

**AusNet Pty Ltd**  
**ACN 603 317 559**

**Interim Financial Report**

**For the six months ended 30 June 2025**

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This interim financial report covers the consolidated entity consisting of AusNet Pty Ltd and its subsidiaries. The interim financial report is presented in Australian dollars.

AusNet Pty Ltd is a company limited by shares, incorporated and domiciled in Victoria, Australia. Its registered office and principal place of business is:

Level 31, 2 Southbank Boulevard  
Southbank, Victoria 3006  
Australia

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial statements of AusNet Pty Ltd for the year ended 31 December 2024.

The interim financial report was authorised for issue by the Directors on 23 September 2025.

**Directors' Report**

The Directors of AusNet Pty Ltd (the Company) present their report on the general purpose interim financial report of the consolidated entity for the six month ended 30 June 2025.

The financial report is for AusNet Pty Ltd and its controlled entities (we, us, our, AusNet, APL, the AusNet Pty Ltd Group, or the Group). The ultimate Australian parent of the Company is Australian Energy Holdings No 1 Pty Ltd (AEH 1), which is part of a consolidated group operating as AusNet (also referred to as us, our, we, the AusNet Group and the AEH Group).

**Our Board of Directors**

The persons listed below were Directors of AusNet Pty Ltd during the whole of the financial period and up to the date of this report unless otherwise noted.

David Smales – Chief Executive Officer

Jon D'Sylva – Chief Development Officer

Mark Ellul – Chief Financial Officer (resigned 4 July 2025)

Charlie Boyes – Chief Financial Officer (appointed 14 August 2025)

**HY2025 operating environment**

The six-month period ended 30 June 2025 includes the following operating and financial highlights:

- Completion of the issuance of \$950.0 million of AUD hybrid securities and \$886.6 million of Euro senior notes were raised, \$516.7 million of AUD hybrid securities were repurchased, \$751.0 million of the syndicated bank debt facilities were repaid, \$55.0 million of bilateral bank debt facilities were repaid, \$100.8 million of working capital bank debt facilities were drawn and \$114.9 million repaid in the same period.
- Improved regulated and unregulated revenue as a result of an improved regulatory price path.

**Interim review of financial results**

This discussion and analysis is provided to assist readers in understanding the general purpose interim financial report. In addition to revenue and profit, we use Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to measure our performance, which are non-IFRS measures. EBITDA is presented in the Consolidated Income Statement and EBITDAaL can be derived from adding EBITDA and lease interest income in Note B.1 of the interim financial statements. These measures are referred to below in our analysis.

The results below are for the period from 1 January 2025 to 30 June 2025 for the Group, with comparatives shown for the period from 1 January 2024 to 30 June 2024. Prior year results are restated as a result of changing operating segments and further details can be found in Note B.1.

	<b>30 June 2025</b>	30 June 2024	Movement	%
Revenue (\$M)	<b>1,202.4</b>	1,086.0	116.4	11
EBITDA (\$M)	<b>666.5</b>	587.3	79.2	13
Net profit after tax (NPAT) (\$M)	<b>111.1</b>	78.3	32.8	42
Capital expenditure (\$M)	<b>654.3</b>	608.8	45.5	7

Comparing the 6 months to 30 June 2025 to its prior year comparative, the Group saw an increase in revenue of \$116.4 million. This was primarily driven by the regulated price path in the Electricity, Transmission, Gas and Metering businesses. In addition, unregulated revenue was recognised for additional projects delivered or reaching practical completion during current year.

EBITDA performance increased by \$79.2 million primarily due to the increase in regulated and unregulated revenue partially offset by an increase in operating costs and write-off of the Gippsland Renewable Energy Zone project (\$15.0 million). The prior period operating expenditure included additional non-recurring costs associated with the February 2024 severe weather event (\$26.1 million) and the creation of the Energy Resilience Community Fund (\$12.0 million).

### Interim review of financial results (continued)

Capital expenditure increased by \$45.5 million during the period due to replacement works in the Electricity and Gas regulated businesses, an increase in negotiated services in the Transmission regulated business and higher spend on digital projects. This was partially offset by the decrease in Development & Future Networks business mainly due to main projects achieved practical completion during the 2024 financial year or in the early 2025 financial year.

The financial performance for each of our businesses for the period is discussed below.

#### Electricity distribution business

	30 June 2025	30 June 2024 (restated)	Movement	%
Revenue (\$M)	576.7	504.7	72.0	14
EBITDA (\$M)	336.5	264.2	72.3	27
Capital expenditure (\$M)	294.7	222.8	71.9	32

Electricity Distribution revenue increased by \$72.0 million. This was driven by the regulated price path per our price determination approved by the Australian Energy Regulator (AER) as well as the impact of solar rebates concluding and the resulting solar jurisdictional revenue. Customer contributions revenue also increased in the period due to higher volumes of medium density housing projects and increased gifted asset contributions from completed public lighting projects.

There was an improvement in EBITDA performance driven by the increase in revenue as well as lower operating costs. Operating costs decreased due to the prior year including one off costs of \$26.1 million associated with the February 2024 severe weather event and the establishment of a \$12.0 million Energy Resilience Community Fund. These have been offset by higher maintenance costs mainly driven by higher volume and compliance costs.

The \$71.9 million increase in capital expenditure was primarily due to higher volumes of replacement spend in 2025 and additional spend on digital projects.

#### Gas distribution and metering business

	30 June 2025	30 June 2024 (restated)	Movement	%
Revenue (\$M)	168.2	160.8	7.4	5
EBITDA (\$M)	120.1	118.9	1.2	1
Capital expenditure (\$M)	69.7	71.3	(1.6)	(2)

Gas distribution and metering revenues increased by \$7.4 million during the period due to the regulatory price path offset by a decrease in customer contributions driven by a decrease in volume due to fewer new gas connections in response to the introduction of a connection charge from 1 January 2025. Metering revenues decreased by \$3.7 million during the period mainly due to a reduction in contestable metering services revenue.

EBITDA performance improved due to revenue growth, partially offset by higher costs related to unaccounted for gas settlements and fixed assets retirements of gas meters.

Lower capital expenditure was driven by a decrease in spend on upgrading the residential network from low to high pressure mains.

#### Electricity Transmission business

	30 June 2025	30 June 2024 (restated)	Movement	%
Revenue (\$M)	384.9	363.8	21.1	6
EBITDA (\$M)	187.8	174.5	13.3	8
Capital expenditure (\$M)	150.4	123.3	27.1	22

### Interim review of financial results (continued)

Regulated revenue in the electricity transmission segment rose by \$21.1 million, driven by increased Shared Network Services income from AEMO, primarily reflecting CPI-related adjustments and an increase in easement tax pass-through, which is EBITDA neutral. Excluded negotiated revenue also increased mainly due to key projects reaching practical completion in late 2025. The change in EBITDA was largely due to the revenue changes mentioned above and consistent operating costs.

Capital expenditure has increased due to the increase in negotiated services (\$18.2 million), towers and lines replacement works (\$12.8 million) which had no spend in the prior period.

### Development & Future Networks business

	30 June 2025	30 June 2024 (restated)	Movement	%
Revenue (\$M)	77.7	63.6	14.1	22
EBITDA (\$M)	22.1	29.7	(7.6)	26
Capital expenditure (\$M)	139.5	191.4	(51.9)	(27)

D&FN revenues in the 6 months ended 30 June 2025 increase due to additional projects, including Golden Plains Wind Farm (\$10.4 million), Koorangie Battery energy storage system connection projects (\$1.0 million), Microsoft Francis Street Data Centre (\$0.8 million) and Ryan Corner & Hawkesdale (\$0.3 million), reaching practical completion during the period.

EBITDA performance declined mainly due to the write-off of the Gippsland Renewable Energy Zone project (\$15.0 million) in the current year as it was deemed no longer recoverable.

Capital expenditure decreased due to the projects noted above reaching practical completion in 2024 and early 2025, with only minor spend occurring in the 2025 year.

### Financial position

Total equity of the Group was \$3,838.0 million as at 30 June 2025, a decrease of \$66.9 million compared to 31 December 2024 (\$3,904.9 million), primarily attributed to:

- A loss on hedge accounting relating to fair value movement on hedges recognised in Other Comprehensive Income of \$167.7 million; partially offset by:
- Net profit of \$111.1 million

The Group's current liabilities exceed its current assets by \$152.7 million at 30 June 2025 (on 31 December 2024: by \$952.6 million).

At 30 June 2025, the Group has available a total of \$1,152.5 million (on 31 December 2024: \$1,032.4 million) of undrawn bank debt facilities and overdraft, and \$90.4 million (on 31 December 2024: \$2.9 million) of cash and cash equivalents.

The Group is, and is expected to, continue trading profitably and generating positive operating cash flows. At 30 June 2025, the Group generated profit before income tax \$158.8 million and positive operating cash flows of \$333.1 million.

Subsequent to 30 June 2025, the AusNet Group issued a notice to Subordinated Note Holders that the \$133.3 million Subordinated Notes that remain outstanding due in 2080 will be fully redeemed early on 6 October 2025. These are classified as non-current borrowings in Note D.1.

In addition, in August 2025, AusNet entered into three new five-year bilateral facility agreements totalling \$300 million, replacing the existing facilities set to mature at the end of August 2025. The new facilities mature in August 2030.

## **Capital management**

We manage our capital structure to maximise long-term returns to shareholders, as well as providing the flexibility to fund organic growth and other investment opportunities. An appropriate capital structure is also maintained to ensure an efficient cost of capital is available. Through our cash flows from operations and by maintaining an appropriate and prudent mix of debt and equity, we aim to achieve our targeted credit metrics that support an investment grade credit rating.

### ***Debt raising and repayments***

In line with our Treasury Risk Policy, we maintain a diversified debt portfolio by maturity and source. The AusNet Group, for whom the Company's subsidiary, AusNet Services Holdings Pty Ltd, raises debt as its common or central funding vehicle, has a BBB+ credit rating from Standard and Poor's and Baa1 from Moody's Investor Services.

During the period, \$950.0 million of AUD hybrid securities and \$886.6 million of Euro senior notes were raised, \$516.7 million of AUD hybrid securities were repurchased, \$751.0 million of the syndicated bank debt facilities were repaid, \$55.0 million of bilateral bank debt facilities were repaid, \$100.8 million of working capital bank debt facilities were drawn and \$114.9 million repaid in the same period.

### ***Distributions***

Distributions paid during the period amounted to \$9.2 million (2024: \$9.1 million).

## **Material Risks and Uncertainties**

We are committed to understanding and effectively managing risk to enhance our ability to deliver on our strategic objectives. Overseen by the Board and the Audit & Risk Committee, AusNet's risk management framework supports the identification, management and reporting of material risks. Risks are identified that have the potential to impact the delivery of business plans and objectives giving consideration to a range of potential impacts including Health & Safety, Environment & Community, Financial, Reputation and Legal & Regulatory.

Risks are identified, assessed and managed across the organisation in accordance with our risk management framework and applying consistent risk assessment criteria. The Board and Executive review AusNet's most material risks regularly and assess the effectiveness of the company's risk management framework on a periodic basis. Material risks are reviewed by risk owners and subject matter experts regularly to confirm risks are accurately identified and assessed, appropriate controls are in place, and that the risks are managed within Risk Appetite.

The Chief Executive Officer is accountable to the AEH1 Board for the implementation of risk management processes across all entities in the AusNet Group. All employees are responsible for making risk-based decisions in line with the company's values, objectives and risk appetite.

In our 31 December 2024 Financial Report, we detailed the following principal risks, which may materially impact the execution and achievement of our business strategy and financial prospects:

- Health and safety risks;
- Industry and regulatory risks;
- Climate change and sustainability risks;
- Information technology and security risks;
- Management and personnel risks;
- Funding and market list;
- Network reliability and services delivery risks; and
- Taxation risks.

We provide the following update on our material risks since the 31 December 2024 Financial Report:

## **Climate change and sustainability risks**

The AusNet Group continues to report its emissions under the National Greenhouse and Energy Reporting (NGER) Act 2007 (Cth) and will report in accordance with Australian Accounting Standards Board (AASB) S2 *Climate-related Disclosures* starting in the 2025 financial year. The AASB S2 builds on the TCFD and requires more detailed and quantitative disclosures of climate impacts. The *Sustainability Report* will be subject to limited assurance under Part 2M of the *Corporations Act 2001* (Cth).

## **Taxation risks**

As a large business taxpayer, the AusNet Group is subject to annual compliance reviews conducted by the Australian Taxation Office (ATO). The Group continues to engage with the ATO in relation its review activities.

Several matters pertaining to the former group remain subject to ATO review. These matters have been assessed having regard to Interpretation 23– *Uncertainty over Income Tax Treatments* and no provision was raised at 30 June 2025.

In relation to historical tax consolidation and capital allowance matters arising from the June 2015 corporate restructure, AusNet's appeal to the Full Court of the Federal Court was dismissed on 7 March 2025. A Special Leave Application seeking to appeal this decision was subsequently lodged with the High Court of Australia on 3 April 2025. On 7 August 2025, the High Court of Australia dismissed AusNet's Special Leave Application. There are no further avenues of appeal, and the matter is no longer before the courts. There is no impact on financial position of the company.

## **Significant changes in the state of affairs**

Other than referred to above, in the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial period.

## **Rounding of amounts**

AusNet is a company of a kind referred to in Instrument 2016/201, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars unless otherwise stated.

## **Matters subsequent to the end of the financial period**

### **(a) Borrowings**

On 8 August 2025 AusNet Group issued a notice to Subordinated Note Holders that the \$133.3 million Subordinated Notes that remain outstanding due in 2080 will be fully redeemed early on 6 October 2025. These are classified as non-current borrowings in Note D.1.

In addition, in August 2025, AusNet entered into three new five-year bilateral facility agreements totalling \$300 million, replacing the existing facilities set to mature at the end of August 2025. The new facilities mature in August 2030.

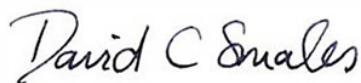
### **(b) Taxation matters**

On 7 August 2025, the High Court of Australia dismissed AusNet's Special Leave Application in respect to a judicial review of certain tax consolidation outcomes relating to the former AusNet Services tax consolidated group, arising from the corporate restructure completed in June 2015. Refer to Note B.5 for additional details. There are no further avenues of appeal, and the matter is no longer before the courts. There is no impact on financial position of the company.

### **(c) Other matters**

Other than outlined above, there has been no matter or circumstance that has arisen since 30 June 2025 up to the date of issue of this financial report that has significantly affected or may significantly affect:

- (a) the operations in the financial period subsequent to 30 June 2025 of the Group;
- (b) the results of those operations; or
- (c) the state of affairs, in the financial period subsequent to 30 June 2025, of the Group.



**David Smales**

Director

Melbourne

**23 September 2025**



**Shape the future  
with confidence**

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## **Auditor's independence declaration to the directors of AusNet Pty Ltd**

As lead auditor for the review of the half-year financial report of AusNet Pty Ltd for the half-year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of AusNet Pty Ltd and the entities it controlled during the financial period.

Ernst & Young

Kester C Brown  
Partner  
23 September 2025

**Consolidated interim income statement**

For the six months ended 30 June 2025

		<b>30 June</b>	<b>30 June</b>
		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>\$M</b>	<b>\$M</b>
<b>Revenue</b>	B.1, B.3	<b>1,202.4</b>	<b>1,086.0</b>
Use of system and associated charges	B.1	(82.6)	(68.6)
Easement and land tax	B.1	(136.4)	(131.3)
Employee benefit expenses		(90.9)	(75.2)
External maintenance and contractors' services		(115.0)	(93.5)
Materials		(2.0)	(5.2)
Information technology and communication costs		(43.7)	(43.3)
Administrative expenses		(21.4)	(22.3)
Service level payments	B.1	(5.8)	(25.0)
Disposal of property plant and equipment	B.1	(5.1)	(4.0)
Reversal of impairment		-	1.5
Other costs		(33.0)	(31.8)
<b>Total expenses excluding depreciation, amortisation, interest and tax</b>		<b>(535.9)</b>	<b>(498.7)</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>666.5</b>	<b>587.3</b>
Depreciation and amortisation		(273.4)	(257.2)
<b>Profit from operating activities</b>		<b>393.1</b>	<b>330.1</b>
Finance income	D.2	24.9	16.1
Finance costs	D.2	(259.2)	(227.7)
<b>Net finance costs</b>		<b>(234.3)</b>	<b>(211.6)</b>
<b>Profit before income tax</b>		<b>158.8</b>	<b>118.5</b>
Income tax expense	B.6	(47.7)	(40.2)
<b>Profit for the period</b>		<b>111.1</b>	<b>78.3</b>

*The above consolidated interim income statement should be read in conjunction with the accompanying notes, including the basis of preparation.*

**Consolidated interim statement of comprehensive income**

For the six months ended 30 June 2025

	<b>30 June 2025 \$M</b>	<b>30 June 2024 \$M</b>
<b>Profit for the period</b>	<b>111.1</b>	<b>78.3</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>		
Movement in defined benefit fund	(1.5)	5.3
Income tax on movement in defined benefit fund	0.4	(1.6)
	<b>(1.1)</b>	<b>3.7</b>
<b>Items that may be reclassified to profit or loss in subsequent periods</b>		
Movement in hedge reserve	(239.6)	139.4
Income tax on movement in hedge reserve	71.9	(41.9)
	<b>(167.7)</b>	<b>97.5</b>
<b>Other comprehensive income / (loss) for the period, net of income tax</b>	<b>(168.8)</b>	<b>101.2</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>(57.7)</b>	<b>179.5</b>

*The above consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes, including the basis of preparation.*

**Consolidated interim statement of financial position**

As at 30 June 2025

	Notes	30 June 2025 \$M	31 December 2024 \$M
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		90.4	2.9
Receivables	B.4	397.9	289.0
Finance lease receivables	B.5	7.4	7.8
Inventories		59.7	54.6
Derivative financial instruments		124.1	126.8
Other assets	B.4	230.4	55.4
<b>Total current assets</b>		<b>909.9</b>	<b>536.5</b>
<b>Non-current assets</b>			
Inventories		25.7	25.8
Property, plant and equipment	C.1	13,354.3	13,051.2
Intangible assets	C.2	539.4	512.9
Finance lease receivables	B.5	490.0	480.2
Derivative financial instruments		790.0	730.6
Defined benefit asset		68.8	69.1
Deferred tax assets	B.6	687.0	674.6
Other assets		136.1	140.7
<b>Total non current assets</b>		<b>16,091.3</b>	<b>15,685.1</b>
<b>Total assets</b>		<b>17,001.2</b>	<b>16,221.6</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables and other liabilities		518.6	509.2
Lease liabilities		6.7	6.2
Provisions	E.3	103.4	110.5
Borrowings	D.1	352.4	767.5
Derivative financial instruments		81.5	95.7
<b>Total current liabilities</b>		<b>1,062.6</b>	<b>1,489.1</b>
<b>Non-current liabilities</b>			
Contract liabilities		299.3	261.3
Lease liabilities		39.6	43.6
Provisions	E.3	58.1	54.1
Borrowings	D.1	11,481.0	10,196.0
Derivative financial instruments		222.6	272.6
<b>Total non-current liabilities</b>		<b>12,100.6</b>	<b>10,827.6</b>
<b>Total liabilities</b>		<b>13,163.2</b>	<b>12,316.7</b>
<b>Net assets</b>		<b>3,838.0</b>	<b>3,904.9</b>
<b>EQUITY</b>			
Contributed equity	D.3	5,228.1	5,228.1
Reserves		(3,317.4)	(3,149.7)
Retained profits		3,022.4	2,921.6
Other equity		(1,095.1)	(1,095.1)
<b>Total equity</b>		<b>3,838.0</b>	<b>3,904.9</b>

The above consolidated interim statement of financial position should be read in conjunction with the accompanying notes, including the basis of preparation.

**Consolidated interim statement of changes in equity**

For the six months ended 30 June 2025

	Notes	Share capital \$M	Restructure reserve (i) \$M	Hedge reserve (ii) \$M	Asset revaluation reserve (iii) \$M	Other equity (iv) \$M	Retained profits \$M	Total equity \$M
<b>30 June 2025</b>								
Balance as at 1 January 2025		5,228.1	(3,501.9)	300.8	51.4	(1,095.1)	2,921.6	3,904.9
<b>Total comprehensive income/(losses) for the period</b>								
Profit for the period		-	-	-	-	-	111.1	111.1
Other comprehensive losses		-	-	(167.7)	-	-	(1.1)	(168.8)
<b>Total comprehensive income/(losses) for the period</b>								
		-	-	(167.7)	-	-	110.0	(57.7)
<b>Transactions with owners, recorded directly in equity</b>								
Dividends paid (v)	E.1	-	-	-	-	-	(9.2)	(9.2)
<b>Total transactions with owners</b>								
		-	-	-	-	-	(9.2)	(9.2)
<b>Balance as at 30 June 2025</b>								
		5,228.1	(3,501.9)	133.1	51.4	(1,095.1)	3,022.4	3,838.0
<b>30 June 2024</b>								
Balance as at 1 January 2024		5,228.1	(3,501.9)	347.4	51.4	(1,095.1)	2,793.9	3,823.8
<b>Total comprehensive income for the period</b>								
Loss for the period		-	-	-	-	-	78.3	78.3
Other comprehensive income		-	-	97.5	-	-	3.7	101.2
<b>Total comprehensive income for the period</b>								
		-	-	97.5	-	-	82.0	179.5
<b>Transactions with owners, recorded directly in equity</b>								
Dividends paid (v)	E.1	-	-	-	-	-	(9.1)	(9.1)
<b>Total transactions with owners</b>								
		-	-	-	-	-	(9.1)	(9.1)
<b>Balance as at 30 June 2024</b>								
		5,228.1	(3,501.9)	444.9	51.4	(1,095.1)	2,866.8	3,994.2

## Consolidated interim statement of changes in equity

For the six months ended 30 June 2025

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- (i) Under the 2015 corporate restructure, former AusNet Services Ltd shares were issued to shareholders in return for their stapled securities. The former AusNet Services Ltd share capital was measured at fair value on the date of the transaction, being the market capitalisation of the AusNet Services Stapled Group on the date of implementation of 18 June 2015 (\$4,957.7 million). The difference (\$1,501.9 million) between the contributed equity of AusNet Pty Ltd and the pre-restructure contributed equity of the Stapled Group at the date of the transaction was recognised as a restructure reserve.
- As a part of the financing for the acquisition of AusNet Pty Ltd (formerly AusNet Services Ltd), Australian Energy Holdings No 4 Pty Ltd (the new immediate holding entity of AusNet Pty Ltd) entered into a \$2.0 billion two year bridging loan facility. On 9 March 2022, AusNet Services Holdings Pty Ltd assumed all liabilities of this facility. As a result, there was no cash proceeds received for the novated facility and an entry to restructure reserves of \$2.0 billion was recognised as an equity transaction with owners.
- (ii) The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments. These gains or losses are transferred to the income statement when the hedged item affects income, except for highly probable forecast purchases of an asset where the gains or losses are included in the initial measurement of that asset.
- (iii) The balance of \$51.4 million representing the fair value uplift to the assets of the AusNet Services Transmission Group on the date that the previous Stapled Group was formed. The fair value uplift was applied to easements which are considered to have an indefinite useful life. The amount was carried into the asset revaluation reserve of the Group following the corporate restructure on 18 June 2015.
- (iv) The other equity component results from the application of reverse acquisition accounting and represents the difference between the net assets of AusNet Services (Transmission) Ltd and AusNet Finance Pty Ltd and the purchase price paid by the legal acquirer, AusNet Services (Transmission) Ltd on 20 October 2005.
- (v) In the current half year period, dividends of \$9.2 million (June 2024: \$9.1 million) were paid from AusNet Pty Ltd to Australian Energy Holdings No 4 Pty Ltd.

*The above consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.*

**Consolidated interim statement of cash flows**

For the six months ended 30 June 2025

	<b>30 June 2025 M</b>	<b>30 June 2024 \$M</b>
<b>Cash flows from operating activities</b>		
Profit for the period	111.1	78.3
Add back interest, tax, depreciation and amortisation	555.4	509.0
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>666.5</b>	<b>587.3</b>
Non-cash gifted assets revenue	(43.2)	(29.4)
Other non-cash items	5.1	2.6
Working capital movement	(57.7)	(7.0)
Non-cash intercompany transactions	(7.6)	-
Net interest paid	(230.0)	(208.0)
<b>Net cash inflow from operating activities</b>	<b>333.1</b>	<b>345.5</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (i)	(605.1)	(612.1)
Proceeds from sale of property, plant and equipment	0.6	0.4
Receipts for financial assets	6.5	29.6
Payments for financial assets (iii)	(135.7)	-
<b>Net cash outflow from investing activities</b>	<b>(733.7)</b>	<b>(582.1)</b>
<b>Cash flows from financing activities</b>		
Payments for lease liabilities	(2.5)	(3.6)
Dividends Paid	E.1 (9.2)	(9.1)
Proceeds from borrowings (ii)	1,937.5	1,446.1
Repayments of borrowings (ii)	(1,437.7)	(1,193.4)
<b>Net cash inflow from financing activities</b>	<b>488.1</b>	<b>240.0</b>
<b>Net increase in cash held</b>	<b>87.5</b>	<b>3.4</b>
Cash and cash equivalents at beginning of the period	2.9	5.6
<b>Cash and cash equivalents at the end of the period</b>	<b>90.4</b>	<b>9.0</b>

- (i) Payments for property, plant and equipment include \$21.4 million (June 2024: \$18.8 million) for capitalised finance charges.
- (ii) During the period, \$950.0 million of AUD hybrid securities and \$886.6 million of Euro senior notes were raised, \$516.7m of AUD hybrid securities were repurchased, \$751.0 million of the syndicated bank debt facilities were repaid, \$55.0 million of bilateral bank debt facilities were repaid, \$100.8 million of working capital bank debt facilities were drawn and \$114.9 million repaid in the same period.
- (iii) Payments for financial assets include payments for term deposits greater than 90 days and therefore not classified as cash and cash equivalents.

*The above consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.*

## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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### Section A Overview

#### (a) Basis of preparation

The consolidated interim financial statements of AusNet Pty Ltd (the Company) and its subsidiaries (the Group, us, our or we) for the period ended 30 June 2025 were approved by the Board of Directors on 23 September 2025. The ultimate Australian parent of the Company is Australian Energy Holdings No 1 Pty Ltd, which is part of a consolidated group operating as AusNet (also referred to as the AusNet Group and the AEH Group).

AusNet Pty Ltd is not required to prepare and submit an interim financial report for the period ended 30 June 2025 under the *Corporations Act 2001* (Cth). The interim financial report has been prepared to assist the Group in meeting the reporting and compliance requirements of various debt facility agreements as well as provided to potential debt investors and may not be suitable for any other purpose.

The financial report has been prepared:

- in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*;
- on a going concern basis, which contemplates the continuity of normal trading operations.
  - The Group's current liabilities exceed current assets by \$152.7 million at 30 June 2025 (on 31 December 2024: \$952.6 million).
  - At 30 June 2025, the Group has available a total of \$1,152.5 million (on 31 December 2024: \$1,032.4 million) of undrawn bank debt facilities and overdraft, and \$90.4 million (on 31 December 2024: \$2.9 million) of cash and cash equivalents.
  - The Group is, and is expected to, continue trading profitably and generating positive operating cash flows. At 30 June 2025, the Group generated profit before income tax \$158.8 million and positive operating cash flows of \$333.1 million.
  - The subsequent event relating to capital management as detailed in note E.4(a).
- under the historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) measured at fair value; and
- with amounts rounded off to the nearest hundred thousand dollars, unless otherwise stated, in accordance with Instrument 2016/191 issued by the Australian Securities and Investments Commission.

This general purpose interim financial report is presented in Australian dollars.

The interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial statements of the Group for the year ended 31 December 2024.

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2024.

## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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### (b) Critical accounting estimates and judgements

The preparation of the consolidated interim financial report requires management to make estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The key sources of estimation uncertainty were the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2024.

The critical judgements and estimates used by management in applying the Group's accounting policies for the period ended 30 June 2025 reflect the latest available information. Any updates have not had a significant impact on the financial performance or financial position of the Group as at and for the period ended 30 June 2025.

### (c) New accounting standards

#### (i) *New accounting standards effective*

A number of new or amended accounting standards became mandatory in the current reporting period. None of these accounting standards and amendments that became effective in the current reporting period had a material impact on our accounting policies.

#### (ii) *New accounting standards issued but not yet effective*

We have not yet early adopted any standard, interpretation, or amendment that has been issued but is not yet effective. We are currently assessing the impact of the amendments. The standards, interpretations or amendments which are applicable to the Group but not yet effective include:

#### **AASB 18 Presentation and Disclosure in Financial Statements**

In April 2024, AASB 18 was issued which replaces AASB 101 Presentation of Financial Statements. This standard introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure and description of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information. In addition, there are consequential amendments to several other standards.

AASB 18, and the amendments to the other standards, will be effective for the Group for the reporting period beginning on 1 January 2027. The Group is currently working to identify all impacts the amendments will have on the presentation of the financial statements.

## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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### Section B Operating our business

This section highlights the performance of the Group for the period, including results by operating segment and analysis of revenue.

#### Note B.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 through the eyes of management. We present our reportable segments and measure our segment results for each of our networks as well as our Development & Future Networks business. During the current financial year, the Group revised its reportable segments following changes in the internal reporting structure reviewed by the Chief Operating Decision Maker. Comparative segment information for the prior period has been restated to conform to the current period's segment presentation.

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment revenues, expenses and results include transactions between the segments that are eliminated on consolidation.

The Cost Allocation Methodologies as approved by the Australian Energy Regulator (AER) are used as the basis for allocating expenses to the relevant segment.

##### (a) Description of reportable segments

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses for which discrete financial information is available and whose operating results are regularly reviewed by the Chief Operating Decision Maker. The Chief Operating Decision Maker is deemed to be the Chief Executive Officer. Following the business transition into the new operating model an updated assessment of the operating segments of the business has been performed. From 1 January 2025, all internal management and shareholder reporting was amended to be based on the new Lines of Business, i.e. 1. Electricity Distribution 2. Gas Distribution & Metering 3. Electricity transmission and 4. Development & Future Networks. Both the regulated and unregulated metering business was previously included across all business units; however, following the new operating model, it is now consolidated into the Gas Distribution & Metering segment results.

The Group is organised into the following segments:

##### (i) *Electricity distribution*

The electricity distribution network carries electricity from the high voltage transmission network to end users.

The electricity distribution segment does not purchase or sell electricity. Our electricity distribution network covers eastern Victoria including the eastern metropolitan region of Melbourne. We charge retailers and some large customers regulated rates for the use of the electricity distribution network.

Alternative Control Services includes public lighting, cross boundary charges and new connection charges.

##### Customer Contributions

Customer contributions include the receipt of cash from a customer for the construction of assets, or the contribution of completed assets to us.

Non-refundable contributions received from customers towards the cost of extending or modifying our networks are generally recognised as revenue and an asset respectively once control is gained of the contribution or asset and it is operating as intended.

## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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### Note B.1 Segment information (continued)

#### (a) Description of reportable segments (continued)

##### (ii) Gas distribution and metering

The gas distribution network carries natural gas to commercial and residential end users.

The gas distribution segment does not purchase or sell gas. Our gas distribution network covers central and western Victoria. We charge retailers and some large customers regulated rates for the use of the gas distribution network including for metering revenue.

In addition, the Gas distribution and metering segment provides contestable and non-contestable metering services. Customers pay a fixed rate over the term of the contract.

##### (iii) Electricity transmission

We own and manage the vast majority of the electricity transmission network in Victoria. Our electricity transmission network consists of the transmission lines and towers which carry electricity at high voltages from power generators to electricity distributors around Victoria forming the backbone of the Victorian electricity network. The electricity transmission segment does not purchase or sell electricity. We charge the Australian Energy Market Operator (AEMO), distribution network service providers and electricity generators for connections and use of the electricity transmission network.

Revenue from Excluded Prescribed Services is generated from assets that will be rolled into the regulated asset base (RAB) in the next regulatory reset period.

The Electricity Transmission segment also includes customer-initiated Excluded Negotiated Transmission Services. Negotiated Services revenue is generated from assets that are excluded from the RAB but are controlled under a regulated negotiating framework. Contracts are based on fixed fees over the life of the asset.

##### (iv) Development & Future Networks

The Development & Future Networks segment provides contracted infrastructure asset and energy services, as well as a range of asset and utility services to support the management of electricity and gas networks. Many of these services are provided under the Mondo brand.

The contracted infrastructure business builds, owns and operates a portfolio of assets that fall outside the regulated asset base. Development & Future Networks makes investments through directly negotiated agreements, and typically receives annuity payments over the contract period in exchange for infrastructure and operational services. Dedicated customer connections are treated as finance lease receivables, with proceeds received from these assets split between revenue, lease interest income and principal repayments.

The Development & Future Networks segment also provides various asset and utility services to customers. In addition, the segment encompasses Distributed Energy arrangements, which involve longer-term contracts.

Revenue in relation to the desalination licence contracts is recognised over time as performance obligations are satisfied, using an output method. The performance obligation is the operation and maintenance of the transmission line, such that the line is available for use to supply electricity to the desalination plant in Wonthaggi, Victoria.

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note B.1 Segment information (continued)****(b) Reportable segment financial information**

	Electricity distribution	Gas distribution & Metering	Electricity transmission	Develop- ment & Future Networks (i)	Inter- segment eliminations	Consolidated
	\$M	\$M	\$M	\$M	\$M	\$M
<b>30 June 2025</b>						
Regulated revenue	511.6	150.5	347.1	-	(4.5)	1004.7
Excluded prescribed transmission revenue	-	-	10.7	-	(0.2)	10.5
Excluded negotiated transmission revenue	-	-	17.7	-	-	17.7
Unregulated infrastructure revenue	-	-	-	57.4	-	57.4
Customer contributions	59.8	5.6	0.9	0.9	-	67.2
Service revenue	-	10.9	3.5	7.9	-	22.3
Other revenue	5.3	1.2	5.0	11.5	(0.4)	22.6
<b>Total segment revenue</b>	<b>576.7</b>	<b>168.2</b>	<b>384.9</b>	<b>77.7</b>	<b>(5.1)</b>	<b>1202.4</b>
Use of system and associated charges	(79.1)	(6.8)	(1.3)	-	4.6	(82.6)
Easement and land tax	(1.3)	(0.1)	(135.0)	-	-	(136.4)
Service level payments (iv)	(5.6)	-	-	(0.2)	-	(5.8)
Operating expenses	(152.3)	(38.9)	(59.9)	(55.4)	0.5	(306.0)
Retirement	(1.9)	(2.3)	(0.9)	-	-	(5.1)
<b>Segment operating expenses</b>	<b>(240.2)</b>	<b>(48.1)</b>	<b>(197.1)</b>	<b>(55.6)</b>	<b>5.1</b>	<b>(535.9)</b>
Impairment	-	-	-	-	-	-
<b>Segment result - EBITDA (ii)</b>	<b>336.5</b>	<b>120.1</b>	<b>187.8</b>	<b>22.1</b>	<b>-</b>	<b>666.5</b>
Lease interest income	-	-	-	21.6	-	21.6
<b>EBITDAaL (iii)</b>	<b>336.5</b>	<b>120.1</b>	<b>187.8</b>	<b>43.7</b>	<b>-</b>	<b>688.1</b>
Depreciation and amortisation	(148.4)	(41.1)	(73.2)	(10.7)	-	(273.4)
Capital expenditure	294.7	69.7	150.4	139.5	-	654.3
<b>30 June 2024 (restated)</b>						
Regulated revenue	461.3	139.8	336.1	-	(4.3)	932.9
Excluded prescribed transmission revenue	-	-	10.4	-	(0.2)	10.2
Excluded negotiated transmission revenue	-	-	12.6	-	-	12.6
Unregulated infrastructure revenue	-	-	-	43.1	-	43.1
Customer contributions	40.8	4.7	-	0.9	-	46.4
Service revenue	-	14.7	4.1	7.0	-	25.8
Other revenue	2.6	1.6	0.6	12.6	(2.4)	15.0
<b>Total segment revenue</b>	<b>504.7</b>	<b>160.8</b>	<b>363.8</b>	<b>63.6</b>	<b>(6.9)</b>	<b>1,086.0</b>
Use of system and associated charges	(65.9)	(5.3)	(2.0)	-	4.6	(68.6)
Easement and land tax	(1.3)	(0.1)	(129.9)	-	-	(131.3)
Service level payments (iv)	(25.0)	-	-	-	-	(25.0)
Operating expenses	(146.8)	(35.4)	(56.3)	(35.1)	2.3	(271.3)
Retirement	(1.5)	(1.1)	(1.1)	(0.3)	-	(4.0)
<b>Segment operating expenses</b>	<b>(240.5)</b>	<b>(41.9)</b>	<b>(189.3)</b>	<b>(35.4)</b>	<b>6.9</b>	<b>(500.2)</b>
Impairment	-	-	-	1.5	-	1.5
<b>Segment result - EBITDA (ii)</b>	<b>264.2</b>	<b>118.9</b>	<b>174.5</b>	<b>29.7</b>	<b>-</b>	<b>587.3</b>

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note B.1 Segment information (continued)**

	Electricity distribution	Gas distribution & Metering	Electricity transmission	Development & Future Networks (i)	Inter-segment eliminations	Consolidated
	\$M	\$M	\$M	\$M	\$M	\$M
<b>30 June 2024 (restated)</b>						
Lease interest income	-	-	-	15.9	-	15.9
<b>EBITDAaL (iii)</b>	<b>264.2</b>	<b>118.9</b>	<b>174.5</b>	<b>45.6</b>	<b>-</b>	<b>603.2</b>
Depreciation and amortisation	(140.2)	(42.2)	(67.3)	(7.5)	-	(257.2)
Capital expenditure	222.8	71.3	123.3	191.4	-	608.8

(i) Other revenue in Development &amp; Future Networks - Refer to Note B.3.

(ii) Earnings before interest, tax, depreciation and amortisation

(iii) EBITDA after lease income

(iv) The decrease in service level payments from \$25.0 million in 2024 to \$5.8 million in 2025 is primarily due to one-off costs incurred in the prior year, including expenses related to a severe weather event and the establishment of the Energy Resilience Community Fund.

**(c) Notes to and forming part of the segment information***(i) Accounting policies*

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. The Cost Allocation Methodologies as approved by the Australian Energy Regulator (AER) are used as the basis for allocating expenses to the relevant segment.

*(ii) Inter-segment eliminations*

Segment revenues, expenses and results include transactions between the segments that are eliminated on consolidation.

**Note B.2 Seasonality of operations****(a) Electricity distribution**

Electricity distribution volumes display some seasonal variation with increased volumes in winter due to higher demand for heating and increased volumes in summer as a result of higher demand for air conditioning. However, the impact of seasonal volume variation on electricity distribution revenue is limited due to the tariff structure, which includes a fixed component and a contract demand capacity component. The high proportion of consumption by commercial and industrial customers also limits seasonal variation. Electricity distribution revenue operates under a revenue cap, with the amount of total revenue fixed over the regulatory reset period. Any under/over recovery in a particular regulatory year will be built into subsequent years' tariffs. As such, whilst seasonality has an impact on distribution volume, the impact on revenue is not as pronounced.

**(b) Gas distribution & Metering**

Gas distribution volume is seasonal with a distinct winter peak due to gas demand for heating. A component of the seasonal revenue variation is mitigated due to the tariff structure, which includes a fixed component and a demand capacity-based component. There is no seasonality for the metering services.

**(c) Electricity transmission**

Electricity transmission revenue is not seasonal. Transmission revenue is earned in accordance with the monthly revenue schedule determined by the AER.

Easement tax pass-through revenue (and the associated payments to the State Revenue Office) have a payment profile weighted towards the first half of the year. Under AASB 15 *Revenue from Contracts with Customers*, both the revenue and expense are recognised on a straight-line basis over the financial year. As such, at 30 June 2025 there are prepayment and contract liability balances representing this accounting treatment.

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note B.2 Seasonality of operation (continued)****(d) Development & Future Networks**

Development & Future Networks revenue is not seasonal and is earned as the services are rendered.

**Note B.3 Revenue from contracts with customers****Disaggregated revenue**

In the following table, revenue is disaggregated by revenue type and timing of recognition. The table also includes a reconciliation of the disaggregated revenue with AusNet's reportable segments (note B.1).

	Electricity distribution	Gas distribution & Metering	Electricity transmission	Development & Future Networks	Inter- segment eliminations	Total
	\$M	\$M	\$M	\$M	\$M	\$M
<b>30 June 2025</b>						
<b>Timing of recognition</b>						
At a point in time	76.7	17.6	8.9	12.4	(0.4)	115.2
Over time	499.3	150.6	375.5	64.5	(4.7)	1085.2
<b>Revenue from contracts with customers</b>	<b>576.0</b>	<b>168.2</b>	<b>384.4</b>	<b>76.9</b>	<b>(5.1)</b>	<b>1,200.4</b>
<b>Other income not in scope of AASB 15</b>						
Operating lease income	-	-	0.5	-	-	0.5
Income from government grants (i)	0.7	-	-	0.8	-	1.5
<b>Total segment revenue</b>	<b>576.7</b>	<b>168.2</b>	<b>384.9</b>	<b>77.7</b>	<b>(5.1)</b>	<b>1,202.4</b>
<b>30 June 2024 (restated)</b>						
<b>Timing of recognition</b>						
At a point in time	54.2	17.6	5.1	11.8	(2.4)	86.3
Over time	449.7	143.2	358.2	51.0	(4.5)	997.6
<b>Revenue from contracts with customers</b>	<b>503.9</b>	<b>160.8</b>	<b>363.3</b>	<b>62.8</b>	<b>(6.9)</b>	<b>1,083.9</b>
<b>Other income not in scope of AASB 15</b>						
Operating lease income	-	-	0.5	-	-	0.5
Income from government grants (i)	0.8	-	-	0.8	-	1.6
<b>Total segment revenue</b>	<b>504.7</b>	<b>160.8</b>	<b>363.8</b>	<b>63.6</b>	<b>(6.9)</b>	<b>1,086.0</b>

- (i) The electricity distribution segment includes grants under the Powerline Replacement Program whereby grants are received to fund bushfire safety capital expenditure, with income recognised over the life of the constructed assets. Government grant income in the Development & Future Networks segment comprises assets received in relation to the Ballarat Energy Storage System, with income recognised over the life of the asset.

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note B.4 Receivables/ Other assets**

	30 June 2025 \$M	31 December 2024 \$M
<b>Current receivables</b>		
Accounts receivable	119.7	49.2
Allowance for impairment loss	(1.5)	(0.6)
Accrued revenue	226.0	200.1
Related party receivables	52.5	40.2
Other receivables	0.1	0.1
Interest receivable	1.1	-
<b>Total current receivables</b>	<b>397.9</b>	<b>289.0</b>
	30 June 2025 \$M	31 December 2024 \$M
<b>Current other assets</b>		
Prepayments	94.7	55.4
Short term deposits (i)	135.7	-
<b>Total current receivables</b>	<b>230.4</b>	<b>55.4</b>

- (i) Short term deposits are term deposits greater than 90 days and therefore not classified as cash and cash equivalents.

**Note B.5 Finance lease receivables**

	30 June 2025 \$M	31 December 2024 \$M
Finance lease receivables – current	7.4	7.8
Finance lease receivables – non-current	490.0	480.2
<b>Total lessor finance receivables</b>	<b>497.4</b>	<b>488.0</b>

The Group has determined that its dedicated customer connection assets meet the definition of a finance lease, resulting in the recognition of a finance lease receivable instead of property, plant and equipment. This receivable is initially measured at the construction cost of the asset, which is equivalent to its fair value. The receivable is subsequently measured at the present value of remaining revenue receipts, discounted at the interest rate implicit in the customer agreement.

## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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### Note B.6 Taxation

AusNet Pty Ltd is part of the tax consolidated group headed by Australian Energy Holdings No 1 Pty Ltd (AEH 1) and is subject to a tax funding arrangement.

#### (a) Deferred tax assets

Upon joining the new tax consolidated group headed by AEH 1, a reset and increase in the tax base of depreciable assets arose for assets held by the AusNet Pty Ltd, which has created an estimated deductible temporary difference of \$3.8 billion on acquisition.

Recognition of an associated deferred tax asset for this deductible temporary difference was assessed under the requirements of AASB 112 *Income Taxes*, based on the forecasted taxable income of the AusNet Pty Ltd. At 30 June 2025, the full deferred tax asset of \$687.0 million was recognised, as utilisation was deemed probable at the date of the financial report. Management judgement has been applied to determine the amount of deferred tax assets that can be recognised based on forecast taxable income. Whilst a level of uncertainty associated with the estimation of forecast taxable income exists, management has assessed the deferred tax assets are probable of recoupment.

#### (b) Risk to tax positions adopted

The tax expense and deferred tax balances assume certain tax outcomes and values of assets in relation to the application of tax legislation as it applies to the Company. Judgement is required in determining the timing of deductibility of expenditure, which impacts the amount of income tax payable and whether deferred tax balances are to be recognised in the statement of financial position. Changes in tax legislation or the interpretation of tax laws by tax authorities may affect the amount of provision for income taxes and deferred tax balances recognised.

AusNet has sought, through the Federal Court of Australia, a judicial review of certain tax consolidation outcomes relating to the former AusNet tax consolidated group, arising from the corporate restructure completed in June 2015. A successful outcome would have resulted in a higher uplift in historical tax bases and higher capital allowance entitlements from June 2015. The potential uplift in tax bases has not been previously recognised in the financial statements of AusNet or been adopted in filed income tax returns. Consequently, there is no material adverse income tax impact from an unsuccessful outcome.

The matter was heard by the Full Court of the Federal Court in August 2024. On 7 March 2025, the majority of the Full Federal Court dismissed AusNet's appeal. On 3 April 2025, AusNet filed a Special Leave Application to the High Court of Australia, seeking to appeal the decision of the Full Federal Court. On 7 August 2025, the High Court of Australia dismissed AusNet's Special Leave Application. There are no further avenues of appeal, and the matter is no longer before the courts.

Other than the matters outlined above, there have been no significant changes during the six months ended 30 June 2025.

**Condensed notes to the consolidated interim financial statements**

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**Section C Investing in our business**

This section highlights the investments made by us into our non-current asset base, including the core network assets.

**Note C.1 Property, plant and equipment**

	Freehold land \$M	Buildings \$M	Easements \$M	Transmission network (i) \$M	Electricity distribution network \$M	Gas distribution network \$M	Other plant and equipment \$M	Right- of- use asset \$M	Capital work in progress \$M	Total \$M
<b>30 June 2025</b>										
Cost	283.9	768.2	1,226.4	4,203.5	7,995.3	2,640.4	757.7	75.4	1,208.5	19,159.3
Accumulated depreciation	-	(186.2)	(1.0)	(1,436.9)	(2,722.5)	(807.4)	(616.1)	(34.9)	-	(5,805.0)
<b>Carrying amount as at 30 June 2025</b>	<b>283.9</b>	<b>582.0</b>	<b>1,225.4</b>	<b>2,766.6</b>	<b>5,272.8</b>	<b>1,833.0</b>	<b>141.6</b>	<b>40.5</b>	<b>1,208.5</b>	<b>13,354.3</b>
<b>31 December 2024</b>										
Cost	282.5	734.3	1,226.4	4,130.5	7,762.4	2,598.5	722.2	73.9	1,115.0	18,645.7
Accumulated depreciation	-	(179.2)	(0.9)	(1,382.9)	(2,618.5)	(778.6)	(603.5)	(30.9)	-	(5,594.5)
<b>Carrying amount as at 31 December 2024</b>	<b>282.5</b>	<b>555.1</b>	<b>1,225.5</b>	<b>2,747.6</b>	<b>5,143.9</b>	<b>1,819.9</b>	<b>118.7</b>	<b>43.0</b>	<b>1,115.0</b>	<b>13,051.2</b>

(i) Transmission network also contains Development &amp; Future Networks unregulated infrastructure assets.

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note C.2 Intangible assets**

	Distribution licences \$M	Goodwill \$M	Software \$M	Total \$M
<b>30 June 2025</b>				
Cost	354.5	12.0	966.2	1,332.7
Accumulated impairment	-	(12.0)	(3.4)	(15.4)
Accumulated amortisation	-	-	(777.9)	(777.9)
<b>Carrying amount as at 30 June 2025</b>	<b>354.5</b>	<b>-</b>	<b>184.9</b>	<b>539.4</b>
<b>31 December 2024</b>				
Cost	354.5	12.0	900.0	1,266.5
Accumulated impairment	-	(12.0)	(3.4)	(15.4)
Accumulated amortisation	-	-	(738.2)	(738.2)
<b>Carrying amount as at 31 December 2024</b>	<b>354.5</b>	<b>-</b>	<b>158.4</b>	<b>512.9</b>

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Section D Financing our business**

This section provides information relating to our capital structure and our exposure to financial risks, how they affect the Group's financial position and performance, and how those risks are managed. The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated financial report as at and for the year ended 31 December 2024.

**Note D.1 Borrowings**

	Maturity date at 30 June 2025	30 June 2025 \$M	31 December 2024 \$M
<b>Current borrowings</b>			
Working capital bank debt facilities (ii)	2025	-	14.1
Bi-lateral bank debt facilities (ii)	2025	-	55.0
Syndicated bank debt facilities (ii)	2025	-	698.4
US dollar (USD) senior notes (i)	2026	121.1	-
Hong Kong dollar (HKD) senior notes (i)	2026	231.3	-
<b>Total current borrowings</b>		<b>352.4</b>	<b>767.5</b>
<b>Non-current borrowings</b>			
Hong Kong dollar (HKD) senior notes (i)	2027 – 2034	600.6	875.0
Domestic medium-term notes	2027 – 2043	3,768.5	3,703.3
Syndicated bank debt facilities (ii)	2029 – 2032	1,214.1	1,264.1
Euro (EUR) senior notes (i), (ii)	2027 – 2035	2,980.8	1,901.0
Japanese Yen (JPY) senior notes (i)	2038	106.0	101.7
US dollar (USD) senior notes (i)	2026	-	128.2
Norwegian Kroner (NOK) senior notes (i)	2027 – 2029	500.7	455.1
Australian dollar (AUD) hybrid (ii), (iii)	2055 – 2080	1,087.0	650.0
Euro (EUR) hybrid securities (i), (iii)	2081	1,223.3	1,117.6
<b>Total non-current borrowings</b>		<b>11,481.0</b>	<b>10,196.0</b>
<b>Total borrowings</b>		<b>11,833.4</b>	<b>10,963.5</b>

- (i) The carrying value of foreign currency borrowings are translated at spot rate as at balance date. The foreign currency risk associated with these borrowings is hedged through the use of cross-currency swaps.
- (ii) During the period, \$950.0 million of AUD hybrid securities and \$886.6 million of Euro senior notes were raised, \$516.7m of AUD hybrid securities were repurchased, \$751.0 million of the syndicated bank debt facilities were repaid, \$55.0 million of bi-lateral debt facilities were repaid, \$100.8 million of working capital bank debt facilities were drawn and \$114.9 million repaid in the same period. There are no additional covenant requirements for the new securities. For details of covenant requirements of existing debt, these disclosed in the 31 December 2025 Financial Statements.
- (iii) The first call date for hybrid securities is in October 2025 for AUD hybrids due in 2080, February 2031 for AUD hybrid due in 2055 and September 2026 for EUR hybrids. The right to defer settlement was substantive at 30 June 2025 and the borrowings have been classified as non-current.

The Group had \$1,152.5 million of undrawn but committed bank debt facilities (31 December 2024: \$1,032.4 million) and \$90.4 million of cash and cash equivalents as at 30 June 2025 (31 December 2024: \$2.9m).

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note D.1 Borrowings (continued)****(a) Fair value measurement**

Derivative financial instruments are recognised at fair value and are measured in accordance with generally accepted pricing models based on discounted cash flow analysis. Transaction costs are recognised in the income statement. These pricing models use significant market observable data as well as market corroboration based on active quotes. As such, fair value measurements are deemed level two within the fair value hierarchy as per AASB 13 *Fair Value Measurement*. The Group does not have any financial instruments which would be categorised as either level one or three of the fair value hierarchy.

The Group also has a number of financial assets and liabilities which are not measured at fair value in the consolidated statement of financial position. With the exception of borrowings, the carrying amounts of these items are considered to be a reasonable approximation of their fair value at 30 June 2025.

The fair value of total borrowings as at 30 June 2025 was \$11,875.1 million (31 December 2024: \$10,997.8 million). This fair value measurement uses significant market observable data, and therefore was a level two measurement within the fair value hierarchy as per AASB 13 *Fair Value Measurement*. The valuation techniques applied are consistent with those applied in the consolidated financial report as at and for the year ended 31 December 2024.

**Note D.2 Net finance costs**

	30 June 2025 \$M	30 June 2024 \$M
<b>Finance income</b>		
Interest income	3.3	0.2
Lease interest income	21.6	15.9
<b>Total finance income</b>	<b>24.9</b>	<b>16.1</b>
<b>Finance costs</b>		
Interest expense	252.0	240.5
Interest expense – leases	1.0	1.1
Other finance charges – cash	5.0	3.3
Other finance charges - non-cash	6.3	6.3
(Gain) / loss on accounting for hedge relationships	16.7	(4.6)
Unwind of discount on provisions	1.4	1.5
Defined benefit net interest income	(1.8)	(1.6)
Capitalised finance charges	(21.4)	(18.8)
<b>Total finance costs</b>	<b>259.2</b>	<b>227.7</b>
<b>Net finance costs</b>	<b>234.3</b>	<b>211.6</b>

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

**Note D.3 Equity**

		<b>30 June 2025 \$M</b>	<b>31 December 2024 \$M</b>
<b>Contributed equity</b>			
Ordinary share capital	(a)	5,228.1	5,228.1
<b>Total contributed equity</b>		<b>5,228.1</b>	<b>5,228.1</b>

**(a) Movements in ordinary share capital**

<b>Date</b>	<b>Details</b>	<b>Number of shares</b>	<b>\$M</b>
1 January 2025	Opening balance	3,835,799,900	5,228.1
<b>30 June 2025</b>	<b>Closing balance</b>	<b>3,835,799,900</b>	<b>5,228.1</b>
1 January 2024	Opening balance	3,835,799,900	5,228.1
<b>31 December 2024</b>	<b>Closing balance</b>	<b>3,835,799,900</b>	<b>5,228.1</b>

## Condensed notes to the consolidated interim financial statements

For the six months ended 30 June 2025

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### Section E Other disclosures

This section includes other information to assist in understanding the financial performance and position of the Group, or items required to be disclosed in order to comply with accounting standards and other pronouncements.

#### Note E.1 Related party transactions

##### (a) Transactions with related parties

In the current period, dividends of \$9.2 million paid to Australian Energy Holdings No 4 Pty Ltd.

#### Note E.2 Contingent liabilities and contingent assets

The Group is involved in various tax, legal and administrative proceedings and claims on foot, the ultimate resolution of which, in our view, will not have a material effect on the consolidated financial position, results of operations or cash flows. Other than potential additional costs in addition to the environmental provision noted in Note E.3, we are not aware of any additional contingent liabilities or assets as at 30 June 2025 (December 2024: nil).

#### Note E.3 Provisions

##### (a) Measurement of environmental provision

Provisions include an environmental provision of \$44.3 million (December 2024: \$44.1 million), which represents an estimate of costs to remediate soil and water contamination on gas sites which were previously used as coal processing facilities. The provision is based on preliminary cost estimates and timing of remediation, considering current legal and regulatory requirements, the estimated extent of the contamination, the nature of the site and surrounding areas, and the technologies and methods available. Management is exploring a number of strategies for future land use options for the three sites, with the estimation of the provision at period end being based on the current preferred option. The extent of remediation activities and associated costs may differ significantly depending on which option is ultimately chosen, and on other factors impacting the extent of ultimate remediation effort and underlying cost that are not known at balance date. As a result, there is a risk that in the event of full remediation of all three sites, the cost may exceed the provision at 30 June 2025.

Site investigations are ongoing and there have been no significant updates to estimated costs in the current period. Remediation work has commenced at one site in 2025.

##### (b) Provision for Energy Resilience Community Fund

Following the severe weather event in Victoria on 13 February 2024, AusNet established a \$12 million Energy Resilience Community Fund ('the Fund') and a Deed of Undertaking was executed. The Fund will provide grants to community and not-for-profit organisation, local councils and small businesses to help build and strengthen community energy resilience. During the period ended 30 June 2025, \$2.8 million of the provision was distributed. The remaining provision balance of \$5.6 million represents funds required to be distributed prior to 31 December 2026.

#### Note E.4 Events occurring after the balance sheet date

##### (a) Borrowings

On 8 August 2025 AusNet Group issued a notice to Subordinated Note Holders that the \$133.3 million Subordinated Notes that remain outstanding due 2080 will be fully redeemed early on 6 October 2025. These are classified as non-current borrowings in Note D.1.

In addition, in August 2025, AusNet entered into three new five-year bilateral facility agreements totalling \$300 million, replacing the existing facilities set to mature at the end of August 2025. The new facilities mature in August 2030.

##### (b) Taxation matters

On 7 August 2025, the High Court of Australia dismissed AusNet's Special Leave Application in respect to a judicial review of certain tax consolidation outcomes relating to the former AusNet Services tax consolidated group, arising from the corporate restructure completed in June 2015. There are no further avenues of appeal, and the matter is no longer before the courts. Refer to Note B.6 for additional details.

**Condensed notes to the consolidated interim financial statements**

For the six months ended 30 June 2025

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**Note E.4 Events occurring after the balance sheet date (continued)**

**(c) Other matters**

Other than outlined above, there has been no matter or circumstance that has arisen since 30 June 2025 up to the date of issue of this financial report that has significantly affected or may significantly affect:

- (a) the operations in the financial period subsequent to 30 June 2025 of the Group;
- (b) the results of those operations; or
- (c) the state of affairs, in the financial period subsequent to 30 June 2025, of the Group.

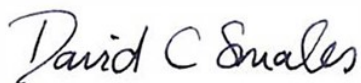
## **Directors' declaration**

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In the opinion of the Directors of AusNet Pty Ltd (the Company):

- (a) the interim financial statements and notes set out on pages 10 to 32 have been prepared in compliance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**David Smales**  
Director

Melbourne  
**23 September 2025**



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with confidence**

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## **Independent auditor's review report to the members of AusNet Pty Ltd**

### **Conclusion**

We have reviewed the accompanying half-year financial report of AusNet Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated interim statement of financial position as at 30 June 2025, the consolidated interim income statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year is not prepared, in all material respects, in accordance with AASB 134 *Interim Financial Reporting*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation and presentation of half-year financial report in accordance with AASB 134 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report is not prepared, in all material respects, in accordance with AASB 134 *Interim Financial Reporting*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young  
Melbourne  
23 September 2025