AusNet Pty Ltd

ACN 603 317 559

Interim Financial Report

For the six months ended 30 June 2026

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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 2025.

The interim financial report was authorised for issue by the Directors on 24 August 2026.

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 months ended 30 June 2026.

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

Charlie Boyes – Chief Financial Officer

HY2026 operating environment

The six-month period ended 30 June 2026 includes the following operating and financial highlights:

- In January 2026, Bushfires occurred across our networks resulting in over 10,000 customers being impacted. The recovery works from these bushfires were performed over the period and the business incurred $40.7 million of expenditures. These expenditures have been included in a cost pass through application with the Australian Energy Regulator (AER).

- During the period, $1,100.0 million of AUD hybrid securities notes were raised, $206.8 million of HKD senior notes and $107.0 million of USD senior notes were repaid, $170.0 million of bilateral bank debt facilities were drawn and $220.0 repaid in the same period, and $66.9 million of working capital bank debt facilities were drawn and $101.6 million repaid in the same period.

- In June 2026, the Group finalised the refinancing of its existing syndicated bank debt facility, increasing the total committed facility amount from $725.0 million to $1.025 billion and extending the facility maturity date to 2036. These financing activities were primarily undertaken to fund the Group's capital expenditure program and support liquidity requirements.

- Improved regulated revenue in both Electricity and Gas Distribution networks as a result of an improved regulatory price path under the AER determination. Development & Future Networks revenue increased by $6.4 million, primarily due to the practical completion of several major projects during the period.

Interim review of financial results

This discussion and analysis are 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 is a non-IFRS measure. EBITDA is presented in the Consolidated Income Statement. These measures are referred to below in our analysis.

The results below are for the period from 1 January 2026 to 30 June 2026 for the Group, with comparatives shown for the period from 1 January 2025 to 30 June 2025

	30 June 2026 ($M)	30 June 2025 ($M)	Movement $M)	%
Revenue	**1,239.3**	1,202.4	36.9	3
EBITDA	**713.8**	666.5	47.3	7
Net profit after tax (NPAT)	**132.2**	111.1	21.1	19
Capital expenditure	**711.3**	654.3	57.0	9

Interim review of financial results (continued)

Comparing the six months ended 30 June 2026 with the prior corresponding period, the Group saw an increase in revenue of $36.9 million. This was primarily driven by regulated price path increases across the regulated network businesses. In addition, unregulated revenue increased from additional projects being delivered or reaching practical completion during the current period.

EBITDA increased by $47.3 million, primarily reflecting higher regulated revenue and lower unaccounted-for-gas (UAFG) settlement expenses.

Capital expenditure increased by $57.0 million, primarily due to asset remediation and network rebuild activities undertaken following bushfires across the Electricity distribution network, together with higher investment in station rebuilds and Excluded and Prescribed Services projects in the regulated Transmission business. This was partially offset by lower capital expenditure in the Gas & Metering network, reflecting the strategic reprofiling of asset replacement programs and upgrades of the residential network from low-pressure to high-pressure mains compared with the prior period, as well as reduced expenditure in the Development & Future Networks business following the practical completion of several major projects.

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

Electricity Distribution business

	30 June 2026 ($M)	30 June 2025 ($M)	Movement ($M)	%
Revenue	**578.2**	576.7	1.5	0
EBITDA	**326.3**	336.5	(10.2)	(3)
Capital expenditure	**319.9**	294.7	25.2	9

Electricity Distribution revenue increased by $1.5 million, primarily driven by higher regulated revenue arising from the improved regulated price path. This was partially offset by lower customer contributions revenue resulting from reduced volumes of completed business connection and public lighting projects.

EBITDA decreased primarily due to higher operating costs, driven by increased network charges, service level payments, fleet expenses, and emergency maintenance expenditure, including costs associated with the January 2026 bushfires.

Capital expenditure increased primarily due to asset remediation and network rebuild activities undertaken following bushfires across the Electricity distribution network.

Gas Distribution and Metering business

	30 June 2026 ($M)	30 June 2025 ($M)	Movement ($M)	%
Revenue	**175.5**	168.2	7.3	4
EBITDA	**136.9**	120.1	16.8	14
Capital expenditure	**56.6**	69.7	(13.1)	(19)

Gas Distribution and Metering revenue increased by $7.3 million, primarily driven by the improved regulated price path and increased connection activity.

EBITDA performance improved due to revenue growth and lower unaccounted for gas (UAFG) settlement expenses.

Capital expenditure was lower than the prior period, reflecting the strategic reprofiling of asset replacement programs and residential network upgrades from low-pressure to high-pressure mains.

Electricity Transmission business

	30 June 2026 ($M)	30 June 2025 ($M)	Movement ($M)	%
Revenue	**407.3**	384.9	22.4	6
EBITDA	**205.5**	187.8	17.7	9
Capital expenditure	**209.5**	150.4	59.1	39

Electricity Transmission revenue increased by $22.4 million, primarily driven by higher Shared Network Services income from the Australian Energy Market Operator (AEMO) reflecting tariff increases. The increase was also supported by higher Excluded Negotiated and Prescribed Services revenue following the completion of several major customer projects.

EBITDA performance improved primarily due to revenue growth across the business. This was partially offset by higher operating costs, including increased land tax, AEMO participation fees and customer works costs associated with higher levels of project activity.

Capital expenditure increased primarily due to increased investment in station rebuild projects and Excluded and Prescribed Services. This was partially offset by lower expenditure on negotiated services projects compared with the prior period.

Development & Future Networks business

	30 June 2026 ($M)	30 June 2025 ($M)	Movement ($M)	%
Revenue	**84.1**	77.7	6.4	8
EBITDA	**45.1**	22.1	23.0	104
Capital expenditure	**125.3**	139.5	(14.2)	(10)

Development & Future Networks revenue increased by $6.4 million, primarily due to the practical completion of several major projects during the period, including the Mortlake Battery Energy Storage System, Pine Lodge Battery Energy Storage System, Carwarp Solar Farm, Goorambat East Solar Farm and Microsoft Francis Street Data Centre Stage 2 projects.

EBITDA performance increased by $23.0 million, primarily due to the absence of the $15.1 million Gippsland Renewable Energy Zone development cost write-off recognised in the prior corresponding period which did not reoccur. EBITDA also improved due to the increase in revenue in 2026 of $6.4 million and lower corporate costs. This was partially offset by increased major project costs associated with bid phase activities, including costs that are not recoverable if a bid is unsuccessful.

Capital expenditure decreased during the period following the practical completion of several major projects during 2025 and early 2026.

Financial position

Total equity of the Group was $4,356.1 million as at 30 June 2026, an increase of $91.9 million compared to 31 December 2025 ($4,264.2 million), primarily attributed to:

- Net profit of $132.2 million; partially offset by:
- A loss on hedge accounting relating to fair value movement on hedges recognised in Other Comprehensive Income of $31.5 million.

The Group's current liabilities exceed its current assets by $510.0 million at 30 June 2026 (31 December 2025: by $455.2 million).

At 30 June 2026, the Group has available a total of $1,452.5 million (31 December 2025: $1,067.8 million) of undrawn bank debt facilities and overdraft, and $442.8 million (31 December 2025: $7.4 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 2026, the Group generated profit before income tax of $187.7 million and positive operating cash flows of $461.9 million.

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, $1,100.0 million of AUD hybrid securities notes were raised, $206.8 million of HKD senior notes and $107.0 million of USD senior notes were repaid, $170.0 million of bilateral bank debt facilities were drawn and $220.0 repaid in the same period, and $66.9 million of working capital bank debt facilities were drawn and $101.6 million repaid in the same period.

In June 2026, the Group finalised the refinancing of its existing syndicated bank debt facility with ANZ, increasing the total committed facility amount from $725.0 million to $1.025 billion and extending the facility maturity date to 2036.

Distributions

Distributions of $10.1 million (2025: $9.2 million) were paid to Australian Energy Holdings No. 4 Pty Ltd during the period.

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 ultimate Australian parent of the Company is Australian Energy Holdings No 1 Pty Ltd (AEH1). 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 2025 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 risks;
- Network reliability and services delivery risks; and
- Taxation risks.

Material Risks and Uncertainties (continued)

We provide the following update on our material risks since the 31 December 2025 Financial Report:

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 to its review and audit activities.

Several matters pertaining to the former group remain subject to ATO review. Management has applied Interpretation 23 – Uncertainty over Income Tax Treatments to account for these positions.

These include:

- **Audit of capital returns and deductibility of shareholder loan interest.** The ATO is auditing the implementation of shareholder loans, and the associated specific tax issues, including but not limited to thin capitalisation, transfer pricing, and the application of the debt and equity rules. Interest on shareholder loans became partly non-deductible for tax purposes (under amended thin capitalisation law, which came into effect on 1 January 2024).

- **GST on Gifted Assets**. In December 2025, the ATO issued AusNet with a position paper on the treatment of Goods and Services Tax (GST) of gifted assets. AusNet continues to engage with the ATO and does not expect a material net GST liability to become payable to the ATO as a result of this matter.

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 2026/183, 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 17 July 2026, AusNet Services Holdings Pty Ltd, a wholly owned subsidiary of AusNet Pty Ltd, announced its intention to redeem in full the $1,081.9 million of EUR hybrid securities due 2081 on 11 September 2026, being the first call date. The hybrid securities are classified as non-current borrowings in Note D.1 and will be redeemed at their principal amount together with accrued interest up to, but excluding, the redemption date.

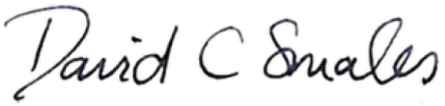
(b) Other matters

Other than outlined above, there has been no matter or circumstance that has arisen since 30 June 2026 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 2026 of the Group;

(b) the results of those operations; or

(c) the state of affairs, in the financial period subsequent to 30 June 2026 of the Group.



David Smales
Director

Melbourne
24 August 2026

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with confidence

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

In relation to the review of the half-year financial report of AusNet Pty Ltd for the half-year ended 30 June 2026, we declare to the best of our knowledge and belief, there have been:

a. No contraventions of the independence requirements of any applicable code of professional conduct in relation to the review; and

b. 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

24 August 2026

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Consolidated interim income statement

For the six months ended 30 June 2026

	Notes	30 June 2026 $M	30 June 2025 $M
Revenue	B.1, B.3	**1,239.3**	**1,202.4**
Use of system and associated charges	B.1	(88.6)	(82.6)
Easement and land tax	B.1	(137.8)	(136.4)
Employee benefit expenses		(90.7)	(90.9)
External maintenance and contractors' services		(102.4)	(115.0)
Materials		(3.0)	(2.0)
Information technology and communication costs		(43.6)	(43.7)
Administrative expenses		(23.1)	(21.4)
Service level payments	B.1	(8.1)	(5.8)
Disposal of property plant and equipment	B.1	(4.6)	(5.1)
Other costs		(23.6)	(33.0)
Total expenses excluding depreciation, amortisation, interest and tax		**(525.5)**	**(535.9)**
Earnings before interest, tax, depreciation and amortisation		**713.8**	**666.5**
Depreciation and amortisation	B.1	(308.7)	(273.4)
Profit from operating activities		**405.1**	**393.1**
Finance income	D.2	38.9	24.9
Finance costs	D.2	(256.3)	(259.2)
Net finance costs		**(217.4)**	**(234.3)**
Profit before income tax		**187.7**	**158.8**
Income tax expense		(55.5)	(47.7)
Profit for the period		**132.2**	**111.1**

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 2026

	30 June 2026 $M	30 June 2025 $M
Profit for the period	**132.2**	**111.1**
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods		
Movement in defined benefit fund	1.9	(1.5)
Income tax on movement in defined benefit fund	(0.6)	0.4
	1.3	**(1.1)**
Items that may be reclassified to profit or loss in subsequent periods		
Movement in hedge reserve	(45.0)	(239.6)
Income tax on movement in hedge reserve	13.5	71.9
	(31.5)	**(167.7)**
Other comprehensive income / (loss) for the period, net of income tax	(30.2)	(168.8)
Total comprehensive income / (loss) for the period	**102.0**	**(57.7)**

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 2026

	Notes	30 June 2026 $M	31 December 2025 $M
ASSETS			
Current assets			
Cash and cash equivalents		442.8	7.4
Receivables	B.4	386.4	277.2
Finance lease receivables	B.5	11.4	9.8
Inventories		78.5	63.0
Derivative financial instruments		277.5	262.1
Other assets	B.4	113.9	62.5
Total current assets		**1,310.5**	**682.0**
Non-current assets			
Inventories		26.1	29.6
Property, plant and equipment	C.1	14,155.8	13,808.4
Intangible assets	C.2	546.6	573.6
Finance lease receivables	B.5	619.9	562.9
Derivative financial instruments		532.4	762.7
Defined benefit asset		80.7	77.3
Deferred tax assets	B.6	418.1	515.0
Other assets	B.4	134.3	132.8
Total non-current assets		**16,513.9**	**16,462.3**
Total assets		**17,824.4**	**17,144.3**
LIABILITIES			
Current liabilities			
Payables and other liabilities		644.8	530.3
Lease liabilities		15.6	12.5
Provisions		106.9	110.5
Borrowings	D.1	914.4	385.2
Derivative financial instruments		138.7	97.5
Current tax payable		0.1	1.2
Total current liabilities		**1,820.5**	**1,137.2**
Non-current liabilities			
Contract liabilities		286.9	290.5
Lease liabilities		60.2	69.4
Provisions		50.6	64.6
Borrowings	D.1	10,917.1	11,110.1
Derivative financial instruments		333.0	208.3
Total non-current liabilities		**11,647.8**	**11,742.9**
Total liabilities		**13,468.3**	**12,880.1**
Net assets		**4,356.1**	**4,264.2**
EQUITY			
Contributed equity	D.3	5,228.1	5,228.1
Reserves		(3,076.3)	(3,044.8)
Retained profits		3,299.4	3,176.0
Other equity		(1,095.1)	(1,095.1)
Total equity		**4,356.1**	**4,264.2**

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 2026

	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
30 June 2026								
Balance as at 1 January 2026		**5,228.1**	**(3,501.9)**	**405.7**	**51.4**	**(1,095.1)**	**3,176.0**	**4,264.2**
Total comprehensive income/(losses) for the period								
Profit for the period		-	-	-	-	-	132.2	132.2
Other comprehensive income/(loss)		-	-	(31.5)	-	-	1.3	(30.2)
Total comprehensive income/(losses) for the period		**-**	**-**	**(31.5)**	**-**	**-**	**133.5**	**102.0**
Transactions with owners, recorded directly in equity								
Dividends paid (v)	E.1	-	-	-	-	-	(10.1)	(10.1)
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**(10.1)**	**(10.1)**
Balance as at 30 June 2026		**5,228.1**	**(3,501.9)**	**374.2**	**51.4**	**(1,095.1)**	**3,299.4**	**4,356.1**
30 June 2025								
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**
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	111.1	111.1
Other comprehensive loss		-	-	(167.7)	-	-	(1.1)	(168.8)
Total comprehensive income for the period		**-**	**-**	**(167.7)**	**-**	**-**	**110.0**	**(57.7)**
Transactions with owners, recorded directly in equity								
Dividends paid (v)	E.1	-	-	-	-	-	(9.2)	(9.2)
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**(9.2)**	**(9.2)**
Balance as at 30 June 2025		**5,228.1**	**(3,501.9)**	**133.1**	**51.4**	**(1,095.1)**	**3,022.4**	**3,838.0**

Consolidated interim statement of changes in equity

For the six months ended 30 June 2026

(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 $10.1 million (June 2025: $9.2 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 2026

		30 June 2026 $M	30 June 2025 $M
Cash flows from operating activities			
Profit for the period		132.2	111.1
Add back interest, tax, depreciation and amortisation		581.6	555.4
Earnings before interest, tax, depreciation and amortisation		**713.8**	**666.5**
Non-cash gifted assets revenue		(33.8)	(43.2)
Other non-cash items		10.0	5.1
Working capital movement		0.6	(57.7)
Non-cash intercompany transactions		(0.2)	(7.6)
Net interest paid		(228.5)	(230.0)
Net cash inflow from operating activities		**461.9**	**333.1**
Cash flows from investing activities			
Payments for property, plant and equipment (i)		(720.0)	(605.1)
Proceeds from sale of property, plant and equipment		0.2	0.6
Receipts for financial assets		11.0	6.5
Payments for financial assets (ii)		-	(135.7)
Net cash outflow from investing activities		**(708.8)**	**(733.7)**
Cash flows from financing activities			
Payments for lease liabilities		(9.2)	(2.5)
Dividends Paid	E.1	(10.1)	(9.2)
Proceeds from borrowings (iii)	D.1	1,336.9	1,937.5
Repayments of borrowings (iii)	D.1	(635.3)	(1,437.7)
Net cash inflow from financing activities		**682.3**	**488.1**
Net increase in cash held		435.4	87.5
Cash and cash equivalents at beginning of the period		7.4	2.9
Cash and cash equivalents at the end of the period		**442.8**	**90.4**

(i) Payments for property, plant and equipment include $22.2 million (June 2025: $21.4 million) for capitalised finance charges.

(ii) Payments for financial assets include payments for term deposits greater than 90 days and therefore not classified as cash and cash equivalents.

(iii) During the period, $1,100.0 million of AUD hybrid securities notes were raised, $206.8 million of HKD senior notes and $107.0 million of USD senior notes were repaid, $170.0 million of bilateral bank debt facilities were drawn and $220.0 repaid in the same period, and $66.9 million of working capital bank debt facilities were drawn and $101.6 million repaid in the same period.

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

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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 2026 were approved by the Board of Directors on 24 August 2026. 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 2026 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 $510.0 million at 30 June 2026 (on 31 December 2025: $455.2 million).
    - At 30 June 2026, the Group has available a total of $1,452.5 million (31 December 2025: $1,067.8 million) of undrawn bank debt facilities and overdraft, and $442.8 million (31 December 2025: $7.4 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 2026, the Group generated profit before income tax of $187.7 million and positive operating cash flows of $461.9 million.
- 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 2026/183 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 2025.

The accounting policies applied by the Group in this consolidated interim financial report are consistent with those applied in the Group's consolidated financial report as at and for the year ended 31 December 2025. Effective from January 2026, the Group adopted the following accounting policy:

Costs to obtain or fulfil contracts

Costs that are incremental to obtaining a contract and are expected to be recovered, or that are explicitly chargeable to the customer regardless of whether the contract is obtained, are capitalised as contract cost.

(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 2025.

The critical judgements and estimates used by management in applying the Group's accounting policies for the period ended 30 June 2026 reflect the latest available information.

During the period, the Group reassessed the useful lives of certain Gas Distribution Network Assets in light of ongoing energy transition policy developments and updated expectations regarding the long-term demand for gas services. As a result, the expected useful lives of these assets were shortened, with the end of their useful lives brought forward from 2060 to 2050. This change represents a revision of an accounting estimate and has been applied prospectively from the date of reassessment, resulting in an increase in depreciation expense of $8.7 million for the current period.

Other than this change in estimate, updates to critical judgements and estimates 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 2026.

(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

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.

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.

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.

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.

The performance obligation is the provision of the access to the network and as such use of system revenue is recognised over the contract period which is deemed to be the regulatory reset period. The transaction price is assessed as the determined recoverable revenue over that period. Variable consideration relating to volumes is constrained to the period in which it occurs, and volume over or under recoveries under the revenue cap are not considered to comprise variable consideration in accordance with *AASB 15 Revenue from Contracts with Customers*.

Alternative Control Services includes public lighting, cross boundary charges and new connection charges are rendered to customers for a fixed rate with revenue recognised at a point in time when the services are rendered.

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. The performance obligation is at a point in time being the time at which the customer is connected to the network.

For some customer projects, the performance obligation will be linked to an ongoing service contract, and hence the performance obligation will be satisfied over time, being the contract term.

Note B.1 Segment information (continued)

Customer contributions of cash are measured with reference to the cash contribution received and customer contributions of assets are measured at the fair value of the assets contributed at the date the Group gained control of the asset. Fair value is determined with reference to the depreciated replacement cost of the asset unless another measure of fair value is considered more appropriate.

(ii) Gas distribution and metering

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

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.

The performance obligation is the provision of the access to the network and as such use of system revenue is recognised over the contract period which is deemed to be the regulatory reset period. The transaction price is deemed to be the determined recoverable revenue over that period. Variable consideration, being the volume fluctuations or true ups for unaccounted for gas are constrained to the period to which they apply. Ancillary Services are rendered to customers at a fixed rate. Revenue associated with the provision of Ancillary Services is recognised at a point in time services are provided. Customer contributions in the gas distribution segment are accounted for in the same way as the electricity distribution segment.

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 and revenue is recognised over time.

(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 VicGrid (previously the Australian Energy Market Operator (AEMO))[1], distribution network service providers and electricity generators for connections and use of the electricity transmission network.

For Prescribed Services, the performance obligation is the provision of the access to the network and as such revenue is recognised over the contract period which is deemed to be the regulatory reset period. The transaction price is deemed to be the determined recoverable revenue over that period.

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

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. Revenue from these services are recognised at a point in time as the services are rendered.

[1] Effective 1 November 2025 VicGrid assumed Transmission Planning responsibilities from AEMO.

Note B.1 Segment information (continued)

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

(b) Reportable segment financial information

	Electricity distribution	Gas distribution & Metering	Electricity transmission	Development & Future Networks	Inter-segment eliminations	Total
30 June 2026	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Regulated revenue	520.1	162.3	357.5	-	(4.7)	1,035.2
Excluded prescribed transmission revenue	-	-	17.2	-	(0.5)	16.7
Excluded negotiated transmission revenue	-	-	25.1	-	-	25.1
Unregulated infrastructure revenue	-	-	-	65.1	-	65.1
Customer contributions	54.6	5.5	-	0.8	-	60.9
Service revenue	-	7.1	4.3	7.8	-	19.2
Other revenue	3.5	0.6	3.2	10.4	(0.6)	17.1
Total segment revenue	**578.2**	**175.5**	**407.3**	**84.1**	**(5.8)**	**1,239.3**
Use of system and associated charges	(85.6)	(4.4)	(4.1)	-	5.5	(88.6)
Easement and land tax	(1.4)	(0.1)	(136.3)	-	-	(137.8)
Service level payments	(8.0)	-	-	(0.1)	-	(8.1)
Operating expenses	(154.9)	(32.3)	(60.6)	(38.9)	0.3	(286.4)
Retirement	(2.0)	(1.8)	(0.8)	-	-	(4.6)
Segment operating expenses	**(251.9)**	**(38.6)**	**(201.8)**	**(39.0)**	**5.8**	**(525.5)**
Segment result - EBITDA (i)	**326.3**	**136.9**	**205.5**	**45.1**	**-**	**713.8**
Lease interest income	**-**	**-**	**-**	27.4	-	27.4
EBITDAaL (ii)	**326.3**	**136.9**	**205.5**	**72.5**	**-**	**741.2**
Depreciation and amortisation	(134.8)	(78.7)	(81.2)	(14.0)	-	(308.7)
Capital expenditure	319.9	56.6	209.5	125.3	-	711.3
30 June 2025						
Regulated revenue	511.6	150.5	347.1	-	(4.5)	1,004.7
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
Total segment revenue	**576.7**	**168.2**	**384.9**	**77.7**	**(5.1)**	**1,202.4**
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	(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)

Note B.1 Segment information (continued)

30 June 2025	Electricity distribution $M	Gas distribution & Metering $M	Electricity transmission $M	Development & Future Networks $M	Inter-segment eliminations $M	Total $M
Segment operating expenses	**(240.2)**	**(48.1)**	**(197.1)**	**(55.6)**	**5.1**	**(535.9)**
Segment result - EBITDA (i)	**336.5**	**120.1**	**187.8**	**22.1**	**-**	**666.5**
Lease interest income	-	-	-	21.6	-	21.6
EBITDAaL (ii)	**336.5**	**120.1**	**187.8**	**43.7**	**-**	**688.1**
Depreciation and amortisation	(121.3)	(68.2)	(73.2)	(10.7)	-	(273.4)
Capital expenditure	294.7	69.7	150.4	139.5	-	654.3

(i) Earnings before interest, tax, depreciation and amortisation
(ii) EBITDA after lease income

(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 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
30 June 2026	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Timing of recognition						
At a point in time	70.9	18.9	7.0	10.2	(0.5)	106.5
Over time	506.5	156.6	399.8	73.1	(5.3)	1,130.7
Revenue from contracts with customers	**577.4**	**175.5**	**406.8**	**83.3**	**(5.8)**	**1,237.2**
Other income not in scope of AASB 15						
Operating lease income	0.1	-	0.5	-	-	0.6
Income from government grants (i)	0.7	-	-	0.8	-	1.5
Total segment revenue	**578.2**	**175.5**	**407.3**	**84.1**	**(5.8)**	**1,239.3**
30 June 2025						
Timing of recognition						
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)	1,085.2
Revenue from contracts with customers	**576.0**	**168.2**	**384.4**	**76.9**	**(5.1)**	**1,200.4**
Other income not in scope of AASB 15						
Operating lease income	-	-	0.5	-	-	0.5
Income from government grants (i)	0.7	-	-	0.8	-	1.5
Total segment revenue	**576.7**	**168.2**	**384.9**	**77.7**	**(5.1)**	**1,202.4**

(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.

Note B.3 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 2026 there are prepayment and contract liability balances representing this accounting treatment.

(d) Development & Future Networks

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

Note B.4 Receivables and other assets

	30 June 2026 $M	31 December 2025 $M
Current receivables		
Accounts receivable	76.4	36.5
Allowance for impairment loss	(1.6)	(1.6)
Accrued revenue	223.5	208.3
Related party receivables	87.3	34.0
Interest receivable	0.8	-
Total current receivables	**386.4**	**277.2**

	30 June 2026 $M	31 December 2025 $M
Current other assets		
Prepayments	113.9	62.5
Total current other assets	**113.9**	**62.5**

	30 June 2026 $M	31 December 2025 $M
Non-current other assets		
Interest bearing receivables	116.8	121.2
Prepayments	12.0	11.6
Contract assets (i)	5.5	-
Total non-current assets	**134.3**	**132.8**

(i) The contract asset balance includes $5.5 million relates to recoverable costs to obtain or fulfil contracts which are recoverable. This includes bid costs comprising $4.0 million relating to the New England Renewable Energy Zone project and $1.5 million relating to the Gippsland Offshore Wind Farm project.

Note B.5 Finance lease receivables

	30 June 2026 $M	31 December 2025 $M
Finance lease receivables – current	11.4	9.8
Finance lease receivables – non-current	619.9	562.9
Total lessor finance receivables	**631.3**	**572.7**

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.

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 2026, the full deferred tax asset of $418.1 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.

There are currently a number of taxation matters that remain subject to audit, review or discussion with taxation authorities:

- **Audit of capital returns and deductibility of shareholder loan interest.** The ATO is auditing the implementation of shareholder loans, and the associated specific tax issues, including but not limited to thin capitalisation, transfer pricing, and the application of the debt and equity rules. Interest on shareholder loans became partly non-deductible for tax purposes (under amended thin capitalisation law, which came into effect on 1 January 2024). At 30 June 2026, no provision has been recognised in regard to this matter.

- **GST on Gifted Assets.** In December 2025, the ATO issued AusNet with a position paper on the treatment of Goods and Services Tax (GST) of gifted assets. AusNet continues to engage with the ATO and does not expect a material net GST liability to become payable to the ATO as a result of this matter.

Other than the matters outlined above, there have been no significant changes during the six months ended 30 June 2026.

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	Buildings	Easements	Transmission network (i)	Electricity distribution network	Gas distribution network	Other plant and equipment	Right-of-use asset	Capital work in progress	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
30 June 2026										
Cost	286.0	811.3	1,226.4	4,447.3	8,496.2	2,720.3	808.3	120.7	1,521.0	20,437.5
Accumulated depreciation	-	(205.6)	(1.1)	(1,564.6)	(2,931.9)	(878.2)	(648.1)	(52.2)	-	(6,281.7)
Carrying amount as at 30 June 2026	**286.0**	**605.7**	**1,225.3**	**2,882.7**	**5,564.3**	**1,842.1**	**160.2**	**68.5**	**1,521.0**	**14,155.8**
31 December 2025										
Cost	284.0	794.6	1,225.3	4,409.2	8,235.8	2,675.5	773.9	117.4	1,330.4	19,846.1
Accumulated depreciation	-	(197.0)	-	(1,500.7)	(2,827.3)	(837.2)	(632.0)	(43.5)	-	(6,037.7)
Carrying amount as at 31 December 2025	**284.0**	**597.6**	**1,225.3**	**2,908.5**	**5,408.5**	**1,838.3**	**141.9**	**73.9**	**1,330.4**	**13,808.4**

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

Note C.2 Intangible assets

	Distribution licences	Software	Total
	$M	$M	$M
30 June 2026			
Cost	354.5	1,063.6	1,418.1
Accumulated amortisation	-	(871.5)	(871.5)
Carrying amount as at 30 June 2026	**354.5**	**192.1**	**546.6**
31 December 2025			
Cost	354.5	1,045.1	1,399.6
Accumulated amortisation	-	(826.0)	(826.0)
Carrying amount as at 31 December 2025	**354.5**	**219.1**	**573.6**

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 2025.

Note D.1 Borrowings

	Maturity date at 30 June 2026	30 June 2026 $M	31 December 2025 $M
Current borrowings			
Working capital bank debt facilities (ii)	2026	-	34.7
US dollar (USD) senior notes (i) (ii)	2026	-	119.8
Hong Kong dollar (HKD) senior notes (i) (ii)	2026	-	230.7
Euro (EUR) senior notes (i)	2027	914.4	-
Total current borrowings		**914.4**	**385.2**
Non-current borrowings			
Bi-lateral bank debt facilities (ii)	2029	-	50.0
Hong Kong dollar (HKD) senior notes (i)	2027 – 2034	560.2	591.0
Domestic medium-term notes	2027 – 2043	3,678.4	3,679.7
Syndicated bank debt facilities (ii), (iv)	2029 – 2036	1,188.3	1,213.8
Euro (EUR) senior notes (i)	2030 – 2035	1,754.9	2,861.6
Japanese Yen (JPY) senior notes (i)	2038	82.0	90.2
Norwegian Kroner (NOK) senior notes (i)	2027 – 2029	473.1	474.9
Australian dollar (AUD) hybrid (ii), (iii)	2055 – 2056	2,031.4	938.7
Euro (EUR) hybrid securities (i), (iii)	2081	1,148.8	1,210.2
Total non-current borrowings		**10,917.1**	**11,110.1**
Total borrowings		**11,831.5**	**11,495.3**

(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) Refer to footnote (iii) within the Consolidated statement of cashflows.

(iii) The first call date for hybrid securities is in February 2031 for AUD hybrid due in 2055, February 2036 for AUD hybrid due in 2056, and September 2026 for EUR hybrids. The right to defer settlement was substantive at 30 June 2026 and the borrowings have been classified as non-current. Following the reporting date, AusNet announced its intention to redeem in full the $1,081.9 million of EUR hybrid securities due 2081 on 11 September 2026, being the first call date (refer to Note E.4).

(iv) In June 2026, the refinancing of the existing syndicated bank debt facility with ANZ was finalised. The committed facility amount increased from $725.0 million to $1,025.0 million. This modification was assessed as non-substantial. Accordingly, the interest-bearing liability was not derecognised, and the existing liability was adjusted to reflect the revised cash flows. The adjustment to the carrying amount of the financial liability resulted in the recognition of a modification gain of $18.5 million in profit or loss. This gain reflects the difference between the carrying amount of the loans before modification and the recalculated present value of the modified cash flows discounted at the original effective interest rate.

The Group had $1,452.5 million of undrawn but committed bank debt facilities (31 December 2025: $1,067.8 million) and $442.8 million of cash and cash equivalents as at 30 June 2026 (31 December 2025: $7.4m).

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 2026.

The fair value of total borrowings as at 30 June 2026 was $11,900.1 million (31 December 2025: $11,534.1 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 2025.

Note D.2 Net finance costs

	30 June 2026 $M	30 June 2025 $M
Finance income		
Interest income	11.5	3.3
Lease interest income	27.4	21.6
Total finance income	**38.9**	**24.9**
Finance costs		
Interest expense	289.5	252.0
Interest expense – leases	2.0	1.0
Other finance charges – cash	2.1	5.0
Other finance charges - non-cash	(14.6)	6.3
Loss on accounting for hedge relationships	0.4	16.7
Unwind of discount on provisions	1.1	1.4
Defined benefit net interest income	(2.0)	(1.8)
Capitalised finance charges	(22.2)	(21.4)
Total finance costs	**256.3**	**259.2**
Net finance costs	**217.4**	**234.3**

Note D.3 Equity

		30 June 2026 $M	31 December 2025 $M
Contributed equity			
Ordinary share capital	(a)	5,228.1	5,228.1
Total contributed equity		**5,228.1**	**5,228.1**

(a) Movements in ordinary share capital

Date	Details	Number of shares	$M
1 January 2026	Opening balance	3,835,799,900	5,228.1
30 June 2026	**Closing balance**	**3,835,799,900**	**5,228.1**
1 January 2025	Opening balance	3,835,799,900	5,228.1
31 December 2025	**Closing balance**	**3,835,799,900**	**5,228.1**

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 $10.1 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 various 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.

(a) Australian Taxation Office

In December 2025, the Australian Taxation Office (ATO) issued AusNet with a position paper on the treatment of Goods and Services Tax (GST) of gifted assets. The ATO considers gifted assets from customers represent non-monetary consideration for the supply of the connection services by AusNet being a taxable supply subject to GST. Upon transfer of gifted assets, a customer also makes a taxable supply to AusNet, which is expected to give rise to a GST input tax credit entitlement for AusNet. AusNet continues to engage with the ATO. The Company does not expect a material net GST liability to become payable to the ATO as a result of this matter.

Other than as listed above and potential additional costs in addition to the environmental provision recognised, disclosed in Note E.3, there were no contingent liabilities or assets as at 30 June 2026.

Note E.3 Provisions

(a) Measurement of environmental provision

Provisions include an environmental provision of $30.4 million (December 2025: $40.9 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 2026.

Site investigations are ongoing, with one site substantially remediated in the period. There have been no significant updates to estimated costs for the two remaining sites in the current period.

(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. A total of $7.9 million has been distributed since the establishment of the provision, with $4.1 million to be distributed prior to 31 December 2026.

Note E.4 Events occurring after the balance sheet date

(a) Borrowings

On 17 July 2026, AusNet Services Holdings Pty Ltd, a wholly owned subsidiary of AusNet Pty Ltd, announced its intention to redeem in full the $1,081.9 million of EUR hybrid securities due 2081 on 11 September 2026, being the first call date. The hybrid securities are classified as non-current borrowings in Note D.1 and will be redeemed at their principal amount together with accrued interest up to, but excluding, the redemption date.

(b) Other matters

Other than outlined above, there has been no matter or circumstance that has arisen since 30 June 2026 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 2026 of the Group;

(b) the results of those operations; or

(c) the state of affairs, in the financial period subsequent to 30 June 2026 of the Group.

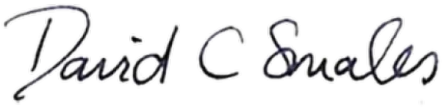
Directors' declaration

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 33 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
24 August 2026

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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 2026, 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 review of the half-year 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
24 August 2026

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