



6 March 2025

Singapore Exchange Securities Trading Limited  
2 Shenton Way  
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Singapore 068804

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

## **ELECTRONIC LODGEMENT**

### **Telstra Corporation Limited – Financial Results Half Year ended 31 December 2024**

In accordance with the Listing Rules, attached for release to the market by Telstra Corporation Limited are its Financial Results for the Half Year ended 31 December 2024.

Telstra Corporation Limited is a wholly owned subsidiary of Telstra Group Limited (ASX: TLS), the head entity of the Telstra Group.

Release of announcement authorised by

Craig Emery  
Group Company Secretary



Telstra Corporation Group

# Financial results

for the half-year ended  
31 December 2024

# Directors' Report

In accordance with a resolution of the Board of Directors of Telstra Corporation Limited (the Board), the Directors present their report on the consolidated entity (Telstra Corporation Group) consisting of Telstra Corporation Limited (Telstra Entity) and the entities it controlled at the end of, or during, the half year ended 31 December 2024. Financial comparisons used in this report are of results for the half year ended 31 December 2024 compared with the half year ended 31 December 2023 for income statement analysis, and 31 December 2024 compared with 30 June 2024 for statement of financial position analysis.

## Principal activity

Our principal activity during the half year ended 31 December 2024 was to provide passive telecommunication infrastructure access and services. The Telstra Entity serves multiple customer segments, including nbn co (nbn), the broader Telstra group comprising Telstra Group Limited and its controlled entities (Telstra Group) and wholesale customers directly. Our growing asset portfolio includes fibre, ducts, and fixed network facilities including data centres, cable landing stations and satellite ground stations.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Telstra Corporation Group during the half year ended 31 December 2024.

## Review and results of continuing operations

Total revenue for the half year ended 31 December 2024 (excluding finance income) increased by 3 per cent to \$1,202 million. This included growth in recurring payments from the nbn Definitive Agreement (nbn DA) reflecting inflation linked price increases. Increase in revenue during the period was also obtained from related party agreements with other legal entities within the Telstra Group. This was mainly offset by a decline in Telstra Multimedia Pty Ltd (a controlled entity in the Telstra Corporation Group) revenue due to its Foxtel pay TV contract expiring.

Other income decreased by 25 per cent to \$79 million. This was mainly due to lower extraction volumes for copper and lower net gains on assets subject to finance lease arrangements with related parties.

Total expenses (excluding finance costs) decreased by 3 per cent to \$486 million due to various cost savings across the business. Based on the movements described above, earnings before interest, income tax expense, depreciation and amortisation increased by 2 per cent to \$783 million, reflecting growth in the recurring nbn DA and internal income, as well as reduced costs across the business.

## Business strategies and prospects

The level of investment in digital infrastructure in Australia is substantial and continues to grow, fuelled by the adoption of cloud services, digital transformation initiatives, and growing adoption of AI and machine learning. Over the last six months, we have been focused on digital infrastructure as we continued to extend our intercity fibre network) across the country, with seven fibre routes between Australia's major capital cities under construction. As at 31 December 2024, we have installed 2,820km of fibre.

The first two routes from Sydney to Canberra, and Melbourne to Canberra, will be ready for service in calendar year 2025. These routes will enable at scale delivery of dark fibre solutions, and options for wavelength services for a wide range of customers, including hyperscalers and the AI industry. The intercity fibre network is the most expansive digital infrastructure build in Australia. Construction complexity on the intercity fibre network persists, including elongated land access approval timeframes, flora and fauna challenges, and deploying in rough and remote terrain.

## Dividends

Dividend paid during the half year was as follows:

| Dividend                          | Date Resolved | Date Paid  | Total Dividend (\$m) |
|-----------------------------------|---------------|------------|----------------------|
| Dividend to Telstra Group Limited | 29 November   | 6 December | 625                  |

In addition to the above dividend, on 6 March 2025 the Directors of Telstra Corporation Limited determined to pay a total dividend of \$290 million to Telstra Group Limited for the half-year ended 31 December 2024.

## Directors

Directors who held office during the half year ended 31 December 2024 were:

| Director         | Period of directorship  |
|------------------|---|
| Brendon Riley    | CEO, Telstra InfraCo since 1 October 2018, Chairman and Director since 1 January 2023 |
| Douglas Rogerson | Director since 1 January 2023   |
| Kathryn Jones    | Director since 1 January 2023   |

## Events occurring after reporting date

Directors have not become aware of any material events occurring after the reporting date except for the dividend detailed above.

## Likely developments and expected results of operations

The Directors expect that the Telstra Entity will continue to carry out its principal activities as detailed above. Details about other likely developments in the Telstra Entity's operations and the expected results of those operations in future financial years that are commercially sensitive, confidential or could give a third party a commercial advantage have not been included.

## Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page A4.

## Rounding of amounts

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

This report is made on 6 March 2025 in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

A handwritten signature in black ink, appearing to read 'Brendon Riley', written over the printed name and title.

Brendon Riley  
Chairman and CEO, Telstra Corporation Limited  
6 March 2025

A handwritten signature in black ink, appearing to read 'Douglas Rogerson', written over the printed name and title.

Douglas Rogerson  
Director  
6 March 2025

6 March 2025

The Board of Directors  
Telstra Corporation Limited  
Level 41, 242 Exhibition Street  
Melbourne, VIC 3000

Dear Board Members

## Auditor's Independence Declaration to Telstra Corporation Limited

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

As lead audit partner for the review of the half year financial report of Telstra Corporation Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Suzana Vlahovic  
Partner  
Chartered Accountants

# Telstra Corporation Limited and controlled entities

Australian Business Number (ABN): 33 051 775 556

## Half-year financial report: introduction and contents

As at 31 December 2024

### About this report

This is the half-year financial report for Telstra Corporation Limited (referred to as the Company or Telstra Entity) and its controlled entities (together referred to as we, us, Telstra, or the Telstra Corporation Group) for the half-year ended 31 December 2024.

Telstra Corporation Limited is a 'for profit' company limited by shares. Telstra Corporation Limited is incorporated in Australia and a wholly-owned controlled entity of Telstra Group Limited. The half-year financial report includes references to Telstra Group. Telstra Group refers to Telstra Group Limited and its controlled entities.

As an issuer of listed debt instruments (including on the ASX and Singapore Exchange), Telstra Corporation Limited is a disclosing entity required to prepare bi-annual financial reports.

Our half-year financial report does not include all the information required for the annual financial report. It should be read in conjunction with our 2024 Annual Report and together with any public announcements made by us and Telstra Group Limited in accordance with the continuous disclosure obligations arising under the ASX listing rules and the *Corporations Act 2001*, up to the date of the Directors' Declaration.

### Reading the financials

#### Section introduction

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

#### Note and topic summary

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

#### Narrative table

Some narrative disclosures are presented in a tabular format to provide readers with a clearer understanding of the information being presented.

#### Information panel

The information panel describes our key accounting estimates and judgements applied in the preparation of the half-year financial report, which are relevant to that section or note.

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# Income Statement

For the half-year ended 31 December 2024

| Telstra Corporation Group   | Note | Half-year ended 31 Dec |              |
|---|------|------------------------|--------------|
|   |      | 2024                   | 2023         |
|   |      | \$m                    | \$m          |
| <b>Income</b>   |      |                        |              |
| Revenue (excluding finance income)  | 2.2  | 1,202                  | 1,162        |
| Other income  | 2.2  | 79                     | 105          |
|   |      | <b>1,281</b>           | <b>1,267</b> |
| <b>Expenses</b>   |      |                        |              |
| Labour  |      | 94                     | 70           |
| Other expenses  |      | 392                    | 429          |
|   |      | <b>486</b>             | <b>499</b>   |
| <b>Share of net loss from joint ventures and associated entities</b>                        |      | <b>(12)</b>            | <b>(4)</b>   |
|   |      | <b>498</b>             | <b>503</b>   |
| <b>Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)</b> |      | <b>783</b>             | <b>764</b>   |
| Depreciation and amortisation   |      | 239                    | 252          |
| <b>Earnings before interest and income tax expense (EBIT)</b>                               |      | <b>544</b>             | <b>512</b>   |
| Finance income  | 2.2  | 93                     | 90           |
| Finance costs   |      | 181                    | 199          |
| <b>Net finance costs</b>  | 4.2  | <b>88</b>              | <b>109</b>   |
| <b>Profit before income tax expense</b>   |      | <b>456</b>             | <b>403</b>   |
| Income tax expense  |      | 146                    | 118          |
| <b>Profit for the period</b>  |      | <b>310</b>             | <b>285</b>   |
| <b>Profit for the period attributable to:</b>   |      |                        |              |
| Equity holders of Telstra Corporation Limited   |      | 293                    | 270          |
| Non-controlling interests   |      | 17                     | 15           |
|   |      | <b>310</b>             | <b>285</b>   |

The notes following the financial statements form part of the half-year financial report.



# Statement of Comprehensive Income

Telstra Half-Year Financial Report

For the half-year ended 31 December 2024

| Telstra Corporation Group  | Half-year ended 31 Dec |            |
|--|------------------------|------------|
|  | 2024                   | 2023       |
|  | \$m                    | \$m        |
| <b>Profit for the period attributable to:</b>  |                        |            |
| Equity holders of Telstra Entity   | 293                    | 270        |
| Non-controlling interests  | 17                     | 15         |
|  | <b>310</b>             | <b>285</b> |
| <b>Items that will not be reclassified to the income statement</b>                       |                        |            |
| <b>Retained profits</b>  |                        |            |
| Actuarial gain on defined benefit plans attributable to equity holders of Telstra Entity | 1                      | -          |
| Income tax on actuarial gain on defined benefit plans                                    | -                      | -          |
|  | <b>1</b>               | <b>-</b>   |
| <b>Items that may be subsequently reclassified to the income statement</b>               |                        |            |
| <b>Cash flow hedging reserve</b>   |                        |            |
| Changes in cash flow hedging reserve   | 38                     | 85         |
| Share of other comprehensive income of equity accounted investments                      | (2)                    | (2)        |
| Income tax on movements in the cash flow hedging reserve                                 | (11)                   | (26)       |
| <b>Foreign currency basis spread reserve</b>   |                        |            |
| Changes in the value of the foreign currency basis spread                                | (5)                    | (14)       |
| Income tax on movements in the foreign currency basis spread reserve                     | 2                      | 4          |
|  | <b>22</b>              | <b>47</b>  |
| <b>Total other comprehensive income</b>  | <b>23</b>              | <b>47</b>  |
| <b>Total comprehensive income for the period</b>   | <b>333</b>             | <b>332</b> |
| <b>Total comprehensive income for the period attributable to:</b>                        |                        |            |
| Equity holders of Telstra Corporation Limited  | 316                    | 317        |
| Non-controlling interests  | 17                     | 15         |

The notes following the financial statements form part of the half-year financial report.

# Statement of Financial Position

As at 31 December 2024

| Telstra Corporation Group                                  | Note | As at         |               |
|--|------|---------------|---------------|
|  |      | 31 Dec 2024   | 30 Jun 2024   |
|  |      | \$m           | \$m           |
| <b>Current assets</b>                                      |      |               |               |
| Cash and cash equivalents                                  |      | 18            | 18            |
| Trade and other receivables and contract assets            | 3.2  | 634           | 539           |
| Promissory note receivable                                 | 3.3  | 1,806         | 1,732         |
| Inventories  |      | 15            | 18            |
| Derivative financial assets                                | 4.2  | 296           | 182           |
| Other financial assets                                     |      | 17            | 19            |
| Prepayments  |      | 2             | 7             |
| Assets classified as held for sale                         | 5.4  | 379           | -             |
| <b>Total current assets</b>                                |      | <b>3,167</b>  | <b>2,515</b>  |
| <b>Non-current assets</b>                                  |      |               |               |
| Trade and other receivables and contract assets            | 3.2  | 3,802         | 3,548         |
| Promissory note receivable                                 | 3.3  | 13,684        | 14,565        |
| Inventories  |      | 10            | 13            |
| Investments  |      | 1             | 379           |
| Property, plant and equipment                              | 3.1  | 8,901         | 8,840         |
| Intangible assets  | 3.1  | 1             | 1             |
| Right-of-use assets  |      | 393           | 369           |
| Derivative financial assets                                | 4.2  | 259           | 128           |
| Other financial assets                                     |      | 40            | 46            |
| <b>Total non-current assets</b>                            |      | <b>27,091</b> | <b>27,889</b> |
| <b>Total assets</b>  |      | <b>30,258</b> | <b>30,404</b> |
| <b>Current liabilities</b>                                 |      |               |               |
| Trade and other payables                                   |      | 342           | 403           |
| Employee benefits  |      | 48            | 46            |
| Other provisions   |      | 34            | 41            |
| Lease liabilities  |      | 44            | 60            |
| Borrowings   | 4.2  | 1,795         | 1,709         |
| Derivative financial liabilities                           | 4.2  | 38            | 68            |
| Other financial liabilities                                |      | 15            | 6             |
| Contract liabilities and other revenue received in advance |      | 74            | 74            |
| <b>Total current liabilities</b>                           |      | <b>2,390</b>  | <b>2,407</b>  |
| <b>Non-current liabilities</b>                             |      |               |               |
| Employee benefits  |      | 10            | 9             |
| Other provisions   |      | 119           | 110           |
| Lease liabilities  |      | 440           | 394           |
| Borrowings   | 4.2  | 4,759         | 4,570         |
| Derivative financial liabilities                           | 4.2  | 108           | 168           |
| Other financial liabilities                                |      | 34            | 27            |
| Deferred tax liabilities                                   |      | 1,199         | 1,213         |
| Contract liabilities and other revenue received in advance |      | 79            | 54            |
| <b>Total non-current liabilities</b>                       |      | <b>6,748</b>  | <b>6,545</b>  |
| <b>Total liabilities</b>                                   |      | <b>9,138</b>  | <b>8,952</b>  |
| <b>Net assets</b>  |      | <b>21,120</b> | <b>21,452</b> |

# Statement of Financial Position (continued)

Telstra Half-Year Financial Report

As at 31 December 2024

| Telstra Corporation Group                              | Note | As at         |               |
|--|------|---------------|---------------|
|  |      | 31 Dec 2024   | 30 Jun 2024   |
|  |      | \$m           | \$m           |
| <b>Equity</b>  |      |               |               |
| Share capital  |      | 2,943         | 2,963         |
| Reserves   |      | (62)          | (83)          |
| Retained profits                                       |      | 17,538        | 17,870        |
| <b>Equity available to Telstra Entity shareholders</b> |      | <b>20,419</b> | <b>20,750</b> |
| Non-controlling interests                              |      | 701           | 702           |
| <b>Total equity</b>                                    |      | <b>21,120</b> | <b>21,452</b> |

The notes following the financial statements form part of the half-year financial report.

# Statement of Cash Flows

For the half-year ended 31 December 2024

| Telstra Corporation Group   | Note | Half-year ended 31 Dec |                |
|---|------|------------------------|----------------|
|   |      | 2024                   | 2023           |
|   |      | \$m                    | \$m            |
| <b>Cash flows from operating activities</b>                         |      |                        |                |
| Receipts from customers (inclusive of goods and services tax (GST)) |      | 934                    | 938            |
| Payments to suppliers and employees (inclusive of GST)              |      | (689)                  | (662)          |
| <b>Net cash provided by operating activities</b>                    |      | <b>245</b>             | <b>276</b>     |
| <b>Cash flows from investing activities</b>                         |      |                        |                |
| Payments for property, plant and equipment                          |      | (399)                  | (238)          |
| <b>Total capital expenditure (including investments)</b>            |      | <b>(399)</b>           | <b>(238)</b>   |
| Proceeds from sale of property, plant and equipment                 |      | 67                     | 73             |
| Proceeds received from promissory notes held                        |      | 808                    | 2,927          |
| Receipts of the principal portion of finance lease receivables      |      | 28                     | 28             |
| Finance costs received from related parties                         |      | 83                     | 81             |
| Interest received   |      | 10                     | 18             |
| Other   |      | 13                     | (3)            |
| <b>Net cash provided by investing activities</b>                    |      | <b>610</b>             | <b>2,886</b>   |
| <b>Cash flows from financing activities</b>                         |      |                        |                |
| Proceeds from borrowings  |      | -                      | 1,150          |
| Repayment of borrowings   |      | (62)                   | (3,891)        |
| Payment of principal portion of lease liabilities                   |      | (11)                   | (5)            |
| Finance costs paid  |      | (139)                  | (237)          |
| Dividends/distributions paid to non-controlling interests           |      | (18)                   | (18)           |
| Dividends to equity holders of Telstra Entity                       | 4.1  | (625)                  | -              |
| <b>Net cash used in financing activities</b>                        |      | <b>(855)</b>           | <b>(3,001)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         |      | <b>-</b>               | <b>161</b>     |
| Cash and cash equivalents at the beginning of the period            |      | 18                     | 65             |
| <b>Cash and cash equivalents at the end of the period</b>           |      | <b>18</b>              | <b>226</b>     |

The notes following the financial statements form part of the half-year financial report.

# Statement of Changes in Equity

Telstra Half-Year Financial Report

For the half-year ended 31 December 2024

| Telstra Corporation Group                        | Note  | Share capital | Reserves     | Retained profits | Total         | Non-controlling interests | Total equity  |
|--|-------|---------------|--------------|------------------|---------------|---------------------------|---------------|
|  |       | \$m           | \$m          | \$m              | \$m           | \$m                       | \$m           |
| <b>Balance at 30 June 2024</b>                   |       | <b>2,963</b>  | <b>(83)</b>  | <b>17,870</b>    | <b>20,750</b> | <b>702</b>                | <b>21,452</b> |
| Profit for the period                            |       | -             | -            | 293              | 293           | 17                        | 310           |
| Other comprehensive income                       |       | -             | 21           | -                | 21            | -                         | 21            |
| <b>Total comprehensive income for the period</b> |       | <b>-</b>      | <b>21</b>    | <b>293</b>       | <b>314</b>    | <b>17</b>                 | <b>331</b>    |
| Dividend   |       | -             | -            | (625)            | (625)         | -                         | (625)         |
| Transactions with non-controlling interests      | 5.3   | -             | -            | -                | -             | (18)                      | (18)          |
| Intra-group debt guarantees                      | 6.1.2 | (20)          | -            | -                | (20)          | -                         | (20)          |
| <b>Balance at 31 December 2024</b>               |       | <b>2,943</b>  | <b>(62)</b>  | <b>17,538</b>    | <b>20,419</b> | <b>701</b>                | <b>21,120</b> |
| <b>Balance as at 30 June 2023</b>                |       | <b>3,007</b>  | <b>(125)</b> | <b>17,253</b>    | <b>20,135</b> | <b>701</b>                | <b>20,836</b> |
| Profit for the period                            |       | -             | -            | 270              | 270           | 15                        | 285           |
| Other comprehensive income                       |       | -             | 47           | -                | 47            | -                         | 47            |
| <b>Total comprehensive income for the period</b> |       | <b>-</b>      | <b>47</b>    | <b>270</b>       | <b>317</b>    | <b>15</b>                 | <b>332</b>    |
| Dividend   |       | -             | -            | -                | -             | -                         | -             |
| Transactions with non-controlling interests      | 5.3   | -             | -            | -                | -             | (18)                      | (18)          |
| Intra-group debt guarantees                      | 6.1.2 | (27)          | -            | -                | (27)          | -                         | (27)          |
| <b>Balance at 31 December 2023</b>               |       | <b>2,980</b>  | <b>(78)</b>  | <b>17,523</b>    | <b>20,425</b> | <b>698</b>                | <b>21,123</b> |

The notes following the financial statements form part of the half-year financial report.

## Section 1. Basis of preparation

This section explains the basis of preparation of our financial report, describes changes in our accounting policies and provides a summary of our key accounting estimates and judgements.



### 1.1 Basis of preparation of the half-year financial report

Our half-year financial report is a condensed general purpose financial report, prepared by a ‘for-profit’ entity in accordance with the *Corporations Act 2001* and AASB 134: ‘*Interim Financial Reporting*’ issued by the Australian Accounting Standards Board (AASB).

The half-year financial report is presented in Australian dollars and, unless otherwise stated, all values have been rounded to the nearest million dollars (\$m) under the option available to us under the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors’ Report) Instrument 2016/191 as amended from time to time.

The half-year financial report is prepared in accordance with historical cost, except for some categories of financial instruments which are recorded at fair value.

The same accounting policies, including the principles of consolidation, have been applied by each entity in the consolidated group and are consistent with those adopted and disclosed in our 2024 Annual Report unless stated otherwise.

Cash inflows and outflows in the Statement of Cash Flows have been reported on a gross basis (where relevant) to ensure cash flow reflects the nature and substance of the transaction. This is primarily in the event a related party has made payments or collected money on our behalf. Transactions with Telstra Group Limited which are settled through the promissory notes are reported on a gross basis in the cash flow statement.

Where relevant, comparative information has been reclassified to ensure comparability with the current year disclosures and presentation.

### 1.2 Terminology used in our income statement

EBITDA reflects earnings before interest, income tax, depreciation and amortisation. EBIT is a similar measure to EBITDA, but takes into account depreciation and amortisation.

We believe EBITDA is useful as a widely recognised measure of operating performance.

### 1.3 Key accounting estimates and judgements

Preparing the half-year financial report requires management to make estimates and judgements. In preparing this report, the key sources of estimation uncertainty were consistent with those applied in our 2024 Annual Report with the exception of those arising from new arrangements executed in the current reporting period.

#### 1.3.1 Summary of key management judgements

The key judgements and estimates used by management in applying Telstra’s accounting policies for the half-year ended 31 December 2024 have been updated to reflect the latest information available. They can be located in the following notes:

| Key accounting estimates and judgements             | Note | Page |
|---|------|------|
| Impact of Inter-Company Agreements (ICAs)           | 2.2  | B12  |
| Useful lives and residual values of tangible assets | 3.1  | B14  |

### 1.4 Other accounting policies

#### 1.4.1 Changes in accounting policies

A number of new or amended accounting standards became effective in the current reporting period but none of those had a material impact on our accounting policies.

## Section 2. Our performance

This section explains the results and performance of our segments, which are reported on the same basis as our internal management reporting structure. It also includes disaggregated revenue by segment.



### 2.1 Segment information

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations through the businesses considered by management.

#### 2.1.1 Operating segments

We identify our segments based on the information that is regularly reviewed and used by the chief operating decision maker (the Chief Executive Officer) for the purposes of allocating resources and assessing performance.

Telstra Corporation Group consists of the following segments.

| Segment                        | Operations  |
|--------------------------------|---|
| Core passive                   | Our passive network infrastructure including the operations of our fixed network sites and fibre cabling. |
| Commercial works and disposals | Our asset relocation work, nbn-related infrastructure builds and legacy asset disposals.                  |

The ‘Other’ adjustments mainly consists of income and expenses recorded to reflect compliance with Australian Accounting Standards. These adjustments are required as amounts in our segments are measured based on a ‘management view’. Such recognition may differ from the requirements of the Australian Accounting Standards in a number of areas, for example lease accounting.

Other than the above accounting adjustments, ‘Other’ includes operations unrelated to the core passive and commercial works and disposals segments such as the operations of Telstra Multimedia Pty Limited and the results of our equity accounted investments.

The segments are consistent with those disclosed in our 2024 Annual Report. Consistent with information presented for internal management reporting, the results of our segments are measured based on their EBITDA contribution, which differs from our reported EBITDA.

All segments operate in one geographical area, Australia.

#### (a) Transactions with related parties in the segment results

Our segments transact with related parties and these transactions are included in our segment results. These transactions are mainly through Inter-Company Agreements (ICAs) and are not eliminated on consolidation as the counterparties under these agreements are related parties that are not controlled by Telstra Corporation Group, and are therefore external parties.

Further details on our ICAs are outlined in note 2.2 and 3.3.

## Section 2. Our performance (continued)

### 2.1 Segment information (continued)

#### 2.1.2 Segment results

Table A details our segment results and a reconciliation of EBITDA contribution to the Telstra Corporation Group's EBITDA, EBIT and profit before income tax expense.

| <b>Table A</b>   |                                  |                                |              |              |
|--|----------------------------------|--------------------------------|--------------|--------------|
|  | Core passive                     | Commercial works and disposals | Other        | Total        |
| <b>Telstra Corporation Group</b>   | \$m                              | \$m                            | \$m          | \$m          |
|  | Half-year ended 31 December 2024 |                                |              |              |
| Revenue from contracts with customers  | 1,020                            | -                              | (111)        | <b>909</b>   |
| Revenue from other sources   | 182                              | 111                            | -            | <b>293</b>   |
| Other income   | 2                                | 61                             | 16           | <b>79</b>    |
| <b>Total income from continuing operations</b>   | <b>1,204</b>                     | <b>172</b>                     | <b>(95)</b>  | <b>1,281</b> |
| Cost of network services   | (424)                            | (60)                           | (2)          | <b>(486)</b> |
| Share of net profit / (loss) from equity accounted entities                                  | -                                | -                              | (12)         | <b>(12)</b>  |
| <b>Total EBITDA from continuing operations</b>   | <b>780</b>                       | <b>112</b>                     | <b>(109)</b> | <b>783</b>   |
| Depreciation and amortisation  |                                  |                                |              | (239)        |
| <b>Telstra Corporation Group EBIT from continuing operations</b>                             |                                  |                                |              | <b>544</b>   |
| Net finance costs  |                                  |                                |              | (88)         |
| <b>Telstra Corporation Group profit before income tax expense from continuing operations</b> |                                  |                                |              | <b>456</b>   |



## Section 2. Our performance (continued)

### 2.1 Segment information (continued)

#### 2.1.2 Segment results (continued)

| Table A (continued)  | Core passive                     | Commercial works and disposals | Other       | Total        |
|--|----------------------------------|--------------------------------|-------------|--------------|
|  | \$m                              | \$m                            | \$m         | \$m          |
|  | Half-year ended 31 December 2023 |                                |             |              |
| <b>Telstra Corporation Group</b>   |                                  |                                |             |              |
| Revenue from contracts with customers  | 927                              | -                              | (85)        | <b>842</b>   |
| Revenue from other sources   | 202                              | 118                            | -           | <b>320</b>   |
| Other income   | 19                               | 60                             | 26          | <b>105</b>   |
| <b>Total income from continuing operations</b>   | <b>1,148</b>                     | <b>178</b>                     | <b>(59)</b> | <b>1,267</b> |
| Cost of network services   | (394)                            | (98)                           | (7)         | <b>(499)</b> |
| Share of net profit / (loss) from equity accounted entities                                  | -                                | -                              | (4)         | <b>(4)</b>   |
| <b>Total EBITDA from continuing operations</b>   | <b>754</b>                       | <b>80</b>                      | <b>(70)</b> | <b>764</b>   |
| Depreciation and amortisation  |                                  |                                |             | (252)        |
| <b>Telstra Corporation Group EBIT from continuing operations</b>                             |                                  |                                |             | <b>512</b>   |
| Net finance costs  |                                  |                                |             | (109)        |
| <b>Telstra Corporation Group profit before income tax expense from continuing operations</b> |                                  |                                |             | <b>403</b>   |

## Section 2. Our performance (continued)

### 2.2 Income

| Table A<br><br>Telstra Corporation Group                                     | Half-year ended 31 Dec |              |
|--|------------------------|--------------|
|  | 2024                   | 2023         |
|  | \$m                    | \$m          |
| Revenue from contracts with customers  | 909                    | 842          |
| Revenue from other sources   | 293                    | 320          |
| <b>Total revenue (excluding finance income)</b>                              | <b>1,202</b>           | <b>1,162</b> |
| <b>Other income</b>  |                        |              |
| Net gain on disposal of property, plant and equipment and intangibles assets | 61                     | 71           |
| Net gain on derecognition of assets subject to finance lease                 | 16                     | 26           |
| nbn disconnection fees   | 2                      | 7            |
| Other miscellaneous income   | -                      | 1            |
|  | <b>79</b>              | <b>105</b>   |
| <b>Total income (excluding finance income)</b>                               | <b>1,281</b>           | <b>1,267</b> |
| <b>Finance income</b>  |                        |              |
| Finance income (excluding income from finance leases)                        | 10                     | 9            |
| Finance income from finance leases (Telstra as a lessor)                     | 83                     | 81           |
|  | <b>93</b>              | <b>90</b>    |
| <b>Total income</b>  | <b>1,374</b>           | <b>1,357</b> |

Total income includes income from ICAs in the above table.

The ICAs cover the provision and receipt of services, including the following:

- access rights to infrastructure;
- design and construction services; and
- agency services, sales services, management activities and other administrative services.

As part of these services, we charge customers for costs incurred in operating the infrastructure and recognise revenue and the expense as principal i.e. on a gross basis.

Revenue from other sources includes income from:

- customer contributions to extend, relocate or amend our network assets, where the customer does not purchase any ongoing services under the same (or linked) contract(s)
- our operating lease arrangements.

nbn disconnection fees earned under the Subscriber Agreement with nbn co are recognised as other income because they do not relate to our ordinary activities. We recognise this income when we have met our contractual obligations under this agreement.

### Impact of Inter-Company Agreements (ICAs)

Certain ICAs provide access and/or usage rights to passive infrastructure which are a lease arrangement. In instances where we concluded a lease arrangement exists, we applied judgement to assess the following:

- whether the arrangement is a finance lease arrangement;
- whether the lease term should be reassessed based on the useful life of the asset, existing lease or contract term.

As a result of the above, we recognised a \$16 million net gain on derecognition of assets subject to finance lease arrangements (2023: \$26 million), derecognised \$7 million of property, plant and equipment (2023: \$14 million), and recognised \$23 million of additional finance lease receivables for the half-year ended 31 December 2024 (2023: \$40 million).

## Section 2. Our performance (continued)

### 2.2 Income (continued)

#### 2.2.1 Disaggregated revenue

Table B presents the disaggregated revenue from contracts with customers based on the nature and the timing of transfer of services and major products.

We recognise revenue from contracts with customers when the control of goods or services has been transferred to the customer.

| Table B<br><br>Telstra Corporation Group                       | Half-year ended 31 Dec |              |
|--|------------------------|--------------|
|  | 2024                   | 2023         |
|  | \$m                    | \$m          |
| <b>Continuing operations</b>                                   |                        |              |
| <b>Revenue from contracts with customers disaggregated by:</b> |                        |              |
| <b>Nature and timing of transfer of goods and services</b>     |                        |              |
| Sale of services   | 909                    | 842          |
|  | <b>909</b>             | <b>842</b>   |
| <b>Major products</b>  |                        |              |
| nbn commercial works   | 18                     | 18           |
| nbn recurring  | 547                    | 515          |
| Other external   | 57                     | 37           |
| Inter-Company Agreements                                       | 287                    | 272          |
|  | <b>909</b>             | <b>842</b>   |
| <b>Reconciliation to segment results</b>                       |                        |              |
| Revenue from contracts with customers                          | 909                    | 842          |
| Revenue from other sources including operating lease revenue   | 293                    | 320          |
| Other income   | 79                     | 105          |
| <b>Total external income from continuing operations</b>        | <b>1,281</b>           | <b>1,267</b> |

In our reportable segments, we recognised \$565 million (2023: \$533 million) of revenue from transactions with one external customer and \$454 million (2023: \$511 million) of revenue from transactions with a related party.

#### 2.2.2 Our contracts with customers

We continued to generate revenue from continuing operations from customer contracts and agreements with nbn co described in note 2.2 to the financial statements in our 2024 Annual Report.

## Section 3. Our core assets and working capital

This section describes our core long-term tangible (owned and leased) and intangible assets underpinning Telstra Corporation Group's performance and provides a summary of our asset impairment assessment. This section also describes our short-term assets and liabilities, i.e. our working capital supporting the operating liquidity of our business.



### 3.1 Property, plant and equipment and intangible assets

We consider whether there are any indicators of impairment through a review of our tangible and intangible assets at each reporting period. We assess whether there are any internal or external factors that may cause changes to the asset's recoverable amount.

#### 3.1.1 Impairment assessment

All non-current tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Indicators of impairment may include changes in the operating and economic assumptions or possible impacts from risks such as changing economic and market conditions and climate change.

Potential indicators in the current year may include persistent inflation and other economic pressures. However, given the long-lived nature of the majority of Telstra Corporation Group's assets and the nature of our services and operations, the expected return on assets is not significantly impacted.

Other indicators include physical climate risks to our assets, operations and service delivery, such as bushfires, tropical cyclones, coastal inundation, coastal erosion, intense rainfall events and chronic temperature rise.

Based on our experience with extreme weather events, and considering the diverse location and nature of our assets as well as our continued focus on network resiliency and business continuity programs, we do not consider the potential impacts of climate change and the transition to a lower carbon economy to be an impairment indicator at this stage. Although some financial impacts have been considered at the Telstra Group level (refer to the Telstra Group Financial Report), work is ongoing to incorporate the potential long-term financial impacts of climate change and our relevant adaptation strategies in our forward plans.

Based on our assessment, and as a result of considering all potential indicators, we did not identify any indicators of impairment.

### 3.1.2 Depreciation and amortisation

#### Useful lives and residual values of tangible assets

We apply judgement to estimate useful lives and residual values of our assets and review them each year. If useful lives or residual values need to be modified, the depreciation and amortisation expense changes from the date of reassessment until the end of the revised useful life for both the current and future years.

Assessment of useful lives and residual values includes a comparison with international trends for telecommunication companies and, in relation to communication assets, a determination of when the asset may be superseded technologically or made obsolete.

For the half-year ended 31 December 2024, there were no material impacts from the net effects of the assessment of useful lives in depreciation and amortisation expense (2023: nil).

### 3.2 Trade and other receivables and contract assets

Table A summarises trade and other receivables, and contract assets. Where relevant, the amounts are presented net of impairment allowances.

| Table A<br>Telstra Corporation Group                                       | As at        |              |
|--|--------------|--------------|
|  | 31 Dec 2024  | 30 June 2024 |
|  | \$m          | \$m          |
| <b>Current</b>   |              |              |
| Trade receivables from contracts with customers                            | 313          | 341          |
| Amounts owed by joint ventures and associated entities (Refer to Note 5.4) | 126          | -            |
| Finance lease receivables  | 56           | 56           |
| Accrued revenue  | 32           | 28           |
| Other receivables  | 10           | 23           |
|  | <b>537</b>   | <b>448</b>   |
| Contract assets  | 97           | 91           |
|  | <b>634</b>   | <b>539</b>   |
| <b>Non-current</b>   |              |              |
| Trade receivables from related parties                                     | 1,554        | 1,165        |
| Finance lease receivables  | 2,146        | 2,155        |
| Amounts owed by joint ventures and associated entities (Refer to Note 5.4) | -            | 139          |
|  | <b>3,700</b> | <b>3,459</b> |
| Contract assets  | 102          | 89           |
|  | <b>3,802</b> | <b>3,548</b> |

Trade receivables from contracts with customers are measured at amortised cost.

Trade receivables from related parties have been classified as non-current during the period based on the current intention of the settlement of these balances. Comparative information has been reclassified to ensure comparability with the current year disclosures.

#### 3.2.1 Impairment of trade and other receivables and contract assets

Trade and other receivables and contract assets are subject to an impairment assessment using the individual approach.

We had a concentration of credit risk from transactions with two customers, whose balance together constituted 93 per cent (30 June 2024: 93 per cent) of the total trade receivables from contracts with customers and trade receivables from related parties. This risk was assessed as low given the customers had external credit ratings of AA and A-.

### 3.3 Related party transactions

Related party transactions during the period consisted of transactions with controlled entities of Telstra Group Limited that are not controlled by the Telstra Corporation Group.

Table A details transactions which occurred with related parties.

| Table A<br>Telstra Corporation Group                         | Half year ended 31 December |      |
|--|-----------------------------|------|
|  | 2024                        | 2023 |
|  | \$m                         | \$m  |
| <b>Income</b>  |                             |      |
| Sale of goods and services                                   | 287                         | 331  |
| Lease and access revenue                                     | 179                         | 202  |
| Net gain on derecognition of assets subject to finance lease | 16                          | 26   |
| Finance income   | 83                          | 81   |
| <b>Expenses</b>  |                             |      |
| Purchase of network-related services                         | 196                         | 209  |
| Purchase of management services                              | 7                           | 6    |
| Other expenses (including depreciation and finance costs)    | 42                          | 7    |
|  |                             |      |
| <b>Other transactions</b>                                    |                             |      |
| Dividends (refer to Note 4.1)                                | 625                         | -    |
|  |                             |      |

Purchases of management services relate to amounts paid to Telstra Group Limited for salaries and related on-costs of key executives that control and direct the activities of Telstra Corporation Limited.

## Section 3. Our core assets and working capital (continued)

### 3.3 Related party transactions (continued)

Table B details outstanding balances at the end of the reporting period in relation to transactions with related parties (excluding balances held with joint ventures or associates outlined in Note 5.4).

| Table B<br>Telstra Corporation Group      | As at         |               |
|---|---------------|---------------|
|   | 31 Dec 2024   | 30 Jun 2024   |
|   | \$m           | \$m           |
| <b>Current assets</b>                     |               |               |
| Finance lease receivables                 | 56            | 56            |
| Promissory note receivable                | 1,806         | 1,732         |
| Other financial assets                    | 17            | 19            |
| <b>Non-current assets</b>                 |               |               |
| Trade receivables                         | 1,554         | 1,165         |
| Finance lease receivables                 | 2,146         | 2,155         |
| Promissory note receivable                | 13,684        | 14,566        |
| Right-of-use assets                       | 242           | 218           |
| Other financial assets                    | 40            | 46            |
| <b>Current liabilities</b>                |               |               |
| Lease liabilities                         | 18            | 13            |
| Borrowings                                | 186           | 152           |
| Other financial liabilities               | 14            | 6             |
| <b>Non-current liabilities</b>            |               |               |
| Lease liabilities                         | 254           | 227           |
| Other financial liabilities               | 34            | 27            |
| <b>Net assets to/from related parties</b> | <b>19,039</b> | <b>19,532</b> |

Receivables and payables with related parties are unsecured and are in the form of contracted agreements through the ICAs.

Other financial assets and liabilities relate to intra-group debt guarantees outlined in note 6.1.2 and our 2024 Annual Report.

There were no loans provided or received to/from key management personnel in the period.

### (a) Promissory note receivable

Telstra Corporation Group holds promissory note receivables from Telstra Group Limited.

Table C shows the promissory note movement for the period.

| Table C<br>Telstra Corporation Group                 | Half-year ended |               |               |
|--|-----------------|---------------|---------------|
|  | 31 Dec 2024     | 30 Jun 2024   | 31 Dec 2023   |
|  | \$m             | \$m           | \$m           |
| <b>Opening balance of promissory note receivable</b> | <b>16,297</b>   | <b>16,421</b> | <b>19,348</b> |
| <i>Less: net receipts from promissory notes</i>      | (183)           | (124)         | (2,927)       |
| <i>Less: settlement of dividends payable</i>         | (625)           | -             | -             |
| <b>Closing balance of promissory note receivable</b> | <b>15,489</b>   | <b>16,297</b> | <b>16,421</b> |
| Current portion                                      | 1,806           | 1,732         | 440           |
| Non-current portion                                  | 13,684          | 14,565        | 15,981        |

The promissory notes are non-interest bearing and are repayable upon demand. While the promissory notes are repayable upon demand, the classification between current and non-current promissory notes has been determined based on the expected timing of repayments.

At each reporting date, we assess the credit risk of the promissory notes receivable, and whether this has significantly increased since initial recognition, by assessing the ability of the issuer to repay the promissory notes receivable on demand. In assessing whether the promissory notes receivable is credit impaired, and therefore whether expected credit loss is required to be recorded, we consider the manner of recovery of the amount due in calculating the loss given default, which may include any recovery plans which would allow the issuer a longer period of time to accumulate the funds to repay the loan.

In assessing recovery plans and the cash flows of the issuer, we consider future economic conditions and forward-looking information to determine the amounts expected to be recovered. At the reporting date, no expected credit loss is required to be recorded based on the assessment of the recovery plans and future cash flows of the issuer. The maximum credit exposure is the carrying amount of the promissory notes receivable in the statement of financial position and Telstra Corporation Group does not hold any collateral.

## Section 4. Our capital and risk management

This section provides information on our approach to capital management and our capital structure. Our total capital is defined as equity and net debt. Also outlined in this section are the financial risks that we are exposed to and how we manage these financial risks.



### 4.1 Dividend

This note includes the previous year interim dividend and any current year dividends.

The table below provides details about any dividends during the half-year.

| Table A<br>Telstra Entity | Half-year ended 31 Dec |      |       |       |
|---------------------------|------------------------|------|-------|-------|
|                           | 2024                   | 2023 | 2024  | 2023  |
|                           | \$m                    | \$m  | cents | cents |
| <b>Dividends</b>          |                        |      |       |       |
| Dividends                 | 625                    | -    | 0.05  | -     |

In addition to the above dividends, on 6 March 2025 the Directors of Telstra Corporation Limited determined to pay a dividend of \$290 million (3 cents per share) for the half-year ended 31 December 2024. As at 31 December 2024, this dividend was not determined or recommended by the Board. Therefore, no provision for the dividend had been raised in the statement of financial position.

### 4.2 Capital management and financial instruments

Net debt equals total lease liabilities, borrowings and derivative financial instruments, less cash and cash equivalents.

This note provides information about components of our net debt and related finance costs.

Table A lists the carrying value of our net debt components (both current and non-current balances).

| Table A<br>Telstra Corporation Group | As at          |                |
|--------------------------------------|----------------|----------------|
|                                      | 31 Dec 2024    | 30 Jun 2024    |
|                                      | \$m            | \$m            |
| Lease liabilities                    | (484)          | (454)          |
| Borrowings                           | (6,554)        | (6,279)        |
| Net derivative financial instruments | 409            | 74             |
| <b>Gross debt</b>                    | <b>(6,629)</b> | <b>(6,659)</b> |
| Cash and cash equivalents            | 18             | 18             |
| <b>Net debt</b>                      | <b>(6,611)</b> | <b>(6,641)</b> |

No components of net debt are subject to any externally imposed capital requirements. We did not have any defaults or breaches under any of our agreements with our lenders during the half-year ended 31 December 2024 (2023: none).

Table B summarises the key movements in net debt during the period.

| Table B<br>Telstra Corporation Group  | Half-year ended 31 Dec |                 |
|---|------------------------|-----------------|
|   | 2024                   | 2023            |
|   | \$m                    | \$m             |
| <b>Opening net debt at 1 July</b>   | <b>(6,641)</b>         | <b>(9,383)</b>  |
| Revolving bank facilities (net)   | -                      | 725             |
| Debt repayments   | 62                     | 1,416           |
| Bilateral bank and other loans  | -                      | 600             |
| Lease liability payments  | 11                     | 5               |
| <b>Net cash outflow</b>   | <b>73</b>              | <b>2,746</b>    |
| <b>Fair value (loss)/gain impacting:</b>  |                        |                 |
| Equity  | 32                     | 70              |
| Finance costs   | (34)                   | (3)             |
| <b>Other non-cash movements</b>   |                        |                 |
| Lease liability (Telstra as a lessee)   | (41)                   | (11)            |
| <b>Total non-cash movements</b>   | <b>(43)</b>            | <b>56</b>       |
| <b>Total decrease in gross debt excluding bank overdraft</b>  | <b>30</b>              | <b>2,802</b>    |
| Net increase/(decrease) in cash and cash equivalents net of bank overdraft (includes effects of foreign exchange differences) | -                      | 161             |
| <b>Total decrease in net debt</b>   | <b>30</b>              | <b>2,963</b>    |
| <b>Closing net debt at 31 December</b>  | <b>(6,611)</b>         | <b>(6,420)</b>  |
| Total equity  | (21,120)               | (21,123)        |
| <b>Total capital</b>  | <b>(27,731)</b>        | <b>(27,543)</b> |

## Section 4. Our capital and risk management (continued)

### 4.2 Capital management and financial instruments (continued)

#### 4.2.1 Borrowings

Table C details the carrying and fair values of borrowings included in the statement of financial position.

| Table C<br>Telstra Corporation Group | As at 31 Dec 2024 |              | As at 30 Jun 2024 |              |
|--------------------------------------|-------------------|--------------|-------------------|--------------|
|                                      | Carrying value    | Fair value   | Carrying value    | Fair value   |
|                                      | \$m               | \$m          | \$m               | \$m          |
| <b>Current borrowings</b>            |                   |              |                   |              |
| Unsecured notes                      | 1,608             | 1,600        | 1,556             | 1,533        |
| Promissory notes                     | 186               | 186          | 152               | 152          |
| Other external financial liabilities | 1                 | 1            | 1                 | 1            |
|                                      | <b>1,795</b>      | <b>1,787</b> | <b>1,709</b>      | <b>1,686</b> |
| <b>Non-current borrowings</b>        |                   |              |                   |              |
| Unsecured notes                      | 4,344             | 4,908        | 4,155             | 4,076        |
| Other external financial liabilities | 415               | 320          | 415               | 300          |
|                                      | <b>4,759</b>      | <b>5,228</b> | <b>4,570</b>      | <b>4,376</b> |
| <b>Total borrowings</b>              | <b>6,554</b>      | <b>7,015</b> | <b>6,279</b>      | <b>6,062</b> |

Unsecured notes comprise of bonds.

Other financial liabilities represent amounts arising from sale and leaseback transactions accounted as financial liabilities under the accounting standards.

#### (a) Promissory notes

The Telstra Entity has a historical promissory note payable to Pacnet Global Corporation (S) Pte Ltd (Pacnet Singapore), an entity controlled by Telstra Group Limited amounting to USD116 million. The promissory note arose as a result of the Pacnet Legal Entity Rationalisation in 2018.

The promissory note was historically accounted for as an equity instrument, i.e. non-monetary item. During the current period, the instrument was accounted for as a monetary item with the resulting translation differences recognised in the income statement.

Impacts of this change have been disclosed in Table D below:

| Table D<br>Telstra Corporation Group        | Half-year ended |
|---|-----------------|
|   | 31 Dec 2024     |
|   | \$m             |
| <b>Promissory notes (balance in USD)</b>    | <b>116</b>      |
| <b>Balance at 28 March 2018 (in AUD)</b>    | <b>152</b>      |
| <b>Balance at 31 December 2024 (in AUD)</b> | <b>186</b>      |
| Increase in liability                       | 34              |
| Increase in finance costs                   | 34              |



## Section 4. Our capital and risk management (continued)

### 4.2 Capital management and financial instruments (continued)

#### 4.2.2 Finance costs

Table E presents our net finance costs. Interest expense on borrowings are net amounts after offsetting interest income and interest expense on associated derivative instruments.

| Table E<br><br>Telstra Corporation Group                            | Half-year ended 31 Dec |              |
|---|------------------------|--------------|
|   | 2024                   | 2023         |
|   | \$m                    | \$m          |
| Interest income   | 10                     | 9            |
| Finance income from finance leases (Telstra as a lessor)            | 83                     | 81           |
| <b>Total finance income</b>   | <b>93</b>              | <b>90</b>    |
| Interest expense on borrowings                                      | (133)                  | (179)        |
| Interest expense on lease liabilities                               | (6)                    | (4)          |
| <b>Gross interest on debt</b>                                       | <b>(139)</b>           | <b>(183)</b> |
| Net gain/(loss) on financial instruments included in remeasurements | (42)                   | (16)         |
|   | <b>(42)</b>            | <b>(16)</b>  |
| <b>Total finance costs</b>  | <b>(181)</b>           | <b>(199)</b> |
| <b>Net finance costs</b>  | <b>(88)</b>            | <b>(109)</b> |

Net loss on derivative financial instruments included in remeasurements within net finance costs comprise unrealised valuation impacts on our borrowings and derivatives. These include net unrealised gains or losses which arise from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective. These fair values increase or decrease because of changes in financial indices and prices over which we have no control.

#### 4.2.3 Fair value measurement

The financial instruments included in the statement of financial position are measured either at fair value or their carrying value approximates fair value, with the exception of borrowings, which are held at amortised cost.

To determine fair value, we use both observable and unobservable inputs. We classify the inputs used in the valuation of our financial instruments according to a three level hierarchy as shown below. The classification is based on the lowest level input that is significant to the fair value measurement as a whole.

During the half-year ended 31 December 2024, there were no changes in valuation techniques for recurring fair value measurements of our financial instruments. There were also no transfers between fair value hierarchy levels.

As at 31 December 2024, there were no financial instruments measured using level 1 or level 3 inputs which were not classified as held for sale.

The table below summaries the methods used to estimate the fair value of our financial instruments.

| Level   | Financial instrument                               | Fair value   |
|---|--|--|
| <b>Level 2: the lowest level input that is significant to the fair value measurement is directly (as prices) or indirectly (derived from prices) observable</b> | Borrowings, cross currency and interest rate swaps | Valuation techniques maximising the use of observable market data. Present value of the estimated future cash flows using appropriate market-based yield curves, which are independently derived. Yield curves are sourced from readily available market data quoted for all major currencies. |
|   | Forward contracts                                  | Quoted forward rates at reporting date for contracts with similar maturity profiles.   |

Fair value of borrowings presented in Table C was measured using level 2 inputs.

Table F categorises our financial instruments which are measured at fair value, according to the valuation methodology applied.

| Table F<br>Telstra Corporation Group | As at 31 Dec 2024 | As at 30 Jun 2024 |
|--------------------------------------|-------------------|-------------------|
|                                      | Level 2           | Level 2           |
|                                      | \$m               | \$m               |
| Derivative financial assets          | 555               | 310               |
| Derivative financial liabilities     | (146)             | (236)             |
| <b>Total</b>                         | <b>409</b>        | <b>74</b>         |

#### 4.2.4 Financial risk factors

Our underlying business activities result in exposure to operational risks and a number of financial risks including interest rate risk, foreign currency risk, credit risk and liquidity risk. Our overall risk management program seeks to mitigate these risks in order to reduce volatility in our financial performance and to support the delivery of our financial targets. Financial risk management is carried out under policies approved by the Telstra Group Board. Our financial risk management strategies ensure that we can withstand market disruptions for extended periods.

The half-year financial report does not include all financial risk management information and disclosures required for the annual financial statements. For the management of interest rate risk, foreign currency risk and credit risk on our borrowing portfolio refer to note 4.5 to the financial statements in our 2024 Annual Report. There have been no material changes to these risk management policies since 30 June 2024.

## Section 5. Our investments

This section outlines our group structure and includes information about our controlled entities, joint ventures and associated entities. It provides details of changes to these investments and their effect on our financial position and performance during the financial year. It also includes the results of our material joint ventures and associated entities.



### 5.1 Changes in the group structure

#### 5.1.1 Current period acquisitions and disposals

During the half-year ended 31 December 2024 there were no acquisitions or disposals of any businesses (2023: none).

### 5.2 Investments in controlled entities

Telstra Corporation Limited holds investments in the following wholly owned Australian entities at 31 December 2024:

- Telstra Multimedia Pty Limited
- Merricks NewCo Pty Ltd
- DCA eHealth Solutions Pty Ltd and its controlled entities
- Medinexus Pty Ltd

### 5.3 Non-controlling interests

The Telstra Corporation Group includes entities which have material non-controlling interests.

As at 31 December 2024, our controlled entity The Exchange Trust, which holds a portfolio of 36 Telstra exchanges in Australia, had a 49 per cent (30 June 2024: 49 per cent) non-controlling interest balance of \$701 million (30 June 2024: \$702 million).

The trustee of The Exchange Trust is Merricks NewCo Pty Ltd, our wholly-owned controlled entity.

During the half-year ended 31 December 2024, we paid the minority unit holder of the trust an \$18 million (31 December 2023: \$18 million) dividend.

### 5.4 Investments in joint ventures and associated entities

#### 5.4.1 Current period acquisitions and disposals

As at 30 June 2024 our 35 per cent interest in NXE Australia Pty Limited and its controlled entities (NXE Group) has been accounted for using the equity method. On 23 December 2024, we entered into a share sale and purchase agreement with DAZN Group Limited (DAZN) to exchange our 35 per cent interest in NXE Group for approximately 3 per cent equity interest in DAZN (subject to completion adjustments). The transaction is subject to regulatory approvals, including from the Foreign Investment Review Board, with completion expected in the second half of the financial year.

As a result, as at 31 December 2024 we have classified our investment in NXE Group as held for sale and measured it at \$364 million being the lower of its carrying amount and fair value less costs to sell, with no impairment recognised.

#### 5.4.2 Transactions with NXE Group

In February 2020, we entered into a subordinated shareholder loan agreement with NXE Australia Pty Limited under which we made available to NXE Australia Pty Limited a loan facility of up to \$170 million at commercial rates of interest. The facility was scheduled to mature on 22 December 2027 but contains the ability to prepay the outstanding amount.

Under the share sale and purchase agreement regarding the disposal of the NXE Group (refer to note 5.4.1 for details), NXE Australia Pty Limited agreed to repay any outstanding loan amounts under the facility immediately prior to completion of the disposal of our investment in NXE Group. Accordingly, as at 31 December 2024 we have classified as current the outstanding loan balance of \$126 million (June 2024: \$139 million) drawn under this facility, as the settlement of those amounts is expected within 12 months after the balance date.

## Section 6. Other information

This section provides information and disclosures not included in the other sections, for example our commitments and contingencies, and significant events occurring after reporting date.



### 6.1 Commitments and contingencies

#### 6.1.1 Capital expenditure commitments

As at 31 December 2024, our capital expenditure commitments were \$220 million (30 June 2024: \$378 million).

#### 6.1.2 Contingent liabilities and guarantees

##### *(a) Intra-group debt guarantees*

Where contractually required or otherwise agreed with counterparties, Telstra Corporation Limited has provided and received guarantees to and from Telstra Group Limited. For further details refer to our 2024 Annual Report.

We recognised a \$20 million decrease in our share capital as a result of the intra-group debt guarantees for the half-year ended 31 December 2024 (31 December 2023: \$27 million decrease).

##### *(b) Investigations by regulators*

The Telstra Corporation Group is subject to a range of laws and regulations in Australia and overseas, including in the areas of telecommunications, corporate law, consumer and competition law and occupational health and safety. In Australia, the principal regulators who enforce these laws and regulations and who Telstra interacts with are the Australian Competition and Consumer Commission (ACCC), the Australian Communications and Media Authority (ACMA), the Office of the Australian Information Commissioner (OAIC), the Australian Securities and Investments Commission (ASIC), the Australian Securities Exchange (ASX), and Comcare.

The Telstra Corporation Group is subject to investigations and reviews from time to time by regulators, including certain current investigations into whether Telstra has complied with relevant laws and regulations. These are taking place in an environment of heightened scrutiny and regulator expectation and where Telstra has self-reported issues where it has not complied with relevant laws and regulations. In the ordinary course of our business, we identify, and may continue to identify, issues that have the potential to impact our customers and reputation, which do not meet relevant laws or regulations, or which do not meet our standards. Where we identify these issues, disclosures will be made as required by the accounting standards, or our other legal disclosure obligations. Provisions will be made for potential liabilities, if arising, in accordance with the accounting standards.

Regulatory investigations and reviews may result in enforcement action, litigation (including class action proceedings), and penalties (both civil and in limited circumstances, criminal).

##### *(c) Other contingent liabilities*

Since 30 June 2024, there have been no significant changes to contingent liabilities arising from common law claims.

##### *(d) Indemnities, performance guarantees and financial support*

Since 30 June 2024, there have been no significant changes to indemnities, performance and financial guarantees other than as mentioned in note 6.1.2(a).

##### *(e) Contingent assets*

We had no significant contingent assets as at 31 December 2024.

### 6.2 Events after reporting date

We are not aware of any matter or circumstance that has occurred since 31 December 2024 that, in our opinion, has significantly affected or may significantly affect in future periods:

- our operations
- the results of those operations, or
- the state of our affairs

other than the following:

#### 6.2.1 Interim dividend

The details of the dividend for the half-year ended 31 December 2024 are disclosed in note 4.1.

# Directors' Declaration

This Directors' Declaration is required by the *Corporations Act 2001*.  
The Directors of Telstra Corporation Limited have made a  
resolution that declared:

- (a) in the Directors' opinion, there are reasonable grounds to believe that Telstra Corporation Limited will be able to pay its debts as and when they become due and payable
- (b) in the Directors' opinion, the financial statements and notes of the Telstra Corporation Group for the half-year ended 31 December 2024 as set out on pages B1 to B21 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134: 'Interim Financial Reporting' and the Corporations Regulations 2001
  - (ii) giving a true and fair view of the financial position of the Telstra Corporation Group as at 31 December 2024 and of the performance of the Telstra Corporation Group, for the half-year ended 31 December 2024

For and on behalf of the board



Brendon Riley  
Chairman and CEO,  
Telstra Corporation Limited



Douglas Rogerson  
Director

6 March 2025  
Melbourne, Australia

## Independent Auditor's Review Report to the members of Telstra Corporation Limited

### *Conclusion*

We have reviewed the half-year financial report of Telstra Corporation Limited (the "Company") and its subsidiaries (the "Group"), which comprises the statement of financial position as at 31 December 2024, and the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages B1 to B22.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *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*. 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 auditor independence requirements of the *Corporations Act 2001* and 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.

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

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



DELOITTE TOUCHE TOHMATSU



Suzana Vlahovic  
Partner  
Chartered Accountants  
Melbourne, 6 March 2025