence.
Bushfires	Bushfire exposure is based on 'fireline intensity' which relates to whether and how a bushfire could be contained or controlled. The fireline model uses inputs including fire weather (temperature, humidity, and wind), topography (slope) and fuel load (vegetation). The model allocates a kW/m^2 value to each asset and these values are used to determine the likelihood of the asset suffering total or partial loss should a bushfire occur in the area. Potential fireline intensity calculated based on the equations of Leonard et al., (2014).	**Fuel load:** Leonard et al., A new methodology for State-wide mapping of bushfire prone areas in Queensland. CSIRO; 2014. Newnham et al., A methodology for State-wide mapping of annual fuel load and bushfire hazard in Queensland. CSIRO; 2017. NSW Rural Fire Service, Comprehensive Vegetation Fuel Loads. NSW Rural Fire Service; 2019. National Vegetation Information System V6.0 Australian Government Department of Agriculture, Water and the Environment. FFDI: CSIRO Slope: Geoscience Australia 3 second Shuttle Radar Topographic Mission (SRTM) Digital Elevation Model (DEM) **Climate projections considered:** CMIP5 GFDL-ESM2M CMIP5 MIROC5 Key limitations: Due to limitations in forward looking vegetation data, fuel load is considered static across all models and time horizons.
Tropical cyclones (wind only)	Exposure to cyclonic winds is assessed based on the Australian standard AS1170. An asset is noted as exposed if it is in wind region 'C' or 'D'. Exposure remains fixed across all climate scenarios and time horizons based on current scientific consensus that the southerly movement of tropical cyclones will not be material until after the time horizon for our analysis (2050).	Wind Actions Standard AS/NZS 1170.2:2022
Coastal inundation	Coastal inundation exposure is a function of proximity to the coast and elevation above sea level. Current exposure thresholds are set at <25m from the coast and an elevation of <5m. Exposure criteria remain static across all time horizons.	Geoscience Australia 3 second Shuttle Radar Topographic Mission (SRTM) Digital Elevation Model (DEM)
Coastal erosion	Coastal erosion exposure is assessed at three time horizons (2024, 2030 and 2050) using increasing proximity values (<10m-150m) of an asset to an area of the coastline which experiences greater than 5m of retreat each year.	Bishop-Taylor et al., Digital Earth Australia Coastlines. Geoscience Australia, Canberra (accessed November 2024).
Riverine flooding	Exposure is based on whether assets are located within historic maximum flood extents for key flood events across catchments in Queensland, Northern and Central NSW coast and Victoria. Due to limitations in climate data projections the exposure of assets to flooding across these catchments is assumed to remain static.	Queensland, NSW and Victoria flood extents provided under licence by FloodMapp Pty Ltd

In addition to the above, we consider our whole network to be exposed to storms which could result in damaging winds and/or intense rainfall.

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2026 indicative financial calendar[1]

Half Year Results announcement	Thursday 19 February 2026
Ex-dividend share trading commences	Wednesday 25 February 2026
Record date for interim dividend	Thursday 26 February 2026
DRP election date	Friday 27 February 2026
Interim dividend paid	Friday 27 March 2026
Director nominations open	Friday 5 June 2026
Director nominations close (by 5pm AEST)	Friday 7 August 2026
Annual Results announcement	Thursday 20 August 2026
Ex-dividend share trading commences	Wednesday 26 August 2026
Record date for final dividend	Thursday 27 August 2026
DRP election date	Friday 28 August 2026
Final dividend paid	Thursday 24 September 2026
Annual General Meeting	Tuesday 13 October 2026

1. Timing of events may be subject to change. Any change will be notified to the Australian Securities Exchange (ASX).

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Online Shareholder Information

Telstra's Investor Centre at **telstra.com/investor** has the latest news and information available for shareholders.

Shareholders can also easily manage their shareholding online at **cm.mpms.mufg.com/au/telstra**.

Select the Portfolio Login and enter your email address and password to securely access your shareholding. If you do not have a Portfolio Login, please click 'Register Now' to create your login. To add your Telstra shareholding to your portfolio, enter your Shareholder Reference Number (SRN) or Holding Identification Number (HIN). Your SRN or HIN can be found on a Telstra Group Holding Statement previously mailed to you. To access or update your details select:

- **Payments & Tax** – for dividend payment history, tax information, payment instructions and to provide your TFN. You can also update your payment instructions (bank account details or register for the DRP if eligible. Please read the DRP rules at **telstra.com/drp**). A foreign currency payment service is also available to individual registered holders to pay dividends in various currencies.
- **Communication** – to update your postal and email addresses.

Telstra Group Limited

ABN 56 650 620 303
Incorporated in Victoria. Telstra Group Limited's shares are listed on the Australian Securities Exchange.

Websites

Telstra Investor Centre: **telstra.com/investor**
Telstra Sustainability: **telstra.com/sustainability/report**
Telstra Corporate Governance: **telstra.com/governance**
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