Telstra Annual Report 2026

CLICK TO START

Acknowledgement of Country

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

Our purpose

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

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

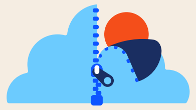
And delivering the best tech.

On the best network.

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

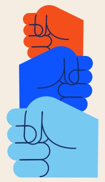
Through Connected Future 30, our ambition is to be the number one choice for connectivity in Australia.

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



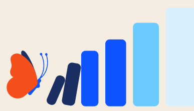
Look Beyond

See the big picture
Strive for customers
Learn and adapt



Work as One

Listen first
Speak up
Align and commit



Make a Difference

Do what matters
Own it
Act with care

Telstra Group Limited
ABN 56 650 620 303

Our reporting suite

Responsible use of artificial intelligence

Some of this content was created with the support of AI. We used human judgement and our established governance and assurance processes to verify and confirm the content.

Our FY26 reporting suite, available at telstra.com/governance, includes:

Our 2026 Telstra Annual Report (this report)

which describes our strategy, financial performance and remuneration practices for FY26. It also includes our mandatory Sustainability Report – Climate Statements for FY26, prepared to the Australian Accounting Standards Board climate standard (Australian Sustainability Reporting Standard S2).

Our 2026 Corporate Governance Statement

which provides information about governance at Telstra.

Our 2026 Bigger Picture Report[1]

which provides an in-depth look at our approach and performance in relation to our most material sustainability impacts.

Our Approach to Nature Action[1]

which provides information on our nature-related, dependencies, impacts, risks and opportunities and is guided by the recommendations of the Taskforce for Nature-related Financial Disclosures.

Our 2026 Modern Slavery Act Statement[1]

which explains how we identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains.

The sections of our Annual Report titled FY26 Financial performance, FY26 Highlights, Chair and CEO's message, Strategy and performance, Our material risks, Outlook, and Full-year results and operations review comprise our operating and financial review (OFR) and form part of the Directors' report.

1. Available from 26 August 2026.

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A Glossary is available at telstra.com/annualreport

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Forward-looking statements

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

A number of these risks, uncertainties and other factors are described in the "Chair and CEO's message", "Our material risks" and "Outlook" sections (which form part of Telstra's Operating and Financial Review), and the "Sustainability Report – Climate Statements for FY26" section of this Annual Report lodged with the ASX on 13 August 2026, and is available on Telstra's Investor Centre website www.telstra.com.au/aboutus/investors.

In addition, there are particular risks and uncertainties in connection with the implementation of Telstra's Connected Future 30 strategy. Those risks include strategic execution risks associated with the scale and interdependences of our transformation programs, network evolution, financial performance risks emerging from economic conditions, broader geopolitical challenges, the response of customers to changes in our products and how we interact with them under a digital operating model, the risks of disruption from changes in Telstra's ways of working, and Telstra's ability to execute and manage the elements of the strategy in a sequenced, controlled and effective manner and realise the planned benefits, cost savings and growth opportunities.

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

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

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

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

Group performance results

It is our intention to continue to provide meaningful financial information to enable shareholders to understand our performance. Telstra uses non-IFRS financial information (being "EBITDA", "Underlying EBITDA", "EBITDAaL", "Underlying EBITDAaL", "Underlying NPAT", "Underlying EPS", "ROIC", "Underlying ROIC", "Underlying income", "Underlying operating expenses", "EBITDAaL", "Underlying cashflow before dividends, buy-backs and net borrowings", "Cash EBIT", "Cash earnings", "Cash EPS" and "operating leverage") as measures to better reflect what Telstra considers to be its underlying performance. This non-IFRS financial information is consistent with how management reviews financial performance with the Board and the investment community. We include these measures to help readers better compare our underlying financial performance with that of previous periods. Underlying EBITDAaL and Cash EBIT also show how the business performed on the same basis as the guidance we provided to the market.

Telstra's Investor Day presentation on 27 May 2025 set out our key targets and measures of performance for our Connected Future 30 strategy, both financial and non-financial. Three key financial measures in our Connected Future 30 strategy are Cash EBIT, operating leverage and Underlying ROIC. Cash EBIT, operating leverage and Underlying ROIC are also FY27 Short Term Incentive (STI) performance measures selected by the Board and designed to focus Senior Executives on delivering our Connected Future 30 strategy, and to help ensure that financial rewards are linked directly to their contributions, to company performance and to long term shareholder value creation.

Underlying earnings before interest, taxes, depreciation and amortisation (Underlying EBITDA) is used to assess our operational profitability. EBITDA after leases (EBITDAaL) and Underlying EBITDAaL are used to assess our operational profitability after leases. Underlying net profit after tax (Underlying NPAT) is used to assess our operational financial performance and reflects underlying EBITDA less interest, tax, depreciation and amortisation. Underlying earnings per share (Underlying EPS) is used to assess our operational financial performance on a per share basis. Underlying return on invested capital (Underlying ROIC) is used to assess our efficiency at allocating capital and reflects underlying net operating profit after tax (Underlying NOPAT) as a percentage of total capital. Underlying income and Underlying operating expenses are used to assess our operational income and expense performance respectively.

Underlying cashflow before dividends, buy-backs and net borrowings is used to assess our underlying cash generation available to shareholders and reflects operating cash flows, less investing cash flows, less financing cash flows (excluding net proceeds from borrowings, share buy-back, and dividends paid to equity holders of Telstra Entity), and less strategic investment. Cash earnings before interest and tax (Cash EBIT), Cash earnings and Cash EPS are also used to assess our underlying cash generation and ensure appropriate focus on profit as well as costs and capex. Cash EBIT reflects Underlying EBITDAaL less business-as-usual capex and spectrum amortisation. Cash earnings reflects Cash EBIT less finance costs, tax and minorities. Cash EPS reflects Cash earnings on a per share basis.

Positive operating leverage is used to assess our financial discipline under our Connected Future 30 strategy and reflects underlying income percentage growth greater than Cash EBIT cost percentage growth.

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

No offer, invitation or advice

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

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

Unaudited information

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

Other information

All amounts are in Australian Dollars unless otherwise stated.

FY26 financial performance

Delivering growth and shareholder value creation

EBITDAaL	Underlying EBITDAaL[1]	ROIC[2]	Underlying ROIC[3]
$8.2B	$8.3B	8.8%	9.0%
+3.0%	+4.0%	+0.3pp	+0.5pp

EBIT	Cash EBIT[4]	EPS
$4.0B	$4.7B	19.9 cents
+1.7%	+8.0%	+5.3%

Cash EPS[5]
25.5 cents
+14%

Total FY26 dividends[6]
21 cents per share
(90.5% franked)

Operating leverage
+2.0pp[7]

On-market share buy-back
$1.25B completed
Up to $1B announced

1. Underlying EBITDA after leases (EBITDAaL) excludes guidance adjustments. Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. A detailed reconciliation of our reported results to underlying results can be found in the “Guidance versus reported results” schedule. The adjustments have been reviewed by our auditor for consistency with the basis set out in the guidance we provided to the market.
2. Return on Invested Capital (ROIC) calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital.
3. Underlying ROIC calculated as Underlying NOPAT as a percentage of total capital, excluding guidance adjustments (as defined above) less tax. Tax in Underlying ROIC calculation (FY25 $10 million; FY26 $41 million) represents the tax effect of guidance adjustments and, in FY26, the recognition of deferred tax assets arising from changes in tax law ($41 million).
4. Cash EBIT is Underlying EBITDAaL less BAU capex and spectrum amortisation, and excludes guidance adjustments (as defined above).
5. Cash EPS excludes guidance adjustments (as defined above) and is defined as cash earnings (Underlying EBITDAaL less BAU capex, spectrum amortisation, finance costs, tax and non-controlling interests) per share.
6. Total dividend includes interim dividend of 10.5 cents per share and final dividend of 10.5 cents per share. Total dividend growth of 10.5 per cent on a cash basis, from FY25 19 cents per share (fully franked) to FY26 21 cents per share (90.5 per cent franked).
7. Positive operating leverage defined as underlying income percentage growth greater than Cash EBIT cost percentage growth.

FY26 highlights

Building a connected future so everyone can thrive

Lifted Network Experience Index by 1.6 points our measure of reliability and performance

Average daily connections to **Telstra Satellite Messaging have grown to more than 200,000 since launch**

More than 8,500 km of fibre constructed on the Aura Network our next-generation fibre network

Recognised as #4 on LinkedIn’s 2026 Top Companies List validating the strength of our talent proposition

Increased employee engagement score by two points to 81 maintaining top quartile level

MyTelstra AI Assistant now handles over a third of enquiries lifting satisfaction **by 20%**

Increased our RepTrak reputation score by two points to 66.8 reflecting improved external perceptions of Telstra

Improved Strategic NPS by one point and Episode NPS by two points over the last 12 months

8.1 million Consumer and Small Business customers now on our modern digital platform

More than 24 million scam calls and close to 5 million scam SMS texts blocked on average per month

Reduced our absolute scope 1+2 emissions by 48% and absolute scope 3 emissions by 49% both from a FY19 baseline[1]

1. Excludes Digicel Pacific Limited and its controlled entities (Digicel Pacific)

Chair and CEO's message

Thank you for your continued investment in Telstra during the 2026 financial year.

FY26 marked the first year of our Connected Future 30 strategy, which will see us double down on connectivity, drive growth and play a critical role in enabling a prosperous digital future for Australia.

We began this new phase with strong momentum from T25, which made us a simpler and more digitised business. Our purpose – to build a connected future so everyone can thrive – remains as important as ever, and the progress we've made this year puts us in a strong position to keep delivering for our customers, shareholders and the nation.

Improving experiences for customers

At the heart of Connected Future 30 is a clear ambition: to be the number one choice for connectivity in Australia. Achieving this in a fast-changing landscape requires a relentless focus on the experiences we deliver for customers across the different ways they connect with us.

This year, we made substantial progress in simplifying how customers interact with us. We completed the final phase of one of the largest customer migrations in our history, successfully decommissioning our consumer legacy platform in July 2026. There are now close to 8.1 million Consumer and Small Business customers on our modern digital platform.

Customers who have migrated are benefiting from a more seamless experience, with fewer handoffs, less friction, and faster solutions. Importantly, customers on the new platform recorded materially higher Net Promoter Score (NPS) than those on legacy systems, demonstrating that our investments in experience and service are translating into stronger customer outcomes and advocacy. Customers are doing more on our network than ever before, and we know they expect connectivity that is more reliable, resilient and secure. This increase in demand for core connectivity has driven us to consistently invest in the network. Over the last five years, we've invested more than $19 billion in overall capex and spectrum helping transform how Australians connect.

We increased our prices during the year to partly support that continued investment, enabling us to maintain and improve our mobile network performance, reliability and security, and helping us better meet our customers' changing connectivity needs. We know that cost of living pressures continue to affect many Australians, and as we made these changes, we strengthened the support available to help people stay connected. This includes expanding our support for customers experiencing financial hardship, introducing a new mobile plan for eligible customers with more basic mobile needs and broadening our concession discount for eligible customers. Together, these steps reflect a deliberate shift in how we approach affordability so more customers can connect in ways that work for them.

Network leadership and resilience

Connectivity has never been more important, and we expect demand to continue to grow as customer needs become more complex and the number of connected devices and services increases. In this environment, resilience and quality are critical differentiators, shaping how reliably customers can connect.

Our mobile network is central to this, supporting millions of Australians every day. Telstra has invested over $9.5 billion in our mobile network nationally over the five years to 30 June 2026, with $3.8 billion of this in regional areas. This has helped build a high-quality, more resilient network that supports the scale and performance demands of modern connectivity. Independent benchmarks like umlaut (part of the Accenture group) continue to recognise the strength and reliability of our mobile network, which is more than 900,000 square kilometres larger than any other under the ACMA's new standard. This reflects our sustained investment in coverage and capability.

During the year, we took steps to further strengthen the resilience of our network. We continued to upgrade and expand back-up power with projects at more than 1,800 fixed network and mobile sites. We also worked closely with power companies during major weather events and other large-scale disruptions to respond quickly to unplanned power interruptions affecting our network. At the same time, we deployed AI-driven Autonomous Network capabilities as part of our broader fault management approaches. Across our fixed and mobile network, we now track more than 140 million performance measurements and 100 billion system events each day, providing deeper operational insights and supporting faster responses to issues.

Our mobile network remains at the heart of how Australians connect, underpinned by digital infrastructure that enables data to move at scale. In FY26, we made significant progress advancing our Aura Network, our next-generation intercity fibre network connecting cities with record-breaking speed, scale, and reliability, and extending our international subsea cable infrastructure. As AI and data-intensive applications scale, this infrastructure becomes even more critical, strengthening the foundations of our network and unlocking new sources of value. Complementing our mobile network, Telstra Satellite Messaging continued to build momentum, with average daily connections growing to more than 200,000 since launch, helping extend connectivity to more places when customers are beyond the reach of our mobile network. We recently added to its functionality by including Select Satellite Applications like maps, weather and internet messaging, and we'll keep investing to bring the latest services to our customers as the technology continues to evolve.

In line with our Network as a Product ambition, we are moving beyond standard bandwidth offerings towards more flexible, differentiated network services such as prioritised connectivity, scalable bandwidth and enhanced security. These new product offerings would allow customers to tailor network performance to their needs and reflect a shift in how connectivity is being consumed. Our continued investments in these areas strengthen our core business, enabling us to meet evolving connectivity needs while delivering greater value to our customers through improved performance and differentiated services.

July 2026 outage

We take any disruption to our customers and Australians extremely seriously. These disruptions can be caused by events outside our control, including severe weather impacts, loss of mains power, accidental or malicious damage or equipment failure.

On the morning of 8 July 2026, after the period covered by this report, we experienced a major network outage. Our investigations to date indicate the outage was caused by something within our control – the combination of an undocumented network design change and a software update that had not been applied.

When our network fails, the impact is real, and we're deeply sorry for the disruption the incident caused.

Along with supporting customers who were impacted, our key focus has been on understanding what happened and why. We conducted preliminary investigations and have taken action to further strengthen our network as a result. We also commissioned an external expert review that is currently underway and will make the findings of this public.

Operating sustainably in a changing environment

Operating sustainably is central to delivering on Connected Future 30. It means reducing our environmental impact, embedding climate considerations into our decision-making, advancing digital inclusion and responding constructively to rising expectations from customers, communities and stakeholders.

In FY26, we made solid progress against our priorities. We continued to support renewable energy generation through long-term power purchase agreements, delivered initiatives to recover and recycle decommissioned network equipment, and reduced our absolute scope 1+2 and our absolute scope 3 emissions. We also strengthened disaster preparedness, rapidly deploying temporary mobile infrastructure during severe weather events.

Delivering on our commitments also requires navigating an increasingly complex external environment. During the year, we managed supply chain pressures, energy market volatility and shifting competitive dynamics, while continuing to invest in the capabilities customers and communities rely on. Our industry also came under increased scrutiny from government, regulators and the community, with particular focus on network resilience, Triple Zero and mobile coverage. Australia has enormous opportunities in the digital economy, but realising them will depend on effective collaboration between governments, industry and communities. As Australia's largest telecommunications provider and an operator of critical national infrastructure, we engage constructively with governments, regulators and industry on the policy settings needed to support Australia's long-term digital resilience, productivity and prosperity – underpinned by a strong and financially sustainable telecommunications sector.

Our people and capabilities

Every outcome in this report reflects the effort of our people. They bring the expertise required to operate Australia's most critical communications infrastructure, while supporting the millions of people who rely on it. It's this combination of capability and care that underpins our performance and allows us to deliver for our customers and communities.

Over the past year, we continued to invest in our team, so they have the skills and support to adapt as technology changes. As AI reshapes how work is done across Telstra, we've created opportunities for our people to build their skills and capabilities. This includes AI fluency for everyone across Telstra, dedicated learning pathways through our expanded Data & AI Academy and practical AI tools our people can use in their everyday work. More than three-quarters of our people are now using these tools regularly in their roles. In addition, programs such as Career Connect, our internal career development platform, supported continued learning, built confidence and helped our people adapt to change. This sustained focus on supporting our people is reflected in strong employee engagement internally and in external recognition, including being named one of Australia's top five "Best Workplaces" by LinkedIn.

Delivering for our shareholders

Our focus on disciplined execution, resilience and responsible operations is reflected in our strong FY26 financial performance. Over time, this sustained performance underpins investors' confidence and enables us to make the significant investments needed to help strengthen our networks, improve customer experiences and support Australia's digital future.

On the back of cash earnings growth, the Board resolved to pay a final dividend of 10.5 cents per share, bringing the total dividend for the year to 21 cents per share and representing a 10.5 per cent increase (on a cash basis) on the prior year. Both the interim and final dividend were 90.5 per cent franked.

The final dividend is consistent with our Capital Management Framework, and our aim to deliver a sustainable and growing dividend. Our dividend is supported by strong cash earnings, and our Connected Future 30 ambition remains to deliver mid-single digit growth in cash earnings.

In June this year we completed our $1.25 billion on-market share buy-back. We have announced a further on-market share buy-back of up to $1 billion. This shifts our capital structure toward more debt and less equity and has been enabled by earnings growth and the strength of our balance sheet. Importantly, these buy-backs are alongside increased capex and strategic investment. Buy-backs allow us to lower our cost of capital and manage our sources of funding more efficiently. This approach also supports earnings and dividend per share growth and, together with increased dividends, demonstrates the Board and management's confidence in our financial strength and outlook.

Leadership changes

During FY26 we made important changes to our Board and leadership team. Holly Kramer was appointed to the Board, bringing deep experience and new perspectives to help guide our focus on long-term value creation. We farewelled Elana Rubin AM, who retired after six years of dedicated service, and we thank her for her leadership, stewardship and significant contribution over that time.

We also made changes to our leadership team to better position us to execute Connected Future 30. This included the creation of a new Network, Product and Technology function led by Kim Krogh Andersen, bringing together our Product & Technology and Global Network & Technology teams, and we announced the establishment of Telstra Digital Infrastructure under Steven Worrall from July 2026, integrating InfraCo, Telstra International and Field Services. As part of these changes, Shailin Sehgal left Telstra on 30 June 2026. We thank Shailin for his significant contribution as a network and technology leader.

Looking ahead

As we move into FY27, our focus remains firmly on delivering Connected Future 30 and staying true to our purpose. Thank you to our shareholders for your continued investment in Telstra. To our customers, thank you for choosing us and for the trust you place in us. And to our people, thank you for your care and commitment and the difference you make every day for our customers, communities and shareholders.

Craig Dunn
Chair

Vicki Brady
CEO and Managing Director

Strategy and performance

We have made a positive start to Connected Future 30 – our five-year strategy to double down on connectivity and radically innovate in the core of our business.

Connected Future 30

Our ambition is **to be the number one choice for connectivity in Australia**

Our three layers and goals

Customer Engagement
To lead in how we anticipate and deliver on the connectivity needs of our customers

Network as a Product
To build and operate Australia's leading network and reinvent how we capture value from it

Digital Infrastructure
To be Australia's leading digital infrastructure provider

Our four enablers

- People & culture
- Technology leadership
- Sustainability
- Financial discipline

Our overarching ambition is to be the number one choice for connectivity in Australia.

Achieving that ambition means understanding customers more deeply and treating our network as more than just technology, but as a product with its own commercial value, underpinned by world-class digital infrastructure.

That's why we are thinking about our business in three layers, helping us identify where we can generate more value for customers, be more efficient, and be more competitive.

We have a goal for each layer:

- **Customer Engagement:** To lead in how we anticipate and deliver on the connectivity needs of our customers.
- **Network as a Product:** To build and operate Australia's leading network and reinvent how we capture value from it.
- **Digital Infrastructure:** To be Australia's leading digital infrastructure provider.

These layers are underpinned by four critical enablers: People & Culture, Technology Leadership, Sustainability and Financial Discipline. Together, they support an engaged, high-performing workforce; leading technology capabilities and systems; a responsible and resilient approach to our operations; and discipline in capital and cost management.

Together, our layers and enablers describe the business we want to be in 2030.

This year, we focused on turning the momentum built through T25 into early progress on our Connected Future 30 goals.

Customer Engagement

As our customers' needs evolve, we will make it simpler for them to get the connectivity they need. That means helping customers to navigate changing technology, to stay safe and secure, and to get the most out of their services in ways that work for them.

This year, we accelerated the shift to more intuitive, digital-first support by embedding AI into some of the ways customers get help to reduce the effort it takes to resolve issues. Customers increasingly chose digital self service for common needs such as billing, order tracking and fixing connection issues, and in March 2026 we scaled our first customer facing AI Assistant across our MyTelstra app. Since then, it has handled 34 per cent of total enquiries, and customer satisfaction scores for the experience have increased by around 20 per cent. At the same time, the AI Assistant has also helped free up our teams to support more complex or sensitive customer enquiries.

We maintained a strong focus on the operational experiences that shape trust. Group Episode NPS finished the year on target, up two points at +49, reflecting sustained performance across the day to day episodes customers care about most. Strategic NPS is one of our key indicators of advocacy, measuring how customers feel about Telstra based on their overall experiences of our network, customer service, brand, pricing and account management. It improved during the year one point to +20, demonstrating early momentum and progress towards our 2030 target.

We also strengthened the safety and security of customer experiences by expanding network-level protections that reduce harmful activity before it can reach people. Through our Cleaner Pipes program, we blocked on average more than 24 million scam calls per month, close to five million scam SMS texts per month, and tens of millions of malicious domains and incoming scam or potentially unwanted emails each month in FY26.

Cost-of-living pressures remain a real challenge for many customers. While we increased prices during the year, we also focused on practical ways to make connectivity simpler and more accessible. This included launching our new Upfront Mobile Access plan, designed to provide connectivity for basic needs at a more affordable price point, offered through our specialised teams as part of an account review only. We also broadened our concession discount to apply to more Upfront postpaid mobile plans, giving eligible customers more flexibility to choose a plan that better matches their usage. Alongside these changes, we continued to provide practical assistance through programs such as Telstra Top Up, increasing the value of each top up from $180 to $200, providing 80GB of data with unlimited calls and texts over six months to help customers when budgets are tight.

Together, this progress is showing up in the way our brand is being recognised, with Telstra ranking in the top 10 strongest brands in Australia in a leading annual brand valuation report[1], reflecting the momentum we've built towards our Connected Future 30 target.

Network as a Product

The second layer of Connected Future 30 is anchored in the conviction that our network is itself a core value proposition. In FY26, we continued to strengthen the network our customers rely on every day, while laying foundations to reinvent how we capture value from it. As part of our FY25 commitment to invest an additional $800 million over four years in our mobile network, we have upgraded nearly 1,200 mobile sites and built more than 150 new sites in FY26 alone.

We also improved resilience across the broader network. For example, every year we experience around 165,000 mains power interruptions across our fixed and mobile sites. Thanks to our investments in backup power, approximately 97 per cent of power interruptions we experienced across our fixed and mobile sites had no impact on services to customers in FY26.

We delivered an uplift of 1.6 points in our Network Experience Index, which brings together availability and speed to reflect the experience customers receive across our mobile and fixed networks, keeping us on track to achieve our Connected Future 30 target to improve by five points over five years. Independent benchmarking also recognised the strength of our mobile network performance, with Telstra named umlaut's "Best in Test" for the eighth year in a row, achieving our highest score to date.

Building on our network strength, we delivered connectivity to more places than ever before. Telstra Satellite Messaging is Australia's first satellite messaging service, enabling eligible customers with compatible phones to send and receive SMS via satellite when they are beyond our mobile network and have a clear line-of-sight to the sky. It is designed to complement terrestrial networks, particularly for people who live, work or travel beyond the reach of the mobile network, and it may provide an additional means of communication in some situations where localised network disruptions occur. For example, when fire damage and power disrupted our network during the bushfires in Victoria in January 2026, particularly around Longwood and Harcourt, we saw a threefold increase in people connecting to Satellite Messaging.

At the same time, we began the shift to reinvent how we capture value from our network through our Network as a Product (NaaP) ambition. In FY26, we progressed Dynamic 5G, onboarding our first enterprise customers to Dynamic 5G Fixed Wireless and demonstrating how tailored network performance can support critical business applications when they need it most. Across our fixed network products, we continued to expand Adaptive Networks Centre, a digital platform that gives customers greater visibility and control over the design, ordering and management of their network services, including the initial release of Application Programming Interfaces (APIs) to support greater automation and integration. We also launched our first six mobile network APIs, including Number Verification and SIM Swap, enabling developers to integrate network capabilities directly into their applications. Together, these are early examples of how we are transforming connectivity from a static service into a more intelligent, configurable product, creating new routes to market and taking important steps toward our target of having the majority of our connectivity revenue enabled by NaaP by FY30.

Digital Infrastructure: Building the foundations for a digital future

The third layer of Connected Future 30 focuses on nation-building digital infrastructure, turning our assets into a lasting competitive advantage for Telstra and Australia. In FY26, we continued to build momentum across key domestic and international programs, with a focus on disciplined delivery and making it easier for customers to engage with our infrastructure.

We drove significant momentum in the build of our Aura Network. Our Sydney to Melbourne Coastal via Canberra route is now live, providing ultra high-capacity, low-latency routes for enterprise customers, hyperscale cloud providers and research institutions. As of 30 June 2026, more than 8,500 kilometres of fibre had been constructed with four new routes now ready for service, including Sydney–Canberra–Melbourne Central, Adelaide–Wilmington and Sydney–Perth. This next-generation fibre network, stretching across the country and increasing global connectivity, is more than a cable in the ground – it is the physical backbone of Australia's AI-enabled economy, built to carry massive data volumes with world-class resilience and security.

1. *Brand Finance Australia 100 2026*

Beyond domestic fibre, we continued to progress digital infrastructure that supports international and satellite connectivity. In FY26, we completed eight new satellite ground stations, expanding our capabilities to support global satellite operators. We increased capacity along a critical Asia-Pacific digital corridor by securing Singapore-to-US subsea cable capacity, creating new opportunities for monetisation. We also delivered a first-of-its-kind infrastructure build for Telstra to host and operate Viasat's advanced satellite ground network infrastructure in Australia. The project includes 300 satellite ground stations co-located at Telstra sites, 13 data centre upgrades, and 16 fibre paths.

Our expanding digital infrastructure continued to attract strong demand from customers. We announced a partnership with Google, which saw them secure inter-city dark fibre capacity on our Aura Network and Telstra access subsea capacity through Google's Pacific Connect and Australia Connect initiatives. Together, these developments demonstrate the value of integrating our domestic and international networks, strengthening Australia's role as a digital gateway to Asia and the Pacific, and building the high-quality infrastructure required to support AI-driven services across the region.

Our enablers: the foundations of delivery

Our ability to deliver our strategy at pace and scale is underpinned by four critical enablers – People & Culture, Technology Leadership, Sustainability, and Financial Discipline. In FY26 we made clear progress on each.

People & Culture

Our workforce is one of our strengths and our focus on people and culture has helped us sustain an engaged, resilient workforce amid rapid change – ensuring we can attract, develop and retain the talent needed to execute our strategy. Our FY26 employee engagement score improved by two points to 81, which places us above the global top 25 per cent benchmark of 79. We focused on building the workforce capabilities and culture needed to deliver Connected Future 30. This included significant investment in leadership development through our Lead30 event, which brought together 2,600 leaders from across Telstra to deepen understanding of Connected Future 30 and their role in delivering it. We also maintained a strong focus on developing the next generation of leaders through our 14-month Graduate Experience Program, which empowers early-career professionals to develop critical skills, build strong networks and gain hands-on experience through learning, mentorship and real-world challenges.

At the same time, we continued to build future-ready skills, particularly in data and AI. Through our Data & AI Academy, more than 15,000 employees have completed at least one learning offering, with more than half of those people completing two or more courses this year. Our joint venture with Accenture expanded this further through the rollout of Accenture's global leading Technology Quotient learning, designed to build data, AI and digital fluency for every role. Together, this focus on skills, tools and confidence is strengthening decision making, improving productivity and supporting better outcomes for our customers. This focus on skills, tools and confidence is especially important as our business continues to evolve and technologies including AI lift our efficiency. Over time, our workforce is likely to be smaller in 2030 than it is today, and we are focused on supporting our people through this period of change.

Technology Leadership

Our Connected Future 30 goal is to achieve top quartile AI maturity by FY30 – and in FY26 we made strong foundational progress. We embedded Telstra's Reference Architecture Model (TRAM), which sets out how we design and build technology across Telstra, along with modern software engineering practices from the outset. This has helped us invest in the right technology with the right resourcing, so we can continue improving flagship product experiences such as Dynamic 5G and Adaptive Networks. As cyber threats become more complex, we advanced our practices, processes and mindset to become more secure and resilient by design. Our joint venture with Accenture, created to accelerate Telstra's data and AI capabilities, has strengthened our core foundations and supported AI, generative AI and agentic AI-enabled use cases at scale. One example is AI-assisted migrations, which use AI to proactively detect and help address payment or credit transfer issues before customers need to call for support.

Sustainability

Becoming the number one choice for connectivity in Australia requires us to operate responsibly and sustainably. In FY26, we exceeded 100 per cent renewable energy generation equivalent to our consumption, reaching 121 per cent by the end of calendar year 2025. We also reduced our absolute scope 1+2 emissions by 48 per cent and our absolute scope 3 emissions by 49 per cent, both from a FY19 baseline and excluding Digicel Pacific. Alongside progressing our climate and environmental ambitions, we also focused on broader sustainability outcomes that impact customers and communities. This included a new goal to reuse, recycle, repair or donate one smart device for every two sold, by FY30. In FY26, we achieved 32 per cent of smart devices sold. Digital inclusion also remained a priority, with our target to support the digital inclusion of one million Australians by FY30, with at least 200,000 of those in South Australia, Tasmania and the Northern Territory. In addition, programs such as Access for Everyone and Telstra Top Up helped people in vulnerable circumstances stay connected, alongside community-based efforts that build digital ability. We also continued to engage with communities and government to address connectivity challenges – including through initiatives such as the Mapping the Digital Gap research and the First Nations Digital Inclusion Advisory Group established to address Closing the Gap Target 17. Our sustainability enabler is about doing business the right way – balancing near-term performance with long-term responsibility, so that our customers, communities and shareholders continue to prosper together.

Financial Discipline

Financial discipline translated into stronger financial performance and returns. We delivered Cash EBIT of $4.7 billion (up 8.0%), while returning capital to shareholders through a final dividend of 10.5 cents per share. The final dividend is 90.5% franked, with a franked amount of 9.5 cents per share and an unfranked amount of 1 cent per share. We also completed our on-market share buy-back of $1.25 billion and announced an additional on-market share buy-back of up to $1 billion. That performance was supported by tight cost control and efficiency gains. We achieved positive operating leverage of 2.0 percentage points, and underlying operating expenses reduced by $454 million (3.0%) in FY26. Importantly, this discipline allowed us to fund strategic priorities while maintaining balance sheet flexibility. We continued to invest in long-term network and digital infrastructure programs, while sustaining the financial strength to keep progressing our strategy and shareholder returns.

	Key targets	Status	Progress
Customer Engagement	Grow strategic NPS by more than 50% by FY30[1]	🟡	FY26 strategic NPS uplift of 1 point on prior corresponding period (PCP)
	Top 10 strongest brand in Australia	🟢	Top 10 strongest brand in Australia. Ranked 9th strongest brand in January 2026 with latest Brand Strength Index at 87.3 (June 2026).
Network as a Product	Lift Network Experience Index by 1 point every year	🟡	Network Experience Index Q4 FY26 uplift of 1.6 points on Q4 FY25. We are now taking the lessons from the recent outage to further inform network resilience outcomes.
	Transform our connectivity platform, with the majority of connectivity revenue enabled by NaaP by FY30	🟡	Established the foundation for NaaP enabled connectivity revenue by scaling the Adaptive Networks Centre (ANC), releasing nine APIs with customer adoption underway and progressing consumer NaaP propositions. Testing propositions at scale to be demonstrated.
Digital Infrastructure	Sustained Cash EBIT growth	🟡	FY26 Cash EBIT 0.3% growth on PCP across InfraCo Fixed, Amplitel, International Wholesale and Enterprise, and Fixed Active Wholesale
	Mid-teens IRR on strategic investments and partnerships	🟢	Mid-teens IRR expected on Aura Network and Viasat strategic investment
People & Culture	Maintain top quartile Employee Engagement	🟢	Employee engagement score of 81 – improved 2 points on PCP and in top quartile globally
Technology Leadership	Achieve top quartile AI maturity by FY30	🟡	AI Maturity ranked in second quartile. FY26 progress in AI foundations, adoption and data readiness supports a pathway to top quartile maturity, although this remains a rapidly evolving landscape.
Sustainability	70% reduction in absolute scope 1+2 emissions by 2030[2]	🟡	Reduced absolute scope 1+2 emissions by 48% by end of FY26 from FY19[4]
	50% reduction in absolute scope 3 emissions by 2030[2]	🟢	Reduced absolute scope 3 emissions by 49% by end of FY26 from FY19[4]
Financial Discipline	Cost discipline through positive operating leverage[3]	🟢	FY26 operating leverage[3] of +2.0pp on PCP
Financial Goals	Grow cash earnings by mid-single digit CAGR to FY30	🟢	FY26 cash earnings 11.6% growth on PCP
	10% underlying ROIC by FY30	🟢	FY26 underlying ROIC 9.0% up 0.5pp on PCP
	Disciplined capital and portfolio management	🟢	Portfolio management including sales of Alliance Automation, MTData and International Wholesale Voice. Versent group and HK property (Reach Networks Hong Kong Limited) sale expected to complete in 1H27

Legend 🟢 On track for delivery 🟡 Progress made* 🔴 Not on track

Note: Key targets are annual for FY26 to FY30 unless otherwise stated. See Forward-looking statements in relation to key targets and financial goals.

1. Target baselined from FY25.
2. Target baselined from FY19.
3. Positive operating leverage defined as underlying income percentage growth greater than Cash EBIT cost percentage growth.
4. Excludes Digicel Pacific.

* Progress made: this status is used when there is medium confidence in achieving the target, recognising that the strategy is in its first year.

Our material risks

Telstra's ability to deliver value for customers, shareholders and communities depends on effective risk management. We operate in a dynamic environment characterised by rapid technological change, increased regulatory scrutiny, evolving customer expectations, and ongoing macroeconomic and geopolitical pressures.

During FY26, these conditions intensified. Increased reliance on digital platforms and third-party ecosystems expanded exposure to cyber and technology risks. Climate events and energy reliability challenges continue to place pressure on our infrastructure and operations. At the same time, tolerance for service disruption has reduced. Customers and governments expect reliable, affordable and secure telecommunication services, and timely and transparent responses when issues arise.

As we progress our Connected Future 30 strategy, the scale and interdependencies of transformation across the business increase. Recent internal and external events have highlighted how risks can cascade across network, technology, supply chain and customer domains, reinforcing the importance of an integrated, enterprise-wide approach to risk management.

We manage risk through an enterprise-wide framework aligned to ISO 31000:2018, supported by our Board-approved Risk Management Policy and overseen by the Chief Risk Office. Our governance model is based on the three lines of defence, with clear accountability across risk owners, risk functions and independent assurance. Risk considerations are embedded in decision-making, with a focus on early identification, deep understanding of impacts, timely escalation and disciplined governance.

We categorise and manage risk through the following lenses:

- **Strategic Risk Themes:** Enterprise-level themes that shape Telstra's strategy, value creation and licence to operate. They reflect external drivers such as competition and industry dynamics, technology change, and geopolitical and regulatory developments.
- **Critical and Material Risks:** The most significant risks that could materially impact our strategy, financial performance, operations or reputation. **Critical Risks** represent the highest potential impact areas and are actively monitored at the executive and Board level. **Material Risks** are also of high importance, though typically lower in potential severity than Critical Risks.

Risk and our strategy

Effective risk management underpins delivery of our strategy by supporting informed decision-making, disciplined investment and resilience in a changing environment.

Our risk profile reflects the conditions in which we operate and the areas that most directly affect our ability to execute our strategy, including increased competition, sustained technological change including rapid developments in AI and heightened expectations from customers, governments, regulators, and communities. Geopolitical tensions, supply chain disruption, and macroeconomic pressures continue to influence our operating environment and strategic choices, including in relation to security and sovereignty of our assets and data.

Delivery of our strategy is dependent on maintaining network performance and resilience, executing complex transformation programs, and delivering for our customers so we are their number one choice for connectivity. It's also vital we build and maintain trust through regulatory compliance and understanding customer needs and being clear about what we can and cannot deliver.

Strategic risk themes include maintaining competitive advantage, navigating geopolitical and regulatory change, responding to technology evolution and maintaining network performance and resilience.

Strategic Execution Risk

There is a risk that we do not fully execute our strategy or achieve the objectives of our strategy due to misaligned prioritisation, insufficient capability, changes in our operating environment, delays in delivery or failure to manage interdependencies across major programs.

The risk is heightened by the scale and complexity of our strategic initiatives, including digital transformation, network evolution (such as satellite-to-mobile) and AI enablement. Our strategy requires the delivery of large, interdependent initiatives while maintaining operational performance, resilience and customer outcomes. Dependencies across network, technology, supply chain and workforce capability increase the risk of disruption or delay.

Key mitigations include:

- Enterprise-wide planning and prioritisation through executive governance forums to assess trade-offs and align investment decisions to strategic objectives.
- Disciplined oversight of major programs and capital investments, reviewing progress against risk appetite and strategic intent.
- Strengthened cross-functional accountability and delivery ownership to align interdependent programs.
- Building delivery capability through agile ways of working and data-driven decision-making aligned to strategic priorities.
- A robust, forward-looking assessment of critical talent and capability needs, with targeted actions to address identified gaps.
- Integrated governance and monitoring of performance, dependencies and risk indicators.
- Promoting a strong risk culture by setting clear accountabilities and proactively managing risks at all levels of the organisation.

Safety and Wellbeing of our Employees and Stakeholders

There is a risk that Telstra does not provide a safe working and operating environment, which could result in harm, service disruption, regulatory action and reputational damage. This risk continues to evolve as our operations become more complex.

The safety and wellbeing of our employees, contractors, customers and the public is fundamental to our operations and to maintaining trust. Our activities expose people to a range of physical and psychosocial risks. Changing workforce expectations on mental health, ways of working, and increased use of technology and automation require ongoing focus. Public safety, including interaction with our assets and infrastructure, remains a key consideration.

Key mitigations include:

- An enterprise-wide safety framework covering governance, assurance, capability and culture.
- Strengthened leadership accountability through clear governance and executive oversight.
- Targeted training and support to improve the identification and management of psychosocial risks.
- Improved field safety practices, including journey management, contractor oversight, and controls for high-risk activities.
- Strengthened incident reporting, investigation and remediation processes.

Network Resilience

There is a risk that network outages or service interruptions cause customer harm, regulatory consequences, and reputational damage. These impacts may arise from technology, process and control failures, infrastructure issues, third parties, or external events, such as natural disasters.

The resilience, reliability and availability of our networks are critical to delivering essential services and a key competitive advantage. Heightened industry scrutiny has increased expectations to quickly respond to and recover from major incidents. System complexity and increasing interdependencies across energy, climate, and supply chains increase the likelihood of cascading impacts across network, IT, and customer domains. The July 2026 network outage reaffirmed the strategic importance of this risk and the critical dependence of customers and communities on our network.

Key mitigations include:

- Delivery of a multi-year Network Resilience Program to uplift capability across critical infrastructure, including targeted remediation of key sites and assets.
- Stronger resilience in network design through improved redundancy, diversity and failover capability.
- Investment in backup power systems and energy resilience to improve continuity.
- Enhanced network observability through advanced analytics, automation and real-time monitoring.
- Improved incident management, crisis response, communication and recovery processes to support timely and clear restoration of services.
- Active management of supply chain dependencies and vendor performance, including diversification of suppliers and oversight of critical components and services.
- Continued rollout of the Aura Network to expand capacity and strengthen the diversity of our future network.
- Embedded energy resilience and climate risk into our enterprise network resilience approach, strengthening the design and coordination of mitigation activities.

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Cyber and Physical Security of Critical Assets

There is a risk that cyber or physical incidents affecting our networks, systems and physical assets cause service disruption, regulatory action, financial loss and reputational damage. These incidents may arise from unauthorised access, disruption, or malicious activity and may impact operations, customers, and communities.

This risk continues to increase as threat actors become more sophisticated and persistent through the use of AI and emerging technologies. Key drivers include geopolitical tensions, increased reliance on digital platforms, cloud ecosystems, third parties, and elevated state-based and criminal activity.

Key mitigations include:

- Operation of a Security Operations Centre (SOC) with enhanced monitoring, detection, and response capabilities, supported by real-time dashboards and integrated threat intelligence.
- Strengthened cyber and physical security controls across networks, systems and third-party environments, including access management, vulnerability management and system hardening.
- Using emerging technologies, including AI, to identify potential threats and help protect our networks, systems and customers. This includes maintaining a robust AI governance framework to ensure secure, ethical and compliant use of AI.
- Strengthened governance of third-party providers, including risk-based vendor onboarding, control testing, and ongoing monitoring of critical dependencies.
- Enhanced employee awareness and training to reduce exposure to key threat vectors, including phishing, social engineering and insider risk.
- Regular testing and simulations, including penetration testing, red teaming exercises, and incident response scenarios to assess preparedness and improve detection and response capability.
- Investment in physical security controls across critical sites and infrastructure, including access controls, monitoring systems, and alignment with security requirements (including the *Security of Critical Infrastructure Act*).

Compliance with Laws and Regulation

There is a risk that we do not meet regulatory requirements, resulting in customer harm, regulatory action, financial penalties, and reputational damage. This risk continues to evolve as regulatory obligations expand, particularly in relation to customer outcomes, operational resilience, and critical infrastructure.

Increased scrutiny following incidents in the telecommunications sector has heightened expectations of timely identification, remediation, and reporting of incidents. The pace of regulatory change requires ongoing adaptation of controls, systems, and processes.

Key mitigations include:

- A comprehensive compliance framework with clear accountabilities, supported by defined policies, standards and controls across key regulatory obligations.
- Targeted compliance uplift programs to strengthen controls, processes and systems in response to regulatory change and emerging risks.
- Enhanced monitoring and reporting of compliance performance, including improved breach detection, timely escalation, structured remediation and enhanced root cause analysis.
- Proactive engagement with regulators and government, including transparency on key issues and participation in industry and policy forums.
- Embedding compliance into business processes, product design and decision-making to ensure that obligations are considered and met.
- Ongoing training and capability uplift to support understanding of regulatory obligations, conduct expectations, and evolving requirements.

Customer and Employee Privacy & Data

There is a risk that personal information is accessed, used or disclosed inappropriately, or lost as a result of ineffective privacy controls or data governance, resulting in customer or employee harm, regulatory action, financial loss and reputational damage.

Protecting the data and privacy of our customers and employees is fundamental to maintaining trust in Telstra and the services we provide. This risk continues to evolve as the capabilities of threat actors and expectations of data protection, transparency, and responsible use increase. The volume and complexity of data across our systems continues to grow, including through advanced analytics and AI. At the same time, regulatory scrutiny has intensified, requiring stronger controls, clearer accountability, and more robust governance.

Key mitigations include:

- A strong data governance and privacy framework, supported by clear policies, standards and accountability for the collection, use, storage, protection, and destruction of personal information.
- Robust controls over access to sensitive data, including identity and access management, monitoring, and audit capabilities.
- Remediation of legacy systems and high-risk applications through control upgrades and improved logging and monitoring.
- Improved identity verification and customer authentication processes, with enhanced controls for high-risk interactions and additional safeguards for vulnerable customers.
- Embedding privacy by design in products, systems and business processes.
- Strengthened data quality and governance foundations to maintain accurate, up-to-date and complete data assets.
- Clear governance over data and artificial intelligence use, including frameworks for responsible use, model oversight and risk management.
- Ongoing training, tools and capability uplift to support responsible data handling and compliance with privacy obligations.

Please refer to the 2026 Bigger Picture Report for more detail on how Telstra manages privacy (available from 26 August 2026 at telstra.com/sustainability/report).

Other risk factors

In addition to the risks outlined above, we manage several other material risks that may impact our ability to deliver our strategy. These risks are monitored and managed through our enterprise risk management framework and include:

- **Workforce capability and culture:** Our ability to deliver our strategy depends on attracting, retaining and developing key skills while maintaining a strong culture. This is increasingly important as our workforce integrate AI into their practices.
- **Stakeholder trust and confidence:** There is a risk that we do not meet the expectations of customers, investors, regulators and communities, impacting trust and reputation.
- **Responsible sales and service:** There is a risk that sales and service practices do not deliver fair and appropriate outcomes for customers, including vulnerable customers.
- **Supply chain resilience and supplier management:** Geopolitical events, supplier concentration, or supplier operational failures may adversely affect service delivery, resilience, and cost.
- **IT resilience and recoverability:** System failures or ineffective recovery capabilities could disrupt operations and affect customer outcomes.
- **Data and artificial intelligence use and governance:** There is a risk that data and AI are not used responsibly, including risks relating to data quality, governance, and ethical decision-making.
- **Anticipating and leading in our response to technology evolution:** There is a risk that we do not respond strategically to the emergence of new technologies, such as satellite and AI.

These risk factors do not exist in isolation, and in many cases are closely linked to the material risks described above. Together, they present a dynamic and evolving landscape that requires ongoing focus, flexibility, and forward planning.

Outlook

Global demand for data and connectivity continues to accelerate, as customers seek richer digital experiences and new technologies like artificial intelligence and quantum computing evolve. Australia is seeing unprecedented investment in digital infrastructure, presenting a once-in-a-generation opportunity to lift the capability, productivity and long-term prosperity of the economy. As this investment is realised, the capacity, security, strength and resilience of our networks will be critical in ensuring these benefits are delivered to customers, communities and the wider economy. As reliance on digital connectivity continues to grow, the priorities set out in Connected Future 30 become even more important. We remain focused on extending our network leadership, adapting and innovating to meet evolving customer needs, and continuing to invest in the infrastructure that underpins growth. This sustained demand reinforces our confidence in the strategy and the role of resilient, high-performing networks that customers choose in supporting that growth. Capturing the opportunity will require the right policy and investment settings, alongside collaboration between governments, industry and communities.

We will invest to extend our network leadership across mobile, fibre, satellite and international connectivity. Our mobile network remains at the heart of our business, and we will continue to invest in the resilience, security and reliability of our network. The July 2026 mobile network outage reinforced the importance of how we operate and manage networks of this scale and complexity. We are applying the lessons from the incident to strengthen network resilience, operational readiness and the way we communicate with and support customers during disruptions.

We are progressing the Aura Network, building out critical intercity fibre routes that strengthen Australia's digital backbone, support growing data, cloud and AI workloads, and help improve the resilience and redundancy of our network overall. Our geography means that in a time of growing geopolitical tension, Australia also needs diverse, sovereign, secure and high-capacity links to the world. We are expanding key subsea cable links to increase international data capacity and keep Australia's economy and community closely connected to global digital hubs. Together, these efforts will make our networks more powerful, resilient and far-reaching.

As our network grows in capability, so too does the opportunity to operate it in more intelligent and responsive ways, unlocking opportunities to improve reliability, performance and customer experience. Artificial intelligence, including agentic AI capabilities, is one of several tools supporting this evolution, helping us operate more efficiently, anticipate issues earlier and respond faster.

As technology continues to change the way work is done across Telstra, we are investing in skills, partnerships and platforms our people need to succeed in the future. AI is improving how we operate and we are committed to helping our people embrace these changes with confidence. Our culture remains central to how we deliver for our customers and for each other.

These shifts are shaping what customers expect from their connectivity provider. As daily life and business become more digital, customers expect connectivity that is personalised, reliable and easy to use. Consumers want plans that fit their usage patterns and deliver seamless performance, while businesses and government agencies depend on secure, high-performance networks tailored to their operations. We will continue to harness AI tools to create more personalised, responsive customer experiences and enable our people to solve customer needs faster, smarter and with greater care. We will evolve our product offerings and services to reflect these expectations, making it easier to access and customise connectivity.

At the same time, we remain focused on ensuring the benefits of connectivity are widely shared. As we roll out next-generation networks, we are also focused on digital inclusion. We will build digital ability by supporting programs that lift confidence, safe participation and adoption of new technologies, so more people can engage with emerging tech in practical, responsible ways. We also remain mindful of cost-of-living pressures on households. We will maintain a strong focus on access and affordability, including ongoing support for customers in vulnerable circumstances.

Underlying all of this is a continued focus on sustainability and responsible operations. We are committed to supporting our customers and communities by contributing positively to society and the environment. We will continue to strengthen the resilience of our network through reinforcing it against natural disasters, investing in backup power at critical sites, and enhancing our cyber security capabilities to counter evolving threats and scams.

Delivering on this strategy requires strong financial discipline alongside continued investment. Our goal is to grow shareholder value by delivering mid-single digit compound annual growth in cash earnings to FY30, growing underlying Return on Invested Capital to 10 per cent by FY30, and maintaining disciplined portfolio and capital management. A strong focus on positive operating leverage – growing underlying income faster than costs – will be central to this. This approach to cost management includes all costs across the organisation, including business-as-usual capital expenditure, ensuring we can invest sustainably while improving returns.

Overall, Telstra enters FY27 with momentum and a clear focus. The early progress made under Connected Future 30 provides confidence as we continue to execute in a challenging environment. By staying disciplined, customer-focused and committed to long-term investment, we are well placed to continue building value for customers, communities and shareholders.

Full-year results and operations review

Financial results

Summary reported results	FY26 $m	FY25 $m	Change %
Revenue (excluding finance income)	22,937	23,125	(0.8)
Total income (excluding finance income)	**23,405**	**23,610**	**(0.9)**
Operating expenses	14,592	14,986	(2.6)
Share of net profit/(loss) from joint ventures and associated entities	9	(17)	n/m
EBITDA	**8,822**	**8,607**	**2.5**
Depreciation of right-of-use assets (leases)	577	600	(3.8)
EBITDA after leases (EBITDAaL)	**8,245**	**8,007**	**3.0**
Depreciation of property, plant and equipment and amortisation of intangible assets	4,262	4,091	4.2
EBIT	**3,983**	**3,916**	**1.7**
Net finance costs	669	639	4.7
Income tax expense	908	934	(2.8)
Profit for the year	**2,406**	**2,343**	**2.7**
Profit for the year attributable to equity holders of Telstra Entity	**2,241**	**2,172**	**3.2**
Earnings per share (cents) – basic	19.9	18.9	5.3
Return on invested capital (%)[1]	8.8	8.5	0.3pp

FY26 was a strong year as we continued to deliver for customers and shareholders. We increased investment in our network and delivered ongoing earnings growth, reflecting momentum across our business, and disciplined cost control and capital management.

FY26 also marked the first year of our Connected Future 30 strategy, which will see us double down on connectivity, drive growth and play a critical role in enabling a prosperous digital future for Australia.

In FY26, reported financial performance compared to the prior year included:

- EBITDAaL up 3.0 per cent to $8.2 billion
- EBIT up 1.7 per cent to $4.0 billion
- Profit for the year up 2.7 per cent to $2.4 billion
- Earnings per share (EPS) up 5.3 per cent to 19.9 cents; and
- ROIC[1] up 0.3 percentage points (pp) to 8.8 per cent

On the back of cash earnings growth, the Board resolved to pay a final dividend of 10.5 cents per share, bringing the total dividend for the year to 21 cents per share and representing a 10.5 per cent increase on the prior year on a cash basis[2]. The final dividend is 90.5 per cent franked, with a franked amount of 9.5 cents per share and an unfranked amount of 1 cent per share. The final dividend is consistent with our Capital Management Framework, and our aim to deliver a sustainable and growing dividend. Our dividend is supported by strong cash earnings, and our Connected Future 30 ambition remains to deliver mid-single digit growth in cash earnings.

In June this year, we completed our $1.25 billion on-market share buy-back, and today we have announced an additional on-market share buy-back of up to $1 billion. This shifts our capital structure towards more debt and less equity and has been enabled by earnings growth and the strength of our balance sheet. Importantly, these buy-backs are alongside increased capex and strategic investment, demonstrating our disciplined approach to capital allocation. Buy-backs allow us to lower our cost of capital and manage our sources of funding more efficiently. This approach also supports earnings and dividend per share growth, and together with the increased total dividends, demonstrates the Board and management's confidence in our financial strength and outlook.

1. Return on Invested Capital (ROIC) calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital.
2. Total dividend includes interim dividend of 10.5 cents per share and final dividend of 10.5 cents per share. Total dividend growth of 10.5 per cent on a cash basis, from FY25 19 cents per share (fully franked) to FY26 21 cents per share (90.5 per cent franked).

Reported EBITDAaL vs underlying results[3]	FY26 $m	FY25 $m	Change %
EBITDA after leases (EBITDAaL)	**8,245**	**8,007**	**3.0**
Guidance adjustments	96	14	n/m
Underlying EBITDAaL[4]	**8,341**	**8,021**	**4.0**
Business-as-usual capex[5]	3,365	3,388	(0.7)
Spectrum amortisation	317	321	(1.2)
Cash EBIT[6]	**4,659**	**4,312**	**8.0**
Net finance costs	669	639	4.7
Income tax expense	949	944	0.5
Non-controlling interests	165	152	8.6
Cash earnings[7]	**2,876**	**2,577**	**11.6**
Cash earnings per share (cents)[7]	**25.5**	**22.4**	**13.8**
Return on invested capital (%) - underlying[8]	**9.0**	**8.5**	**0.5pp**

Underlying results[9] versus guidance	FY26 $m	FY26 Guidance $b
Underlying EBITDAaL[4]	8,341	8.2 to 8.4
Business-as-usual capex[5]	3,365	3.2 to 3.5
Cash EBIT[6]	4,659	4.55 to 4.75
Strategic investment[10]	457	0.3 to 0.5

Our underlying results provide a clearer view of financial performance. Underlying financial performance showed:

- Underlying EBITDAaL[4] up 4.0 per cent to $8.3 billion
- Cash EBIT[6] up 8.0 per cent to $4.7 billion
- Cash EPS[7] up 13.8 per cent to 25.5 cents; and
- Underlying ROIC[8] up 0.5pp to 9.0 per cent

3. This table details adjustments made to the reported results for the current year to reflect the underlying performance of the business on the basis on which we provided guidance to the market. Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. A detailed reconciliation of our reported results to underlying results can be found in the "Guidance versus reported results" schedule. The adjustments have been reviewed by our auditor for consistency with the basis set out in the guidance we provided to the market.
4. Underlying EBITDAaL excludes guidance adjustments (refer to footnote 3).
5. Business-as-usual (BAU) capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, externally funded capex and capitalised leases.
6. Cash EBIT is Underlying EBITDAaL less BAU capex and spectrum amortisation, and excludes guidance adjustments (refer to footnote 3).
7. Cash earnings is Underlying EBITDAaL less BAU capex, spectrum amortisation, finance costs, tax and non-controlling interests, and excludes guidance adjustments (refer to footnote 3).
8. Underlying ROIC calculated as Underlying NOPAT as a percentage of total capital, excluding guidance adjustments (refer to footnote 3) less tax. Tax in Underlying ROIC calculation (FY25 $10 million; FY26 $41 million) represents the tax effect of guidance adjustments and, in FY26, the recognition of deferred tax assets arising from changes in tax law ($41 million).
9. Underlying results - refer to footnote 3.
10. Strategic investment capex is measured on an accrued basis and relates to the Aura Network and Viasat projects.

Underlying EBITDA grew across our Mobiles, Fixed Consumer & Small Business (C&SB), InfraCo Fixed and Amplitel businesses. Importantly our Mobiles business continued to perform well, with EBITDA growth of 3.3 per cent. Mobiles growth was driven by higher Average Revenue Per User and more customers continuing to choose our network and the value it provides. Mobile services revenue grew by 4.8 per cent.

Fixed C&SB EBITDA grew by 13.5 per cent through strong cost management. We introduced our Internet Only plans, and customers now also have access to our Telstra Smart Modem 4, with next generation Wi-Fi 7 technology. With these new offerings in place, we are focused on stabilising customer numbers.

Fixed Enterprise EBITDA declined by 16.7 per cent as we continue to reset this business and focus on our core connectivity offerings. Our deliberate reshaping of this business, and focus on portfolio management is ongoing.

Our domestic infrastructure businesses – across InfraCo Fixed and Amplitel – continued to grow and reflected rising demand in the AI era. International EBITDA declined by 3.5 per cent with reductions across Wholesale and Enterprise, and Digicel Pacific Limited and its controlled entities (Digicel Pacific), including due to our strategic refocus.

Across the business, we achieved 8.0 per cent Cash EBIT growth driven by Underlying EBITDA growth. This included positive operating leverage[11] of 2.0pp, in line with our Connected Future 30 target, driven by divestments, product exits, cost discipline and efficiency gains. We delivered positive operating leverage despite inflationary pressures and higher network investment.

Dividend

On 13 August 2026, the Directors of Telstra Group Limited resolved to pay a partially franked final dividend of 10.5 cents per share in line with the interim dividend for the first half of the financial year. The final dividend is 90.5 per cent franked (9.5 cents per share). The total dividend for FY26 is 21 cents per share and represents a 106 per cent payout ratio on EPS and 82 per cent payout ratio on Cash EPS. Shares will trade excluding entitlement to the final dividend from 26 August 2026 with payment to be made on 24 September 2026.

Other information

It is our intention to continue to provide meaningful financial information to enable shareholders to understand our performance. We use non-IFRS financial information (being "EBITDA", "Underlying EBITDA", "EBITDAaL", "Underlying EBITDAaL", "Underlying NPAT", "Underlying EPS", "ROIC", "Underlying ROIC", "Underlying income", "Underlying operating expenses", "Underlying cashflow before dividends, buy-backs and net borrowings", "Cash EBIT", "Cash earnings", "Cash EPS" and "operating leverage") as measures to better reflect what we consider to be our underlying performance. This non-IFRS financial information is consistent with how management reviews financial performance with the Board and the investment community. We include these measures in to help readers better compare our underlying financial performance with that of previous periods. Underlying EBITDAaL and Cash EBIT also show how the business performed on the same basis as the guidance we provided to the market.

Our Investor Day presentation on 27 May 2025 set out our key targets and measures of performance for our Connected Future 30 strategy, both financial and non-financial. Three key financial measures in our Connected Future 30 strategy are Cash EBIT, operating leverage and Underlying ROIC. Cash EBIT, operating leverage and Underlying ROIC are also FY27 Short Term Incentive (STI) performance measures selected by the Board and designed to focus Senior Executives on delivering our Connected Future 30 strategy, and to help ensure that financial rewards are linked directly to their contributions, to company performance and to long term shareholder value creation.

Underlying earnings before interest, taxes, depreciation and amortisation (Underlying EBITDA) is used to assess our operational profitability. EBITDA after leases (EBITDAaL) and Underlying EBITDAaL are used to assess our operational profitability after leases. Underlying net profit after tax (Underlying NPAT) is used to assess our operational financial performance and reflects Underlying EBITDA less interest, tax, depreciation and amortisation. Underlying earnings per share (Underlying EPS) is used to assess our operational financial performance on a per share basis. Underlying return on invested capital (Underlying ROIC) is used to assess our efficiency at allocating capital and reflects underlying net operating profit after tax (Underlying NOPAT) as a percentage of total capital. Underlying income and Underlying operating expenses are used to assess our operational income and expense performance respectively.

Underlying cashflow before dividends, buy-backs and net borrowings is used to assess our underlying cash generation available to shareholders and reflects operating cash flows, less investing cash flows, less financing cash flows (excluding net proceeds from borrowings, share buy-back, and dividends paid to equity holders of Telstra Entity), and less strategic investment. Cash earnings before interest and tax (Cash EBIT), Cash earnings and Cash EPS are also used to assess our underlying cash generation and ensure appropriate focus on profit as well as costs and capex. Cash EBIT reflects Underlying EBITDAaL less business-as-usual capex and spectrum amortisation. Cash earnings reflects Cash EBIT less finance costs, tax and minorities. Cash EPS reflects Cash earnings on a per share basis.

Positive operating leverage is used to assess our financial discipline under our Connected Future 30 strategy and reflects underlying income percentage growth greater than Cash EBIT cost percentage growth.

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

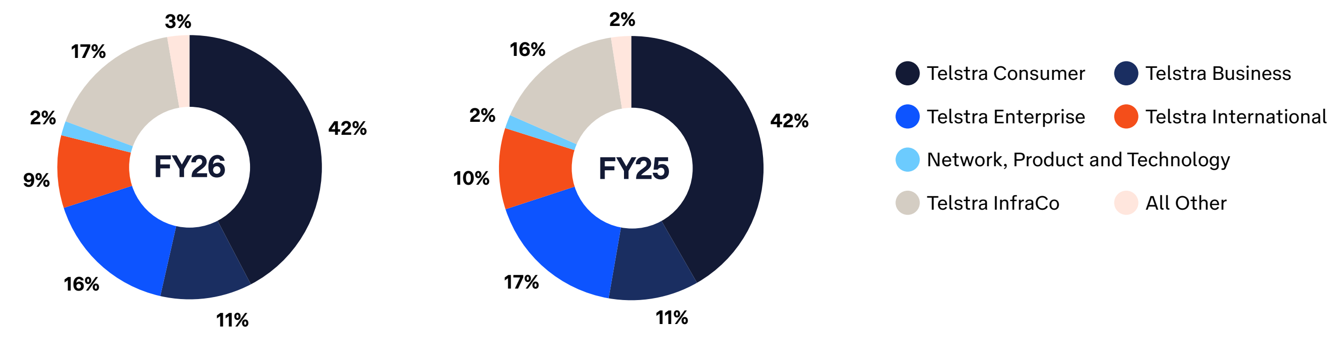
The following commentary is provided for statutory and management financial results. Comments are versus the prior corresponding year unless otherwise stated. Consistent with information presented for internal management reporting purposes, the result of each segment is measured based on its EBITDAaL,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

11. Positive operating leverage defined as underlying income percentage growth greater than Cash EBIT cost percentage growth.

Segment performance

We report segment information on the same basis as our internal management reporting structure as at the reporting date. Segment comparatives reflect any organisational changes that have occurred since the end of the prior financial year to present a like-for-like view. Refer to Note 2.1 in the Financial Report for further details.

Segment total income breakdown (including internal income)



	FY26	FY25[12]	Change
Total income	**$m**	**$m**	**%**
Telstra Consumer	10,941	10,862	0.7
Telstra Business	2,899	2,867	1.1
Telstra Enterprise	4,255	4,487	(5.2)
Telstra International	2,294	2,587	(11.3)
Network, Product and Technology	451	434	3.9
Telstra InfraCo	4,301	4,159	3.4
All Other	702	638	10.3
Total management reported income[13]	**25,843**	**26,034**	**(0.7)**
Transactions between segments	(2,438)	(2,424)	(0.6)
Total income (excluding finance income)	**23,405**	**23,610**	**(0.9)**

Total income (excluding finance income) decreased by 0.9 per cent to $23,405 million including growth across Mobile, InfraCo Fixed and Amplitel. Income growth was partly offset by declines across Fixed – C&SB, Fixed – Enterprise, Fixed – Active Wholesale and International.

Total management reported income includes internal income between segments eliminated from total income. Internal income increased by 0.6 per cent to $2,438 million (FY25 $2,424 million) including intercompany agreements related to internal charges for infrastructure, power, international capacity and other services. Internal income comprised $2 million in Telstra Consumer (FY25 $3 million), $1 million in Telstra Business (FY25 $1 million), $26 million in Telstra Enterprise (FY25 $31 million), $203 million in Telstra International (FY25 $215 million), $417 million in Network, Product and Technology (FY25 $407 million), $1,560 million in Telstra InfraCo (FY25 $1,523 million) and $229 million in 'All Other' (FY25 $244 million).

12. Refer to Note 2.1.2 in the Financial Report for further details.
13. Includes internal income.

Telstra Consumer

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

Income increased by 0.7 per cent to $10,941 million including 1.9 per cent growth in Mobile income, partly offset by 1.8 per cent decline in Fixed - C&SB income. Refer to product performance section for more details.

Telstra Business

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

Income increased by 1.1 per cent to $2,899 million including 6.4 per cent growth in Mobile income, partly offset by 8.0 per cent decline in Fixed – C&SB income from small business customers and 8.7 per cent decline in Fixed – Enterprise income from medium business customers across Data and Connectivity (DAC) and Network Applications and Services (NAS). Refer to product performance section for more details.

Telstra Enterprise

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

Income decreased by 5.2 per cent to $4,255 million including 8.0 per cent decline in Fixed - Enterprise income across DAC and NAS, partly offset by 0.4 per cent growth in Mobile income. Refer to product performance section for more details.

Telstra International

Telstra International provides a full suite of telecommunication services, including terrestrial, mobile and satellite network connectivity, subsea network capacity and network technology management services, as well as data centre and hosting services and integrated solutions, to wholesale, enterprise and government customers outside of Australia. It manages Telstra's networks outside Australia, including international subsea cables, in conjunction with Network, Product and Technology and Telstra InfraCo segments. It provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through Digicel Pacific.

International income decreased by 11.3 per cent to $2,294 million. Refer to product performance section for more details.

Network, Product and Technology

Network, Product and Technology supports the other segments and their respective revenue generating activities by maintaining a high level of reliability and security of our global network, platforms, applications and cloud infrastructure. It maintains our networks and is accountable for our network intelligence and automation. It works with other segments to create and deliver products and solutions for customers across all segments. It has accountability for product strategy, and life cycle where products are incubated and brought to scale. It supports the other segments to maintain, develop and deliver our digital applications, systems and platforms underpinning our customer and employee digital experience.

Income increased by 3.9 per cent to $451 million including 2.5 per cent increase in internal income to $417 million.

Telstra InfraCo

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

Income increased by 3.4 per cent to $4,301 million due to growth in recurring nbn Definitive Agreements (nbn DAs) receipts, growth in Telstra InfraCo legacy asset disposals and internal infrastructure revenue, and growth in Amplitel income and wholesale mobile income. Revenue declined across Fixed – Active Wholesale products, and Telstra InfraCo commercial and recoverable works. Refer to product performance section for more details.

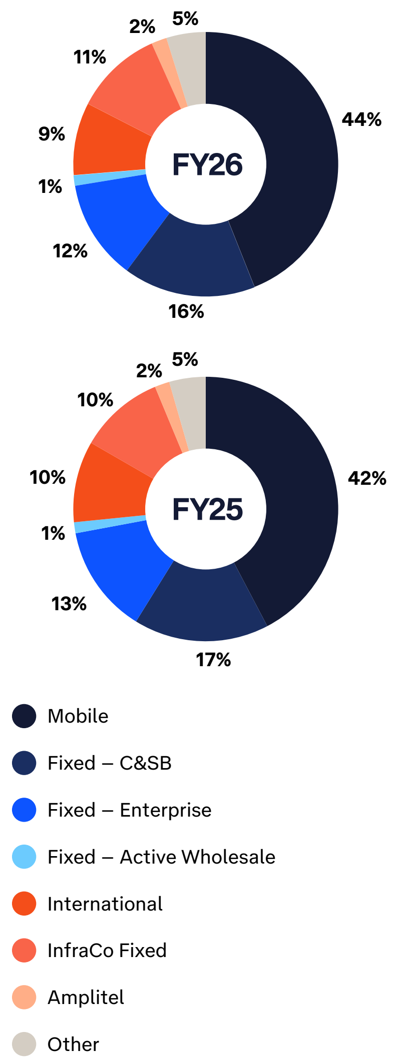
All Other

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

Income increased by 10.3 per cent to $702 million including $24 million increase in Telstra Health income to $396 million, higher energy generation income and favourable foreign exchange movements (with a current year net gain in other income versus prior year net loss), partly offset by $15 million decrease in internal income.

Product performance

Product income breakdown (including internal income)



Product income	FY26 $m	FY25 $m	Change %
Mobile	11,368	11,015	3.2
Fixed – C&SB	4,177	4,299	(2.8)
Fixed – Enterprise	3,167	3,445	(8.1)
Fixed – Active Wholesale	329	349	(5.7)
International	2,294	2,587	(11.3)
InfraCo Fixed	2,779	2,710	2.5
Amplitel	487	470	3.6
Other	1,242	1,159	7.2
Total management reported income	**25,843**	**26,034**	**(0.7)**
Eliminations	(2,438)	(2,424)	(0.6)
Total income (excluding finance income)	**23,405**	**23,610**	**(0.9)**

Product underlying EBITDA	FY26 $m	FY25 $m	Change %
Mobile	5,436	5,261	3.3
Fixed – C&SB	412	363	13.5
Fixed – Enterprise	199	239	(16.7)
Fixed – Active Wholesale	65	82	(20.7)
International	654	678	(3.5)
InfraCo Fixed	1,865	1,813	2.9
Amplitel	391	382	2.4
Other	(104)	(197)	47.2
Underlying EBITDA[14]	**8,918**	**8,621**	**3.4**
Leases	577	600	(3.8)
Underlying EBITDAaL[14]	**8,341**	**8,021**	**4.0**

14. Underlying EBITDA and Underlying EBITDAaL exclude guidance adjustments (refer to footnote 3).

Mobile

Mobile income increased by 3.2 per cent to $11,368 million including 4.8 per cent services revenue growth. Growth in services revenue was achieved across postpaid handheld, prepaid handheld, mobile broadband, Internet of Things (IoT) and wholesale. Retail mobile Services in Operation (SIOs) increased by 1,079,000 (including 498,000 in the second half) to 26.0 million, including 8.9 million postpaid handheld retail SIOs. Hardware revenue decreased by 1.2 per cent to $2,331 million including sales of mobile handsets, accessories and wearables.

Postpaid handheld services revenue increased by 3.4 per cent to $5,991 million with a 3.8 per cent ARPU increase to $56.20, and a 7,000 decrease in SIOs (including 23,000 in the second half). ARPU grew across all categories, brands and segments, supported by continued enhancements to our offerings, including first to market with Satellite Messaging on selected plans, and pricing changes across the portfolio.

Prepaid handheld revenue increased by 6.6 per cent to $1,370 million with a 7.2 per cent ARPU increase, due to the flow through of October 2024 price changes, and a 46,000 increase in unique users (including 25,000 in the second half).

Mobile broadband revenue increased by 2.9 per cent to $612 million with a 9.3 per cent ARPU increase driven by pricing changes, partly offset by a 149,000 decrease in SIOs (including 65,000 in the second half).

IoT revenue increased by 5.1 per cent to $308 million with SIOs increasing by 1.2 million (including 578,000 in the second half) to 11.1 million.

Mobile wholesale revenue increased by 18.6 per cent to $619 million including a 235,000 increase in unique users (including 137,000 in the second half) to 2.9 million and 8.8 per cent Wholesale ARPU growth including an increase in bulk messaging revenue. Wholesale unique users include postpaid SIOs and prepaid unique users, and increased due to the popularity of Mobile Virtual Network Operator's (MVNO) plans on the Telstra Wholesale mobile network.

Mobile EBITDA increased by 3.3 per cent to $5,436 million due to services revenue growth. This revenue growth was partly offset by higher costs, including higher customer remediation and compensation costs, sales costs (largely related to satellite), redundancy expenses, and higher shared cost allocations.

Fixed – Consumer and Small Business (C&SB)

Fixed – C&SB income decreased by 2.8 per cent to $4,177 million. Core connectivity revenue decreased by 1.8 per cent to $3,641 million including revenue from services for which we are a reseller (including nbn) and revenue from services on the Telstra network. C&SB bundles and standalone data ARPU increased by 2.6 per cent to $89.32 driven by price rises, and SIOs declined by 117,000 (including 59,000 in the second half) to 3.1 million. 5G fixed wireless SIOs grew by 25,000 (including 5,000 in the second half) to 146,000.

Consumer content and services revenue decreased by 5.9 per cent to $418 million including a 12.3 per cent decline in Foxtel from Telstra SIOs. Business applications and services revenue decreased by 20.8 per cent to $118 million.

Fixed – C&SB EBITDA increased by 13.5 per cent to $412 million due to lower fixed and sales costs (including a decline in network payments to nbn co, and lower consumer content and services costs) and a growing contribution from 5G fixed wireless, partly offset by income decline.

Fixed – Enterprise

Fixed – Enterprise income declined by 8.1 per cent to $3,167 million across DAC and NAS. NAS income decreased by 8.5 per cent to $2,530 million, reflecting changes in strategic focus, product exits and ongoing market shifts. NAS professional services revenue decreased by 14.2 per cent to $461 million driven by stronger focus on core connectivity aligned to Connected Future 30 strategy. NAS equipment sales revenue decreased by 21.7 per cent to $213 million due to strategic focus on higher margin products. NAS cloud applications revenue decreased by 7.5 per cent to $356 million due to product exits. NAS managed services and maintenance revenue decreased by 3.2 per cent to $795 million. NAS calling applications revenue decreased by 4.6 per cent to $371 million due to ongoing market shift from traditional voice to integrated video and digital solutions.

NAS income includes $430 million for the year relating to businesses for which divestments have been completed (Alliance Automation Pty Ltd and its subsidiary, and MTData Holdings Pty Ltd and its subsidiaries (MTData disposal group), or announced (Versent Group Pty Ltd excluding its previous subsidiaries Alliance Automation Pty Ltd, Aqura Technologies Pty Ltd and Telstra Broadcast Services Pty Limited (Versent disposal group)).

DAC income declined by 6.2 per cent to $637 million due to ARPU decrease from competition, renewals and technology change, as well as service rationalisation, largely in the first half. DAC SIOs reduced by 2.2 per cent or 3,000 to 133,000.

Fixed – Enterprise EBITDA decreased by 16.7 per cent to $199 million due to continued DAC EBITDA decline. DAC EBITDA declined by 44 per cent to $48 million with cost reduction not sufficient to offset the income decline. NAS EBITDA decreased by 1.3 per cent to $151 million due to lower income, partly offset by lower costs, following actions taken to reset this business.

Fixed – Active Wholesale

Fixed – Active Wholesale income declined by 5.7 per cent to $329 million. Wholesale DAC revenue decreased by 5.9 per cent to $241 million reflecting SIO decline across internet services, Managed Lease Line and Wideband Ethernet Access products. Wholesale legacy calling and fixed revenue declined by 5.4 per cent to $88 million including decline in legacy copper access.

Fixed – Active Wholesale EBITDA decreased by 20.7 per cent to $65 million due to income decline.

International

International income decreased by 11.3 per cent to $2,294 million in Australian dollars (AUD) across International Wholesale and Enterprise, and Digicel Pacific. Digicel Pacific income decreased by 10.2 per cent to $593 million including the impact of Papua New Guinean Kina devaluation. On a constant currency basis, Digicel Pacific income decreased by 1.8 per cent due to lower Papua New Guinea ARPU.

International Wholesale and Enterprise income decreased by 11.7 per cent to $1,701 million, including a 12.5 per cent decrease in external income to $1,498 million and a 5.6 per cent decrease in internal income to $203 million. On a constant currency basis and excluding one-off gains adjusted for on a guidance basis ($43 million in FY25 and $25 million in FY26), external income decreased 8.2 per cent including due to the divestment of the international voice business and lower NAS income.

International EBITDA decreased by 3.5 per cent to $654 million including a 10.4 per cent ($34 million) decline in Digicel Pacific EBITDA, partly offset by 2.8 per cent ($10 million) increase in International Wholesale and Enterprise EBITDA (excluding one-off gains and impairments adjusted for on a guidance basis).

On a constant currency basis, and excluding balance sheet releases associated with asset restoration and regulatory provisions of $35 million in FY26 and a $39 million earnout provision adjustment in FY25, Digicel Pacific EBITDA increased by 4 per cent. The increase was due to lower costs, partly offset by lower income.

On a constant currency basis, and excluding net benefits associated with deferred revenue and other provision releases, equity-accounted associate gains, and restructuring and redundancy costs of $33 million in FY26, and $12 million of costs in FY25, International Wholesale and Enterprise EBITDA decreased by 9 per cent. The decrease was due to the divestment of the international voice business and an increased off-net DAC sales mix, partly offset by lower fixed costs.

InfraCo Fixed

InfraCo Fixed income increased by 2.5 per cent to $2,779 million. Recurring nbn DAs income increased by 2.5 per cent to $1,129 million including CPI linked price increases. Recurring nbn DAs income includes infrastructure services across ducts, racks and fibre provided to nbn co. Legacy asset disposals revenue increased by 17.9 per cent to $132 million due to higher copper recovery income. Copper recovery income reported net of costs from 2H25 and gross of costs in 1H25. Commercial and recoverable works revenue decreased by 4.5 per cent to $214 million. Internal infrastructure revenue increased by 1.1 per cent to $1,129 million, and other external revenue increased by 12.9 per cent to $175 million including growth in ground station income.

InfraCo Fixed EBITDA increased by 2.9 per cent to $1,865 million reflecting growth in recurring nbn DAs and ground station income, and increased EBITDA from copper recovery and cost-out, partly offset by higher redundancy costs. InfraCo Fixed EBITDAaL increased by 3.3 per cent to $1,837 million.

Amplitel

Amplitel income grew by 3.6 per cent to $487 million due to additional site licences, contracted growth, new tower builds and 5G upgrades requiring additional area on towers and services. Amplitel external revenue increased 1.0 per cent to $101 million with growth partly offset by impacts from Multi-Operator Core Network (MOCN) agreement between Optus Mobile Pty Limited and TPG Telecom Limited. Amplitel internal revenue grew by 4.3 per cent to $386 million.

Amplitel EBITDA increased by 2.4 per cent to $391 million due to income growth from continued demand, and cost-out. Amplitel EBITDAaL increased by 3.9 per cent to $323 million.

Other

Other income increased by 7.2 per cent to $1,242 million, comprising both external and internal income. 'Other' external income increased by 17.5 per cent to $544 million including a $24 million increase in Telstra Health income to $396 million, higher energy generation income and favourable foreign exchange movements (with a current year net gain in other income versus prior year net loss). 'Other' internal income increased by 0.3 per cent to $698 million.

Other EBITDA loss improved by $93 million to $104 million including ongoing costs not allocated to product. The improvement was due to reductions in fixed costs, including due to bond rate changes that reduced employee liabilities, favourable foreign exchange movements, equity accounted losses in the prior year that did not recur, and increased energy generation EBITDA.

Eliminations

Eliminations for internal income increased to $2,438 million comprising $1,129 million in InfraCo Fixed (FY25 $1,117 million), $386 million in Amplitel (FY25 $370 million), $203 million in International (FY25 $215 million), $22 million in Fixed – Enterprise (FY25 $26 million) and $698 million in Other (FY25 $696 million).

Expense performance

Operating expenses	FY26 $m	FY25 $m	Change $m	Change %
Sales costs[15]	7,564	7,889	(325)	(4.1)
Fixed costs	6,907	7,036	(129)	(1.8)
Underlying	**14,471**	**14,925**	**(454)**	**(3.0)**
Guidance adjustments[16]	121	61	60	n/m
Total	**14,592**	**14,986**	**(394)**	**(2.6)**

Underlying operating expenses decreased by $454 million or 3.0 per cent due to lower sales and fixed costs, including a $232 million reduction from divestments and product exits. Total operating expenses decreased by $394 million to $14,592 million reflecting lower underlying operating expenses, partly offset by higher guidance adjustments. FY26 guidance adjustments totalled $121 million, including impairments of London Hosting Centre assets ($25 million), Fetch TV goodwill ($32 million) and international assets due to changes in landing rights approvals and the discontinuation of associated projects ($64 million).

Sales costs, which are direct costs associated with revenue and customer growth, decreased by $325 million to $7,564 million, including a $188 million reduction from divestments and product exits mostly across International and NAS. International sales costs reduced including lower voice network payments and equipment sales. NAS sales costs reduced including lower equipment and cloud application sales. Fixed – C&SB sales costs reduced due to a decline in network payments to nbn, and lower consumer content and services costs. Mobile sales costs increased due to satellite costs, partly offset by lower handset and accessory volumes.

Fixed costs decreased by $129 million to $6,907 million, including a $44 million reduction from divestments across Fixed Enterprise and International. Labour costs excluding redundancy expenses decreased by 7.1 per cent, or $275 million, due to a lower number of roles and bond rate changes that reduced employee liabilities. Total direct roles decreased by 4.0 per cent, or 1,219 (including 186 in the second half), to 29,334 including due to our Telstra Enterprise reset, Telstra Consumer optimisation initiatives, divestment of International voice business, the exit of NAS products, and changes in Digicel Pacific. Commissions decreased by 10.2 per cent or $44 million reflecting insourcing of Telstra branded retail stores and acquisition of Boost Mobile (Boost Tel Pty Limited) in prior years. Fixed costs included increased redundancy expenses and higher customer remediation and compensation costs. Redundancy expenses increased by $92 million due to the Telstra Enterprise reset, as well as improvements to the structure and processes across the business including within Telstra InfraCo. In the prior year, fixed costs were reduced by the reversal of the Digicel Pacific earnout provision.

15. Sales costs include expenses related to Asset Relocation and Commercial Works service contracts and exclude commissions.
16. Guidance adjustments – refer to footnote 3.

Operating leverage[17]	FY26 $m	FY25 $m	Change %
Total income (excluding finance income)	23,405	23,610	(0.9)
Guidance adjustments[18]	(25)	(47)	n/m
Underlying income[19]	**23,380**	**23,563**	**(0.8)**
Underlying operating expenses[19]	14,471	14,925	(3.0)
Share of net (profit)/loss from joint ventures and associated entities	(9)	17	n/m
Depreciation of right-of-use assets (leases)	577	600	(3.8)
Business-as-usual capex[20]	3,365	3,388	(0.7)
Spectrum amortisation	317	321	(0.3)
Cash EBIT costs	**18,721**	**19,251**	**(2.8)**
Operating leverage[17]			**+2.0pp**

We delivered improved operating leverage of 2.0pp, reflecting a 2.8 per cent reduction in Cash EBIT costs and 0.8 per cent decrease in underlying income. The reduction in Cash EBIT costs included a 3.0 per cent decrease in underlying operating expenses and a 0.7 per cent reduction in BAU capex. BAU capex represented 14.4 per cent of total income (FY25 14.3 per cent of total income). BAU capex excluded $457 million of strategic investment for the Aura Network and Viasat infrastructure projects.

Expenses on a statutory reported basis

Our progress on achieving our Connected Future 30 financial discipline target is reported through the above operating expenses and operating leverage tables. The detail below provides commentary on expenses as disclosed in our statutory accounts.

Expenses on a statutory reported basis	FY26 $m	FY25 $m	Change %
Labour	3,807	3,990	(4.6)
Goods and services purchased	7,854	8,212	(4.4)
Net impairment losses on financial assets	85	118	(28.0)
Other expenses	2,846	2,666	6.8
Total operating expenses	**14,592**	**14,986**	**(2.6)**
Depreciation of right-of-use assets (leases)	577	600	(3.8)
Depreciation of property, plant and equipment and amortisation of intangible assets	4,262	4,091	4.2
Depreciation and amortisation	**4,839**	**4,691**	**3.2**
Net finance costs	669	639	4.7
Income tax expense	908	934	(2.8)

17. Positive operating leverage defined as underlying income percentage growth greater than Cash EBIT cost percentage growth.
18. Guidance adjustments – refer to footnote 3.
19. Underlying income and underlying operating expenses exclude guidance adjustments (refer to footnote 3).
20. Business-as-usual (BAU) capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, externally funded capex and capitalised leases.

Labour

Total labour expenses decreased by 4.6 per cent or $183 million to $3,807 million due to reduced roles and bond rate changes that reduced employee liabilities, partly offset by an increase in redundancy expenses, and increased wages as agreed in our Enterprise Agreements. Total direct roles decreased by 4.0 per cent or 1,219 (including 186 in the second half) to 29,334 including due to our Telstra Enterprise reset, Telstra Consumer optimisation initiatives, divestment of International voice business, the exit of NAS products, and changes in Digicel Pacific. Redundancy expenses increased by $92 million due to the Telstra Enterprise reset, as well as improvements to the structure and processes across our business including within Telstra InfraCo.

Goods and services purchased

Total goods and services purchased decreased by 4.4 per cent or $358 million to $7,854 million. Cost of goods sold, which includes mobile handsets and accessories, tablets, mobile broadband hardware, IoT hardware, modems, and other fixed hardware, decreased by 8.8 per cent or $238 million due to lower NAS equipment sales, and lower mobile tablet, accessories and wearables volumes. Commissions decreased by 10.2 per cent or $44 million reflecting insourcing of Telstra branded retail stores and acquisition of Boost Mobile in prior years. Network payments and other goods and services purchased decreased by 1.5 per cent or $76 million due to a decline in nbn network payments, lower consumer content and services costs, decline in International voice network payments, partly offset by increased mobile network payments, including satellite.

Other expenses

Total other expenses increased by 6.8 per cent or $180 million to $2,846 million. Impairment losses (excluding net impairment losses on financial assets) increased by $72 million including impairments of London Hosting Centre assets, Fetch TV goodwill and international assets due to changes in landing rights approvals and the discontinuation of associated projects. Excluding impairment losses, other expenses increased by $108 million including higher customer remediation and compensation, reversal of Digicel Pacific earnout provision in the prior year, and non-labour cost inflation, partly offset by cost reduction initiatives.

Foreign currency impacts

For the purposes of reporting our consolidated results, the translation of foreign operations denominated in foreign currency to AUD decreased our sales revenue by $90 million. This foreign exchange impact was partly offset by a decrease in expenses by $87 million across labour, goods and services purchased, and other expenses resulting in an unfavourable EBITDA contribution of $3 million.

Depreciation and amortisation

Depreciation and amortisation increased by 3.2 per cent or $148 million to $4,839 million. Amortisation of intangible assets increased by $115 million to $1,792 million including amortisation related to shorter life IT assets. Depreciation of property plant and equipment increased by $56 million to $2,470 million including the impact of network upgrades. Depreciation of right-of-use assets decreased by $23 million to $577 million. This year included a $43 million decrease in depreciation and a $45 million decrease in amortisation associated with assessment of useful lives and residual values of our assets.

Net finance costs

Net finance costs increased by 4.7 per cent or $30 million to $669 million. Finance income decreased by $15 million to $88 million including due to the repayment of a shareholder loan by Foxtel (NXE Australia Pty Limited) at the prior year completion of the share sale and purchase agreement for NXE Group (Foxtel and its controlled entities). Finance costs increased by $15 million to $757 million. Interest expense on lease liabilities increased by $23 million to $153 million. Interest expense on borrowings decreased by $7 million to $704 million due to a lower average borrowing rate of 4.8 per cent (FY25 5.0 per cent), partly offset by higher average borrowings. Other net financing costs, as set out in note 4.4.3 of the Financial Report, decreased by $1 million.

Income tax

Income tax decreased by 2.8 per cent to $908 million due to lower effective tax rate of 27.4 per cent (FY25 28.5 per cent), partly offset by higher taxable profits. The lower effective tax rate includes impacts from the recognition of deferred tax assets arising from changes in tax law.

Cash flows

	FY26	FY25	Change
Summary statement of cash flows	**$m**	**$m**	**%**
Net cash provided by operating activities	7,554	7,324	3.1
Net cash used in investing activities	(3,473)	(3,368)	(3.1)
– Capital expenditure (before investments)	(3,905)	(3,874)	(0.8)
– Other investing cash flows	432	506	(14.6)
Operating cash flows less investing cash flows	**4,081**	**3,956**	**3.2**
Net cash used in financing activities	(3,950)	(3,997)	1.2
Net increase/(decrease) in cash and cash equivalents	**131**	**(41)**	**n/m**
Cash and cash equivalents at the beginning of the year	1,012	1,046	(3.3)
Effects of exchange rate changes on cash and cash equivalents	(40)	7	n/m
Cash and cash equivalents at the end of the year	**1,103**	**1,012**	**9.0**

Operating cash flows less investing cash flows was $4,081 million, representing an increase of $125 million due to an increase in net cash provided by operating activities, partly offset by an increase in net cash used in investing activities.

Net cash provided by operating activities increased by $230 million to $7,554 million including $285 million increase in cash generated from operations, partly offset by $55 million increase in income taxes paid. The increase in cash generated from operations was supported by increased EBITDAaL.

Net cash used in investing activities increased by $105 million to $3,473 million. Capital expenditure (before investments) increased by $31 million to $3,905 million. Payments for shares in controlled entities (net of cash acquired) decreased by $125 million due to the acquisition of Boost Mobile in the prior year.

Proceeds from sale of equity accounted investments decreased by $134 million due to the disposal of our investments in Titanium Ventures Fund II in the prior year. Net proceeds for other financial assets held as investments decreased by $47 million mostly due to term deposits.

Net cash used in financing activities reduced by $47 million to $3,950 million. This included a decrease in repayments of borrowings of $2,085 million, partly offset by a decrease in proceeds from borrowings of $1,406 million. Additionally, our on-market share buy-back increased by $500 million to $1,251 million (including transaction costs). Dividends paid to equity holders of Telstra Entity increased by $125 million to $2,262 million.

Debt position

Cash inflows	FY26 $m
Euro bond	983
Swiss bond	383
Total debt issuance	**1,366**
Revolving bank facilities (net)	1,006
Commercial paper (net)	54
Other borrowings	24
Total	**2,450**

Cash outflows	FY26 $m
Euro bond	1,133
Total debt repayments	**1,133**
Non-recourse borrowing facilities	13
Lease liability payments	673
Total	**1,819**

Gross debt was $18,404 million, comprising borrowings of $15,512 million and lease liabilities of $3,091 million, partly offset by net derivative financial instruments of $199 million. Gross debt increased by $947 million including cash inflows of $2,450 million (including debt issuance of $1,366 million and revolving bank facilities of $1,006 million), partly offset by cash outflows of $1,819 million (including debt repayments of $1,133 million and lease liability payments of $673 million). The increase in gross debt also reflected non-cash movements of $316 million. Refer to Note 4.4 in the Financial Report for further details.

Net debt increased by 5.2 per cent or $856 million to $17,301 million reflecting the increase in gross debt, partly offset by $91 million increase in cash holdings. Debt servicing[21] was 2.0 times and within our comfort zone. On an underlying basis, debt servicing[21] was 1.9 times.

Financial settings	FY26	Comfort zone
Debt servicing[21]	2.0x	1.75x to 2.25x

21. Debt servicing calculated as net debt/EBITDA. Underlying debt servicing calculated as net debt/underlying EBITDA.

Financial position

Summary statement of financial position	FY26 $m	FY25 $m	Change %
Current assets	6,187	6,495	(4.7)
Non-current assets	37,932	38,473	(1.4)
Total assets	**44,119**	**44,968**	**(1.9)**
Current liabilities	10,392	11,521	(9.8)
Non-current liabilities	18,741	17,131	9.4
Total liabilities	**29,133**	**28,652**	**1.7**
Net assets	**14,986**	**16,316**	**(8.2)**
Total equity	**14,986**	**16,316**	**(8.2)**

Our balance sheet remains strong with net assets of $14,986 million. Net assets decreased by 8.2 per cent largely due to our $1.25 billion on-market share buy-back completed in June 2026. Total assets decreased by 1.9 per cent to $44,119 million and total liabilities increased by 1.7 per cent to $29,133 million.

Current assets decreased by 4.7 per cent to $6,187 million. Current trade and other receivables and contract assets decreased by $318 million including a $192 million decrease in trade receivables from contracts with customers and a $136 million decrease in contract assets. Current tax receivables decreased by $115 million primarily due to pay as you go tax instalments more closely aligning to the FY26 income tax liability. Cash and cash equivalents increased by $91 million.

Assets held for sale of $365 million, and associated liabilities held for sale of $56 million, includes the Versent disposal group. Refer to Note 6.4 in the Financial Report for further details.

Non-current assets decreased by 1.4 per cent to $37,932 million. Intangible assets decreased by $934 million due to amortisation expense (mostly software assets and spectrum licences) exceeding additions (mostly software assets), and foreign exchange differences. Trade and other receivables and contract assets increased by $376 million including $190 million increase in trade receivables from contracts with customers, $25 million increase in finance lease receivables, $140 million increase in contract assets and $21 million increase in other receivables.

Current liabilities decreased by 9.8 per cent to $10,392 million. Current borrowings decreased by $1,092 million reflecting repayment of a Euro bond and lower unsecured current bank and other loans, partly offset by an AUD bond maturing in April 2027. Trade and other payables decreased by $115 million mainly due to the timing of payments, including $200 million reduction in accrued expenses, $14 million reduction in accrued capital expenditure, $41 million reduction in other payables, partly offset by $132 million increase in trade payables and $8 million increase in accrued interest.

Non-current liabilities increased by 9.4 per cent to $18,741 million. Non-current borrowings increased by $1,708 million due to the issuance of Euro and Swiss bonds, and increase in unsecured bank and other loans, partly offset by an AUD bond maturing in April 2027. Non-current derivative financial liabilities increased $145 million including for cross currency swaps and other derivatives, partly offset by lower interest rate swaps and options. Non-current contract liabilities and other revenue received in advance decreased by $159 million including $139 million decrease in contract liabilities and $20 million decrease in other revenue received in advance.

Board of Directors

Craig W Dunn
BCom, FCA
B N A

Non-executive Director appointed on 12 April 2016, Chair effective 17 October 2023 and last re-elected on 14 October 2025. Chair of the Nomination Committee and member of the Audit Committee. Previously Chair of the Audit and Risk Committee from 2019 to 2023.

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

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

Other directorships and appointments
Chair, Global Mentors Group (Australia and NZ) (from 2025), RedKite (from 2024) and Acenda Group (from 2025). Former – Director, Lion Pty Limited and Lion Global Craft Beverages Pty Limited (2021–2026).

Vicki Brady
MScM (Stanford GSB), BCom (ANU), CA, GAICD
B

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

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

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

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

Other directorships and appointments
Board member, Business Council of Australia (from June 2025) and Australian Telecommunications Alliance (from January 2026).

Eelco Blok
MS, BBA
B N P

Non-executive Director appointed on 15 February 2019 and last re-elected on 14 October 2025. Member of the People and Remuneration Committee and the Nomination Committee.

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

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

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

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

Other directorships and appointments
Chair of the Supervisory Boards of Hanab (from 2025) and Fairphone (from 2023, member from 2020). Member of the Supervisory Board of Feyenoord Rotterdam N.V (from 2023). Board Advisor, Glasfaser Plus (from 2022) and Glow Financial Services (from 2022). Former – Board Advisor, Spotzer Digital (2023–2026).

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

KEY
Denotes Chair of Board/Committee
Denotes member of Board/Committee

Maxine Brenner
BA, LLB
B R P N

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

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

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

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

Other listed company directorships (past three years)
Director, Brambles Limited (from 2024) and Woolworths Group Limited (from 2020). Former – Director, Origin Energy Limited (2013–2025) and Qantas Airways Limited (2013–2024).

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

Roy H Chestnutt
BSc, BA, MBA
B R N

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

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

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

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

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

Holly Kramer
BA (Hons), MBA
B P N

Non-executive Director appointed on 20 March 2026. Chair of the People and Remuneration Committee and member of the Nomination Committee.

Holly has more than 35 years of international experience in retail, telecommunications, manufacturing and digital sectors. She is known for her expertise in customer-centric transformation, digital innovation and building strong workplace cultures.

Holly has served on a wide range of major listed and unlisted boards in both Australia and New Zealand and has chaired remuneration, sustainability, and audit and risk committees.

Holly's executive career includes Chief Executive Officer of Best & Less, senior executive roles at Telstra for 10 years up to 2009, and at Pacific Brands and Ford Motor Company in Australia and the United States.

Other listed company directorships (past three years)
Director, ANZ Group Holdings Limited (from 2023) and Fonterra Co-operative Group Limited (from 2020). Former – Director, Woolworths Group Limited (2016–2025) and Endeavour Group Limited (2021–2023).

Other directorships and appointments
President, Commonwealth Remuneration Tribunal (from 2024) and Chair, McKinnon Foundation (from 2024). Member, Bain & Company Advisory Council (from 2021) and Senior Advisor, Pollination Group (from 2023).

David Lamont
BCom, CA
B A N R

Non-executive Director appointed on 3 December 2024 and elected on 14 October 2025. Chair of the Audit Committee, and member of the Risk and Sustainability Committee and the Nomination Committee.

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

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

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

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

Other directorships and appointments
Board of Management, Epworth Medical Foundation (from 2026). President, Financial Executives Institute of Australia (Director 2013–2024, President from 2025). Director, Geelong Cats Foundation (from 2021).

Ming Long AM
BEc, LLB, MBA, FCA, DBus (Hon)
B A R N

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

Ming is an experienced director with over a decade of board experience in areas spanning real estate, infrastructure, funds and investment management. She has a strong focus on resilience and innovation.

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

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

Other directorships and appointments
Chair, CSIRO (from 2025, Deputy Chair from 2024-2025). Director, IFM Investors (from 2022) and QBE Insurance (Auspac) (from 2019). Former – Chair, AMP Capital Funds Management Limited (2017–2022) and Diversity Council Australia (Chair 2021–2024, Deputy Chair 2017–2021). Director, Committee for Economic Development of Australia (CEDA) (2019–2025). Member, AASB S2 Implementation Advisory Panel (2025–2026).

Bridget Loudon
BCom (University College Galway)
B P N

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

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

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

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

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

Senior management team

Vicki Brady
Chief Executive Officer

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

Michael Ackland
Chief Financial Officer & Group Executive *Strategy & Finance*

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

Brad Whitcomb
Group Executive *Telstra Consumer*

Brad joined Telstra in January 2023 and leads Telstra Consumer. His responsibilities include marketing, customer propositions, the Telstra Plus loyalty program, as well as our Belong and Boost brands. His teams across retail, contact centres, and digital channels support millions of customers nationwide. Brad is focused on delivering leading end-to-end customer experiences, building loyalty and creating value, and driving sustainable growth through differentiated connectivity and digital innovation.

Oliver Camplin-Warner
Group Executive *Telstra Enterprise*

Oliver was appointed Group Executive, Telstra Enterprise in March 2024. He and the Telstra Enterprise team partner with Australian industry and government to deliver the secure, reliable connectivity that enables large organisations to operate, evolve and thrive in an increasingly complex digital environment. Over more than 12 years at Telstra, he has held several senior leadership roles, including five years as CEO of Telstra International, where he co-led the acquisition and transition of Digicel Pacific into Telstra. He brings two decades of telecommunications and technology experience across Australia, Asia and the United Kingdom.

Amanda Hutton
Group Executive *Telstra Business*

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

Kim Krogh Andersen
Group Executive *Network, Product and Technology*

Kim leads Network, Product and Technology (NPT), Telstra's combined division formed in 2026 to accelerate Telstra's shift to Network as a Product – reimagining the network as a programmable, customer-centric capability that enables differentiated experiences and new growth. In this role, he oversees product strategy and innovation, the end-to-end design and delivery of customer solutions across all market segments, Telstra's Software Engineering & IT and Data & AI functions, the management of Telstra's wireless and fixed networks, cyber security and cloud infrastructure. He also serves on the boards of several Telstra strategic ventures, including the Quantium Data & AI joint venture with Woolworths, Fetch TV, and Silicon Quantum Computing, and is Co-Chair of TM Forum's Autonomous Networks industry group.

Steven Worrall
Chief Executive Officer *Telstra Digital Infrastructure*

Steven joined Telstra in September 2025 and is CEO of Telstra Digital Infrastructure (TDI), formed in July 2026 to bring our InfraCo, International and Field Services capabilities together into a single function. Steven is responsible for managing, developing and expanding Telstra's extensive portfolio of infrastructure assets including the Aura Network, Telstra's global networks and undersea cables, and telecommunications tower assets (through Amplitel). He is also responsible for meeting Telstra's obligations to a broad range of wholesale customers. Steven brings substantial experience from the global technology sector, most recently as Corporate Vice President of Microsoft Australia & New Zealand.

Lyndall Stoyles
Group General Counsel & Group Executive *Corporate Affairs, Risk & Legal*

Lyndall joined Telstra in 2020. Her team manages legal, regulatory, enterprise risk and compliance matters, including providing legal and regulatory advice to Telstra's Board and CEO. Lyndall is also the Group Executive responsible for Corporate Affairs, supporting internal and external communications; stakeholder engagement, including engaging with regional and consumer groups; First Nations strategy and engagement; public policy advocacy; and sustainability programs, including the Telstra Foundation.

Dr Kathryn van der Merwe
Group Executive *People, Culture & Capability*

Kath joined Telstra in July 2023 and leads the People, Culture & Capability (PCC) function. With deep experience in large-scale transformation and organisational change, Kath leads the team responsible for attracting and developing Telstra's workforce as well as strengthening the culture and capabilities required to deliver our Connected Future 30 strategy, including oversight of our Global Capability Centres.

Shailin Sehgal*
Group Executive *Global Networks & Technology*

Shailin joined Telstra in June 2019 and in March 2024, he was appointed as Group Executive, Global Networks & Technology. In this role, he led initiatives to strengthen Telstra's technology capabilities and network leadership.

* Shailin Sehgal left Telstra on 30 June 2026 following the decision to bring together the Global Network & Technology and Product & Technology teams into a single function.

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Directors' Report

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity (referred to as we, us, our, Telstra or the Telstra Group) consisting of Telstra Group Limited (the Company or the Telstra Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2026. Financial comparisons used in this report are of results for the year ended 30 June 2026 compared with the results for the year ended 30 June 2025.

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

Principal activity

Our principal activity during the financial year 2026 was to provide telecommunications services for domestic and international customers. There has been no significant change in the nature of this activity during the year.

Review and results of operations

Information on the operations and financial position for the Telstra Group is set out in the Operating and Financial Review (OFR), comprising the Chair and CEO's message, FY26 highlights, FY26 financial performance, Strategy and performance, Our material risks, Outlook and Full year results and operations review sections accompanying this Directors' Report.

Dividend

On 19 February 2026, the Directors resolved to pay a partially franked interim dividend for the financial year 2026 of 10.5 cents per ordinary share. The interim dividend was 90.48 per cent franked at the company tax rate of 30 per cent, with a franked amount of 9.5 cents per share and an unfranked amount of 1.0 cent per share.

On 13 August 2026, the Directors resolved to pay a partially franked final dividend for the financial year 2026 of 10.5 cents per ordinary share. The final dividend will be 90.48 per cent franked at the company tax rate of 30 per cent, with a franked amount of 9.5 cents per share and an unfranked amount of 1.0 cent per share. This brings the total dividend for the financial year 2026 to 21 cents per share, with a franked amount of 19 cents per share and an unfranked amount of 2 cents per share, up 10.5 per cent (on a cash basis) on the prior year.

The dividends declared by the Board in financial year 2026 are consistent with the objectives of our capital management framework, which are to maximise returns for shareholders, maintain financial strength and retain financial flexibility. The following principles underpinning our capital management framework were updated as part of our Connected Future 30 strategy, and are:

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

Further information regarding the financial year 2026 dividends is set out in the Full-year results and operations review accompanying this Directors' Report. The record date for the final dividend will be 27 August 2026, with payment to be made on 24 September 2026. Shares will trade excluding entitlement to the final dividend on 26 August 2026.

The Board determined that the Dividend Reinvestment Plan (DRP) will continue to operate for the final dividend for the financial year 2026.

Dividends paid during the year were as follows:

Dividend	Date resolved	Date paid	Dividend per share	Total dividend ($m)
Total final dividend for the year ended 30 June 2025	14 August 2025	25 September 2025	9.5 cents (fully franked)	1,081
Total interim dividend for the year ended 30 June 2026	19 February 2026	27 March 2026	10.5 cents (9.5 cents franked, 1.0 cent unfranked)	1,181

On-market share buy-back

On 14 August 2025, we announced an on-market share buy-back of up to $1 billion. On 19 February 2026, the Directors resolved to increase the amount of the on-market share buy-back from up to $1 billion to up to $1.25 billion, to be conducted during the financial year 2026. The on-market share buy-back commenced on 9 September 2025 and was completed on 4 June 2026. During this period, we bought back 245,892,740 ordinary shares for a total consideration of $1.25 billion at an average price per share of $5.08. The shares bought back were subsequently cancelled.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of Telstra during the financial year 2026.

Business strategies, prospects and likely developments

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

Events occurring after the end of the financial year

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

- the final dividend for the financial year 2026 and that the DRP will operate in respect of that dividend.
- the announcement of an on-market share buy-back of up to $1 billion to be conducted during the financial year 2027.
- on 8 July 2026, we had a network outage affecting some mobile calls and data services, including some Triple Zero calls. We have received one regulatory notice which we have responded to. We expect that we may receive further notices. Customer claims are being assessed and we are continuing to make payments for eligible claims. At this stage regulatory outcomes and any financial implications from this outage are uncertain and cannot be reliably estimated.
- the entering into of a legally binding agreement to sell 100 per cent interest in Reach Networks Hong Kong Limited.

Refer to note 7.5 to the financial statements in our 2026 Financial Report for details.

Details of Directors

The changes to the Directors of the Company during the financial year 2026 and up to the date of this report were:

- Elana Rubin AM retired as a non-executive Director on 20 March 2026. Ms Rubin joined the Board in February 2020 and served as Chair of the People and Remuneration Committee and as a member of the Nomination Committee.
- Holly Kramer joined as a non-executive Director on 20 March 2026 and serves as Chair of the People and Remuneration Committee and as a member of the Nomination Committee.

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

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

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its Committees during financial year 2026, and attendance by Directors, are set out below:

	Board				Committees[1,3]			
	Scheduled meetings		Unscheduled meetings		Audit		Nomination	
	a	b	a	b	a	b	a	b
Craig W Dunn	9	9	4	4	4	4	8	8
Vicki Brady	9	9	4	4	–	(4)	–	8
Eelco Blok	9	9	4	3	–	–	8	8
Maxine Brenner	9	9	4	4	–	–	8	7
Roy H Chestnutt	9	9	4	4	–	–	8	8
Holly Kramer[2]	2	2	1	1	1	1	2	2
David Lamont	9	9	4	4	4	4	8	8
Ming Long	9	9	4	3	4	4	8	8
Bridget Loudon	9	9	4	2	–	–	8	8
Elana Rubin[2]	7	7	3	2	–	–	6	5
Total meetings held	**9**		**4**		**4**		**8**	

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

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

1. Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she was not a member, this is indicated by ( ).
2. Elana Rubin AM retired as a Director on 20 March 2026. Holly Kramer commenced as a Director on 20 March 2026.
3. From time to time the Board establishes ad hoc Committees to support the Board in carrying out its responsibilities. Details of these ad hoc Committees have not been included in the table.

Director shareholdings in Telstra

Details of Directors' shareholdings in the Company as at 13 August 2026 are shown in the table below:

Director	Number of shares held[1]
Vicki Brady[2]	2,408,665
Eelco Blok	76,500
Maxine Brenner	62,950
Roy H Chestnutt	73,766
Craig W Dunn	136,900
Holly Kramer	–
David Lamont	100,000
Ming Long	90,600
Bridget Loudon	62,000
Elana Rubin[3]	89,830

1. The number of shares held refers to shares held either directly or indirectly by Directors as at 13 August 2026. Shares in which the Director does not have a relevant interest, including shares held by the Directors' related parties (including relatives), are excluded. Refer to the Remuneration Report tables for total shares held by Directors and their related parties directly, indirectly or beneficially as at 30 June 2026.
2. Vicki Brady also holds 2,406,088 Performance Rights as at the date of this report.
3. The number of shares disclosed is the number held as at the date of cessation as a Director.

Group Company Secretary

Craig Emery

LLB (UTS), GAICD, FGIA

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

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

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

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

Directors' and officers' indemnity and insurance

(a) Constitution

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

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

(b) Deeds of indemnity

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

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

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

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

(c) Directors' and officers' insurance

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

Environmental regulation and performance

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

Energy and emissions and disclosures

In Australia, Telstra is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007, which requires Telstra to report its annual Australian greenhouse gas emissions, energy consumption and energy production. Telstra has implemented systems and processes for the collection and reporting of data and has, in accordance with our obligations, reported to the Clean Energy Regulator on an annual basis. The next report is due on 31 October 2026 and will again be supported with an independent assurance report.

FY26 is also Telstra's first year of mandatory sustainability reporting under the Australian Sustainability Reporting Standards (ASRS). In accordance with the Act and AASB S2 Climate-related Disclosures, Telstra has prepared Climate Statements covering climate-related governance, strategy, risks and opportunities, and metrics and targets, supported by established governance, reporting and assurance processes. For more information on our climate-related disclosures, refer to the Sustainability Report – Climate Statements for FY26 within this report.

Non-audit services

During the financial year 2026, Telstra's auditor, Deloitte Touche Tohmatsu (Deloitte) has been engaged on assignments additional to its statutory audit duties. Details of the amounts paid or payable to Deloitte for audit and non-audit services provided during the financial year 2026 are detailed in note 7.1 to the financial statements in our 2026 Financial Report.

The Directors are satisfied, based on advice provided by the Audit Committee, that the provision of non-audit services during the financial year 2026 is consistent with the general standard of independence for auditors imposed by the Act and that the nature and scope of each type of non-audit service provided did not compromise the auditor independence requirements of the Act for the following reasons:

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

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

A message from the People and Remuneration Committee Chair

Dear Shareholder,

Having joined the Telstra Board in March of 2026, I share with you the first Remuneration Report in my capacity as Chair of the People and Remuneration Committee.

FY26 marked the first year of our Connected Future 30 strategy. We began this new phase with strong momentum from T25, which made Telstra a simpler and more digitised business. Our purpose – to build a connected future so everyone can thrive – remains as important as ever, and the progress made this year sets the business up well to keep delivering for our customers, shareholders and the nation.

FY26 executive remuneration design

Following a significant redesign of the remuneration framework last year, FY26 delivers the first year of results from the new framework. The objectives of the redesign were to increasingly reward executives for their stewardship of shareholder capital and their focus on long term sustainable results.

STI outcomes depend on both the STI Scorecard and Senior Executive individual performance. The STI Scorecard measures are aligned to customer, strategic, and financial outcomes. LTI performance rights are granted in two equal tranches. The first tests three-year average underlying return on invested capital (uROIC) and the second tests four-year relative total shareholder return (RTSR). Section 2 of the Remuneration Report provides further detail.

The FY26 performance measures and targets were set by the Board to help ensure that Senior Executives delivered against the year one Connected Future 30 strategy objectives.

FY26 group performance outcomes

After a year of strong performance, positive outcomes were achieved against the STI Scorecard on most measures, resulting in an 80.9% of max (121.4% of target) outcome. In determining the outcomes for the three financial measures included in the Scorecard – Cash EBIT, Operating Leverage and uROIC – guidance adjustments have been excluded from the STI Scorecard result. Further commentary is set out in Section 3.1 of this report.

These outcomes also reflected positive outcomes for our shareholders, with further increases in earnings per share (up 5.3%) and the total dividend for FY26 (up 10.5% on a cash basis), along with the completion of an on-market share buy-back of $1.25 billion.

Despite a strong overall performance, on 8 July 2026, after the period covered in this report, Telstra experienced a major network outage. The investigations to date indicate the Outage was caused by something within our control. Considering this, as well as the impact the Outage had on customers, the company and our stakeholders more broadly, the Board has determined that the Senior Executive team must bear accountability in the FY26 remuneration year. As a result, the Board determined that the CEO and the former Group Executive, Global Networks and Technology, will each have their individual performance multiplier for their FY26 STI reduced by 20 percentage points, and the remaining Senior Executives will have their individual performance multiplier reduced by 10 percentage points, reducing their overall FY26 Individual STI Outcomes.

All amounts presented in this report, including those in the tables throughout, reflect the application of this Board discretion.

Due to the timing of the Outage, however, the Board did not have the benefit of the external expert review – currently being conducted by Technology Audit Partners – when determining FY26 remuneration outcomes. Following the outcome of this external review, and any subsequent accountability reviews, the Board will take any further action required in determining the FY27 remuneration outcomes.

In setting the measures and targets for the FY27 STI Scorecard, no targets have been reduced to reflect the potential impact of the Outage on FY27 actual results. Importantly the midpoint, or target, outcomes for each of the three FY27 financial measures in the STI Scorecard are based on the FY27 Corporate Plan approved by the Board in June 2026, prior to the Outage.

CEO performance and outcomes

In the Board's view, Vicki continued to build on her strong leadership track record in FY26. In the first year of our Connected Future 30 strategy, Telstra has established strong foundations for delivery against that strategy. Good momentum continued in earnings and dividend growth, with improved capital returns. Robust financial outcomes in FY26 were underpinned by continuing growth in key parts of Telstra's core business, particularly mobiles and digital infrastructure. Ongoing capital discipline and focused portfolio management, along with strong cost control, supported these outcomes. Progress on improving our customer experience continued with significant reductions in times to restore faults, falls in call centre wait times and complaints at record lows. The engagement scores of our people remained high, despite significant change programs across the company, including in our AI joint venture, Telstra Enterprise (TE) and Telstra International.

Based on this performance, the Board assigned the CEO an individual rating of 4 on the 1–5 performance scale. Following the exercise of Board discretion, the CEO's final Individual STI Outcome was 73.6% of the maximum opportunity (110.5% of target).

As part of the new remuneration framework, the CEO was awarded 728,265 FY26 LTI performance rights, equivalent to 150% of her Fixed Remuneration. These rights remain on foot and are subject to 3 and 4 year performance and vesting conditions.

Other Senior Executive team performance and outcomes

Each Senior Executive's performance assessment considers functional outcomes, individual leadership behaviour, conduct, people engagement, and effective risk management, including health and safety risks. The assessment is designed to balance each executive's achievements with areas for further improvement.

Risk management performance is assessed through quarterly forums that review compliance breaches and other risk-related incidents, including the executive's role in each incident. In addition, the Chief Risk Officer assesses each Senior Executive's risk management performance against agreed requirements, and this assessment formed part of their FY26 overall performance outcome.

The Board reviewed and determined the Senior Executive Individual STI Outcomes, which are detailed in Section 3.2 of this report. These outcomes reflect the application of Board discretion.

FY22 EVP Vesting

The Board assessed vesting of the FY22 Executive Variable Remuneration Plan (EVP) Performance Rights after the five-year performance period ended on 30 June 2026. The assessment considered Telstra's performance against the RTSR condition over the period from 1 July 2021 to 30 June 2026. The FY22 EVP Performance Rights will vest at 98% based on Telstra's RTSR ranking at the 74th percentile of the comparator group. This reflects strong alignment between executive reward and shareholder outcomes over that time. Section 3.4 of our Remuneration Report provides further details.

Director and Senior Executive changes

During FY26, there were a number of changes to the Telstra Board and executive team. My appointment in March 2026 followed the retirement of Elana Rubin AM. On behalf of the Board, I would like to thank Elana for her leadership of the People and Remuneration Committee during her time on the Board and for her stewardship and significant contributions during her time with Telstra.

To better support delivery of Connected Future 30, Vicki made a number of changes to her leadership team. In May, the Product and Technology (PT) and Global Networks & Technology (GNT) teams were brought together under the leadership of Kim Krogh Andersen. And effective 1 July 2026, Telstra Digital Infrastructure was established under the leadership of Steven Worrall, integrating InfraCo, Telstra International and Field Services into a single entity. As part of these changes, Shailin Sehgal left Telstra on 30 June 2026. We thank Shailin for his significant contribution to the company.

Looking ahead

There have been Senior Executive Fixed Remuneration changes throughout FY26, primarily to reflect changes in role size and scope. These are detailed in Section 2.1 of this report. There are no planned increases to Fixed Remuneration for Senior Executives or to Board or Committee fees for FY27.

As part of our commitment to transparency for shareholders, we continue to provide our targets for the coming year. When setting FY27 performance measures and targets, the Board considers the key deliverables and milestones in our Connected Future 30 strategy, planned financial outcomes in the FY27 Corporate Plan, and FY27 guidance (announced on 13 August 2026).

As we move into FY27, we remain committed to our purpose, our strategy and delivering value for our shareholders. We also wish to thank our Telstra team for the hard work, care and commitment they demonstrate every day.

Holly Kramer
People and Remuneration Committee Chair

Remuneration Report

This audited report details the remuneration framework and outcomes for Key Management Personnel of Telstra for the year ended 30 June 2026 (FY26).

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FY26 remuneration outcomes

Below is a summary of executive remuneration outcomes for FY26. Section 3 provides a detailed view.

Fixed Remuneration

4.5%
CEO Fixed Remuneration increase

2.9%
Other Senior Executives average Fixed Remuneration increase

Individual STI Outcomes[1]

73.6% of maximum
CEO STI Outcome

76.9% of maximum
Average Senior Executive STI Outcome

FY22 EVP Outcome

98% of performance rights vested
Telstra RTSR ranked at the 74th percentile of the comparator group

1. Individual STI outcomes include the exercise of Board discretion outlined in Section 3.2.

Key Management Personnel (KMP) covered in this report

Telstra assesses its Key Management Personnel (KMP) annually. KMP includes Telstra's Directors and Senior Executives. "Senior Executives" refers to the CEO and executives with authority and responsibility to plan, direct, and control Telstra and Group activities, either directly or indirectly. Each KMP held their role for the entire FY26 unless noted otherwise.

Kim Krogh Andersen was Group Executive (GE) Product & Technology until 25 May 2026. On 26 May 2026, the Global Network and Technology (GNT) and Product & Technology functions combined, and Kim was appointed GE Network, Product & Technology.

Non-executive Directors

Current
Craig W Dunn
Eelco Blok
Maxine Brenner
Roy H Chestnutt
Holly Kramer (appointed 20 March 2026)
David Lamont
Ming Long AM
Bridget Loudon

Former
Elana Rubin AM (resigned 20 March 2026)

Senior Executives

Current	KMP Position
Vicki Brady	Chief Executive Officer & Managing Director (CEO)
Michael Ackland	Chief Financial Officer and Group Executive (GE) Strategy and Finance (CFO)
Kim Krogh Andersen	GE Network, Product & Technology (NPT)
Oliver Camplin-Warner	GE Telstra Enterprise (TE)
Amanda Hutton	GE Telstra Business (TB)
Kathryn van der Merwe	GE People, Culture & Capability (PCC)
Brad Whitcomb	GE Telstra Consumer (TC)
Steven Worrall[1]	GE and CEO Telstra InfraCo (from 1 September 2025)

Former	KMP Position
Brendon Riley	Former GE and CEO Telstra InfraCo (until 31 August 2025)
Shailin Sehgal	Former GE Global Networks & Technology (GNT) (until 25 May 2026)

1. Steven Worrall is also the Group Executive accountable for Telstra International.

1. Executive remuneration overview

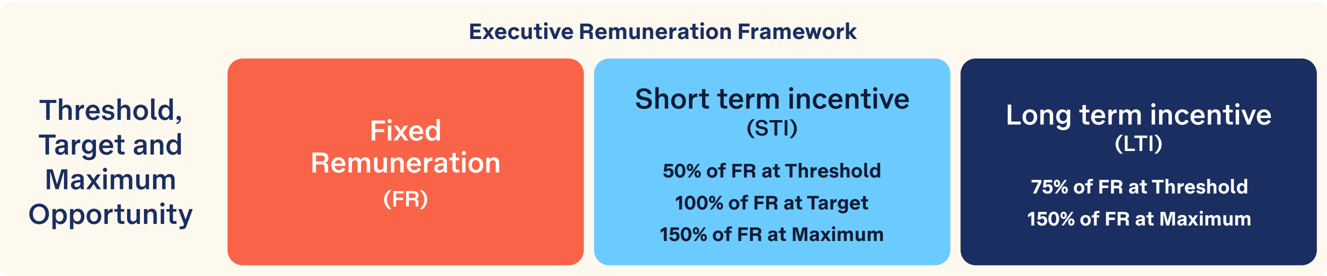
1.1 Our Remuneration Principles

Our remuneration strategy aims to attract and keep talented employees. We reward them for strong performance and for delivering long-term results to customers and shareholders.

- Attract, motivate and retain highly skilled people
- Support our strategy and reinforce our culture, behaviours and habits
- Link financial reward outcomes to employee contribution and company performance
- Align to long term shareholder value creation

1.2 Our Incentive Plan design

In FY26, we moved from the Executive Variable Remuneration Plan (EVP) to separate short-term (STI) and long-term (LTI) incentives. This widely used framework supports Telstra's Connected Future 30 strategy and aligns executive pay with shareholder expectations. It helps attract and retain talented executives while balancing annual goals with long-term returns critical to our strategy.



The framework includes annual Fixed Remuneration, cash STI, deferred STI provided as Restricted Share Rights, and an LTI granted in two tranches of Performance Rights, each with its own hurdle. The maximum LTI percentage shown in the diagram above is generally used to determine the number of Performance Rights allocated. Vesting is then determined by performance against the relevant conditions over the applicable performance period.

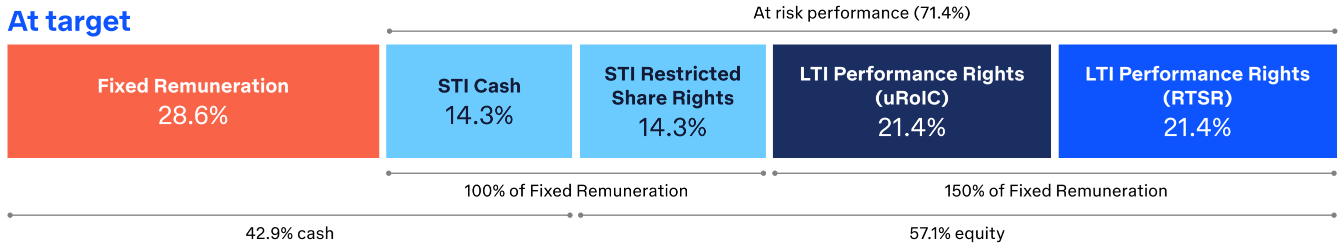
Each element is assessed independently to keep management focused on both annual and long-term results, with an emphasis on sustainable performance. Fixed remuneration is delivered in year 1, cash STI early in year 2, deferred STI early in years 3 and 4. LTI is tested at the end of years 3 and 4 and any vesting occurs early in years 4 and 5, respectively.

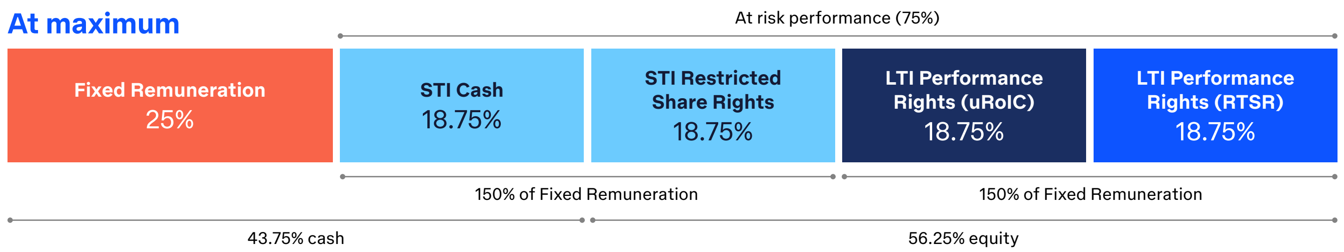
Executives can exercise vested Restricted Share Rights and Performance Rights during a trading window until the expiry date for the relevant rights, usually seven years after vesting. For executives who leave Telstra, this period may shorten to three years (see Section 2.4). These terms encourage executives to hold equity longer, aligning with shareholder interests.

All variable remuneration outcomes remain at the Board's discretion. Rights may be forfeited or lapse if employment ends for reasons other than a Permitted Reason or if a malus or clawback event occurs.

1.3 FY26 remuneration mix for Senior Executives

The framework introduced in FY26 places greater emphasis on long-term outcomes while keeping the maximum variable reward at 300% of Fixed Remuneration. At threshold, target, and maximum performance, the majority of variable reward is delivered as equity.





1.4 Actual pay which crystallised in FY26 for the CEO and other Senior Executives

Under Australian Accounting Standards, share-based payments are valued at the time of grant and expensed over the performance and service periods. This does not always reflect what Senior Executives actually received during the year.

Disclosures in this section are voluntary and do not follow Australian Accounting Standards. They aim to give shareholders clear insight into the pay and benefits Senior Executives actually received, or became entitled to, during FY26. Statutory remuneration tables are in Sections 6.1 to 6.3.

Senior Executives receive much of their variable pay as equity. The value depends on Telstra's share price and whether the awards vest. This approach aligns our reward framework with shareholder interests and links pay to performance.

(a) The table below compares the CEO's actual remuneration for FY26 and FY25.

The FY26 figures include the exercise of Board discretion outlined in Section 3.2.

Name	Year	Fixed Remuneration ($000)	Individual STI or EVP Outcome payable as cash ($000)[2]	Value of EVP Restricted Shares that became unrestricted ($000)[3,4]	Value of EVP Performance Rights that vest ($000)[3,5]	Total ($000)	% change from prior year
Vicki Brady (CEO)	2026	2,473	1,381	1,864	1,120	6,838	11%
	2025[1]	2,393	1,567	1,462	760	6,182	

1. These numbers were reported in our 2025 Remuneration Report.
2. For FY26, amount relates to the cash component of the FY26 STI, earned in FY26 and payable in September 2026. For FY25, the amount relates to the cash component of the FY25 EVP, earned in FY25 and paid in September 2025.
3. Equity in this table has been valued based on Telstra's share price on 30 June for each respective year. For FY26 this price is $5.08 and for FY25 this price is $4.84.
4. Amount relates to the value of variable remuneration earned in prior financial years which was provided as Restricted Shares and became unrestricted in the relevant year. For the amount reported for FY26, the Restriction Period for these shares ended on 30 June 2026 and relates to Tranche 4 of the FY22 EVP, Tranche 3 of the FY23 EVP, Tranche 2 of the FY24 EVP and Tranche 1 of the FY25 EVP. For the amount reported for FY25, the Restriction Period for these shares ended on 30 June 2025 and relates to the Tranche 4 of the FY21 EVP, Tranche 3 of the FY22 EVP, Tranche 2 of the FY23 EVP and Tranche 1 of the FY24 EVP. Equity granted before FY23 was based on Vicki Brady's Fixed Remuneration as CFO, while equity granted from FY23 onwards was based on Vicki Brady's Fixed Remuneration as CEO.
5. The RTSR outcome of the FY22 EVP was that 98% of the Performance Rights will vest. The RTSR outcome of the FY21 EVP was that 74% of the Performance Rights vested.

The value of the CEO's Fixed Remuneration increased in FY26 compared to FY25 because, as disclosed in the 2025 Remuneration Report, the Board determined to increase her Fixed Remuneration from $2,393,797 to $2,500,000, effective 1 October 2025.

The value of the CEO's Individual STI Outcome decreased compared to the prior year EVP outcome. A higher FY26 Scorecard Outcome of 80.9% of maximum was achieved (FY25: 79.0% of maximum). However, due to the exercise of Board discretion described in Section 3.2 the CEO's individual performance multiplier of 111% was reduced by 20 percentage points to 91% (FY25: 110%).

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

- the increase in Telstra's share price from $4.84 on 30 June 2025 to $5.08 on 30 June 2026;
- that more Performance Rights will vest under the FY22 EVP than vested last year under the FY21 EVP (reflecting an improved Relative Total Shareholder Return (RTSR) outcome year on year); and
- that more Restricted Shares became unrestricted in FY26 relative to FY25 (in part reflecting Ms Brady's elevation to the CEO role in 2022).

(b) The following table shows actual remuneration for Senior Executives (excluding the CEO) in FY26.

The figures include the exercise of Board discretion outlined in Section 3.2.

Name	Fixed Remuneration ($000)	Individual STI Outcome payable as cash ($000)[1]	Value of Restricted Shares that became unrestricted ($000)[2,3,4]	Value of Performance Rights that vest ($000)[2,5]	Total ($000)
Michael Ackland	1,326	860	1,167	1,179	4,532
Kim Krogh Andersen	1,241	759	975	847	3,822
Oliver Camplin-Warner	1,115	690	442	–	2,247
Amanda Hutton	1,115	643	521	–	2,279
Kathryn van der Merwe	1,053	652	486	–	2,191
Brad Whitcomb	1,201	766	685	–	2,652
Steven Worrall	967	528	1,546	–	3,041

The table only includes Senior Executives (other than the CEO) who held that position as of 30 June 2026. Brendon Riley ceased to be KMP on 31 August 2025 and Shailin Sehgal ceased to be KMP on 25 May 2026 and so they are not included in the table above.

1. Amount relates to the cash component of the FY26 STI, earned in FY26 and payable in September 2026.
2. Equity in this table has been valued based on the Telstra closing share price on 30 June 2026 of $5.08.
3. Amount includes the value of Restricted Shares awarded under the FY22 (Tranche 4), FY23 (Tranche 3), FY24 (Tranche 2) and FY25 (Tranche 1) EVPs and the value of Restricted Shares awarded under the FY23 STI (Tranche 3) and FY24 STI (Tranche 2) which were earned in a previous year, but subject to a Restriction Period ending 30 June 2026.
4. Steven Worrall received a sign-on award of $3,000,000 in Restricted Shares. The Restriction Period for half of this award ended on 20 February 2026, with a further one-third due to vest in February 2027 and the remaining 17% due to vest in February 2028. The sign-on award was granted in recognition of the unvested equity forfeited on joining Telstra and represented a significantly lower value than the equity relinquished with the former employer. As a result, it is not subject to a performance condition, malus or clawback.
5. The RTSR outcome of the FY22 EVP was that 98% of the Performance Rights will vest.

2. Executive remuneration structure

2.1 Fixed Remuneration

Structure

Fixed Remuneration includes base salary and superannuation. It is determined using internal and external market comparisons for roles of similar size and complexity. Our aim is to position Fixed Remuneration around the market median, with higher levels of pay for outstanding performers, highly experienced individuals, and key strategic talent.

Details on Senior Executive Fixed Remuneration

The table below shows the Fixed Remuneration for Senior Executives employed on 30 June 2026.

Name	Title	Fixed Remuneration[1]
Vicki Brady	CEO	$2,500,000[3]
Michael Ackland	CFO	$1,350,000[3]
Kim Krogh Andersen	GE NPT	$1,350,000[3,4]
Oliver Camplin-Warner	GE TE	$1,115,250[2]
Amanda Hutton	GE TB	$1,115,250[2]
Kathryn van der Merwe	GE PCC	$1,052,552[2]
Brad Whitcomb	GE TC	$1,201,250[2]
Steven Worrall	GE & CEO Telstra InfraCo	$1,200,000

1. Senior Executive Fixed Remuneration as of 30 June 2026.
2. Fixed Remuneration increased by $1,250 on 1 July 2025 to reflect the legislated increase in Superannuation Guarantee Contribution from 11.5% to 12.0%.
3. As disclosed in the 2025 Remuneration Report, the Board determined to increase the Fixed Remuneration of Vicki Brady, CEO, from $2,393,797 to $2,500,000, the Fixed Remuneration of Michael Ackland, CFO, from $1,253,797 to $1,350,000 and the Fixed Remuneration of Kim Krogh Andersen who was then in the role of Group Executive Products and Technology, from $1,176,250 to $1,250,000. These changes took effect on 1 October 2025.
4. On moving to the role of Group Executive Network, Product and Technology with effect from 26 May 2026, the Board determined to increase the Fixed Remuneration of Kim Krogh Andersen from $1,250,000 to $1,350,000.

2.2 Short Term Incentive

Short Term Incentive Opportunity

The STI opportunity for Senior Executives is 50% of Fixed Remuneration at threshold, 100% at target and 150% at maximum performance.

Performance Period

1 July 2025 to 30 June 2026

Assessment of Individual STI Outcomes

The Individual STI Outcome for each Senior Executive is assessed over the performance period based on:
- The FY26 STI Scorecard Outcome, which includes 60% financial measures and 40% customer and strategic measures
- The executive's target STI opportunity
- The executive's individual performance including performance relative to peers.

STI Scorecard Outcome

The Board determines the STI Scorecard Outcome after assessing Telstra's performance against the STI measures described in Section 3.1. Each measure operates independently and has a weighting with defined threshold, target, and maximum levels. If performance falls between these levels, the outcome is calculated proportionately within the range.

To assess STI performance measures, the Board reviewed the Group's results, including audited financial statements from Deloitte, our external auditor. It also considered Deloitte's agreed-upon procedures report on performance against STI measures.

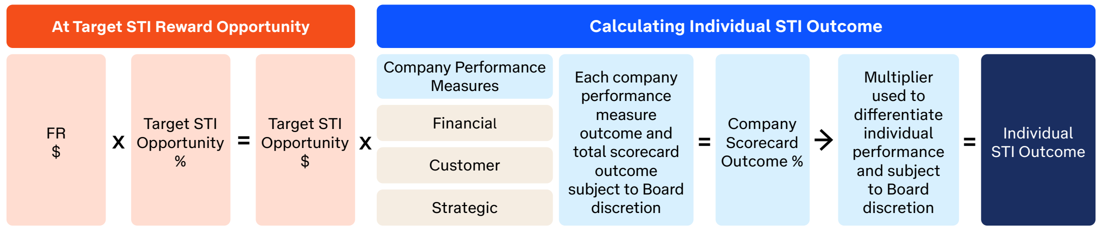
Executive's Individual Performance Outcome

An executive's individual performance is assessed against financial, business and customer metrics, contribution to company objectives, leadership of their team, enterprise-wide leadership, and performance on risk and compliance.

The STI Scorecard Outcome is multiplied by a percentage reflecting the executive's performance relative to peers. On our 1–5 scale, this percentage ranges from 0% to 170%. A rating of 3 aligns with the Scorecard Outcome, while ratings of 4 or 5 result in higher outcomes.

Executive's Individual STI Outcome

The calculation of Individual STI Outcomes is illustrated below:



In all cases, the maximum Individual STI Outcome, combining company and individual performance, cannot exceed 150% of the executive's Fixed Remuneration.

When determining a Senior Executive's Individual STI Outcome, the Board may consider factors under its decision framework. These include any material risk events, the severity of their impact, and the executive's accountability for the matter.

See Section 3.2 for details on discretion applied in FY26 outcomes and Section 3.1 for the FY26 STI Scorecard.

Delivery mechanism

50% is paid in cash.
25% is granted as Restricted Share Rights and deferred for one year.
25% is granted as Restricted Share Rights and deferred for two years.

Restricted Share Rights are subject only to a time-based restriction. While no further performance conditions apply, they remain subject to malus and clawback.

Share Rights allocation methodology

The number of Restricted Share Rights for a Senior Executive is based on the dollar value of their Individual STI Outcome. This amount is multiplied by 50% for Restricted Share Rights and divided by the five-day volume-weighted average price (VWAP) of Telstra shares starting the day after the FY26 results announcement. This uses a face value allocation method.

When a Restricted Share Right vests and is exercised, the holder receives a share or, at Telstra's discretion, a cash amount equal to the share's value at exercise.

2.3 Long Term Incentive

Long Term Incentive Opportunity

The FY26 LTI opportunity is 150% of Fixed Remuneration. Shareholders approved the CEO's FY26 LTI grant at the 2025 AGM on 14 October 2025.

Performance Period

The LTI is split into two equal tranches of Performance Rights:
- The first tranche is subject to Telstra's three-year average Underlying Return on Invested Capital (uROIC) performance for the period 1 July 2025 to 30 June 2028.
- The second tranche is subject to Telstra's four-year RTSR performance for the period 1 July 2025 to 30 June 2029.

See Section 3.3 for the FY26 LTI awards for each Senior Executive.

Tranche 1: Underlying Return on Invested Capital (uROIC)

Why uROIC?

The uROIC hurdle links executive rewards to capital efficiency and long-term value creation. It supports Telstra's Connected Future 30 strategy, which aims for a 10% uROIC by FY30 while maintaining disciplined investment.

How is it calculated?

uROIC is defined as Net Operating Profit After Tax (NOPAT) less guidance adjustments after tax, divided by average invested capital. Invested capital is defined as Net Debt and Equity. Guidance adjustments include material one-offs such as mergers, acquisitions, disposals, impairments, spectrum, restructuring costs, and other items determined by the Board. The Board will adjust uROIC results to avoid windfall gains or losses, including those from impairments or depreciation changes, and will disclose any adjustment when the uROIC hurdle is tested.

Disclosure of threshold-to-maximum range

In the year the hurdle is tested, the remuneration report will disclose the uROIC threshold-to-maximum range. This prevents vesting targets from being seen as forward-looking statements. The range aligns with the Connected Future 30 strategy. The maximum target supports achieving or exceeding the 10% uROIC goal by FY30. In the short to medium term, the Board expects the threshold for the three-year average uROIC to be above the most recently reported full-year uROIC.

Because of Telstra's operating dynamics, the range for the three-year average uROIC will likely be narrow – no more than one percentage point. The range allows for capital investments that may reduce uROIC during the uROIC Performance Period but deliver returns later.

Vesting schedule

Performance Rights in the uROIC tranche vest only if the uROIC condition is met at the end of the three-year uROIC Performance Period. The number of Performance Rights that vest will be determined as follows:

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

Performance Rights that do not vest after testing will lapse and expire.

Why is uROIC a metric in both the STI and the LTI?

uROIC is a metric in the FY26 STI Scorecard as well as the LTI plan. The STI Scorecard helps determine short-term incentive outcomes across the company. Return on invested capital is a critical focus for the entire business, not just Senior Executives participating in the LTI plan. Including uROIC in both plans reinforces Telstra's strategic goal of sustainable value creation under the Connected Future 30 strategy. It also supports the target of achieving 10% uROIC by FY30 and ensures the metric is considered over multiple time periods.

How do the metrics differ?

The STI Scorecard uses a one-year absolute uROIC measure to drive annual operational discipline. The LTI plan uses a three-year average uROIC to encourage sustained performance over the long term. This structure reduces the risk of short-term decisions that harm long-term value. It also ensures capital allocation decisions support shareholder value over time.

Each year, the Board reviews metrics for the STI Scorecard. The ongoing inclusion of uROIC will be assessed annually. For more detail on the uROIC metric in the FY26 and FY27 STI Scorecards, see Sections 2.2, 3.1, and 7.3 of this report.

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Tranche 2: Relative Total Shareholder Return (RTSR)

Why RTSR?
RTSR measures the performance of a Telstra share, including cash dividends and other shareholder benefits, compared to the performance of shares issued by other companies in the comparator group during the RTSR Performance Period.

The Board considers RTSR an appropriate measure because it links executive rewards to Telstra's share price and dividend performance relative to peers over the long term. This approach reinforces the focus on creating shareholder value and aligns pay outcomes with returns delivered to long-term investors.

What is the comparator group?
For the FY26 LTI, the comparator group includes the 20 companies in the ASX 50 (excluding resources) with the lowest five-year beta as of June 2025. Beta measures how sensitive a company's share price is to market changes, and Telstra has one of the lowest betas in the ASX 100.

The Board considered several options for setting the comparator group and chose this approach for its alignment with strategy, simplicity, and how it positions the company. The Board will review the comparator group at the start of each financial year for every new grant of LTI Performance Rights.

The RTSR comparator group for the FY26 LTI is:

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

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

Vesting schedule
Performance Rights in the RTSR tranche vest only if the RTSR condition is met at the end of the four-year RTSR Performance Period. The number of Rights that vest will be determined as follows:

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

Performance Rights that do not vest after testing will lapse and expire.

Calculation of RTSR
For each company, the starting and ending prices used to calculate RTSR are the average daily closing share price over the 30 days to 30 June of the relevant year. For the FY26 LTI, Telstra's starting price for RTSR calculation is $4.87.

Awarding Performance Rights

Performance Rights are granted at the start of the performance period. For example, FY26 LTI Performance Rights were awarded during the trading window after the Annual General Meeting on 14 October 2025. The number of Rights is based on the executive's Fixed Remuneration, multiplied by up to 150% as approved by the Board, then divided by the five-day volume-weighted average price (VWAP) of Telstra shares starting the day after the annual results announcement. Half of the Rights are allocated to Tranche 1 and half to Tranche 2. See earlier descriptions in this table for details on each tranche.

2.4 Terms that apply to both the Short Term Incentive and Long Term Incentive

Dividends

When vested Restricted Share Rights or Performance Rights are exercised, executives receive a dividend equivalent payment in shares. This payment reflects dividends paid by Telstra from the allocation date to the exercise date. No dividend equivalent payments apply to Rights that do not vest.

Vesting, Exercise and Minimum Shareholding Requirement

Restricted Share Rights vest only if employment conditions are met at the end of each Deferral Period. Any FY26 Restricted Share Rights that vest can be exercised after Telstra releases its annual results in August 2027 for the first tranche and August 2028 for the second tranche. Rights that do not vest at the end of the relevant Deferral Period will lapse and expire.

Performance Rights vest only if the performance conditions are met at the end of the relevant performance period. Rights that vest can be exercised during trading windows, subject to the Company's Securities Trading Policy, until the expiry date for the relevant Rights—generally seven years after their vesting. Rights that do not vest will lapse and expire at that time.

If an executive has not met Telstra's minimum shareholding requirement (MSR) when Rights vest, the Rights will be automatically exercised. The resulting shares will be restricted from sale until the MSR is met without relying on those shares, or until the executive leaves Telstra. See Section 4.6 for details on Telstra's MSR policy.

As the Rights form part of variable remuneration, executives pay nothing on grant, vesting, or exercise. Any shares provided on exercise will be purchased on-market.

Change of control

In limited cases, such as a takeover where 50% or more of Telstra's head entity shares are acquired, the Board may accelerate the vesting of Restricted Share Rights and Performance Rights.

Malus and Clawback

If a Malus or Clawback event occurs, the Board may decide to lapse, forfeit, or recover awards granted to Senior Executives under Telstra's incentive plans.

Malus and Clawback events include:
- Fraud, dishonesty, gross misconduct, or a material breach of obligations by the executive, or behaviour that negatively impacts Telstra's long-term financial strength or brings Telstra into disrepute
- Actions causing significant deterioration in Telstra's financial performance or negatively impacting its standing, reputation, or relationships with key regulators
- Financial results that led to awards being granted or vested later shown to be materially misstated
- Failure to meet responsibilities under Telstra's risk management framework, resulting in a material breach
- Retirement followed by re-entering the workforce in a way inconsistent with Telstra's Age Retirement Policy
- Awards allocated in error or deemed an inappropriate benefit by the Board

See Section 4.9 for more on Consequence Management.

Cessation of employment

If an executive leaves Telstra for a Permitted Reason such as redundancy, death, permanent disability, certain medical conditions, retirement, mutual agreement, or Telstra-initiated separation unrelated to performance or conduct:
- The executive is eligible for a pro-rata STI Outcome based on time employed during FY26. After FY26 ends, they may receive the cash component and a grant of Cash Rights (or, at the Board's discretion, cash in the case of death, disability, or certain medical conditions) instead of Restricted Share Rights.
- Unvested Restricted Share Rights remain subject to the original Deferral Period.
- A portion of unvested Performance Rights will be retained based on the time elapsed in the performance period. These Rights remain subject to the original performance period and conditions.
- Vested Rights not yet exercised can still be exercised until the earlier of the expiry date or three years after cessation.

If an executive leaves for any other reason before the end of the Performance or Deferral Period:
- All unvested Restricted Share Rights lapse.
- All unvested Performance Rights will lapse.
- Vested Rights not yet exercised can still be exercised until the earlier of the expiry date or three years after cessation.

Board discretion and consequences

The Board can adjust results for each STI and LTI performance measure to prevent windfall gains or losses. It may also change the overall STI Scorecard Outcome or LTI vesting outcome if appropriate, considering Telstra's performance, customer experience, and shareholder expectations.

3. Executive Remuneration Outcomes

Fixed remuneration outcomes are provided in Section 2.1.

Detail on how Senior Executive STI Outcomes were determined is provided in Section 2.2.

3.1 FY26 STI Scorecard Outcome

The Board selected the FY26 STI Scorecard measures to align with Telstra's Corporate Plan and the first year of the Connected Future 30 strategy. These strategic, customer and financial measures reflect the key drivers of the strategy and support long term value creation. Section 4.4 of the 2025 Remuneration Report explains the rationale for each measure and its link to Telstra's performance.

The Board set threshold, target and maximum levels to be robust and demanding. These levels reflected key Connected Future 30 deliverables, planned FY26 Corporate Plan outcomes and FY26 guidance released on 14 August 2025. Financial targets aligned with market guidance. Target levels were set around the midpoint, and maximum levels matched or exceeded the upper end of the range.

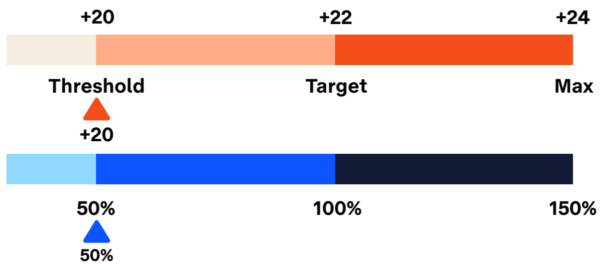
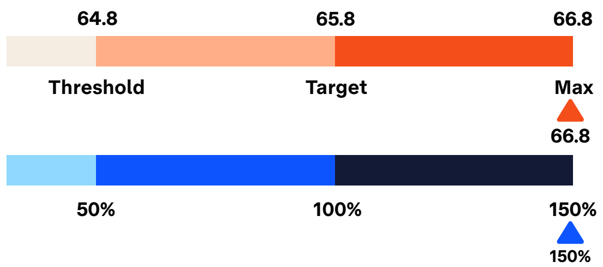
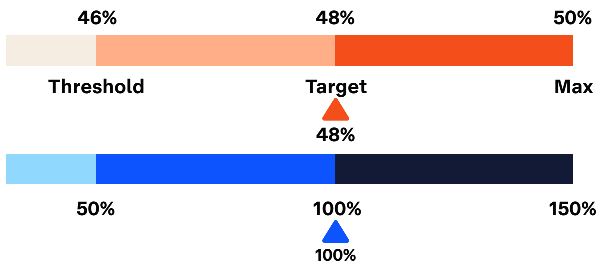
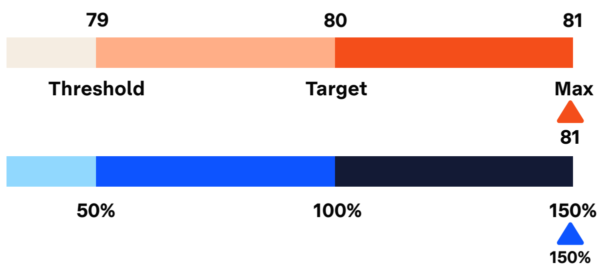
In assessing the FY26 performance against the Scorecard, the Board retained discretion to adjust outcomes for each STI measure to prevent windfall gains or losses. The Board also had discretion to adjust the overall STI Scorecard Outcome based on Telstra's performance, customer experience, and shareholder expectations. No adjustments were made to either the STI measures or the overall STI Scorecard Outcome for FY26.

Given that the Scorecard is relevant for variable remuneration outcomes across the majority of the company, the Board determined that accountability for the Outage would be attributed to Senior Executive individual performance multipliers rather than the Scorecard as a whole.

The STI Scorecard Outcome for FY26 was 121.4% of target (80.9% of maximum).

Deloitte independently reviewed the outcome of each FY26 STI Scorecard measure through an Agreed-Upon Procedures engagement. Deloitte obtained the approved metric definitions and management calculations, verified that the reported metrics were based on the approved source data and systems, and independently reperformed the calculations for each in-scope STI measure. Deloitte reported no exceptions and identified no differences between its recalculations and the reported outcomes.

Measures	Weighting	Targets and Performance Outcomes	Weighted Result (% of Target)	Additional information
Cash EBIT ($m) Underlying EBITDA, less BAU Capex, less Lease Amortisation, less Spectrum Amortisation	20%	$4,550m Threshold / $4,650m Target / $4,750m Max Result: $4,659m 50% / 100% / 150% Result: 105%	20.9%	Cash EBIT of $4,659m was reported by Telstra for FY26 which was between the FY26 STI target and maximum. Cash EBIT excluded $96m net costs related to guidance adjustments. The guidance adjustments were the impairment of London Hosting Centre assets ($25m), impairment of Fetch TV goodwill ($32m) and impairment of international assets due to changes in landing rights approvals and the discontinuation of associated projects ($64m). Partially offsetting these impairments was a net gain on the disposal of our International Voice business ($25m). The Board determined that excluding the guidance adjustments was appropriate for remuneration purposes. They were adjusted in accordance with Telstra's guidance adjustment policy.
Operating Leverage The extent by which the percentage growth in Underlying Income exceeds the percentage growth in Cash EBIT costs (Underlying Operating Expenses, BAU capex, spectrum amortisation and lease amortisation) each year	20%	1.1% Threshold / 1.6% Target / 2.1% Max Result: 2.0% 50% / 100% / 150% Result: 140%	28.0%	Operating Leverage achieved between the FY26 STI target and maximum. Our result of 2 percentage points included a decline in underlying income (-0.8%) more than offset by reduction in Cash EBIT costs (+2.8%), with all categories of costs reducing year on year. Consistent with Cash EBIT, operating leverage was assessed excluding the same guidance adjustments.
Underlying Return on Invested Capital Total NOPAT less guidance adjustments after tax, divided by Average Invested Capital	20%	8.5% Threshold / 8.7% Target / 9.0% Max Result: 9.0% 50% / 100% / 150% Result: 150%	30.0%	Underlying ROIC of 9.0% was reported for Telstra for FY26 which was at the FY26 STI maximum, and up 0.5 percentage points on FY25. Underlying ROIC excluded $55m net operating loss after tax ($96m pre-tax) related to guidance adjustments. Tax in Underlying ROIC calculation represents the tax effect of guidance adjustments and, in FY26, the recognition of deferred tax assets arising from changes in tax law ($41m). Reported ROIC of 8.8% was reported by Telstra for FY26. The Board determined that excluding the guidance adjustments from Underlying ROIC was appropriate for remuneration purposes. They were adjusted in accordance with Telstra's guidance adjustment policy.
Episode NPS Measures our customer experience from their feedback on each episode using a Net Promoter Score	10%	+47 Threshold / +49 Target / +51 Max Result: +49 50% / 100% / 150% Result: 100%	10.0%	At the end of FY26 our Episode NPS was +49, which was in line with the FY26 STI target, and up 2 points on the FY25 outcome. In setting the FY26 Episode NPS threshold and target the Board considered the customer experience performance based on 3 and 6 month moving cumulative (3MMC/6MMC) performance allowing for various and significant changes including plan refresh impacts, temporary platform disruptions together with transition-related capacity and service consistency challenges. The overall FY26 Episode NPS is a weighted calculation of survey results from Telstra business segments – 65% Telstra Consumer and Small Business (C&SB) combined 3MMC calculation and 35% Telstra Enterprise, Telstra Business Mid-Market and Telstra International (TEMMI) combined 6MMC calculation. The Telstra C&SB results were driven by above target performance across Activation, Move and Assurance journeys. The TEMMI results were achieved through strong performance across Prospect to Order, Assurance and Billing episodes.

Measures	Weighting	Targets and Performance Outcomes	Weighted Result (% of Target)	Additional information
Strategic NPS Captures overall customer advocacy, driven by customers' perceptions and experience related to factors such as network, service, value and loyalty and overall brand strength and reputation	10%		5.0%	At the end of FY26 our Strategic NPS was +20, which was in line with the FY26 STI threshold, and up 1 point on FY25. In setting the FY26 Strategic NPS threshold and target the Board considered performance across customer segments, allowing for a significant change, including mobile and fixed plan refreshes, ongoing operational transformation, platform and process changes across business segments, and evolving customer expectations. The overall FY26 Strategic NPS calculation is a weighted calculation of results across segments comprising Consumer (50%), Small Business (15%), Telstra Mid-Market (3%), Telstra Enterprise (23%) and Telstra International (9%), using a combination of 3 and 6 month moving cumulative (3MMC/6MMC) performance. The results were driven by continued strength in Consumer, supported by brand momentum, network leadership, value and loyalty initiatives, and strong account management experiences in Telstra International. These gains were partially offset by plan refresh impacts in Consumer and Small Business, and continued opportunities to enhance service excellence, project delivery, billing experiences and process simplicity within Telstra Mid-Market and Telstra Enterprise segments.
RepTrak Measures our reputation score on the RepTrak index	10%		15.0%	Telstra's FY26 annual RepTrak Reputation Score was 66.8 points measured as the average of four quarters. This result achieved our FY26 STI maximum and was up 2 points on FY25. In setting the FY26 STI RepTrak target the Board considered several factors, including historic average performance and external considerations such as global uncertainty and cost of living pressures. In FY26 we achieved our highest single year increase on record, resulting in our highest annual RepTrak score since we commenced tracking over 15 years ago.
Sustainability Our % reduction in absolute scope 1 + 2 greenhouse gas emissions and % reduction in absolute scope 3 greenhouse gas emissions, both from our FY19 baseline (excluding Digicel Pacific)	5%		5.0%	We have now reduced our absolute scope 1+2 emissions by 48% and our absolute scope 3 emissions by 49%, from an FY19 baseline. These results collectively are in line with the FY26 STI target, with scope 1+2 emissions reaching threshold and scope 3 emissions achieving maximum. Our absolute scope 1+2 emissions reduction increased from 44% in FY25 to 48% in FY26 driven largely by reductions in Telstra's energy consumption (reflecting the delivery of planned energy efficiency initiatives) and ongoing decarbonisation of the Australian electricity grid. The result also benefited from one-off carry-in reductions associated with the closure of the 3G network in FY25. Our absolute scope 3 emissions reduction increased from 43% in FY25 to 49% in FY26. Emissions reductions delivered by Telstra's suppliers were the primary driver of the FY26 result, reflecting ongoing decarbonisation activities across our supply chain. Changes in our spending mix and lower hardware shipment volumes compared to FY25 also contributed to the result. Together, these factors reduced emissions associated with the goods and services procured and sold by Telstra. These outcomes exclude Digicel Pacific. We plan to include Digicel Pacific emissions in Telstra Group's 2030 emissions reduction targets no earlier than FY28.
People Engagement Maintain employee engagement within the global top 25% benchmark	5%		7.5%	Telstra's employee engagement score for FY26 was 81, which exceeded our FY26 STI target of 80 by one point and our FY25 score by two points. In setting the People Engagement targets for the FY26 STI, the Board reviewed our FY25 result (79) and the external Glint global benchmarks (June 2025). The Global Top 25% score for employee engagement is 79 and the Global Top 10% benchmark is 82. Our Connected Future 30 ambition is to sustain employee engagement within the Global Top 25% and accordingly, the FY26 People Engagement metric was set at 79 (threshold), 80 (target) and 81 (maximum), positioning performance expectations above our FY25 result and above the Top 25% benchmark of global companies. In FY26, listening to and engaging our people, drawing insights from their feedback and taking action remained a key priority. We continued to focus on taking action at all levels of the organisation to both amplify our strengths and address opportunities. Our organisation-wide focus areas centred on strengthening employees' connection to our Connected Future 30 strategy, enhancing leadership capability and improving customer delivery. The FY26 results demonstrate progress in these areas and support our continued strong levels of employee engagement.
Total		**% of Target**	**121.4%**	
		% of Max	**80.9%**	

3.2 Senior Executive STI outcomes

FY26 was a year of strong delivery and individual performance. Each Senior Executive's Individual STI Outcome reflected the STI Scorecard result, their at-target STI opportunity, and individual performance, with final decisions at the Board's discretion.

The Board assessed Telstra's performance against all STI measures. Positive results were achieved across most financial and non-financial metrics, showing strong progress against the FY26 Corporate Plan and Connected Future 30 strategy. See Sections 2.2 and 3.1 for details on the STI Scorecard outcome and Section 1.4 for performance and crystallised pay for the CEO and other Senior Executives.

Despite a strong overall performance, on 8 July 2026, after the period covered in this report, Telstra experienced a major network outage. The investigations to date indicate the Outage was caused by something within our control. Considering this, as well as the impact the Outage had on customers, the company and our stakeholders more broadly, the Board has determined that the Senior Executive team must bear accountability in the FY26 remuneration year. As a result, the Board determined that the CEO and the former Group Executive, Global Networks and Technology, will each have their individual performance multiplier for their FY26 STI reduced by 20 percentage points, and the remaining Senior Executives will have their individual performance multiplier reduced by 10 percentage points, reducing their overall FY26 Individual STI Outcomes.

All amounts presented in this report, including those in the tables throughout, reflect the application of this Board discretion.

Due to the timing of the Outage, the Board did not have the benefit of the external expert review being conducted by Technology Audit Partners when determining FY26 remuneration outcomes. Following the outcome of the external expert's review, and any subsequent accountability reviews, the Board will take any further action required in relation to FY27 remuneration outcomes.

(a) CEO outcomes

At the end of FY26, the CEO's performance rating was 4 on our 1–5 scale. In the Board's view, Vicki Brady continued to build on a strong leadership track record in FY26. During the first year of our Connected Future 30 strategy, Telstra established strong foundations for delivery and maintained good momentum in earnings and dividend growth, alongside improved capital returns. Robust financial outcomes were underpinned by continued growth in key areas of Telstra's core business, particularly mobiles and digital infrastructure. These outcomes were further supported by disciplined capital management, focused portfolio management, and strong cost control.

Telstra also continued to improve the customer experience, achieving significant reductions in fault restoration times, lower call centre wait times, and record-low complaint levels. Employee engagement remained high despite significant change programs across the company, including within our AI joint venture, Telstra Enterprise (TE), and Telstra International.

The CEO's Individual STI Outcome was calculated by multiplying the STI Scorecard result of 121.4% of target (or 80.9% of maximum) by her adjusted individual performance multiplier of 91%. Her original individual performance multiplier of 111% reflected her rating and relative performance within the executive team. However, the Board considered the Outage and exercised discretion to reduce the CEO's individual performance multiplier by 20 percentage points. This reduced her Individual STI Outcome by $607,000 to 73.6% of maximum.

(b) Other Senior Executive outcomes

Each Group Executive's performance was assessed by the CEO using the annual evaluation process. Performance was assessed against key financial and non-financial metrics for their function, and their leadership and delivery of key strategic initiatives and major projects, including Aura and business acquisitions like Fetch, as well as leadership behaviour, people engagement, and risk management. The CEO's recommendations were reviewed by the People and Remuneration Committee and approved by the Board. The Board considered the Outage and exercised discretion to reduce the individual performance multiplier of Shailin Sehgal, former Group Executive Global Networks and Technology, by 20 percentage points and all other Senior Executives by 10 percentage points. This reduced Senior Executives' total Individual STI Outcomes (excluding the CEO) by $1,291,152.

The table below shows STI cash and deferred equity awarded to Senior Executives in FY26. The average individual performance multiplier for the Senior Executive team, including the CEO, was 95%.

Breakdown of FY26 Individual STI Outcomes[1]

Name	Target STI Opportunity ($000)	Maximum potential STI Opportunity ($000)[2]	50% Cash component ($000)	50% Restricted Share Rights component ($000)[3]	Individual STI Outcome ($000)	% of maximum opportunity earned	% of maximum opportunity forfeited
Vicki Brady	2,500	3,750	1,381	1,381	2,762	73.6%	26.4%
Michael Ackland	1,350	2,025	860	860	1,721	85.0%	15.0%
Kim Krogh Andersen[6]	1,250	1,875	759	759	1,518	81.0%	19.0%
Oliver Camplin-Warner	1,115	1,673	690	690	1,381	82.6%	17.4%
Amanda Hutton	1,115	1,673	643	643	1,286	76.9%	23.1%
Brendon Riley[4]	239	358	123	123	246	68.7%	31.3%
Shailin Sehgal[5]	1,005	1,508	458	458	915	60.7%	39.3%
Kathryn van der Merwe	1,053	1,579	652	652	1,303	82.5%	17.5%
Brad Whitcomb	1,201	1,802	766	766	1,531	85.0%	15.0%
Steven Worrall[4]	967	1,450	528	528	1,056	72.8%	27.2%

1. The FY26 Individual STI Outcomes were approved by the Board on 10 August 2026. Values have been rounded to the nearest thousand dollars ($000).
2. Represents the maximum potential STI opportunity specific to their time as Senior Executives for FY26, adjusted for any variation in Fixed Remuneration or any leave without pay taken throughout FY26 that impacts the maximum potential STI opportunity available. If the minimum threshold performance is not met, the STI payment is nil.
3. The STI Restricted Share Rights awarded are expected to be allocated shortly after Telstra's 2026 Annual General Meeting and are subject to Deferral Periods (as set out in Section 2.2 and the Senior Executive's continued employment.
4. Brendon Riley ceased to be KMP on 31 August 2025. Steven Worrall commenced as KMP on 1 September 2025. As Brendon Riley ceased employment for a Permitted Reason before the allocation of his FY26 Restricted Share Rights under the STI, he will be granted Cash Rights in lieu of those Restricted Share Rights. The Cash Rights will be subject to the same conditions as those applying to FY26 Restricted Shares Rights to be allocated to other Senior Executives.
5. Shailin Sehgal ceased to be KMP on 25 May 2026 for a Permitted Reason. Any FY26 STI allocation that would otherwise be granted as Restricted Share Rights will instead be granted as Cash Rights. The Cash Rights will be subject to the same conditions as those applying to FY26 Restricted Shares Rights to be allocated to other Senior Executives.
6. Kim Krogh Andersen was appointed GE NPT on 26 May 2026 and his Fixed Remuneration increased from $1,250,000 to $1,350,000. As this change in Fixed Remuneration occurred late in the financial year, the Board determined to calculate his Individual STI Outcome based on his Fixed Remuneration of $1,250,000.

3.3 Senior Executive FY26 LTI grants

In FY26, the LTI opportunity for Senior Executives was 150% of Fixed Remuneration. The table below shows the LTI grants awarded to Senior Executives. The CEO's FY26 LTI grant received shareholder approval at the 2025 AGM on 14 October 2025.

	FY26 LTI award	
Name	Performance Rights ($)	Number of performance rights granted
Vicki Brady	3,588,821	728,265
Michael Ackland	1,878,821	381,261
Kim Krogh Andersen	1,762,500	357,657
Oliver Camplin-Warner	1,671,000	339,089
Amanda Hutton	1,671,000	339,089
Shailin Sehgal	486,977	98,820
Kathryn van der Merwe	1,576,953	320,005
Brad Whitcomb	1,800,000	365,267
Steven Worrall	1,710,895	347,185

Brendon Riley left Telstra for a Permitted Reason on 30 September 2025. He was not employed on the grant date for FY26 LTI Performance Rights and so, under the plan rules, was not eligible to participate in the FY26 LTI Plan.

Shailin Sehgal ceased to be KMP on 25 May 2026 and left Telstra for a Permitted Reason on 30 June 2026. As a result, a portion of Shailin Sehgal's unvested FY26 LTI Performance Rights was retained, reflecting the time elapsed in the relevant performance period up to the date of cessation. The retained Performance Rights will remain subject to the original performance periods and performance conditions.

3.4 FY22 EVP Performance Rights vesting outcome

Performance Rights awarded under the FY22 Executive Variable Remuneration Plan (EVP) in November 2022 were subject to an RTSR condition measured over five years, from 1 July 2021 to 30 June 2026.

Vesting was on a straight-line basis:

- 50% vesting if Telstra's RTSR ranked at the 50th percentile of the comparator group.
- Up to 100% vesting if RTSR ranked at the 75th percentile or above.
- No vesting if RTSR ranked below the 50th percentile.

The comparator group was the ASX100 (excluding resource companies) as of 1 July 2021. Each vested Performance Right entitles the executive to one Telstra share or, at Telstra's discretion, a cash amount equal to the share value.

The RTSR condition was tested after the performance period ended on 30 June 2026. Results and vesting outcomes, calculated by an external provider, are shown below.

Performance Condition	Telstra's Percentile Rank[1]	% of Performance Rights vested
RTSR – ASX100 (excluding resource companies) as of 1 July 2021	74th percentile	98%

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

The Board could remove companies from the comparator group in cases such as acquisitions, insolvency, or de-listings. Under the FY22 EVP terms, the Board exercised this discretion to remove the following companies before calculating vesting results.

FY22 EVP Comparator Group Removals		
Altium Limited	Boral Limited	Spark Infrastructure Group
Afterpay Limited	Crown Resorts Limited	Sydney Airport
AusNet Services Limited	Link Administration Holdings Limited	

3.5 Group financial performance and alignment to remuneration outcomes

The table below provides a summary of Telstra's key financial results over the past five financial years. Please refer to the Glossary in Section 8 for definitions of the financial performance metrics.

	FY26	FY25	FY24	FY23	FY22
Financial Performance[1]	$m	$m	$m	$m	$m
Earnings					
Total Income	23,405	23,610	23,482	23,245	22,045
EBITDA	8,822	8,607	7,528	7,862	7,256
Underlying EBITDA after Leases	8,341	8,021	7,624	7,376	6,664
Net Profit[2]	2,241	2,172	1,622	1,928	1,688
Cash EBIT	4,659	4,312	3,938	3,783	3,340
Ratios					
ROIC (%)	8.8	8.5	6.8	7.9	7.1
Underlying ROIC (%)	9.0	8.5	8.3	8.1	7.0
Shareholder Value					
Share Price ($)[3]	5.08	4.84	3.62	4.30	3.85
Total Dividend Paid Per Share (cents)[4]	20.0	18.5	17.5	17.0	16.0

1. For the year ended 30 June 2023 (FY23), Telstra's financial results include the historical financial information of the Telstra Group for both the period before and after the Restructure. The results for FY22 are the consolidated results of Telstra Corporation Limited and its controlled entities when Telstra Corporation Limited was the parent entity of the Telstra Group before the Restructure.
2. Net Profit attributable to equity holders of the Telstra entity.
3. Share prices are as of 30 June for the respective year. The closing share price for FY21 was $3.76.
4. We paid dividends to holders of Telstra's ordinary shares twice each year over the past five financial years, an interim and a final dividend. The amounts included in this table relate to dividends paid during the financial year. Therefore, for each respective year, the amount includes the dividend paid for the previous year final dividend and the current year interim dividend. Refer to Note 4.2 to the financial statements in the Financial Report for further information about dividends paid in FY26.

Executive Remuneration Outcomes	FY26	FY25	FY24	FY23	FY22
Fixed Remuneration Increase (% average)[1]	3.2%	2.7%	0.0%	0.9%	0.9%
Individual STI (or EVP) Outcome (average % of target)[2, 3, 4]	115.3%	124.5%	97.2%	96.9%	96.2%
Individual STI (or EVP) Outcome (average % of maximum)[2, 3, 4]	76.9%	83.0%	64.8%	64.6%	58.4%
EVP Performance Rights vesting outcome	98%	74%	52%	100%	0%

1. Average increase for Senior Executives employed on 30 June of each relevant year. Excludes increases due to indexation of the superannuation Maximum Contribution Base. Also excludes any increase on promotion from Group Executive to CEO.
2. The average Individual STI (or EVP) Outcomes as a percentage of target or maximum is shown for all Senior Executives (including the CEO and former Senior Executives) for the relevant period the EVP plan applied until FY25. The STI was introduced from FY26.
3. In FY22, the CEO's target EVP was 200%, with a maximum of 300%. For other Senior Executives, the target EVP was 180%, with a maximum of 300%. In FY23, FY24, and FY25, the target EVP was 200% and the maximum was 300% for all Senior Executives. In FY26, the target STI was 100% and the maximum was 150% for all Senior Executives.
4. The amounts shown in the table above for FY26 include the exercise of Board discretion described in Section 3.2.

4. Policies, Governance Framework and Consequence Management

Our remuneration policy and framework are designed to support strategy and reinforce our culture, behaviours, and habits. For more information on our strategy, see the Strategy & Performance section of this Annual Report.

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

4.1 The People and Remuneration Committee

Telstra Board

Audit Committee	Risk and Sustainability Committee	People and Remuneration Committee	Nomination Committee

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

Among other things, the Committee:

Oversees Telstra's remuneration strategies and frameworks and makes recommendations to the Board on non-executive DIrector and Senior Executive remuneration and Senior Executive performance	Monitors that Telstra's remuneration arrangements and outcomes encourage employees to pursue Telstra's strategy without rewarding conduct that is contrary to Telstra's values or risk appetite	Reviews significant people related risks and the risk management plans in place and monitors whether Telstra is operating within its risk appetite	Reviews and monitors Telstra's health, safety and wellbeing performance and compliance with applicable legal and regulatory requirements	Oversees Telstra's succession planning approach and capability development and reviews Senior Executive succession plans

The Chair of the Risk and Sustainability Committee is also a member of the People and Remuneration Committee. This ensures visibility of key issues considered by the Risk and Sustainability Committee that may affect remuneration decisions for the CEO and other Senior Executives.

Information and papers reviewed by one committee are shared with other committees and the Board as needed.

For more details on the People and Remuneration Committee and its responsibilities, see our Corporate Governance Statement and the Committee Charter at telstra.com/governance.

4.2 Remuneration reviews

The People and Remuneration Committee reviews and recommends CEO and other Senior Executive remuneration packages to balance fixed and variable pay and align with short and long-term performance goals.

The Committee follows clear principles when making recommendations. It considers these factors during an executive's appointment or during annual or ad-hoc reviews.

- Internal and external pay comparisons for similar roles.
- Proven, consistent high performance.
- Significant increases in experience and contribution.

For new Group Executives who demonstrate strong performance, the Committee may recommend Fixed Remuneration increases. These adjustments depend on performance, contribution, and recent market benchmarks.

The Committee also advises the Board, which gives final approval, on:

- The CEO's fixed and variable pay, based on the Board's performance assessment; and
- Senior Executives' pay and performance outcomes, based on the CEO's assessment.

4.3 Incentive design and performance assessment

In FY25, the Board reviewed the executive remuneration framework to ensure it aligned with Telstra's new strategy and value creation for stakeholders and shareholders. For FY26, the Board structured a new framework to focus executives on outcomes that meet shareholder expectations and link clearly to our Connected Future 30 strategy. More detail is in Section 1 of the Remuneration Report.

The People and Remuneration Committee sets measures and targets that drive performance and behaviour aligned with Telstra's behaviours and habits. Refer to the Corporate Governance Statement for more information on Telstra's behaviours and habits.

This includes performance measures for the STI and LTI Plans.

- The Board determines the STI Scorecard Outcome by assessing results against each primary measure. This outcome is then multiplied by a percentage based on the Senior Executive's individual performance to calculate the Individual STI Outcome.
- The Board sets LTI metrics to link executive rewards directly to capital efficiency and long-term shareholder value.

The Board may adjust outcomes to prevent windfall gains or losses. See Section 2 for details.

4.4 Board decision framework

The Board has a decision framework to guide its discretion on variable pay outcomes and ensure consistent remuneration adjustments. This framework was considered when determining Individual STI Outcomes for FY26 and the vesting outcomes for FY22 EVP Performance Rights.

4.5 Engagement with consultants

Telstra did not seek advice from a remuneration consultant in relation to any KMP during FY26.

4.6 Minimum share ownership requirements

Telstra has share ownership policies for Senior Executives and non-executive Directors. These policies aim to align the interests of the CEO, Group Executives, and Directors with those of shareholders.

The CEO and Group Executives who have held their role for at least five years met this requirement as of 30 June 2026. See Section 6.3 for details on Senior Executives' shareholdings.

All non-executive Directors, who have served for five years or more have met their minimum shareholding requirement. Directors' shareholdings as of 13 August 2026 are in the Directors' Report.

The share ownership policy requirements are summarised below:

Summary of requirements under the share ownership policies

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

The calculation method for a person's shareholding under these policies is outlined below:

How Telstra securities are valued under the policies

Position	Basis of calculation
CEO and GEs Required to hold a number of shares to meet the minimum shareholding requirement (MSR)	In FY26, we began assessing the Minimum Shareholding Requirement (MSR) for Senior Executives as a number of shares rather than a dollar value. Each MSR was calculated on 1 December 2025 using this method: • Fixed Remuneration at the calculation date ÷ • 5-day Volume-Weighted Average Price of Telstra shares starting after the most recent annual results announcement = • Minimum number of shares an executive must hold within five years of appointment. Once set, the MSR stays the same unless Fixed Remuneration changes by more than 20%. This is reviewed annually when EVP, STI, and LTI awards vest. For new Executives in roles with an MSR, the same method applies on their start date.
Chair and non-executive Directors	MSR is calculated on the dollar value of the shares required to be held using the acquisition price of ordinary shares purchased on-market.

Senior Executives must get approval from the Board, or in some cases the CEO or Chair, before selling Telstra shares if they have not met their minimum holding requirement.

Progress toward meeting this requirement is monitored continuously.

4.7 Contractual Terms

All Senior Executives have a six-month notice period and six-month termination payment provisions in their ongoing service contracts. When notice is given, Telstra may require the executive to work through the notice period or end employment immediately by paying in lieu of notice or use a combination of both. Any payment in lieu is based on the executive's Fixed Remuneration at the termination date.

No termination payment applies if termination is for serious misconduct or redundancy. If the severance payment under Telstra's redundancy policy is less than the termination payment, the termination payment applies instead.

4.8 Securities Trading Policy

All KMP must follow Telstra's Securities Trading Policy. This policy requires that Telstra securities can only be traded during approved trading windows and with prior approval.

KMP must also consider how any trade could appear to the market and avoid transactions that could be seen as using their position unfairly. They are prohibited from entering hedging arrangements that reduce the economic risk of holding Telstra securities, including those under Telstra equity plans. This ensures KMP interests align with shareholder interests.

Each year, KMP must confirm compliance with the policy, which helps monitor and enforce it. The full policy is available at telstra.com/governance.

4.9 Consequence Management Outcomes

Consequence management applies when there is a breach of Telstra's Code of Conduct or behaviours and habits. Consequences may include extra training, changes to performance-based pay, formal warnings, or dismissal. A formal warning will likely reduce performance-based remuneration. Clawback and malus may also apply.

A Clawback Committee oversees the Malus and Clawback Policy. This policy applies to all Telstra employees and outlines the process for determining if a malus or clawback event occurred. It also sets how to lapse, forfeit, or recover Performance Rights, Restricted Shares, Restricted Share Rights and Cash Rights (or an equivalent value). The Committee reviews material issues, including those referred by the senior management risk forum, and reports to the People and Remuneration Committee twice a year. Members include the GE People, Culture and Capability, CFO, GE Corporate Affairs, Risk and Legal, and the Chief Risk Officer. More details on the risk forum are in our Corporate Governance Statement.

The People and Remuneration Committee recommends to the Board whether to apply malus or clawback. A Clawback Committee member cannot participate in recommendations involving their own awards. If the entire Clawback Committee has a conflict, the investigation team reports directly to the CEO, the People and Remuneration Committee Chair, and/or the Telstra Board Chair.

No malus or clawback matters were considered, and no lapsing, forfeiture, or recovery of Senior Executive securities was recommended or approved during FY26 under this policy.

5. Non-executive directors

5.1 Board fee structure and changes to Board composition

(a) Overview

Non-executive Directors receive fixed fees and no performance-based pay. This supports their independence and impartiality when making decisions about the Company's future.

Superannuation contributions are included in each Director's total remuneration under ASX Listing Rules and Telstra policy. Directors may choose to take more of their remuneration as superannuation, subject to legal requirements.

Telstra does not provide retirement benefits for non-executive Directors beyond these superannuation contributions. Section 4.6 of this report outlines the share ownership policy and trading restrictions that apply to non-executive Directors.

Directors are paid under Telstra's Constitution, which sets an aggregate fee pool approved by shareholders at the AGM. The current annual fee pool of $3.5 million was approved at the 2012 AGM. Total Board and Committee fees, including superannuation, paid in FY26 remained within this limit.

(b) FY26 Board and standing Committee fees

Each year, the Board reviews market data on Board fees. As noted in our 2025 Remuneration Report, the Board decided to increase fees for FY26.

From 1 October 2025:

- The Board Chair's annual fee rose from $790,000 to $810,000 (a 2.5% increase).
- The non-executive Director base fee rose from $240,000 to $245,000 (a 2.1% increase).

The Board fee structure, including superannuation, is shown below:

FY26 Board Fees	Chair	Non-executive Director (annual base fee)
Board	$810,000	$245,000

The Board Committee fees shown below applied in FY26. More details on each Committee's role are in the 2026 Corporate Governance Statement.

FY26 Committee Fees	Chair	Committee Member
Audit Committee	$65,000	$32,500
Risk and Sustainability Committee	$65,000	$32,500
People and Remuneration Committee	$65,000	$32,500
Nomination Committee*	–	–

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

The Board Chair does not receive Committee fees when serving on a Board Committee. No extra or special duty payments were made to non-executive Directors in FY26.

The Board values the deep global telecommunications expertise of our offshore non-executive Directors, Eelco Blok and Roy H Chestnutt. Their international experience is highly valuable and difficult to source. Remuneration for non-executive Directors varies across jurisdictions, and standard Australian structures do not always match global norms.

To recognise their critical contribution, the Board introduced an additional annual payment of $40,000 each for Eelco Blok and Roy H Chestnutt from 1 July 2025. Both have over 30 years of direct telecommunications experience. Eelco Blok served as CEO of KPN for seven years, and Roy H Chestnutt was Executive Vice President and Chief Strategy Officer at Verizon.

This payment reflects differences in offshore fee structures, their specialised expertise, and the extra time required to perform their roles from overseas. It applies only to these two Directors and will not automatically apply to future offshore appointments.

(c) Changes to the Board and Committee composition

There were two changes to the Board and Committee composition during FY26.

- Elana Rubin retired as a non-executive Director and as the Chair of the People and Remuneration Committee effective 20 March 2026; and
- Holly Kramer joined the Board effective 20 March 2026 and was appointed as Chair of the People and Remuneration Committee.

(d) FY27 Board fees

On 9 June 2026, following the FY26 market review, the Board determined that there be no increase to Board or Committee fees for FY27.

5.2 Detailed remuneration and interests in Telstra shares

(a) Non-executive Director remuneration

Name and title	Year	Short term benefits: Salary and fees ($000)[1]	Short term benefits: Non-monetary benefits ($000)[2]	Post-engagement benefits: Superannuation ($000)[3]	Total ($000)[7]
Craig W Dunn Chair	**2026**	**775**	**–**	**30**	**805**
	2025	760	–	30	790
Eelco Blok[5] Director	**2026**	**309**	**–**	**7**	**316**
	2025	246	–	5	251
Maxine Brenner Director	**2026**	**311**	**1**	**30**	**342**
	2025	289	1	30	320
Roy H Chestnutt[5] Director	**2026**	**309**	**–**	**7**	**316**
	2025	268	–	6	274
Holly Kramer[4] Director	**2026**	**80**	–	8	88
	2025	–	–	–	–
David Lamont Director	**2026**	**311**	**–**	**30**	**341**
	2025	163	–	16	179
Ming Long Director	**2026**	**279**	**–**	**30**	**309**
	2025	275	–	30	305
Bridget Loudon Director	**2026**	**247**	**1**	**29**	**277**
	2025	243	1	28	272
Elana Rubin[4,6] Former Director	**2026**	**222**	**1**	**–**	**223**
	2025	300	1	–	301
Total	**2026**	**2,843**	**3**	**171**	**3,017**
	2025	2,544	3	145	2,692

1. Includes fees for membership on Board standing committees payroll adjustments, additional or special duties (where applicable) and offshore directors' additional annual payment as described in our FY25 Remuneration Report. No remuneration for additional or special duties was paid to non-executive Directors in FY25 or FY26.
2. Includes the provision of car parking, travel as well as the value of Telstra products and services provided to non-executive Directors. The value of non-monetary benefits has been grossed up where required for FBT by the relevant FBT rates.
3. Includes an increase in super contributions for FY25 and FY26, funded from salary and fees, due to indexation of the superannuation Maximum Contribution Base.
4. Elana Rubin retired from the Board and the People and Remuneration Committee on 20 March 2026, and Holly Kramer was appointed to the Board and the People and Remuneration Committee effective 20 March 2026.
5. As Eelco Blok and Roy Chestnutt are overseas residents, their superannuation contributions for FY25 and FY26 are less than the contributions for Australian resident non-executive Directors.
6. An employer superannuation guarantee shortfall exemption certificate has been granted by the ATO for the 2026 financial year. Based on the exemption approval Telstra has met the required Superannuation Guarantee obligation.
7. The total for FY25 of $2.692 million in this table is different to the total of $2.774 million for FY25 in the FY25 Remuneration Report as it does not include remuneration for Niek Jan van Damme of $82,000.

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

During FY26, our non-executive Directors and their related parties held Telstra shares directly, indirectly or beneficially as follows:

Name	Total shares held at 1 July 2025[1]	Net shares acquired or disposed of and other changes[1]	Total shares held at 30 June 2026[1,2]	Shares held nominally at 30 June 2026[2,3]
Craig W Dunn	128,500	11,500	140,000	139,300
Eelco Blok	75,000	1,500	76,500	–
Maxine Brenner	52,650	10,300	62,950	62,950
Roy H Chestnutt	73,766	–	73,766	73,766
Holly Kramer	–	–	–	–
David Lamont	100,000	–	100,000	100,000
Ming Long	80,600	10,000	90,600	–
Bridget Loudon	62,000	–	62,000	62,000
Elana Rubin	89,830	–	89,830	19,424
Total	**662,346**	**33,300**	**695,646**	**457,440**

1. Total shareholdings include shares held by our non-executive Directors and their related parties. Shares acquired or disposed of by our non-executive Directors and their related parties during FY26 were on an arm's length basis at market price.
2. For Elana Rubin, the balance represents shares held as at the date on which she ceased to be KMP.
3. Nominally refers to shares held either indirectly or beneficially by non-executive Directors including those shares held by their related parties.

6. Statutory tables

The tables in this section show information for Senior Executives and cover only their time as Senior Executives.

6.1 Senior Executive remuneration (main table)

The table below complies with the Corporations Act and Australian Accounting Standards. It covers only the periods when the person was a Senior Executive. The figures under equity-settled share-based payments reflect accounting values, not actual payments received. Because ongoing employment and performance conditions apply, not all Restricted Shares, Restricted Share Rights, Performance Rights, or Cash Rights may vest.

		Short term employee benefits				Post-employment benefits	Termination Benefits	Other long term benefits		Share–based payments Accounting value (at risk)($)[8]				
Name and title	Year	Salary & fees ($000)[1]	STI and EVP cash ($000)[2]	Non–monetary benefits ($000)[3]	Other ($000)[4]	Superannuation ($000)[5]	Termination benefits ($000)[6]	Accrued leave benefits ($000)[7]	Dividend Equivalent Payment Accrual ($000)	Restricted Shares ($000)[9]	Restricted Share Rights ($000)[10]	Performance Rights ($000)[11]	Cash Rights ($000)[12]	Total ($000)[13,14]
Vicki Brady CEO	**2026**	**2,443**	**1,381**	**29**	**(7)**	**30**	**–**	**62**	**287**	**1,247**	**575**	**1,477**	**–**	**7,524**
	2025	2,363	1,567	29	(7)	30	–	59	214	1,675	–	800	–	6,730
Michael Ackland CFO	**2026**	**1,296**	**860**	**8**	**(7)**	**30**	**–**	**33**	**183**	**715**	**359**	**804**	**–**	**4,281**
	2025	1,223	873	1	67	30	–	31	158	995	–	482	–	3,860
Kim Krogh Andersen GE NPT	**2026**	**1,211**	**759**	**41**	**7**	**30**	**–**	**33**	**152**	**629**	**316**	**714**	**–**	**3,892**
	2025	1,127	770	18	(3)	30	–	29	132	873	–	417	–	3,393
Oliver Camplin-Warner GE TE	**2026**	**1,085**	**690**	**30**	**40**	**30**	**–**	**27**	**38**	**404**	**288**	**480**	**–**	**3,112**
	2025	1,042	704	20	3	30	–	27	7	496	–	129	–	2,458
Amanda Hutton GE TB	**2026**	**1,085**	**643**	**12**	**(21)**	**30**	**–**	**27**	**59**	**446**	**268**	**518**	**–**	**3,067**
	2025	1,068	664	11	9	30	–	27	17	564	–	166	–	2,556
Kathryn van der Merwe GE PCC	**2026**	**1,023**	**652**	**10**	**26**	**30**	**–**	**26**	**67**	**447**	**272**	**511**	**–**	**3,064**
	2025	995	653	3	3	30	–	26	21	545	–	178	–	2,454
Brad Whitcomb GE TC	**2026**	**1,171**	**766**	**8**	**(26)**	**30**	**–**	**30**	**101**	**561**	**319**	**633**	**–**	**3,593**
	2025	1,158	715	9	43	30	–	30	45	720	–	254	–	3,004
Steven Worrall GE & CEO InfraCo	**2026**	**937**	**528**	**4**	**35**	**30**	**–**	**25**	**–**	**2,222**	**220**	**312**	**–**	**4,313**
	2025	–	–	–	–	–	–	–	–	–	–	–	–	–
Brendon Riley Former GE & CEO InfraCo	**2026**	**231**	**123**	**19**	**13**	**8**	**–**	**6**	**79**	**101**	**–**	**94**	**551**	**1,225**
	2025	1,374	794	21	12	30	–	35	177	1,192	–	982	1,465	6,082
Shailin Sehgal Former GE GNT	**2026**	**975**	**458**	**7**	**28**	**30**	**1,164**	**25**	**34**	**668**	**–**	**721**	**439**	**4,549**
	2025	1,039	664	1	9	30	–	27	6	431	–	119	–	2,326
Total current and former KMP	**2026**	**11,457**	**6,860**	**168**	**88**	**278**	**1,164**	**294**	**1,000**	**7,440**	**2,617**	**6,264**	**990**	**38,620**
	2025	**11,389**	**7,404**	**113**	**136**	**270**	**–**	**291**	**777**	**7,491**	**–**	**3,527**	**1,465**	**32,863**

In the table above, FY26 STI and FY25 EVP Cash, Restricted Shares, Restricted Share Rights, Performance Rights and Cash Rights are dependent on the satisfaction of performance conditions. An overview of those performance conditions is included in Section 2. All other items are not related to performance.

1. Includes salary and salary sacrifice benefits (excluding salary sacrifice superannuation which is included under Superannuation), and where applicable is adjusted for leave without pay.
2. For FY26, the amounts relate to performance in FY26 under the FY26 STI, which will be paid in September 2026. The amounts shown in the table above for FY26 include the exercise of Board discretion described in Section 3.2. For FY25, the amounts relate to cash amounts paid for performance in FY25 under the FY25 EVP. Those cash amounts were paid in September 2025.
3. Includes the cost of personal use of Telstra products and services, the provision of car parking and, where applicable, benefits in accordance with Telstra's relocation policy. Where applicable, the value of non-monetary benefits has been grossed up for FBT by the relevant FBT rates.
4. Includes the net movement of annual leave entitlement balance.
5. Represents company contributions to superannuation. Telstra does not provide any other post-employment benefits. Includes an increase in super contributions for FY25 and FY26, partially funded from salary and fees, due to indexation of the superannuation Maximum Contribution Base.
6. Termination benefits for Shailin Sehgal of $1,164,364 comprised of a $456,609 payment in lieu of notice and a $707,755 termination payment as per his employment contract which included severance pay in line with Telstra's Redundancy Policy. Shailin Sehgal ceased employment on 30 June 2026. The termination benefits provided to Shailin Sehgal were paid in compliance with Part 2D.2, Division 2 of the Corporations Act.
7. Includes the net movement of long service leave entitlement balances.
8. The accounting values included in the table relate to the current year amortised value of all Restricted Shares, Restricted Share Rights, Performance Rights and Cash Rights that had not vested and been exercised at the commencement of the financial year. The value of each equity instrument is calculated by applying valuation methodologies or is based on the market value of Telstra shares at the grant date as described in note 5.2 to the financial statements and is then amortised, based on the maximum achievable allocation, over the relevant vesting period. This value includes an assumption that the instruments will vest at the end of the vesting period unless forfeited during the financial year. As required under AASB 2, "Share-based Payment" accounting expense that was previously recognised as remuneration is reversed if the service condition or the non-market performance condition is not met.
9. This includes the Restricted Share component of the FY25, FY24, FY23 and FY22 EVPs and, for Oliver Camplin-Warner, Amanda Hutton and Shailin Sehgal, the Restricted Share component of the FY24 and FY23 STI. For Steven Worrall in 2026 it includes a sign on award of $3,000,000 in Restricted Shares, with half vesting in February 2026, 33% vesting in February 2027 and 17% vesting in February 2028. The sign on award was granted in recognition of Mr Worrall forfeiting unvested equity with his former employer on joining Telstra and represented a significantly lower value than the equity he relinquished.
10. This includes the amortised value of the Restricted Share Rights component of the FY26 STI.
11. This includes the amortised value of the Performance Right component of the FY26 LTI and FY25, FY24, FY23 and FY22 EVPs.
12. As required under AASB 2, the accounting expense for the FY26 Cash Rights that will be awarded to Brendon Riley and Shailin Sehgal in lieu of STI Restricted Share Rights is recognised for the period 1 July 2025 to their separation dates, 30 September 2025 and 30 June 2026 respectively. So, this expense has been fully recognised in this reporting period even though the Cash Rights will not be eligible to vest until the end of their respective deferral periods. The FY26 Cash Rights are subject to the same conditions as those applying to FY26 Restricted Share Rights to be allocated to other Senior Executives.
13. The total for FY25 of $32.863 million in this table is different to the FY25 Remuneration Report total for FY25 of $34.524 million as it does not include remuneration for Dean Salter of $1.661 million.
14. The FY26 total of $38.620 million shown in this table, in addition to termination benefits in footnote 6, reflects an increased accounting value of share-based payments. This increase was driven by 73% of Steven Worrall's sign-on award (refer footnote 9); changes to the incentive plan structure, with FY26 LTI incorporating shorter three and four-year vesting periods and FY26 STI incorporating shorter two and three-year vesting periods; and higher performance rights valuations, mainly due to an increase in the Telstra share price.

6.2 Number and value of Performance Rights over equity instruments allocated, vested and exercised during FY26

	Equity Movements						
Name	**Total rights held at 1 July 2025[1]**	**Rights allocated during FY26[2]**	**Value of rights allocated ($000)[3]**	**Rights vested and exercised during FY26[4]**	**Value of rights vested and exercised ($000)[5]**	**Other changes (lapsed rights)**	**Total rights held at 30 June 2026[6,7]**
Vicki Brady	1,381,080	1,237,118	4,674	(156,961)	766	(55,149)	2,406,088
Michael Ackland	975,307	664,608	2,177	(154,345)	753	(54,230)	1,431,340
Kim Krogh Andersen	836,402	607,559	2,009	(154,719)	755	(54,361)	1,234,881
Oliver Camplin-Warner	70,278	567,402	1,886	–	–	–	637,680
Amanda Hutton	183,877	554,478	1,858	–	–	–	738,355
Brendon Riley	1,127,506	–	–	(216,008)	1,054	(75,896)	835,602
Shailin Sehgal	58,757	554,478	1,858	–	–	–	613,235
Kathryn van der Merwe	225,584	532,138	1,773	–	–	–	757,722
Brad Whitcomb	384,602	597,284	2,002	–	–	–	981,886
Steven Worrall	–	347,185	1,429	–	–	–	347,185

All service and performance conditions for Rights granted in previous financial years are summarised in the Remuneration Report for each relevant year of grant. Each equity instrument granted, vested or exercised in FY26 (where applicable) in the table above was issued by Telstra Corporation Limited (if issued prior to the Restructure) or Telstra Group Limited (if issued after the Restructure) and resulted or will result (on vesting and exercise) in one ordinary Telstra Group Limited share (or, at Telstra Group Limited's discretion, a cash amount equal to the value of one ordinary Telstra Group Limited share) being provided to the holder per equity instrument. No amount is payable by the KMP on grant, vesting or exercise of their Rights. Restricted Shares are excluded from this table. Refer to Sections 3.2 and 6.3 for further information.

1. The balance reflects the number of equity instruments held on the later of 1 July 2025 or the date on which the executive commenced as a KMP. Refer to the list of KMP in the introductory section of this report for further information.
2. Rights allocated during FY26 were the FY25 EVP and FY26 LTI Performance Rights allocated on 31 October 2025. Approval for the issue of FY25 EVP Performance Rights allocated to Vicki Brady was obtained from shareholders at our 2025 AGM, and as a result the grant date of those awards for accounting purposes is considered to be the date of that AGM as described in note 3 below. The grant date for the FY26 LTI was the date of allocation on 31 October 2025.
3. The fair value reflects the valuation approach required by AASB 2 using an option pricing model for Performance Rights granted. The fair value of the Performance Rights allocated in FY26 under the FY25 EVP are based on the grant dates of 14 October 2025 for the CEO and 15 August 2024 for all other Senior Executives, respectively. The fair value of Performance Rights granted under the FY25 EVP are $3.29 for the CEO, and $2.14 for all other Senior Executives. The fair value of Performance Rights allocated in FY26 under the FY26 LTI, based on the grant date of 31 October 2025, are $4.88 for the uROIC Tranche and $3.36 for the RTSR Tranche.
4. Rights vested in this column relate to the Performance Rights awarded under the FY21 EVP that was performance tested following the conclusion of the performance period on 30 June 2025 and resulted in 74% of the Performance Rights vesting.
5. The value of the Performance Rights vested and exercised reflects the market value at the date the instruments vested and were exercised.
6. The balance reflects the number of Rights held on 30 June 2026 or, if earlier, the date on which the executive ceased to hold the KMP position. Refer to the list of KMP in the introductory section of this report for further information. Brendon Riley and Shailin Sehgal ceased employment for Permitted Reasons. Their unvested EVP equity remains on foot and will vest in accordance with the original timeframes and performance conditions set out in the EVP Plan rules.
7. Brendon Riley did not participate in the FY26 LTI. The FY26 LTI Performance Rights shown for Shailin Sehgal reflect the position at the date he ceased to be KMP, being 25 May 2026. Shailin Sehgal subsequently ceased employment on 30 June 2026. Of the 339,089 unvested FY26 LTI Performance Rights, 98,820 were retained, reflecting the proportion of the performance period completed up to the date of cessation. The remaining 240,269 unvested FY26 LTI Performance Rights lapsed.

As of 30 June 2026, no options or Performance Rights were vested, exercisable, or unexercisable. No Performance Rights or options are held by any KMP's related parties, nor are any held indirectly or beneficially by KMP.

As outlined in Section 3.4, the secondary performance condition for FY22 EVP Performance Rights was tested after the performance period ended on 30 June 2026. 98% percent of those Performance Rights will vest. Shares for these vested Rights will be issued after this report's date.

6.3 Senior Executive interests in Telstra shares

During FY26, our Senior Executives and their related parties held Telstra shares directly, indirectly or beneficially as follows:

Name	**Total shares held at 1 July 2025[1,2]**	**Restricted Shares allocated[3]**	**Performance Rights Exercised[4]**	**Net shares acquired or disposed of and other changes[5]**	**Total shares held at 30 June 2026[6]**	**Shares held nominally at 30 June 2026[6,7]**
Vicki Brady	1,806,457	445,247	156,961	–	2,408,665	1,007,253
Michael Ackland	1,807,348	247,929	154,345	–	2,209,622	1,537,619
Kim Krogh Andersen	859,040	218,664	154,719	(720,841)	511,582	511,582
Oliver Camplin-Warner	188,103	199,774	–	–	387,877	273,517
Amanda Hutton	549,541	188,466	–	(50,000)	688,007	352,862
Brendon Riley	1,851,326	–	216,008	–	2,067,334	1,094,115
Shailin Sehgal	162,596	188,466	–	–	351,062	242,841
Kathryn van der Merwe	197,386	185,616	–	(20,000)	363,002	363,002
Brad Whitcomb	336,527	203,015	–	(104,987)	434,555	434,555
Steven Worrall	–	608,778	–	–	608,778	304,389
Total	7,758,324	2,485,955	682,033	(895,828)	10,030,484	6,121,735

1. Total shareholdings include shares held by our Senior Executives and their related parties. Unless related to our employee share plans, shares acquired or disposed of by our Senior Executives and their related parties during FY26 were on an arm's length basis at market price.
2. Reflects the number of shares held on the later of 1 July 2025 or the date on which the executive commenced as a KMP. Refer to the list of KMP in the introductory section of this report for further information.
3. Restricted Shares in this column were allocated on 31 October 2025 and relate to the FY25 EVP. The approval for the issue of Restricted Shares allocated to Vicki Brady was obtained from shareholders at our 2025 Annual General Meeting. The allocation of Restricted Share Rights under the FY26 STI will be made after the reporting date of 30 June 2026, therefore they have not been included in the table above.
4. Includes FY21 EVP Performance Rights that vested as unrestricted shares on 15 August 2025.
5. For Kim Krogh Andersen, Amanda Hutton, Kathryn van der Merwe, and Brad Whitcomb, the movement relates to sale of shares.
6. The balance reflects the number of shares held on 30 June 2026 or, if earlier, the date on which the executive ceased to hold the KMP position. Refer to the list of KMP in the introductory section of this report for further information.
7. Nominally refers to shares held either indirectly or beneficially by Senior Executives and shares held by their related parties including certain Restricted Shares held beneficially by Senior Executives. These shares are subject to a Restriction Period, such that the Senior Executive is restricted from dealing with the shares until the Restriction Period ends. Refer to note 5.2 to the financial statements for further details.

7. Looking forward to FY27

7.1 Senior Executive Leadership Changes

Effective 1 July 2026, Telstra combined Telstra InfraCo, Telstra International and Field Services into one function led by Steven Worrall, whose title changed to GE Telstra Digital Infrastructure.

7.2 FY27 Senior Executive fixed remuneration

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

On reviewing each executive's performance and relevant market data, the Board has determined that there are no planned increases to KMP remuneration for FY27.

7.3 FY27 STI Performance Measures and Targets

We aim to provide clear information so shareholders can assess the appropriateness of our remuneration targets and understand outcomes. The Board views this as essential because our operating environment requires careful consideration of how we recognise and reward strong management performance for the value created for the Company and shareholders. The Board selected performance measures and targets to focus Senior Executives on delivering the second year of our Connected Future 30 strategy. These measures ensure financial rewards link directly to individual contributions, company performance, and long-term shareholder value.

When setting FY27 STI measures and targets, the Board ensured they were robust and demanding. It considered key deliverables and milestones in the Connected Future 30 strategy, planned financial outcomes in the FY27 Corporate Plan, and FY27 guidance announced on 13 August 2026. The FY27 STI targets do not represent market guidance. Adjustments to guidance during the year will be considered both as events occur and at year-end. This ensures outcomes reflect actual performance. Any adjustments will be fully disclosed in next year's Remuneration Report. The Board may also amend performance measures if business circumstances require it.

uROIC is part of both the FY27 STI Scorecard and FY27 LTI because Return on Invested Capital is a company-wide focus. The STI uses a one-year absolute uROIC measure to drive annual discipline, while the LTI uses a three-year average to encourage sustained performance. The FY27 STI Scorecard includes AI Impact as a new non-financial measure, aligned with Connected Future 30. That is the only change from FY26. The scorecard continues to include Sustainability as we work to reduce our scope 1+2 and scope 3 emissions. We remain focused on delivering against our sustainability ambitions and targets, while recognising that progress is unlikely to be linear.

FY27 STI Performance Measures and Targets

	Performance Measure	Metric	Weighting	FY26 STI Actual[1]	FY27 STI Threshold	FY27 STI Target	FY27 STI Max	Rationale for why chosen
Financial 60% of total weighting	Cash EBIT	Management have defined Cash EBIT as Underlying EBITDA, less BAU Capex, less Lease Amortisation, less Spectrum Amortisation	20%	$4,659m	Aligned to bottom end of Market Guidance[2] range	Aligned to midpoint of Market Guidance[2] range	Aligned to top end of Market Guidance[2] range	• Key indicator of financial performance. • Ensures appropriate focus on profit as well as costs and capital expenditure. • Strong indicator of underlying company cash generation. • Aligns to our Connected Future 30 strategy.
	Operating Leverage	Operating Leverage is the extent by which the percentage growth in Underlying Income exceeds the percentage growth in Cash EBIT costs (Underlying Operating Expenses, BAU capex, spectrum amortisation and lease amortisation) each year	20%	2.0%	Aligned to the bottom implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the midpoint implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the top implied by Cash EBIT Market Guidance[2] range (and other assumptions)	• Key indicator of financial performance. • Ensures continued focus on strong cost discipline and heightened discipline over capital expenditure. • Positive operating leverage is achieved when revenue grows faster than costs, leading to improved profitability. • Aligns to our Connected Future 30 strategy.
	Underlying Return On Invested Capital	Underlying ROIC is Total NOPAT less guidance adjustments after tax, divided by Average Invested Capital	20%	9.0%	Aligned to the bottom implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the midpoint implied by Cash EBIT Market Guidance[2] range (and other assumptions)	Aligned to the top implied by Cash EBIT Market Guidance[2] range (and other assumptions)	• Key indicator of financial performance. • Ensures effective capital management. • High correlation of this measure with shareholder value creation. • Aligns to our Connected Future 30 strategy focus on growth, portfolio and investment. management, disciplined capital management and financial returns.
Customer 25% of total weighting	Episode NPS	Measures our customer experience from their feedback on each episode using a Net Promoter Score	5%	+49	+49	+51	+53	• Focuses Telstra on continuously improving the customer service experience, driving both customer advocacy and retention by measuring customer sentiment immediately after a specific episode. • Underpins company-wide improvement programs focused on improving operational excellence as measured by Episode NPS. • Aligns to the Customer Engagement pillar of our Connected Future 30 strategy.
	Strategic NPS	Strategic NPS captures overall customer advocacy, driven by customers' perceptions and experience related to factors such as network, service, value and loyalty and overall brand strength and reputation.	10%	+20	+21	+22	+23	• Focuses Telstra on continuously improving the overall customer experience, driven by customers' perceptions and experience related to factors such as network, service, value and loyalty and overall brand strength and reputation, driving both customer advocacy and retention as well as long term perception. • Underpins company-wide improvement programs focused on improving the holistic measure of customer advocacy as measured by Strategic NPS. • sNPS is a Connected Future 30 target.
	RepTrak	Measures our reputation score on the RepTrak index	10%	66.8	66.8	67.8	68.8	• It is an indicator of how stakeholders feel about Telstra. • Includes the sentiment of customers and non-customers, but also provides a broader, more holistic measure which picks up on all the key drivers of company reputation. • Focuses leaders on the Telstra's reputation in the community, with customers and prospective customers, and with prospective employees, driving both customer and employee attraction and retention. • RepTrak scores can be influenced by external factors, such as wider economic conditions and consumer sentiment towards corporate Australia. When assessing Telstra's annual performance, we may take into consideration the year-on-year movement in the RepTrak Benchmark 60 average score (which measures the reputation of the 60 largest brands in Australia by revenue and market presence).
Strategic 15% of total weighting	Sustainability[3]	Our % reduction in absolute scope 1 + 2 greenhouse gas emissions and % reduction in absolute scope 3 greenhouse gas emissions, both from our FY19 baseline (excluding Digicel Pacific Group)	5%	48% reduction in absolute scope 1 + 2 emissions 49% reduction in absolute scope 3 emissions	51%	53%	55%	• The inclusion of this metric in Telstra's scorecard demonstrates our commitment to taking direct action to reduce climate impacts (such as more frequent and severe extreme weather events) and supporting our value chain to do the same. • Scope 1 + 2 greenhouse gas emissions are those caused by the fossil fuels and grid electricity we use. Scope 3 greenhouse gas emissions are mainly those from our value chain (e.g. emissions generated by our suppliers in providing goods and services to us, and by our customers in using our products). • Both metrics will be assessed separately and combined with an equal weighting (50% each), as set out below this table. • Aligns to the Sustainability enabler of our Connected Future 30 strategy.
	People Engagement	Maintain employee engagement within the global top 25% benchmark	5%	81	79	81	83	• Focuses leaders on employee engagement and reflects the importance of Telstra's employees as key stakeholders. • Supports our high performance mindset by maintaining employee engagement within the Top 25% of companies globally and improving on our current employee engagement. • A highly engaged workforce is critical for attracting and retaining the talent required to deliver on our Connected Future 30 strategy. • Aligns to the People and Culture enabler of our Connected Future 30 strategy.
	AI Impact	Designed to measure the successful adoption and operationalisation of AI across the enterprise, focusing on transformational AI initiatives as well as foundational initiatives that directly support Telstra's transformation priorities	5%	New	4 initiatives reached target	8 initiatives reached target	11 initiatives reached target	• Recognises AI as a core lever for Connected Future 30 delivery by aligning enterprise incentives to the role AI will play in improving customer experience, network performance, technology delivery, productivity and value creation across Telstra. • Evolves the focus from AI adoption to measurable impact, reflecting Telstra's increasing AI maturity and shifting the scorecard from measuring activity, usage and capability build to rewarding tangible operational outcomes. • Creates accountability for priority AI outcomes through a defined portfolio of 11 initiatives, covering both AI transformation use cases and the technology foundations needed to scale AI safely, responsibly and efficiently. • Reinforces cross-company ownership and delivery discipline, recognising that AI impact depends on coordinated execution across business, technology, data, risk, cyber and operational teams.

1. For metrics continuing from FY26, the FY26 STI Actual refers to the FY26 STI performance outcomes as outlined in Section 3.1. For Underlying ROIC refer to Sections 2.3 and 8 for the FY26 definition. For Sustainability the FY26 STI Actual refers to the actual performance outcomes for the reduction in absolute scope 1, 2 and 3 greenhouse gas emissions in FY26.
2. Market Guidance means guidance for FY27 as set out in Telstra's ASX announcement dated 13 August 2026.
3. Sustainability targets exclude Digicel Pacific. FY26 STI results shown in the table have been rounded.

Calculation of Blended Sustainability Metric for FY27 STI:

Reduce emissions[1]	Weight	Threshold	Target	Max
Scope 1 + 2	50%	52%	54%	56%
Scope 3	50%	50%	52%	54%
Blended targets (rounded to nearest whole %)	100%	51%	53%	55%

1. The Sustainability targets exclude Digicel Pacific.

7.4 FY27 LTI

The LTI plan design is unchanged in FY27.

The RTSR comparator group includes 20 companies from the ASX 50 (excluding resources) with the lowest five-year beta as of June 2026.

RTSR comparator group for the FY27 LTI:

ANZ	Computershare	Origin Energy	Suncorp Group
APA Group	CSL	QBE Insurance Group	Transurban Group
ASX	Insurance Australia Group	ResMed	Washington H. Soul Pattinson
Brambles	Lottery Corporation	Sigma Healthcare	Wesfarmers
Coles Group	Medibank Private	Sonic Healthcare	Woolworths Group

The Board may remove companies from the comparator group in cases such as acquisitions, insolvency, or delisting.

8. Glossary

Cash Rights

If a Senior Executive leaves for a Permitted Reason before STI Restricted Share Rights are granted, they will receive Cash Rights instead.

Cash Rights follow the same timing and performance conditions as the Restricted Share Rights they replace. When vested and exercised, a Cash Right provides a payment equal to the value of a Telstra share at the end of the restriction or performance period and a cash dividend equivalent payment.

Deferral Period

A deferral period is the time when a Restricted Share Right is subject to an employment condition. Restricted Share Rights will not vest (and therefore cannot be exercised) until the relevant deferral period ends.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

eNPS

Episode NPS (eNPS) is a non-financial metric we use to measure customer experience at Telstra. The Episode NPS score is derived from surveys completed by customers following specific service events and interactions with Telstra providing insight into the quality of those experiences.

Telstra's overall eNPS is a weighted average of results from business segments:
- Consumer & Small Business contribute 65%
- Telstra Enterprise, Telstra Business Mid Market and Telstra International contribute 35%

EVP

Executive Variable Remuneration Plan.

Fixed Remuneration or FR

Base salary plus superannuation contributions.

FY

Financial year.

Guidance adjustments

Guidance adjustments include material one-offs such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs, and such other items as determined by the Board and management.

Individual STI Outcome

A Senior Executive's Individual STI Outcome is based on several factors:
- Their individual performance
- The STI Scorecard outcome
- Their 'at target' STI opportunity
- Other considerations under the Board's decision framework, such as material risk events, their impact, and the Executive's accountability for the matter.

KMP

Key Management Personnel are individuals with authority and responsibility to plan, direct, and control Telstra and the Group's activities, either directly or indirectly.

LTI

Long term incentive.

Outage

The mobile network outage that occurred on 8 July 2026.

Performance Right

A right to receive a Telstra share or, at Telstra's discretion, a cash amount equal to the share's value at the end of the performance period. This right depends on meeting specific performance measures and continuing employment conditions.

Permitted Reason

Permitted Reason means death, total and permanent disablement, certain medical conditions, mutual separation, company initiated separation for a reason unrelated to performance or conduct, redundancy or retirement.

Related parties

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

Restricted Share

A Telstra share that is subject to a Restriction Period.

Restricted Share Right

A right to receive a Telstra share subject to satisfaction of a Deferral Period.

Restriction Period

A restriction period is the time when a Telstra share is subject to an employment condition and cannot be traded.

Shares transfer to a Senior Executive when exercised after the restriction period ends, provided they can trade under Telstra's Securities Trading Policy.

Restructure

The corporate restructure of the Telstra Group implemented during FY23, which included Telstra Group Limited becoming the new parent entity of the Telstra Group with effect from 31 October 2022.

Telstra Corporation Limited was the parent entity of the Telstra Group prior to that date.

Relative Total Shareholder Return (RTSR)

This metric compares the performance of a Telstra share—including cash dividends and other shareholder benefits—against the performance of ordinary securities issued by companies in the comparator group over the same period.

RTSR Performance Period

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

Senior Executive

Refers to the CEO and those GEs who are KMP.

STI

Short term incentive.

STI Scorecard Outcome

The Board determines the STI Scorecard Outcome by assessing Telstra's performance against STI Scorecard measures during the performance period. It then makes any necessary adjustments to ensure the result is appropriate. This outcome is used as an input when calculating each Senior Executive's individual STI outcome.

sNPS

Strategic NPS (sNPS) is a non-financial metric we use to measure customer experience at Telstra. It measures broader customer sentiment and advocacy, not specific to any interaction, through surveys.

Telstra's overall sNPS is a weighted average of results from business segments:
- Telstra Consumer 50%
- Telstra Business 18%
- Telstra Enterprise 23%
- Telstra International 9%

Underlying EBITDA

Underlying EBITDA excludes guidance adjustments.

Underlying EBITDA after leases

Underlying EBITDA after leases is after depreciation of right-of-use assets (leases) and excludes guidance adjustments.

Underlying Income

Underlying Income excludes guidance adjustments.

Underlying Return on Invested Capital (uROIC)

Underlying ROIC is defined as Net Operating Profit After Tax (NOPAT) less guidance adjustments after tax, divided by average invested capital. Invested capital is defined as Net Debt and Equity.

uROIC Performance Period

For the FY26 LTI Performance Rights: the three-year performance period ending on 30 June 2028 over which the uROIC performance condition will be measured.

Directors' Report

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Rounding

The Telstra Entity is a company of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, as amended from time to time and issued pursuant to section 341(1) of the Corporations Act 2001. Except where otherwise indicated, the amounts in this Directors' Report and the accompanying financial report have been rounded to the nearest million dollars ($m) and amounts in the Remuneration Report have been rounded to the nearest thousand dollars ($000).

This report is made on 13 August 2026 in accordance with a resolution of the Directors.

Craig W Dunn
Chair

13 August 2026

Vicki Brady
Chief Executive Officer and Managing Director

13 August 2026

Auditor's Independence Declaration to Telstra Group Limited

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

As lead audit partner for the audit of the financial report and review of the sustainability report of Telstra Group Limited for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been:

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

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

DELOITTE TOUCHE TOHMATSU

Matthew Sheerin
Partner
Chartered Accountants

13 August 2026

Financial Report

Telstra Group Limited and controlled entities

Australian Business Number (ABN): 56 650 620 303

Financial report: introduction and contents

As at 30 June 2026

About this report

This is the financial report for Telstra Group Limited (referred to as the Company or the Telstra Entity) and its controlled entities (together referred to as we, us, our, Telstra, the Telstra Group or the Group) for the year ended 30 June 2026.

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

This financial report was authorised for issue in accordance with a resolution of the Telstra Group Limited Board of Directors on 13 August 2026. The Directors have the power to amend and reissue the financial report.

Reading the financials

Section introduction

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

Note and topic summary

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

Narrative table

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

Information panel

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

Contents

Income Statement

For the year ended 30 June 2026

Telstra Group	Note	Year ended 30 June 2026 $m	Year ended 30 June 2025 $m
Income			
Revenue (excluding finance income)	2.2	22,937	23,125
Other income	2.2	468	485
		23,405	**23,610**
Expenses			
Labour		3,807	3,990
Goods and services purchased		7,854	8,212
Net impairment losses on financial assets		85	118
Other expenses	2.3	2,846	2,666
		14,592	**14,986**
Share of net profit/(loss) from joint ventures and associated entities	6.5	**9**	**(17)**
		14,583	**15,003**
Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)		**8,822**	**8,607**
Depreciation of right-of-use assets	2.3	577	600
EBITDA after leases (EBITDAaL)		**8,245**	**8,007**
Depreciation of property, plant and equipment and amortisation of intangible assets	2.3	4,262	4,091
Earnings before interest and income tax expense (EBIT)		**3,983**	**3,916**
Finance income	2.2	88	103
Finance costs	2.3	757	742
Net finance costs		**669**	**639**
Profit before income tax expense		**3,314**	**3,277**
Income tax expense	2.4	908	934
Profit for the year		**2,406**	**2,343**
Profit for the year attributable to:			
Equity holders of Telstra Entity		2,241	2,172
Non-controlling interests		165	171
		2,406	**2,343**
Earnings per share (cents per share)		cents	cents
Basic	2.5	19.9	18.9
Diluted	2.5	19.9	18.8

The notes following the financial statements form part of the financial report.

Statement of Comprehensive Income

For the year ended 30 June 2026

Telstra Group	Note	Year ended 30 June 2026 $m	Year ended 30 June 2025 $m
Profit for the year attributable to:			
Equity holders of Telstra Entity		2,241	2,172
Non-controlling interests		165	171
		2,406	**2,343**
Items that will not be reclassified to the income statement			
Retained profits			
Actuarial gain/(loss) on defined benefit plans attributable to equity holders of Telstra Entity	5.3	57	(19)
Income tax on actuarial gain/(loss) on defined benefit plans		(17)	8
Cumulative gain from the fair value of equity investments at fair value through other comprehensive income transferred to retained profits on disposal		5	85
Fair value of equity instruments reserve			
Changes in the fair value of equity investments at fair value through other comprehensive income		(14)	58
Cumulative gain from the fair value of equity investments at fair value through other comprehensive income transferred to retained profits on disposal		(5)	(85)
Foreign currency translation reserve			
Translation differences of foreign operations attributable to non-controlling interests		(1)	1
		25	**48**
Items that may be subsequently reclassified to the income statement			
Foreign currency translation reserve			
Translation differences of foreign operations attributable to equity holders of Telstra Entity		(247)	(302)
Cash flow hedging reserve			
Changes in cash flow hedging reserve	4.5	240	(47)
Share of other comprehensive income of equity accounted investments		-	(1)
Income tax on movements in the cash flow hedging reserve	4.5	(69)	14
Cost of hedging reserve			
Changes in the value of the cost of hedging reserve		6	(20)
Income tax on movements in the cost of hedging reserve		(3)	6
		(73)	**(350)**
Total other comprehensive income		**(48)**	**(302)**
Total comprehensive income for the year		**2,358**	**2,041**
Total comprehensive income for the year attributable to:			
Equity holders of Telstra Entity		2,194	1,869
Non-controlling interests		164	172

The notes following the financial statements form part of the financial report.

Statement of Financial Position

As at 30 June 2026

Telstra Group	Note	As at 30 June 2026 $m	As at 30 June 2025 $m
Current assets			
Cash and cash equivalents	2.6	1,103	1,012
Trade and other receivables and contract assets	3.3	3,359	3,677
Deferred contract costs	3.6	118	108
Inventories	3.7	515	485
Derivative financial assets	4.4	186	230
Current tax receivables		131	246
Prepayments		410	347
Assets classified as held for sale	6.4	365	390
Total current assets		**6,187**	**6,495**
Non-current assets			
Trade and other receivables and contract assets	3.3	1,533	1,157
Deferred contract costs	3.6	729	773
Inventories	3.7	52	100
Investments – accounted for using the equity method	6.5	235	222
Investments – other		403	381
Property, plant and equipment	3.1	20,653	20,651
Intangible assets	3.1	10,841	11,775
Right-of-use assets	3.2	2,709	2,681
Derivative financial assets	4.4	393	481
Deferred tax assets	2.4	143	51
Defined benefit asset	5.3	241	201
Total non-current assets		**37,932**	**38,473**
Total assets		**44,119**	**44,968**
Current liabilities			
Trade and other payables	3.8	4,097	4,212
Employee benefits	5.1	676	677
Other provisions	7.2	115	130
Lease liabilities	3.2	511	502
Borrowings	4.4	3,222	4,314
Derivative financial liabilities	4.4	144	82
Current tax payables		49	56
Contract liabilities and other revenue received in advance	3.4	1,522	1,487
Liabilities classified as held for sale	6.4	56	61
Total current liabilities		**10,392**	**11,521**
Non-current liabilities			
Trade and other payables	3.8	83	28
Employee benefits	5.1	133	141
Other provisions	7.2	171	217
Lease liabilities	3.2	2,580	2,597
Borrowings	4.4	12,290	10,582
Derivative financial liabilities	4.4	236	91
Deferred tax liabilities	2.4	1,759	1,843
Defined benefit liabilities	5.3	25	9
Contract liabilities and other revenue received in advance	3.4	1,464	1,623
Total non-current liabilities		**18,741**	**17,131**
Total liabilities		**29,133**	**28,652**
Net assets		**14,986**	**16,316**

Statement of Financial Position (continued)

As at 30 June 2026

Telstra Group	Note	As at 30 June 2026 $m	As at 30 June 2025 $m
Equity			
Share capital	4.3	1,094	2,345
Reserves	4.3	1,674	1,766
Retained profits		9,812	9,788
Equity available to Telstra Entity shareholders		**12,580**	**13,899**
Non-controlling interests		2,406	2,417
Total equity		**14,986**	**16,316**

The notes following the financial statements form part of the financial report.

Statement of Cash Flows

For the year ended 30 June 2026

Telstra Group	Note	Year ended 30 June 2026 $m	Year ended 30 June 2025 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax (GST))		25,056	25,647
Payments to suppliers and employees (inclusive of GST)		(16,663)	(17,540)
Government grants received for operating activities		196	197
Net cash generated from operations		**8,589**	**8,304**
Income taxes paid	2.4	(1,035)	(980)
Net cash provided by operating activities	2.6	**7,554**	**7,324**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,609)	(2,375)
Payments for intangible assets		(1,296)	(1,499)
Capital expenditure (before investments)		**(3,905)**	**(3,874)**
Payments for shares in controlled entities (net of cash acquired)		-	(125)
Payments for equity accounted investments		(31)	(53)
Payments for other financial assets held as investments		(8)	(145)
Total capital expenditure (including investments)		**(3,944)**	**(4,197)**
Proceeds from sale of property, plant and equipment		163	129
Proceeds from sale of businesses and shares in controlled entities (net of cash disposed)		33	2
Proceeds from sale of equity accounted investments		-	134
Proceeds from sale of other financial assets held as investments		41	131
Proceeds from sale and leaseback		37	52
Distributions received from equity accounted investments		28	26
Receipts of the principal portion of finance lease receivables		54	67
Government grants received for investing activities		52	79
Interest received		78	69
Repayment of loans by associated entity		-	152
Other		(15)	(12)
Net cash used in investing activities		**(3,473)**	**(3,368)**
Operating cash flows less investing cash flows		**4,081**	**3,956**
Cash flows from financing activities			
Proceeds from borrowings		4,660	6,066
Repayment of borrowings		(3,356)	(5,441)
Payment of principal portion of lease liabilities	3.2	(673)	(632)
Share buy-back	4.3	(1,251)	(751)
Purchase of shares for employee share plans		(28)	(18)
Finance costs paid		(864)	(871)
Dividends/distributions paid to non-controlling interests		(178)	(180)
Dividends paid to equity holders of Telstra Entity	4.2	(2,262)	(2,137)
Other		2	(33)
Net cash used in financing activities		**(3,950)**	**(3,997)**
Net increase/(decrease) in cash and cash equivalents		**131**	**(41)**
Cash and cash equivalents at the beginning of the year		1,012	1,046
Effects of exchange rate changes on cash and cash equivalents		(40)	7
Cash and cash equivalents at the end of the year	2.6	**1,103**	**1,012**

The notes following the financial statements form part of the financial report.

Statement of Changes in Equity

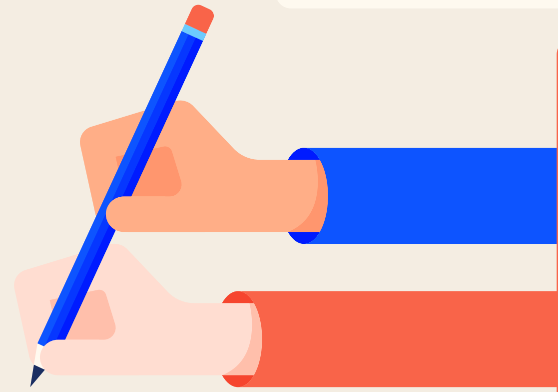
For the year ended 30 June 2026

Telstra Group	Note	Share capital	Reserves	Retained profits	Total	Non-controlling interests	Total equity
		$m	$m	$m	$m	$m	$m
Balance at 1 July 2024		**3,095**	**2,135**	**9,692**	**14,922**	**2,430**	**17,352**
Profit for the year		-	-	2,172	**2,172**	171	**2,343**
Other comprehensive income		-	(377)	74	**(303)**	1	**(302)**
Total comprehensive income for the year		**-**	**(377)**	**2,246**	**1,869**	**172**	**2,041**
Dividends	4.2	-	-	(2,137)	**(2,137)**	-	**(2,137)**
Share buy-back (net of income tax)		(751)	-	-	**(751)**	-	**(751)**
Transactions with non-controlling interests		-	(5)	-	**(5)**	(185)	**(190)**
Other transfers		-	13	(13)	**-**	-	**-**
Additional shares purchased		(18)	-	-	**(18)**	-	**(18)**
Share-based payments		19	-	-	**19**	-	**19**
Balance at 30 June 2025		**2,345**	**1,766**	**9,788**	**13,899**	**2,417**	**16,316**
Profit for the year		-	-	2,241	**2,241**	165	**2,406**
Other comprehensive income		-	(92)	45	**(47)**	(1)	**(48)**
Total comprehensive income for the year		**-**	**(92)**	**2,286**	**2,194**	**164**	**2,358**
Dividends	4.2	-	-	(2,262)	**(2,262)**	-	**(2,262)**
Share buy-back (net of income tax)	4.3	(1,251)	-	-	**(1,251)**	-	**(1,251)**
Transactions with non-controlling interests		-	-	-	**-**	(175)	**(175)**
Additional shares purchased	4.3	(28)	-	-	**(28)**	-	**(28)**
Share-based payments		28	-	-	**28**	-	**28**
Balance at 30 June 2026		**1,094**	**1,674**	**9,812**	**12,580**	**2,406**	**14,986**

The notes following the financial statements form part of the 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 financial report

This financial report is a general purpose financial report, prepared by a 'for profit' entity, in accordance with the requirements of the Australian *Corporations Act 2001 (Cth) (Corporations Act)*, Accounting Standards applicable in Australia and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). It also complies with International Financial Reporting Standards (IFRS) and Interpretations published by the International Accounting Standards Board (IASB).

The financial report is presented in Australian dollars and, unless otherwise stated, all values have been rounded to the nearest million dollars ($m) under the option available under section 7 of the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Report) Instrument 2026/183 as amended from time to time. The functional currency of the Telstra Entity and its Australian controlled entities is Australian dollar, with the exception of Telstra PM Pty Ltd (functional currency United States dollar). The functional currency of certain non-Australian controlled entities is not Australian dollar. The results of these entities are translated into Australian dollar in accordance with our accounting policy described in note 1.3.1.

The financial report is prepared on a historical cost basis, except for some categories of financial instruments, which are recorded at fair value.

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

1.2 Terminology used in our income statement

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

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

During the financial year 2026, we have elected to present an additional indicator of earnings performance in our income statement alongside EBITDA, EBITDA after leases (EBITDAaL).

EBITDAaL reflects EBITDA after the depreciation of right-of-use assets. EBITDAaL is commonly used in the telecommunications industry to measure operating performance after lease related expenses. While EBITDAaL definitions vary across the industry, the intent is to reflect the cost of lease arrangements in our operating performance.

1.3 Principles of consolidation

Our financial report includes the consolidated assets and liabilities of the Telstra Entity and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the financial year.

An entity is considered to be a controlled entity where we are exposed, or have rights, to variable returns from our involvement with the entity and have the ability to affect those returns through our power to direct the activities of the entity. We consolidate the results of our controlled entities from the date on which we gain control until the date we cease control.

The effects of intra-group transactions and balances are eliminated from our consolidated financial statements.

Non-controlling interests in the results and equity of controlled entities are shown separately in our income statement, statement of comprehensive income, statement of financial position and statement of changes in equity.

The financial statements of the Group's controlled entities are prepared using consistent accounting policies with those of the Telstra Entity. Adjustments are made to bring the reporting periods in line with those of the Group where necessary.

1.3.1 Translation of financial reports of foreign operations that have a functional currency other than the Australian dollar

The financial reports of our foreign operations are translated into Australian dollars (our presentation currency) using the following method:

Foreign currency amount	Exchange rate
Assets and liabilities including goodwill and fair value adjustments arising on consolidation	The reporting date rate
Equity items	The initial investment date rate
Income statement	Average rate (or the transaction date rate for significant identifiable transactions)

The exchange differences arising from the translation of financial statements of foreign operations are recognised in other comprehensive income.

Section 1. Basis of preparation (continued)

1.4 Key accounting estimates and judgements

Preparation of the financial report requires management to make estimates and judgements.

1.4.1 Summary of key management judgements

The accounting policies and significant management judgements and estimates used, and any changes thereto, are set out in the relevant notes. The key accounting estimates and judgements are included in the following notes:

Key accounting estimates and judgements	Note	Page
Assessment of a significant financing component in mass market contracts	2.2	100
Determining standalone selling prices	2.2	101
Assessment of a significant financing component in Indefeasible Right of Use (IRU)	2.2	101
Assessment of a significant financing component in nbn Definitive Agreements (DAs)	2.2	102
Unrecognised deferred tax assets	2.4	108
Capitalisation of development costs	3.1	113
Useful lives and residual values of tangible and intangible assets	3.1	113
Impairment assessment of our ubiquitous telecommunications network	3.1	114
Determining CGUs and their recoverable amount for impairment assessment of goodwill	3.1	115
Determining lease term for property leases	3.2	117
Determining incremental borrowing rates for property leases	3.2	119
Estimating expected credit losses	3.3	123
Amortisation period of deferred contract costs	3.6	126
Long service leave provision	5.1	148
Defined benefit plan	5.3	155
Equity-like securities issued to the Australian Government	6.3	160
Significant influence over Titanium Ventures Fund III, L.P.	6.5	165

1.5 Other accounting policies

Relevant accounting policies are included in the respective notes to the financial statements. Changes in the accounting policies and impacts from the accounting standards to be applied in future reporting periods, as well as other accounting policies not disclosed elsewhere in the financial report are detailed below.

1.5.1 Changes in accounting policies

The amended accounting standards that became effective in the current reporting period do not have a material impact on our accounting policies.

1.5.2 New accounting standards to be applied in future reporting periods

In June 2024, AASB issued AASB 18 'Presentation and Disclosure in Financial Statements'. AASB 18 significantly updates the requirements for presentation and disclosures in the financial statements, with a particular focus on improving the reporting of financial performance as it requires classification of income and expenses into particular categories. It also introduces disclosure of management-defined performance measures. AASB 18 is effective for the Telstra Group from 1 July 2027, with early application permitted, and requires a restatement of the comparative reporting period. We are currently assessing the expected impact from AASB 18 on our financial reporting. This includes identifying changes to our accounting policies, internal and external reporting requirements, IT systems, and business processes and controls.

In February 2025, AASB issued AASB 2025-1 'Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity' to amend AASB 7 'Financial Instruments: Disclosures' and AASB 9 'Financial Instruments'. AASB 2025-1 is effective for the Telstra Group from 1 July 2026. Nature-dependent electricity contracts help secure electricity supply from sources such as wind and solar power. The amendments clarify the application of 'own use' criteria to these contracts, permit hedge accounting if these contracts are used as hedging instruments and add new disclosure requirements on risks exposure arising from these contracts. We participate in power purchase arrangements to support the wider decarbonisation of the electricity network, provide a value stream to the business and mitigate our exposure to energy market volatility. We are currently assessing the expected impact from AASB 2025-1 on our financial reporting.

We have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and we do not expect any of them to have a material impact on our financial results upon adoption other than those we are yet to conclude our assessment of.

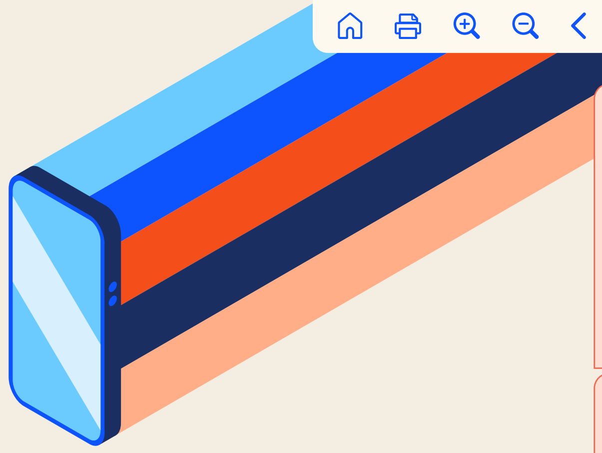
1.5.3 Transactions and balances in foreign currency

Foreign currency transactions are translated into the relevant functional currency at the spot exchange rate at the transaction date. At the reporting date, amounts receivable or payable denominated in foreign currencies are translated into the relevant functional currency at market exchange rates as at the reporting date. Any currency translation gains and losses that arise are included in our income statement.

Non-monetary items denominated in foreign currency that are measured at fair value (i.e., certain equity instruments not held for trading) are translated using the exchange rates at the date when the fair value was determined. Differences arising from the translation are reported as part of the fair value gain or loss in line with the recognition of the changes in the fair value of the non-monetary item.

Section 2. Our performance

This section explains our results, performance of our segments, which are reported on the same basis as our internal management structure, and our earnings per share for the period. It also provides disaggregated revenue, details of selected income and expense items, information about taxation and a reconciliation of our profit to net cash generated from operating activities.



2.1 Segment information

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations of the Group through the eyes of management.

Our operating segments represent the functions which offer our main products and services in the market. However, only some of our operating segments meet the disclosure criteria for reportable segments.

2.1.1 Operating segments

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

During the financial year 2026, we have changed the way we measure our segment performance as detailed in the sections following the table describing our segments.

In addition, following the organisational changes announced on 26 May 2026, the Global Networks and Technology and Product and Technology operating segments, which were previously combined for reporting purposes as 'Networks, IT and Product' segment, have been merged into a single new operating segment 'Network, Product and Technology'.

We have also announced the creation of 'Telstra Digital Infrastructure' which will bring together into a single operating segment Telstra InfraCo segment, Telstra International segment (excluding Digicel Pacific) and Field Services within Global Networks and Technology (part of Network, Product and Technology segment from 26 May 2026). This change is effective from 1 July 2026 and therefore it has not impacted the segment information presented for the financial year 2026.

'Telstra Enterprise Australia' segment changed its name to 'Telstra Enterprise'.

In our segment results, the 'All Other' category includes functions that do not qualify as operating segments as well as the operating segments which are not material to be reported individually.

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Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

We have six reportable segments as follows:

Segment	Operation
Telstra Consumer (TC)	• provides telecommunication and technology products and services to consumer customers in Australia using mobile and fixed network technologies • operates contact centres, retail stores, a retail distribution network, digital channels, distribution systems and the Telstra Plus customer loyalty program in Australia
Telstra Business (TB)	• provides telecommunication and technology products and services to small and mid-sized businesses in Australia • operates Telstra Business Technology Centres and channel partner network servicing small and mid-sized business customers
Telstra Enterprise (TE)	• provides telecommunication services, advanced technology solutions, network capacity and management, unified communications, cloud, security, industry solutions, integrated and monitoring services to government and large enterprise and business customers in Australia
Telstra International (TI)	• provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through Digicel Pacific Limited and its controlled entities (Digicel Pacific) • provides a full suite of telecommunication services, including terrestrial, mobile and satellite network connectivity, subsea network capacity and network technology management services, as well as data centre and hosting services and integrated solutions, to wholesale, enterprise and government customers outside of Australia • manages Telstra's networks outside Australia, including international subsea cables, in conjunction with Network, Product and Technology and Telstra InfraCo segments
Network, Product and Technology (NPT)	• supports the other segments and their respective revenue generating activities by maintaining a high level of reliability and security of our global network, platforms, applications and cloud infrastructure. It maintains our networks and is accountable for our network intelligence and automation. • works with other segments to create and deliver products and solutions for customers across all segments. It has accountability for product strategy, innovation, development, and life cycle where products are incubated and brought to scale. • supports the other segments to maintain, develop and deliver our digital applications, systems and platforms underpinning our customer and employee digital experience
Telstra InfraCo	• operates in Australia and provides telecommunication products and services delivered over Telstra networks to other carriers, carriage service providers and internet service providers • provides other Telstra functions and wholesale customers with access to network infrastructure within Telstra InfraCo's asset accountabilities • operates the fixed passive network infrastructure including data centres, exchanges, poles, ducts, pits and pipes and fibre network • designs and constructs fibre, exchanges and other infrastructure • provides nbn co with long-term access to certain components of our infrastructure under the Infrastructure Services Agreement • operates the passive and physical mobile tower assets owned or operated by the Amplitel business

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

Effective 1 July 2025, following the launch of our Connected Future 30 strategy, we have changed the way we measure segment performance. Segment results are now measured based on EBITDAaL, replacing the previous measure of EBITDA contribution.

Consistent with the information presented for internal management reporting, the results of each segment are disclosed based on its EBITDAaL.

The table below details how we determine segment income and EBITDAaL of each segment.

Nature of transaction	Description	Measurement basis	Impact on segment results
Transactions with external parties	Any transactions between any of the Telstra Group entities with: • an external counterparty, e.g., supplier or customer • any related party which is not controlled by the Telstra Group, i.e., it is not eliminated on consolidation.	Accounted for in accordance with the Australian Accounting Standards.	The effects of all transactions with external parties are included in the segment results.
Transactions with other segments	Any transactions between segments arising from inter-company agreements between entities controlled by the Telstra Group.	Different measurement bases apply to our transactions between segments depending on their nature: • transactions arising from agreements entered into as a result of and following the Telstra Group restructure completed on 1 January 2023, including charges for use of our infrastructure assets and other services, are measured based on a 'management view', i.e., all charges earned/incurred are recognised when incurred as either income or expenses. Such recognition may differ from the requirements of the Australian Accounting Standards in a number of areas, for example lease accounting. • any transactions other than those described above are accounted for in accordance with the Australian Accounting Standards. Transactions within the same segment are eliminated within that segment's results except for the transactions detailed under table A. Any transactions other than those arising from the agreements entered into as a result of and following the Telstra Group restructure are excluded from the segment's results. Any transactions with other segments are eliminated on consolidation.	The effects of the transactions with other segments are included in the segment results and, depending on the nature of the transaction, either measured based on the management view or as accounted under the Australian Accounting Standards.

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

Nature of transaction	Description	Measurement basis	Impact on segment results
Some transactions which are managed centrally or by one segment	Certain items and transactions are managed centrally or by one of the segments even if they relate to results of multiple segments.	Accounted for in accordance with the Australian Accounting Standards.	The effects of these transactions are included in the segment results as detailed below.

The following transactions are managed centrally rather than being allocated to each segment, or by one segment even if they relate to results of multiple segments:

- network service delivery expenses other than those supporting passive infrastructure and related to customers serviced by the other segments are included in NPT segment
- Telstra Limited's promotion and advertising expenses related to TB and TE segments are included in TC segment
- call centres and retail stores costs associated with TB segment are reported in TC segment
- most redundancy and restructuring expenses of Telstra Limited and Telstra Corporation Limited are included in the 'All Other' category rather than being allocated to the reportable segments.

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 EBITDAaL to the Telstra Group profit before income tax expense.

Table A Telstra Group	TC	TB	TE	TI	NPT	Telstra InfraCo	All Other	Sub-total	Elimina-tions	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2026									
Mobile	7,422	1,953	1,318	-	-	675	-	**11,368**	-	**11,368**
Fixed - Consumer and Small Business (C&SB)	3,501	676	-	-	-	-	-	**4,177**	-	**4,177**
Fixed - Enterprise	-	272	2,895	-	-	-	-	**3,167**	(22)	**3,145**
InfraCo Fixed	-	-	-	-	-	2,779	-	**2,779**	(1,129)	**1,650**
Amplitel	-	-	-	-	-	487	-	**487**	(386)	**101**
Fixed - Active Wholesale	-	-	-	-	-	329	-	**329**	-	**329**
International	-	-	-	2,294	-	-	-	**2,294**	(203)	**2,091**
Other	18	(2)	42	-	451	31	702	**1,242**	(698)	**544**
Total management reported income	**10,941**	**2,899**	**4,255**	**2,294**	**451**	**4,301**	**702**	**25,843**	**(2,438)**	**23,405**
Transactions between segments	(2)	(1)	(26)	(203)	(417)	(1,560)	(229)	**(2,438)**	2,438	**-**
Total external income	**10,939**	**2,898**	**4,229**	**2,091**	**34**	**2,741**	**473**	**23,405**	**-**	**23,405**
Share of net profit / (loss) from equity accounted entities	-	-	-	12	(3)	-	-	**9**	-	**9**
Depreciation of right-of-use assets	(82)	(2)	(4)	(69)	(27)	(97)	(296)	**(577)**	-	**(577)**
EBITDAaL	**5,031**	**1,922**	**1,581**	**522**	**(2,849)**	**3,022**	**(984)**	**8,245**	**-**	**8,245**
Depreciation of property, plant and equipment and amortisation of intangible assets										**(4,262)**
Telstra Group EBIT										**3,983**
Net finance costs										**(669)**
Telstra Group profit before income tax expense										**3,314**

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.2 Segment results (continued)

Table A (continued) **Telstra Group**	TC	TB	TE	TI	NPT	Telstra InfraCo	All Other	Sub-total	Elimina-tions	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2025									
Mobile	7,283	1,835	1,313	-	-	584	-	**11,015**	-	**11,015**
Fixed - Consumer and Small Business (C&SB)	3,564	735	-	-	-	-	-	**4,299**	-	**4,299**
Fixed - Enterprise	-	298	3,147	-	-	-	-	**3,445**	(26)	**3,419**
InfraCo Fixed	-	-	-	-	-	2,710	-	**2,710**	(1,117)	**1,593**
Amplitel	-	-	-	-	-	470	-	**470**	(370)	**100**
Fixed - Active Wholesale	-	-	-	-	-	349	-	**349**	-	**349**
International	-	-	-	2,587	-	-	-	**2,587**	(215)	**2,372**
Other	15	(1)	27	-	434	46	638	**1,159**	(696)	**463**
Total management reported income	**10,862**	**2,867**	**4,487**	**2,587**	**434**	**4,159**	**638**	**26,034**	**(2,424)**	**23,610**
Transactions between segments	(3)	(1)	(31)	(215)	(407)	(1,523)	(244)	**(2,424)**	2,424	**-**
Total external income	**10,859**	**2,866**	**4,456**	**2,372**	**27**	**2,636**	**394**	**23,610**	**-**	**23,610**
Share of net loss from equity accounted entities	-	-	-	(1)	(4)	-	(12)	**(17)**	-	**(17)**
Depreciation of right-of-use assets	(101)	(2)	(5)	(79)	(28)	(92)	(293)	**(600)**	-	**(600)**
EBITDAaL	**4,776**	**1,916**	**1,673**	**592**	**(2,755)**	**2,906**	**(1,101)**	**8,007**	**-**	**8,007**
Depreciation of property, plant and equipment and amortisation of intangible assets										**(4,091)**
Telstra Group EBIT										**3,916**
Net finance costs										**(639)**
Telstra Group profit before income tax expense										**3,277**

Certain intra-segment transactions within the Telstra InfraCo segment have not been eliminated within that segment, i.e., $53 million (2025: $44 million) internal income and internal expenses have been presented on a gross basis.

Negative revenue amounts in the tables relate to certain corporate level adjustments.

Information about revenue from external customers by geographical market is presented in table D in note 2.2.1.

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Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.2 Segment results (continued)

Table B presents information about the carrying amount of our non-current assets by geographical market.

Table B **Telstra Group**	Year ended 30 June	
	2026	2025
	$m	$m
Located in Australia	30,435	30,834
Located offshore	4,003	4,495
	34,438	**35,329**

Our geographical operations are split between our Australian and offshore operations. No individual foreign country within our offshore operations has material non-current assets.

The carrying amount of our segment non-current assets excludes financial assets, contract assets, deferred contract costs, inventories, deferred tax assets and defined benefit assets.

2.2 Income

Table A **Telstra Group**	Year ended 30 June	
	2026	2025
	$m	$m
Revenue from contracts with customers	22,507	22,717
Revenue from other sources	430	408
Total revenue (excluding finance income)	**22,937**	**23,125**
Other income		
Net gain on disposal of property, plant and equipment and intangible assets	125	93
Net gain on disposal of businesses and investments	29	5
Net gain related to lease arrangements	30	96
Net foreign currency translation gains	16	-
Government grants	229	238
Other miscellaneous income	39	53
	468	**485**
Total income (excluding finance income)	**23,405**	**23,610**
Finance income		
Finance income (excluding income from finance leases)	53	83
Finance income from finance leases (Telstra as a lessor)	35	20
	88	**103**
Total income	**23,493**	**23,713**

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 lease arrangements, including finance leases where Telstra is a dealer-lessor and operating leases (refer to note 3.2.2 for further details about our lease arrangements).

Net gain on disposal of property, plant and equipment and intangible assets includes $98 million (2025: $74 million) net gain on sale of our legacy copper assets we continue to recover.

In the financial year 2026, net gain on disposal of businesses and investments includes $25 million net gain from the sale of International Wholesale Voice business.

Net gain related to lease arrangements includes $16 million (2025: $31 million) net gain on sale and leaseback of certain exchange properties, $11 million (2025: $20 million) net gain on finance leases and $3 million (2025: $45 million) net gain on lease modifications and reassessments.

Section 2. Our performance (continued)

2.2 Income (continued)

Government grants include income under the Telstra Universal Service Obligation Performance Agreement, the Federal Government's Mobile Black Spot Program and other individually immaterial government grants. There are no unfulfilled conditions or other contingencies attached to these grants.

2.2.1 Disaggregated revenue

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

We recognise revenue from contracts with customers when the control of goods or services has been transferred to the customer. Revenue from sale of services is recognised over time, whereas revenue from sale of goods is recognised at a point in time.

Other revenue from contracts with customers includes licensing revenue (recognised either at a point in time or over time) and agency revenue (recognised over time). Refer to note 2.2.2 for further details about our contracts with customers.

Table B Telstra Group	TC	TB	TE	TI	NPT	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2026							
Sale of services	8,770	2,646	3,663	2,008	2	2,358	325	**19,772**
Sale of goods	1,887	224	401	48	-	4	58	**2,622**
Other revenue from contracts with customers	25	-	29	1	-	-	58	**113**
	10,682	**2,870**	**4,093**	**2,057**	**2**	**2,362**	**441**	**22,507**
	Year ended 30 June 2025							
Sale of services	8,565	2,658	3,839	2,256	1	2,253	307	**19,879**
Sale of goods	1,972	186	504	54	-	2	37	**2,755**
Other revenue from contracts with customers	29	3	29	1	-	-	21	**83**
	10,566	**2,847**	**4,372**	**2,311**	**1**	**2,255**	**365**	**22,717**

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table C presents total revenue from external customers disaggregated by major products.

Table C Telstra Group	TC	TB	TE	TI	NPT	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2026							
Mobile	**7,422**	**1,953**	**1,318**	**-**	**-**	**675**	**-**	**11,368**
Revenue from contracts with customers	7,420	1,942	1,287	-	-	675	-	**11,324**
Revenue from other sources	2	11	31	-	-	-	-	**44**
Fixed - C&SB	**3,309**	**676**	**-**	**-**	**-**	**-**	**-**	**3,985**
Revenue from contracts with customers	3,249	659	-	-	-	-	-	**3,908**
Revenue from other sources	60	17	-	-	-	-	-	**77**
Fixed - Enterprise	**-**	**272**	**2,873**	**-**	**-**	**-**	**-**	**3,145**
Revenue from contracts with customers	-	272	2,829	-	-	-	-	**3,101**
Revenue from other sources	-	-	44	-	-	-	-	**44**
InfraCo Fixed	**-**	**-**	**-**	**-**	**-**	**1,512**	**-**	**1,512**
Revenue from contracts with customers	-	-	-	-	-	1,278	-	**1,278**
Revenue from other sources	-	-	-	-	-	234	-	**234**
Amplitel	**-**	**-**	**-**	**-**	**-**	**101**	**-**	**101**
Revenue from contracts with customers	-	-	-	-	-	101	-	**101**
Fixed - Active Wholesale	**-**	**-**	**-**	**-**	**-**	**329**	**-**	**329**
Revenue from contracts with customers	-	-	-	-	-	329	-	**329**
International	**-**	**-**	**-**	**2,061**	**-**	**-**	**-**	**2,061**
Revenue from contracts with customers	-	-	-	2,057	-	-	-	**2,057**
Revenue from other sources	-	-	-	4	-	-	-	**4**
Other products and services	**13**	**(3)**	**(7)**	**-**	**2**	**(20)**	**451**	**436**
Revenue from contracts with customers	13	(3)	(23)	-	2	(21)	441	**409**
Revenue from other sources	-	-	16	-	-	1	10	**27**
Total revenue from contracts with customers	**10,682**	**2,870**	**4,093**	**2,057**	**2**	**2,362**	**441**	**22,507**
Total revenue from other sources	**62**	**28**	**91**	**4**	**-**	**235**	**10**	**430**
	10,744	**2,898**	**4,184**	**2,061**	**2**	**2,597**	**451**	**22,937**
Other income	**195**	**-**	**45**	**30**	**32**	**144**	**22**	**468**
	10,939	**2,898**	**4,229**	**2,091**	**34**	**2,741**	**473**	**23,405**

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table C (continued) Telstra Group	TC	TB	TE	TI	NPT	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2025							
Mobile	**7,283**	**1,835**	**1,313**	**-**	**-**	**584**	**-**	**11,015**
Revenue from contracts with customers	7,265	1,824	1,309	-	-	584	-	**10,982**
Revenue from other sources	18	11	4	-	-	-	-	**33**
Fixed - C&SB	**3,362**	**735**	**-**	**-**	**-**	**-**	**-**	**4,097**
Revenue from contracts with customers	3,289	728	-	-	-	-	-	**4,017**
Revenue from other sources	73	7	-	-	-	-	-	**80**
Fixed - Enterprise	**-**	**298**	**3,121**	**-**	**-**	**-**	**-**	**3,419**
Revenue from contracts with customers	-	297	3,081	-	-	-	-	**3,378**
Revenue from other sources	-	1	40	-	-	-	-	**41**
InfraCo Fixed	**-**	**-**	**-**	**-**	**-**	**1,464**	**-**	**1,464**
Revenue from contracts with customers	-	-	-	-	-	1,232	-	**1,232**
Revenue from other sources	-	-	-	-	-	232	-	**232**
Amplitel	**-**	**-**	**-**	**-**	**-**	**100**	**-**	**100**
Revenue from contracts with customers	-	-	-	-	-	100	-	**100**
Fixed - Active Wholesale	**-**	**-**	**-**	**-**	**-**	**349**	**-**	**349**
Revenue from contracts with customers	-	-	-	-	-	349	-	**349**
International	**-**	**-**	**-**	**2,325**	**-**	**-**	**-**	**2,325**
Revenue from contracts with customers	-	-	-	2,311	-	-	-	**2,311**
Revenue from other sources	-	-	-	14	-	-	-	**14**
Other products and services	**12**	**(2)**	**(16)**	**-**	**2**	**(9)**	**369**	**356**
Revenue from contracts with customers	12	(2)	(18)	-	1	(10)	365	**348**
Revenue from other sources	-	-	2	-	1	1	4	**8**
Total revenue from contracts with customers	**10,566**	**2,847**	**4,372**	**2,311**	**1**	**2,255**	**365**	**22,717**
Total revenue from other sources	**91**	**19**	**46**	**14**	**1**	**233**	**4**	**408**
	10,657	**2,866**	**4,418**	**2,325**	**2**	**2,488**	**369**	**23,125**
Other income	**202**	**-**	**38**	**47**	**25**	**148**	**25**	**485**
	10,859	**2,866**	**4,456**	**2,372**	**27**	**2,636**	**394**	**23,610**

Revenue from other products and services includes revenue generated by Telstra Health and miscellaneous income.

Negative revenue amounts disclosed in the tables above related to certain corporate level adjustments and consolidation eliminations.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table D presents total revenue from external customers disaggregated by geographical market.

Our geographical operations are split between our Australian and offshore operations. No individual foreign country within our offshore operations has material revenue.

Table D Telstra Group	TC	TB	TE	TI	NPT	Telstra InfraCo	All Other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
	Year ended 30 June 2026							
Australian customers	**10,744**	**2,898**	**4,183**	**168**	**2**	**2,597**	**437**	**21,029**
Revenue from contracts with customers	10,682	2,870	4,092	168	2	2,362	427	**20,603**
Revenue from other sources	62	28	91	-	-	235	10	**426**
Offshore customers	**-**	**-**	**1**	**1,893**	**-**	**-**	**14**	**1,908**
Revenue from contracts with customers	-	-	1	1,889	-	-	14	**1,904**
Revenue from other sources	-	-	-	4	-	-	-	**4**
Total revenue from contracts with customers	**10,682**	**2,870**	**4,093**	**2,057**	**2**	**2,362**	**441**	**22,507**
Total revenue from other sources	**62**	**28**	**91**	**4**	**-**	**235**	**10**	**430**
	10,744	**2,898**	**4,184**	**2,061**	**2**	**2,597**	**451**	**22,937**
Other income	**195**	**-**	**45**	**30**	**32**	**144**	**22**	**468**
	10,939	**2,898**	**4,229**	**2,091**	**34**	**2,741**	**473**	**23,405**
	Year ended 30 June 2025							
Australian customers	**10,657**	**2,866**	**4,418**	**193**	**2**	**2,488**	**348**	**20,972**
Revenue from contracts with customers	10,566	2,847	4,372	193	1	2,255	344	**20,578**
Revenue from other sources	91	19	46	-	1	233	4	**394**
Offshore customers	**-**	**-**	**-**	**2,132**	**-**	**-**	**21**	**2,153**
Revenue from contracts with customers	-	-	-	2,118	-	-	21	**2,139**
Revenue from other sources	-	-	-	14	-	-	-	**14**
Total revenue from contracts with customers	**10,566**	**2,847**	**4,372**	**2,311**	**1**	**2,255**	**365**	**22,717**
Total revenue from other sources	**91**	**19**	**46**	**14**	**1**	**233**	**4**	**408**
	10,657	**2,866**	**4,418**	**2,325**	**2**	**2,488**	**369**	**23,125**
Other income	**202**	**-**	**38**	**47**	**25**	**148**	**25**	**485**
	10,859	**2,866**	**4,456**	**2,372**	**27**	**2,636**	**394**	**23,610**

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers

We generate revenue from external customer contracts, which vary in their form (standard or bespoke), term (casual, short-term and long-term) and customer segment (consumer, small to medium business, government and large enterprise), with the main contracts being:

- retail consumer contracts (mass market prepaid and post-paid mobile, fixed and media plans)
- retail small to medium business contracts (mass market and off-the-shelf technology solutions)
- retail enterprise and government contracts (carriage, standardised and bespoke technology solutions and their management)
- network capacity contracts, mainly Indefeasible Right of Use (IRU)
- wholesale contracts for telecommunication services
- nbn Definitive Agreements (nbn DAs) and related arrangements.

We sell a wide range of goods and services, which are provided either directly by us or by third parties. Generally, we act as principal rather than an agent in our contracts with customers.

The nature and type of contracts with customers are further described below.

(a) Telstra Consumer (TC) and Telstra Business (TB) contracts

We offer prepaid and post-paid services to our TC and TB mass market customers. Our mass market contracts are homogeneous in nature and sold directly by us or via our dealer channel. These contracts often offer a bundle of voice and data services. Some also include options to purchase additional goods or services free of charge or at a discount (i.e., material rights).

We offer no-lock-in (month to month) post-paid service plans to our mobile mass market TC and TB customers. In those arrangements, our customers can purchase a device, either outright or on a device repayment contract, together with a no-lock-in service plan. If a customer cancels their no-lock-in service plan, any outstanding device balance becomes payable immediately.

TB also offers fixed plans and technology solutions under fixed term contracts. Fixed term contracts typically have a two to three year term, with the majority of fixed and technology solutions contracts being 24-month contracts.

We offer no-lock-in (month to month) post-paid service plans to our fixed mass market TC and TB customers. In some of our fixed post-paid service plans we also act as a lessor in an operating lease for modem devices. Lease components of those contracts are separately accounted for as revenue from other sources.

Generally, we allocate the consideration, and any relevant discounts, to all products in the bundle based on a mixture of observable and estimated standalone selling prices of these products.

By and large we recognise revenue from the sale of goods on their delivery and from sale of services based on the passage of time. The consideration allocated at contract inception to material rights is recognised as revenue either when the customer exercises the option and benefits from the free or discounted products or when the rights are forfeited.

We offer deferred payment terms when customers purchase certain handsets and other devices under a device repayment contract.

Assessment of a significant financing component in mass market contracts

We have applied judgement to determine that no significant financing component exists in our arrangements offering no-lock-in mobile plans and device repayment contracts sold directly by us to eligible TC customers. We considered factors such as significance of financing in the context of the device repayment contracts, commercial objectives of our offers, the duration of deferred payment terms and interest rates prevailing in the marketplace.

Generally, mass market TC and TB contracts are not modified due to their homogeneous nature. However, because our no-lock-in mass market fixed and mobile post-paid service plans are month to month contracts, customers can change plans once each month or cancel their services altogether.

We offer a loyalty program, Telstra Plus, under which our consumer and small business customers can earn points redeemable in the future for certain goods and services. The program also provides customers access to tier benefits in the form of discounted entertainment and other services. Points awarded for purchases of Telstra goods and services are accounted for as material rights, with any amount allocated to the points initially recognised as a contract liability in the statement of financial position. When a customer redeems the points or they expire we recognise revenue from sale of goods or services transferred or from forfeiture of the material rights. We also recognise revenue when, based on customer redemption patterns, we expect that the likelihood of the customers utilising the points is remote (i.e., breakage). Discretionary bonus points that do not relate to accounting contracts are classified as a marketing offer and expensed at the time the points are awarded and a corresponding provision is recognised. Tier benefits reduce revenue of the related accounting contracts.

(b) Telstra Enterprise (TE) contracts

TE transacts with large enterprise and government customers. Large and complex TE contracts are usually bespoke in nature as they deliver tailored solutions and services. Outside of the large customers, the contracts are mostly standard.

Our TE legal contracts often are in a form of multi-year framework agreements under which customers can order goods and services. These arrangements include performance conditions and grant different types of discounts or incentives. Such framework agreements are rarely considered contracts for accounting purposes. Instead, revenue recognition rules are applied to goods and services ordered under each valid purchase order or a statement of work raised under the terms of the framework agreement.

In some of our TE contracts we also act as a dealer-lessor for certain customer premise equipment used by our customers as part of the solutions management and outsourcing services. Leases embedded in those contracts are separately accounted for, usually as dealer-lessor finance leases with finance lease receivables recognised in the statement of financial position.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers (continued)

(b) Telstra Enterprise (TE) contracts (continued)

Some of our TE contracts include two phases: a build phase followed by the management of the technology solutions. Due to the complex nature of those arrangements, we analyse the facts and circumstances of each contract in order to determine goods and services ordered and timing of revenue recognition. If the build phase (or its components) qualifies as a separate service, we recognise the build phase revenue over the term of the build or at its completion depending on when the customer obtains control over the technology solution.

From time to time our bespoke TE contracts are varied or renegotiated. When this happens, we assess the scope of the modification or its impact on the contract price in order to determine whether the amendment must be treated as a separate contract, as if the existing contract were terminated and a new contract signed, or whether the amendment must be considered as a change to the existing contract.

Under some of our enterprise arrangements, we receive customer contributions to extend or amend our network assets to ultimately enable delivery of telecommunication services to that customer. Where the counterparty makes a contribution for network construction activities and purchases ongoing services under the same (or linked) contract(s), the upfront contribution is added to the total consideration in the customer contract and is allocated to the goods and services to be delivered under that contract.

Our TE accounting contracts include multiple goods and services. Generally, we allocate the consideration and any relevant discounts to all the products in the accounting contract based on the standalone selling prices. However, some discounts granted under the framework agreements may be allocated to selected goods or services only if specific performance conditions apply. Any consideration allocated to a lease component is based on the relative standalone selling price of the lease.

Determining standalone selling prices

We have applied judgement to determine standalone selling prices in order to allocate the consideration to goods and services sold under the same customer contract.

In the absence of observable prices, we use various estimation methods, including an adjusted market assessment and cost plus margin approach, to arrive at a standalone selling price. We have determined that the negotiated prices are largely aligned to the standalone selling prices.

We recognise revenue from management services or fixed fee services based on passage of time and from usage-based carriage contracts when the services have been consumed.

Some of our framework agreements offer enterprise loyalty programs and technology funds under which a customer can obtain additional free products. At contract inception, a portion of the consideration is allocated to such products and recognised as a contract liability in the statement of financial position. We recognise revenue when the customer either exercises the option and benefits from the free products or when the rights are forfeited.

Our large commercial arrangements often incorporate service level agreements, e.g., agreed delivery time or service reinstatement time. If we fail to meet these commitments, we will compensate the customer. The expected amount of such compensation reduces the revenue for the period in which a service level commitment has not been met, and it is recognised as soon as not meeting the commitment becomes probable. Some arrangements also include benchmarking or consumer price index clauses, which are accounted for as variable consideration, usually from the time the price changes take effect.

(c) Telstra International (TI) contracts

TI offers prepaid and post-paid mobile services to consumer customers in South Pacific through our Digicel Pacific business. These contracts often offer a bundle of goods and services, including products such as hardware, voice, text and data services, media content and others. TI also offers mobile services, fixed broadband services and technology solutions to small business and enterprise customers.

TI contracts are either fixed term contracts, where early termination charges apply if the customer cancels the contract; or casual month-to-month contracts, where the customer may cancel the contract at any time without any significant termination penalty. Fixed term contracts are typically short term and rarely exceed five years, with the majority of consumer, small business and enterprise contracts with a term of up to three years.

We recognise TI revenue from sale of goods on their delivery and service revenue is generally recognised based on passage of time.

Where goods and services are provided as a bundle, we allocate the consideration and any relevant discounts to all products in the bundle based on their estimated relative standalone selling prices. Where observable prices are not available, we estimate standalone selling prices based on the cost plus margin approach.

Some of our international arrangements include long-term network capacity arrangements (some being take-or-pay arrangements) as well as managed services such as security and backups, for which revenue is usually recognised based on passage of time. IRU arrangements often include upfront payments for services which will be delivered over multiple years.

Assessment of a significant financing component in Indefeasible Right of Use (IRU)

We have applied judgement to assess if a financing component is significant in the context of the contract as a whole and, where relevant, to determine appropriate discount rates.

We account for a significant financing component in our domestic and international bespoke network capacity agreements, i.e., IRUs, where customers make an upfront payment in advance of receiving services. These contracts have an average legal contract term between 10 and 25 years.

Where Telstra receives financing from the customer, revenue recognised over the contract term exceeds the cash payment received in advance of performance by the amount of interest expense recognised in net finance costs.

During the financial year 2026, we recognised $31 million (2025: $36 million) interest expense for our IRU arrangements.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.2 Our contracts with customers (continued)

(d) Telstra InfraCo contracts (excluding contracts with nbn co)

Telstra InfraCo typically transacts with carriage services providers and internet service providers, who in turn sell their services to their end users.

Revenue arises from fixed network service contracts, including usage-based contracts and fixed bundles, with a term typically of up to three years. Other contracts provide data and IP and mobile products such as interconnect, bulk SMS and pre- and post-paid mobile services.

Telstra InfraCo legal contracts are generally signed as multi-year framework agreements, which set out pricing for the agreed services, the term and any renewal options, incentives, discounts and one-off fees.

Some of our framework agreements specify a minimum spend commitment (i.e., a take-or-pay arrangement), in which case the accounting contract may exist also at the framework agreement level.

Customer contributions to extend or amend our network assets to ultimately enable delivery of telecommunication services are recognised when those services are delivered.

Telstra InfraCo's service revenue is generally recognised over time during the period over which the services are rendered, mostly based on passage of time as the service provider (i.e., our customer) receives unlimited calls and data.

Some of Telstra InfraCo contracts include multiple goods and services. We allocate the consideration, and any relevant discounts, generally to all the products in the accounting contract based on the negotiated prices, which are largely aligned to the estimated standalone selling prices of goods and services promised under the contracts. However, some discounts granted under the framework agreements may be allocated only to selected goods or services based on the specific performance conditions in the framework agreement.

Some of our Telstra InfraCo contracts grant customers access to our passive infrastructure assets. Lease component(s) in those contracts are classified as either operating or finance leases, for which we recognise revenue from other sources or other income, respectively.

(e) Agreements with nbn co

The main contracts with nbn co are nbn DAs and related arrangements.

Revenue from contracts with nbn co is reported within the Telstra InfraCo segment. Amounts recognised as government grants in other income are recorded in TC segment.

Our nbn DAs and related arrangements include a number of separate legal contracts with both nbn co and the Commonwealth Government which have been negotiated together with a common commercial objective. These contracts have been combined for revenue assessment. The combined contract has a minimum term of 30 years for accounting purposes.

The combined nbn DAs and related arrangements include a number of separately priced elements, some of which are not accounted for under the revenue recognition standard. For example, income recognised under the separately priced Telstra Universal Service Obligation Performance Agreement is accounted for as government grant and presented as other income.

Services provided under the Infrastructure Services Agreement (ISA) are accounted for under the revenue recognition standard. We recognise revenue from providing long-term access to our infrastructure, including ducts and pits, dark fibre and exchange rack spaces, over time, initially based on the cumulative nbn network rollout percentage and after rollout completion based on passage of time.

The ISA consideration includes a number of fixed and variable components depending on the progress of the nbn network rollout and the final number of the existing fixed line premises as defined and determined under the ISA. Payments for services delivered under the ISA continue to be indexed to consumer price index for the remaining contracted period.

The build of nbn related infrastructure was not considered a separate service, therefore payments received for it under a separate legal agreement have been combined and accounted for together with the ISA long-term access services. These upfront payments have been recorded as a contract liability in the statement of financial position and are recognised as services over the ISA average contracted period of 35 years. The remaining contracted period of the ISA is 21 years.

We deliver a number of different services under the nbn DAs and related arrangements, some of which are transferred at different periods to those when we receive the consideration.

Assessment of a significant financing component in nbn Definitive Agreements (DAs)

We have applied judgement to assess if a financing component is significant in the context of the contract as a whole and, where relevant, to determine appropriate discount rates.

We do not separately account for the financing component in our nbn DAs and related arrangements because it is not significant to the accounting contract.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.3 Revenue for contracted goods and services yet to be delivered

Sometimes goods and services purchased under the same customer contract will be transferred to the customer over multiple reporting periods.

Table E presents aggregate consideration allocated to the remaining goods, services and material rights promised under the contracts where a customer has made a firm commitment before the balance date but goods and services will be transferred after 30 June 2026. Any future amounts arising from contracts where the customer has not made a firm commitment, such as usage-based contracts, are not included in the disclosed amounts. Presented time bands best depict the future revenue recognition profile.

Table E Telstra Group	As at 30 June 2026 $m	 2025 $m
Less than 1 year	3,904	4,053
Between 1 to 2 years	2,195	2,290
Between 2 to 5 years	5,144	4,962
Between 5 to 10 years	8,056	7,952
Between 10 to 20 years	17,291	16,780
More than 20 years	1,821	3,594
	38,411	**39,631**

Future revenue arising from nbn DAs is estimated based on assumptions which are reassessed at each reporting period. However, given its size, long-term nature and variability of the consumer price index (refer to note 2.2.2 for details), the actual amounts recognised in the future periods may still materially differ from our estimates.

Any amounts arising from our existing customer contracts which will be recognised as 'revenue from other sources' or 'other income', for example operating lease income or net gain from a direct finance lease, are excluded from revenue for contracted goods and services yet to be delivered.

2.2.4 Recognition and measurement

Our revenue recognition accounting policies are described below.

(a) Revenue from contracts with customers

Revenue from contracts with customers arises from goods and services sold as part of our ordinary activities.

(i) Accounting contracts with customers

Revenue recognition principles are applied to accounting contracts which are agreements between two or more parties that create enforceable rights and obligations.

The accounting contract may not align with the legal contract and in some cases multiple legal contracts may need to be combined to form one accounting contract. In other instances, a legal contract may only provide a framework agreement (i.e., an offer) and an accounting contract only exists when the customer commits to purchase goods or services.

Any components of the contract which are accounted for under other accounting standards are separated out and accounted for under those other standards.

(ii) Goods, services and/or material rights

Revenue is recognised when Telstra fulfils its contractual obligation to deliver promised goods and services (or a bundle of goods and services) to the customer.

A contractual promise giving the customer an option to purchase additional goods and services at a discount (i.e., material right) must be accounted for separately if the incremental discount is at least five per cent compared to other customers. For arrangements with an incremental discount lower than five per cent, judgement is required to determine if material rights should be accounted for separately if the aggregate impact is significant.

A good or service is separately accounted for if a customer can benefit from it on its own or together with other readily available resources, and no transformative relationship exists with other promised goods or services.

(iii) Variable consideration

If a contractual amount includes a variable component, we estimate the amount to which we will be entitled in exchange for promised goods and services. Examples of variable consideration include discounts, rebates, refunds, credits and price concessions. To estimate an amount of variable consideration, we use either the most likely amount or the expected value method depending on which better predicts the variable amount. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of cumulative revenue recognised will not occur.

(iv) Significant financing component

If the period between when we would transfer the good or service to the customer and when the customer would pay for them is expected to be greater than one year, we assess whether revenue should be adjusted for significant financing component, i.e., reduced if we offer deferred payment terms or increased if we receive an advance payment from customer. The significance of financing is assessed relative to the total contract value and interest rates used reflect credit characteristics of the counterparty receiving financing.

(v) Allocation of revenue to goods and services

We allocate the consideration to the goods and services based on their relative standalone selling prices. Standalone selling price is the price for which we would sell the goods or services on a standalone basis, i.e., not in a bundle. We determine standalone selling price at contract inception using an observable price for a standalone sale of substantially the same good or service under similar circumstances and to a similar class of customers. If no observable price is available, we estimate the standalone selling price using an appropriate method, e.g., adjusted market assessment approach, expected cost plus a margin approach or a residual approach.

In some instances, in order to correctly reflect the amount of revenue we expect to be entitled to, we allocate variable consideration, discounts or a significant financing component to some but not all goods, services and/or material rights.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.4 Recognition and measurement (continued)

(a) Revenue from contracts with customers (continued)

(vi) Timing of revenue recognition

Revenue is recognised when control of the good or service is transferred to the customer, i.e., when the customer can benefit from the good or service and decide how to use them.

We recognise revenue over time when the customer simultaneously receives and consumes the benefits provided to them or we create or enhance an asset controlled by the customer. Otherwise, we recognise revenue at a point in time.

We use either input or output methods to measure progress when selling goods or services. Output methods use direct measurements of the value to the customer, for example, milestones reached. Input methods use our efforts or inputs in measuring the performance, for example, our labour hours used relative to the total expected labour hours.

When revenue is recognised at a point in time, the allocated consideration is recognised when control over a good is transferred to the customer. In determining this, we consider the customer's obligation to pay, transfer of legal title to the good, physical possession of the good, the customer's acceptance, and risks and rewards of ownership.

(vii) Contract modifications

From time to time, our contracts are renegotiated after contract inception and their scope and/or price change. A contract modification will result in a cumulative change to revenue already recognised only when the remaining goods and services are not separate from those already delivered.

(viii) Gross versus net presentation

When we control the promised goods and services before they are transferred to the customer and we have primary obligation for their delivery, we act as principal in the contract with a customer and recognise revenue at gross amounts. When we act as an agent of a third-party provider, we recognise revenue net of amounts payable to that third party.

(b) Revenue from other sources

Revenue from other sources includes income arising from arrangements other than those accounted for under the revenue recognition standard.

Contract terminations generally trigger different rights and obligations. These rights and obligations are not related to our performance and were not considered at inception of the accounting contract. Therefore, where relevant, any income over and above the recovery of the consideration due for the delivered goods or services is not classified as revenue from customer contracts. Instead, we classify it as revenue from other sources.

We earn revenue from some of our lease arrangements described in note 3.2. This includes revenue from operating leases and from finance leases where Telstra is a dealer-lessor of customer premise equipment. We recognise revenue from operating leases over the lease term, and revenue from sale of goods as a dealer-lessor at a point in time at the commencement date of the lease.

Where a (combined) accounting contract includes lease and non-lease components and Telstra is a lessor, we allocate the consideration to lease and non-lease components applying the relative standalone selling prices requirements for revenue from contracts with customers.

We receive contributions to extend, relocate or amend our network assets. Where the counterparty makes a contribution for network construction activities that is neither a government grant nor relates to the purchase of ongoing services under the same (or linked) contract(s), we recognise revenue over the period of the network construction activities.

(c) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and Telstra will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement as other income over the period necessary to match them with the costs that they are intended to compensate.

Section 2. Our performance (continued)

2.3 Expenses

We classify expenses (apart from finance costs) by nature as this classification more accurately reflects the type of operations we undertake.

Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Included in our labour expenses are the following:		
Employee redundancy	206	114
Share-based payments	29	25
Defined contribution plan expense	347	332
Defined benefit plan expense	47	47
Cost of goods sold (included in our goods and services purchased)	2,456	2,694
Other expenses		
Net impairment losses (excluding net impairment losses on financial assets)	226	154
General and administration	915	995
Service contracts and other agreements	1,086	999
Promotion and advertising	267	286
Other operating expenses	352	232
	2,846	**2,666**
Depreciation and amortisation		
Depreciation of property, plant and equipment	2,470	2,414
Depreciation of right-of-use assets	577	600
Amortisation of intangible assets	1,792	1,677
	4,839	**4,691**
Finance costs		
Interest on borrowings	704	711
Interest on lease liabilities (Telstra as a lessee)	153	130
Other	1	(5)
	858	**836**
Less: interest on borrowings capitalised	(101)	(94)
	757	**742**

Net impairment losses included:

- $85 million (2025: $16 million) impairment of property, plant and equipment, including $64 million for impairment of international assets due to changes in certain landing rights approvals and the discontinuation of associated projects and $11 million for London Hosting Centre assets (both expensed in the TI segment)
- $56 million (2025: nil) goodwill impairment, including $32 million related to the Fetch TV CGU and $22 million related to the Versent disposal group classified as held for sale. For further details refer to notes 3.1.4 and 6.4.1, respectively.
- $51 million (2025: $72 million) impairment of deferred contract costs
- $14 million (2025: $37 million) impairment of right-of-use assets related to London Hosting Centre and expensed in the TI segment.

The following paragraphs provide further information about our expenses and finance costs:

- share-based payments expense relates to both cash-settled and equity-settled share plans. Refer to note 5.2 for further details about our share-based payments arrangements.
- interest on borrowings has been capitalised using a capitalisation rate of 4.7 per cent (2025: 5.0 per cent)
- other finance costs include unrealised valuation impacts on our borrowings and derivatives. These include net gains/losses which arise from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not effective or the hedge accounting criteria are not met. These fair values increase or decrease because of changes in financial indices and prices over which we have no control. All unrealised amounts unwind to nil at maturity of the underlying instrument.

Section 2. Our performance (continued)

2.4 Income taxes

This note sets out our tax accounting policies and provides an analysis of our income tax expense and deferred tax balances, including a reconciliation of tax expense to accounting profit.

Current income tax is based on the accounting profit adjusted for differences in accounting and tax treatments of income and expenses (i.e., taxable income).

Deferred income tax, which is accounted for using the balance sheet method, arises because the accounting income is not always the same as taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, a deferred tax asset or liability must be recognised in the statement of financial position.

This note also provides disclosures which form part of the requirements of the Australian Board of Taxation's Voluntary Tax Transparency Code.

2.4.1 Income tax expense

Table A provides a reconciliation of notional income tax expense to actual income tax expense.

Table A Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Major components of income tax expense		
Current tax expense	1,016	872
Deferred tax resulting from the origination and reversal of temporary differences	(137)	46
Under provision of tax in prior years	29	16
Income tax expense on profit	**908**	**934**
Reconciliation of notional income tax expense to actual income tax expense		
Profit before income tax expense	3,314	3,277
Notional income tax expense calculated at the Australian tax rate of 30% (2025: 30%)	994	983
Notional income tax expense differs from actual income tax expense due to the tax effect of:		
Different tax rates in overseas jurisdictions	(18)	(24)
Net non-taxable items	(29)	(41)
Recognition of deferred tax assets arising from changes in tax law	(51)	-
Under provision of tax in prior years	29	16
Other	(17)	-
Income tax expense on profit	**908**	**934**
Income tax expense/(benefit) recognised during the year directly in other comprehensive income or equity	**89**	**(28)**

Tables B and C include disclosures which form part of the requirements of the Australian Board of Taxation's Voluntary Tax Transparency Code. Any disclosed amounts are determined in accordance with the Australian Accounting Standards.

Table B provides a breakdown of effective income tax rates and Tax Transparency Code effective income tax rates (TTC ETR) for both the Telstra Entity and its Australian resident controlled entities and the Telstra Group.

Table B Telstra Group	Year ended 30 June			
	2026		2025	
	Group	Australia	Group	Australia
Effective income tax rate	27.4%	26.8%	28.5%	24.5%
Tax Transparency Code effective income tax rate	26.5%	26.1%	28.9%	24.9%

The effective income tax rate for the Telstra Group of 27.4 per cent (2025: 28.5 per cent) was calculated as income tax expense divided by profit before income tax expense. Refer to the key non-taxable and non-deductible items impacting our effective tax rate as detailed below.

The TTC ETR for the Telstra Group of 26.5 per cent (2025: 28.9 per cent) differs from the effective income tax rate due to under or over provision for tax in prior years and amended assessments.

The TTC ETR forms part of the requirements of the Australian Board of Taxation's Voluntary Tax Transparency Code to disclose the income tax expense borne by Telstra in respect of the Australian and global operations for the individual year.

Section 2. Our performance (continued)

2.4 Income taxes (continued)

2.4.1 Income tax expense (continued)

Non-taxable and non-deductible items include the tax effect of:

- $150 million non-taxable income relating to non-controlling interests in trusts, and
- $68 million relating to deductible lease termination payments, offset by
- $56 million non-deductible impairments, and
- $52 million non-deductible amount related to current and future withholding taxes for which no tax offset is available.

Table C provides a reconciliation of income tax expense to income tax paid during the year.

Table C Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Income tax expense	908	934
Under provision in prior years	(29)	(16)
Temporary differences recognised in deferred tax expense		
Trade and other receivables and contract assets	(56)	2
Allowance for doubtful debts	(10)	9
Deferred contract costs	14	22
Property, plant and equipment	60	(351)
Intangible assets	106	318
Right-of-use assets	(28)	(12)
Trade and other payables	38	18
Provision for employee entitlements	-	(75)
Lease liabilities	27	25
Borrowings and derivative financial instruments	2	(3)
Contract liabilities and other revenue received in advance	(6)	7
Other provisions	(17)	(1)
Other	7	(5)
Total temporary differences	**137**	**(46)**
Current tax expense	**1,016**	**872**
Net income tax refunds for prior years	(80)	(82)
Current year net income tax receivable next year	99	190
Income tax paid	**1,035**	**980**

2.4.2 Deferred tax assets/(liabilities)

Table D details the amounts of deferred tax assets and liabilities recognised in the statement of financial position, which include impact of foreign exchange movements.

Table D Telstra Group	Year ended/as at 30 June	
	2026	2025
	$m	$m
Deferred tax items recognised in the income statement		
Trade and other receivables and contract assets	(241)	(184)
Allowance for doubtful debts	40	50
Deferred contract costs	(156)	(171)
Property, plant and equipment	(2,157)	(2,269)
Intangible assets	(244)	(421)
Right-of-use assets	(628)	(616)
Defined benefit asset	142	137
Trade and other payables	241	210
Provision for employee entitlements	248	245
Other provisions	105	124
Lease liabilities	706	702
Borrowings and derivative financial instruments	14	18
Contract liabilities and other revenue received in advance	485	484
Income tax losses	38	35
Undistributed reserves and withholding taxes	(96)	(102)
Other	18	8
	(1,485)	**(1,750)**
Deferred tax items recognised in other comprehensive income or equity		
Defined benefit asset	(214)	(197)
Borrowings and derivative financial instruments	69	141
Other	8	8
	(137)	**(48)**
Other movements		
Deferred tax liabilities reclassified to liabilities held for sale	6	6
Net deferred tax liability	**(1,616)**	**(1,792)**
Comprising:		
Deferred tax assets	143	51
Deferred tax liabilities	(1,759)	(1,843)
	(1,616)	**(1,792)**

Section 2. Our performance (continued)

2.4 Income taxes (continued)

2.4.2 Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets

We apply judgement to recognise a deferred tax asset and review its carrying amount at each reporting date. The carrying amount is only recognised to the extent that it is probable that sufficient taxable profit will be available in the future to utilise this benefit. Any amount unrecognised could be subsequently recognised if it has become probable that future taxable profit will allow us to benefit from this deferred tax asset.

Table E details deferred tax assets not recognised in the statement of financial position.

Table E Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Capital tax losses	2,558	2,601
Income tax losses	133	83
Deductible temporary differences	116	103
	2,807	**2,787**

2.4.3 International tax reform - Pillar Two income taxes

Since 1 July 2024, a 15 per cent global minimum tax and 15 per cent domestic minimum tax applies to the Telstra Group globally. The Australian Pillar Two rules have been enacted. Pillar Two legislation has also been enacted or substantively enacted in a number of offshore jurisdictions where our controlled entities operate.

We applied the transitional safe harbour rules for the financial year 2026, and in respect of the jurisdictions where the transitional rules were not applicable, the top up tax exposure did not have a material impact on our financial results.

We have applied the exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.4.4 Tax consolidated group

Under the Australian taxation law, the Telstra Entity and its eligible Australian resident wholly-owned entities (members) form a tax consolidated group and are treated as a single entity for income tax purposes. The Telstra Entity is the head entity of the group and, in addition to its own transactions, it recognises the current tax liabilities and the deferred tax assets arising from unused tax losses and tax credits for all members in the tax consolidated group.

Entities within the tax consolidated group have entered into an income tax sharing agreement and an income tax funding agreement with Telstra Group Limited as the head entity.

The income tax sharing agreement specifies methods of allocating any tax liability in the event the head entity defaults on its group payment obligations and the treatment where a member exits the tax consolidated group.

Under the income tax funding agreement, the head entity will pay the tax consolidated group liabilities to the Commissioner of Taxation and each of the members has agreed to pay/receive a current tax payable to/receivable from the head entity based on the current tax liability or current tax asset recorded in the financial statements of the relevant member. The Telstra Entity will also compensate the members for any deferred tax assets relating to unused tax losses and tax credits.

Amounts receivable (net of allowance for doubtful debts) by the Telstra Entity of $1,279 million (2025: $991 million) and payable by the Telstra Entity of $209 million (2025: $95 million) under the income tax funding agreement are due in the next financial year upon final settlement of the current tax payable for the tax consolidated group.

2.4.5 Recognition and measurement

Our income tax expense is the sum of current and deferred income tax expenses. Current income tax expense is calculated on accounting profit after adjusting for non-taxable and non-deductible items based on rules set by the tax authorities. Deferred income tax expense is calculated at the tax rates that are expected to apply for the period in which the deferred tax asset is realised or the deferred tax liability is settled. Both our current and deferred income tax expenses are calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Our current and deferred taxes are recognised as an expense in the income statement, except when they relate to items that are directly recognised in other comprehensive income or equity. In this case, our current and deferred tax expenses are also recognised directly in other comprehensive income or equity.

Our current and deferred taxes must also recognise the impact of any uncertain tax positions. If it is probable that a relevant tax authority would accept our tax treatment, our tax balances are recognised under that tax treatment. Otherwise, for each uncertain tax position for which it is not probable that the relevant tax authority will accept the tax treatment, we use the most likely amount or the expected value to estimate our tax balances.

We apply the balance sheet method for calculating our deferred tax balances. Deferred tax is the expected tax payable or recoverable on all taxable and deductible temporary differences determined with reference to the tax bases of assets and liabilities and their carrying amount for financial reporting purposes as at the reporting date.

We generally recognise deferred tax liabilities for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill
- the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither our accounting profit nor our taxable income at the time of the transaction (single transactions where both deductible and taxable temporary differences arise on initial recognition that result in deferred tax assets and liabilities of the same amount are excluded from this exemption).

Section 2. Our performance (continued)

2.4 Income taxes (continued)

2.4.5 Recognition and measurement (continued)

For our investments in controlled entities, joint ventures and associated entities, recognition of deferred tax liabilities is required unless we are able to control the timing of our temporary difference reversal and it is probable that the temporary difference will not reverse.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carried forward unused tax losses and tax credits, can be utilised.

Deferred tax assets and deferred tax liabilities are offset in the statement of financial position where they relate to income taxes levied by the same taxation authority and to the extent that we intend to settle our current tax assets and liabilities on a net basis.

2.5 Earnings per share

This note outlines the calculation of Earnings per Share (EPS), which is the amount of post-tax profit attributable to each share. EPS excludes profit attributable to non-controlling interests and takes into account the average number of shares weighted by the number of days on issue.

We calculate basic and diluted EPS. Diluted EPS reflects the effects of the equity instruments allocated to our employee share schemes under the Telstra Growthshare Trust.

Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Earnings used in the calculation of basic and diluted EPS		
Profit for the year attributable to equity holders of Telstra Entity	**2,241**	**2,172**
Weighted average number of ordinary shares	Number of shares (millions)	
Weighted average number of ordinary shares used in the calculation of basic EPS	11,269	11,514
Dilutive effect of certain employee share instruments	10	10
Weighted average number of ordinary shares used in the calculation of diluted EPS	**11,279**	**11,524**
	cents	cents
Basic EPS	19.9	18.9
Diluted EPS	19.9	18.8

When we calculate the basic EPS, we adjust the weighted average number of ordinary shares to exclude the shares held in trust by Telstra Growthshare Trust (Growthshare).

Information about equity instruments issued under Growthshare can be found in note 5.2.

2.6 Notes to the statement of cash flows

2.6.1 Reconciliation of profit to net cash provided by operating activities

Table A provides a reconciliation of profit to net cash provided by operating activities.

Table A Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Profit for the year	2,406	2,343
Add/(subtract) items classified as investing/financing activities		
Finance income	(88)	(103)
Finance costs	757	742
Net gain on disposal of property, plant and equipment and intangible assets	(125)	(93)
Net gain on disposal of businesses, controlled entities and equity accounted investments	(29)	(5)
Revenue of a dealer-lessor	(62)	(20)
Net gain on lease related transactions	(26)	(96)
Government grants received relating to investing activities	(36)	(30)
Add/(subtract) non-cash items		
Depreciation and amortisation	4,839	4,691
Share-based payments	29	25
Defined benefit plan expense	47	47
Share of net (profit)/loss from joint ventures and associated entities	(9)	17
Impairment losses (excluding inventories, trade and other receivables, and deferred contract costs)	157	55
Effects of exchange rate changes	(48)	14
Other	(4)	(34)
Cash movements in operating assets and liabilities		
(Increase)/decrease in trade and other receivables and contract assets	(23)	280
(Increase)/decrease in inventories	(3)	85
Increase in prepayments and other assets	(47)	(77)
Decrease in deferred contract costs	46	42
Increase/(decrease) in trade and other payables	44	(138)
Decrease in contract liabilities and other revenue received in advance	(152)	(118)
Decrease in net tax liability	(110)	(39)
Decrease in provisions	(9)	(264)
Net cash provided by operating activities	**7,554**	**7,324**

Section 2. Our performance (continued)

2.6 Notes to the statement of cash flows (continued)

2.6.2 Cash and cash equivalents

Table B details the nature of our cash and cash equivalents in the statement of cash flows.

Table B Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Cash at bank and on hand	614	559
Bank deposits and negotiable certificates of deposit	489	453
	1,103	**1,012**

Cash and cash equivalents in the statement of financial position include $119 million (2025: $103 million) held by our controlled entities in:

- China, Papua New Guinea, India and Indonesia, where these amounts are subject to regulatory controls
- Australia, where these amounts are subject to contractual restrictions.

As a result, our ability to utilise these funds for general operating activities by the other entities within the Telstra Group may be constrained.

2.6.3 Recognition, measurement and presentation

(a) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, bank deposits and negotiable certificates of deposit that are held to meet short-term cash commitments rather than for investment purposes.

Bank deposits and negotiable certificates of deposit other than those held to meet short-term cash commitments are classified as financial assets held at amortised cost.

(b) Short-term borrowings in financing cash flows

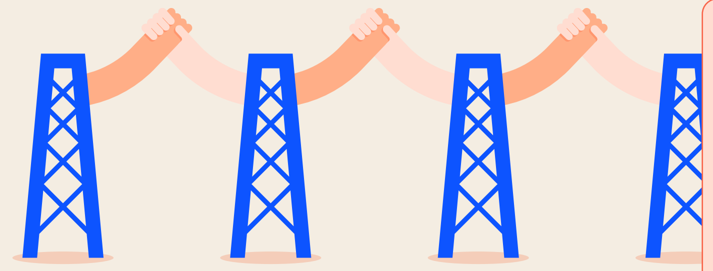
Where our short-term borrowings are held for the purpose of meeting short-term cash commitments, we report the cash receipts and subsequent repayments in financing activities on a net basis in the statement of cash flows.

(c) Goods and Services Tax (GST) (including other value-added taxes)

We record our revenue, expenses and assets net of any applicable GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivable and payable balances in the statement of financial position, and receipts from customers and payments to suppliers in the statement of cash flows include GST where we have either included GST in our price charged to customers or a supplier has included GST in their price charged to us. The net amount of GST due to the ATO but not paid is included in our current trade and other payables.

Section 3. Our core assets, lease arrangements and working capital



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

3.1 Property, plant and equipment and intangible assets

This note provides details of our tangible and intangible assets, including goodwill, and their impairment assessment.

Our impairment assessment compares the carrying values of our cash generating units (CGUs) with their recoverable amounts determined using a 'value in use' calculation. The value in use calculations use key assumptions such as cash flow forecasts, discount rates and terminal growth rates.

3.1.1 Property, plant and equipment

Table A shows movements in the net book value of our property, plant and equipment assets during the financial year.

Table A Telstra Group	Land and buildings	Commu-nication assets	Other plant and equipment	Total property, plant and equipment
	$m	$m	$m	$m
Net book value at 1 July 2024	**566**	**20,079**	**222**	**20,867**
Additions	34	2,191	104	**2,329**
Depreciation expense	(68)	(2,223)	(123)	**(2,414)**
Impairment losses	(5)	(10)	(1)	**(16)**
Reclassification to assets held for sale	-	(21)	(2)	**(23)**
Net foreign currency exchange differences	(1)	(2)	-	**(3)**
Other movements	3	(75)	(17)	**(89)**
Net book value at 30 June 2025 comprising:	**529**	**19,939**	**183**	**20,651**
Cost	1,166	58,283	1,152	**60,601**
Accumulated depreciation and impairment	(637)	(38,344)	(969)	**(39,950)**
Net book value at 1 July 2025	**529**	**19,939**	**183**	**20,651**
Additions	58	2,500	92	**2,650**
Depreciation expense	(64)	(2,289)	(117)	**(2,470)**
Impairment losses	(7)	(78)	-	**(85)**
Net foreign currency exchange differences	(4)	(83)	(3)	**(90)**
Other movements	(14)	(20)	31	**(3)**
Net book value at 30 June 2026 comprising:	**498**	**19,969**	**186**	**20,653**
Cost	1,166	60,054	1,209	**62,429**
Accumulated depreciation and impairment	(668)	(40,085)	(1,023)	**(41,776)**

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.1 Property, plant and equipment (continued)

The following paragraphs provide further information about our fixed asset classes:

- additions to property, plant and equipment include $34 million (2025: $37 million) of capitalised borrowing costs directly attributable to qualifying assets
- land and buildings include leasehold improvements related to right-of-use assets recognised under our leasing arrangements (Telstra as a lessee)
- communication assets include network land and buildings that are essential to the operation of our communication assets
- our buildings and communication assets are mainly used by us to generate revenue, however we also generate rental income from these assets. Given their dual purposes, it is impractical to separately present the assets under the operating lease arrangements. As at 30 June 2026, the total net book value of the assets used for dual purpose was $2,739 million (2025: $2,705 million).
- as at 30 June 2026, $2,135 million (2025: $1,578 million) of property, plant and equipment was under construction and not ready for use
- other movements include $37 million (2025: $62 million) net transfers from/to intangible assets and other individually insignificant transactions.

3.1.2 Goodwill and other intangible assets

Table B shows movements in the net book value of our intangible assets during the financial year.

Table B Telstra Group	Goodwill	Software assets	Licences	Other intangible assets	Total intangible assets
	$m	$m	$m	$m	$m
Net book value at 1 July 2024	**3,639**	**4,408**	**2,695**	**1,679**	**12,421**
Additions	-	1,470	1	15	**1,486**
Acquisitions through business combinations	69	-	-	85	**154**
Amortisation expense	-	(1,198)	(321)	(158)	**(1,677)**
Impairment losses	-	(2)	-	-	**(2)**
Net foreign currency exchange differences	(203)	-	-	(137)	**(340)**
Reclassification to assets held for sale	(287)	(2)	-	(42)	**(331)**
Other movements	-	44	4	16	**64**
Net book value at 30 June 2025 comprising:	**3,218**	**4,720**	**2,379**	**1,458**	**11,775**
Cost	3,347	14,685	4,712	2,787	**25,531**
Accumulated amortisation and impairment	(129)	(9,965)	(2,333)	(1,329)	**(13,756)**
Net book value at 1 July 2025	**3,218**	**4,720**	**2,379**	**1,458**	**11,775**
Additions	2	1,230	14	8	**1,254**
Amortisation expense	-	(1,344)	(322)	(126)	**(1,792)**
Impairment losses	(34)	(2)	-	-	**(36)**
Disposals through sale of controlled entities	(11)	(12)	-	(5)	**(28)**
Net foreign currency exchange differences	(183)	(6)	-	(92)	**(281)**
Other movements	-	(82)	16	15	**(51)**
Net book value at 30 June 2026 comprising:	**2,992**	**4,504**	**2,087**	**1,258**	**10,841**
Cost	3,106	14,728	4,741	2,661	**25,236**
Accumulated amortisation and impairment	(114)	(10,224)	(2,654)	(1,403)	**(14,395)**

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.2 Goodwill and other intangible assets (continued)

The following paragraphs detail further information about our intangible asset classes:

- additions to software assets include $67 million (2025: $57 million) of capitalised borrowing costs directly attributable to qualifying assets
- software assets mostly comprise internally generated assets
- licences comprise spectrum and apparatus licences obtained to operate a range of radiocommunications devices
- $34 million impairment losses recognised in the financial year 2026 related to goodwill impairments of our Fetch TV CGU and MTData disposal group on its classification as held for sale and subsequent disposal. For further details refer to notes 3.1.4 and 6.1.3, respectively.
- other movements include $37 million (2025: $62 million) net transfers to/from property, plant and equipment to intangible assets and other individually insignificant transactions.

Capitalisation of development costs

We apply judgement to determine whether to capitalise development costs.

Development costs are only capitalised if the project is assessed to be technically and commercially feasible, we are able to use or sell the asset, and we have sufficient resources and intent to complete the development.

As at 30 June 2026, $1,037 million (2025: $935 million) of software assets were not installed and not ready for use.

3.1.3 Depreciation and amortisation

Table C presents the weighted average useful lives of our property, plant and equipment and identifiable intangible assets with a definite useful life.

Table C Telstra Group	Expected benefit (years)	
	As at 30 June	
	2026	2025
Property, plant and equipment		
Buildings	30	30
Communication assets	27	27
Other plant and equipment	5	7
Intangible assets		
Software assets	8	8
Licences	17	17
Other intangibles	20	20

Useful lives and residual values of tangible and intangible assets

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

Assessment of useful lives and residual values includes a comparison with international trends for telecommunication companies and, in relation to communication assets, a determination of when the asset may be superseded technologically or made obsolete. For intangible assets, specifically business software, useful lives are adjusted to align with expected retirement dates of the relevant applications under the current corporate strategies.

During the financial year 2026, the net effect of the assessment of useful lives was $43 million decrease (2025: $59 million increase) in depreciation expense and $45 million (2025: $30 million) decrease in amortisation expense.

3.1.4 Impairment assessment

All non-current tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Goodwill, intangible assets with an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are assessed for impairment at least annually. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount.

The recoverable amount of an asset is the higher of its fair value less cost of disposal and its value in use. Fair value less cost of disposal is measured with reference to quoted market prices in an active market. Value in use represents the present value of the future amount expected to be recovered through the cash inflows and outflows arising from the asset's continued use and subsequent disposal.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.4 Impairment assessment (continued)

We identify CGUs, the smallest groups of assets that generate largely independent cash inflows from other assets or groups of assets. CGUs to which goodwill is allocated cannot be larger than an operating segment.

(a) Telstra Entity ubiquitous telecommunication network

An impairment assessment is performed at the level of our Telstra Entity ubiquitous telecommunications network CGU.

Impairment assessment of our ubiquitous telecommunications network

We have determined that assets which form part of the Telstra Entity ubiquitous telecommunications network, comprising the customer access network and the core network, are working together to generate independent cash inflows. No one item of telecommunications equipment is of any value without the other assets to which it is connected to deliver our products and services.

Indicators of impairment may include changes in our operating and economic assumptions or possible impacts from risks such as changing economic and market conditions and climate related events. We apply judgement in determining whether certain trends with an adverse impact on our cash flows are considered impairment indicators.

We continue to operate in uncertain economic environments with persistent inflation and other economic pressures. However, given the long-lived nature of the majority of our assets and the nature of the services we provide, the expected return on the assets is not significantly impacted. As a result, we did not consider the uncertain economic environment as an impairment indicator of our ubiquitous telecommunications network.

We continue to assess the potential impacts of both acute and chronic physical climate hazards on our assets, including bushfires, tropical cyclones, coastal erosion and inundation, intense rainfall events and increasing temperatures, as well as the impact of extreme weather events on our operations and service delivery.

We have already incorporated in our management forecasts some financial impacts related to our short-medium term environmental goals associated with both reducing our absolute scope 1+2 greenhouse gas emissions by 70 per cent by 2030 (from the financial year 2019 baseline and excluding Digicel Pacific Limited and its controlled entities), as well as existing planned and reactive spend related to climate hazards. Work is ongoing to incorporate other potential long-term financial impacts of climate and our relevant adaptation strategies in our forward plans.

Based on our experience with extreme weather events, and considering the diverse location and nature of our assets as well as our continued focus on network resiliency and business continuity programs, we do not consider the potential impacts of climate and the transition to a lower carbon economy to be an impairment indicator at this stage. In addition, based on the analysis performed, the range of financial impacts identified and quantified to date for possible climate scenarios is not significant compared to the excess of the recoverable amount over the carrying value of our ubiquitous telecommunications network.

As we continue to assess climate impacts to our business, we will incorporate any identified financial impacts into our impairment assessment. Should we identify material adverse effects of climate or the transition to a lower carbon economy on our cash flows, we may deem it an impairment indicator in the future.

Management forecasts require significant judgements and assumptions and are subject to risk and uncertainty that may be beyond our control. Hence, there is a possibility that changes in circumstances will materially alter projections, which may impact our assessment of impairment indicators and the recoverable amount of assets at each reporting date.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.4 Impairment assessment (continued)

(b) Goodwill

The carrying amount of goodwill has been allocated to the CGUs as detailed in table D.

Table D Telstra Group	As at 30 June 2026 $m	 2025 $m
Digicel Pacific[1]	1,243	1,391
Telstra Enterprise International Group[1,2]	609	644
Telstra Consumer Group[2]	409	408
Telstra Enterprise Australia Group[2]	377	377
Health Group[3]	340	251
PowerHealth Group[3]	n/a	89
Fetch TV	-	32
Other[4]	14	26
	2,992	**3,218**

1 These CGUs operate in overseas locations. Therefore, the goodwill allocated to these CGUs will fluctuate in line with movements in applicable foreign exchange rates.

2 The Telstra Enterprise International Group, Telstra Enterprise Australia Group, Telstra Consumer Group and Health Group CGUs include goodwill from past acquisitions integrated into these businesses.

3 During the financial year 2026, PowerHealth Group CGU has been integrated into the Health Group CGU.

4 Other includes other individually immaterial CGUs. During the financial year 2026, goodwill related to MTData CGU was derecognised on the disposal of the MTData disposal group. Refer to note 6.1.3 for further details.

We used a value in use calculation to determine the recoverable amounts of our CGUs with allocated goodwill.

Determining CGUs and their recoverable amount for impairment assessment of goodwill

We apply judgement to identify our CGUs and determine their recoverable amounts using a value in use calculation. These judgements include cash flow forecasts, as well as the selection of growth rates, terminal growth rates and discount rates based on experience and our expectations for the future.

Our cash flow projections are based on five-year management-approved forecasts unless a different period is justified. The forecasts use management estimates to determine income, expenses, capital expenditure and cash flows for each asset and CGU.

We have identified that for the Fetch TV CGU discounted cash flows do not support the carrying value of that CGU as detailed below.

As at 30 June 2026, the carrying value of our assets in the Fetch TV CGU was assessed for impairment and we concluded that the recoverable amount determined using a 'value in use' calculation was lower than the CGU's carrying value. As a result, we recognised a $32 million goodwill impairment expense, which was included in the Telstra Consumer segment result in note 2.1. The impairment reflects the evolving market dynamics in our consumer business and increased competitive pressures.

Table E details key assumptions used in determining the recoverable amount of our material CGUs to which goodwill has been allocated.

Table E Telstra Group	Discount rate 2026 %	 2025 %	Terminal value growth rate 2026 %	 2025 %
Digicel Pacific	11.5	12.2	3.0	3.0
Telstra Enterprise International Group	8.3	8.8	2.0	2.0
Telstra Consumer Group	11.0	11.0	2.5	2.5
Telstra Enterprise Australia Group	12.0	12.0	2.5	2.5
Health Group[1]	13.1	12.7	2.5	2.5
PowerHealth Group[1]	n/a	15.7	n/a	2.5
Fetch TV	11.3	13.7	2.5	2.5

1 During the financial year 2026, PowerHealth Group CGU has been integrated into the Health Group CGU.

The discount rate represents the pre-tax discount rate applied to the cash flow projections. The discount rate reflects the market determined, risk-adjusted discount rate that is adjusted for specific risks relating to the CGU and the countries in which it operates.

The terminal value growth rate represents the growth rate applied to extrapolate our cash flows beyond the forecast period. These growth rates are based on our expectation of the CGUs' long-term performance in their markets.

With the exception of our Fetch TV CGU whose goodwill was fully impaired at 30 June 2026, we also performed sensitivity analyses to examine the effect of a change in key assumptions across all other CGUs. For the most sensitive CGU, the pre-tax discount rate would need to increase by 138 basis points (2025: 154 basis points) or the terminal value growth rate would need to decrease by 198 basis points (2025: 228 basis points) or the EBITDA forecasts would need to decrease by 9.7 per cent (2025: 10.4 per cent) before the recoverable amount would equal its carrying value.

No other reasonably possible changes in key assumptions will result in a material impairment charge for the other CGUs.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.5 Recognition and measurement

Our policy for recognition and measurement of property, plant and equipment and intangible assets is detailed in the table below.

Asset class	Recognition and measurement
Property, plant and equipment	Property, plant and equipment, including assets under construction, is recorded at cost less accumulated depreciation and impairment. Cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use. We capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. All other borrowing costs are recognised as an expense in our income statement when incurred. Property, plant and equipment other than freehold land are depreciated on a straight-line basis in the income statement from the time when the assets are installed and ready for use. Items of property, plant and equipment excluding leasehold improvements are depreciated over their estimated useful lives. Leasehold improvements are depreciated over the shorter of the lease term and the useful life of the assets.
Goodwill	Goodwill acquired in a business combination is measured at cost. Cost represents the excess of what we pay for the business combination over the fair value of the identifiable net assets acquired at the date of acquisition. Goodwill is not amortised but is tested for impairment on an annual basis or when an indication of impairment arises. Goodwill arising on the acquisition of joint ventures or associated entities constitutes part of the cost of the investment.
Internally generated intangible assets	Internally generated intangible assets include mainly IT development costs incurred in design, build and testing of new or improved IT products and systems. Research costs are expensed when incurred. Capitalised development costs include: • external direct costs of materials and services consumed • payroll and payroll-related costs for employees (including contractors) directly associated with the project • borrowing costs that are directly attributable to the qualifying assets. Internally generated intangible assets have a finite life and are amortised on a straight-line basis over their useful lives.
Acquired intangible assets	We acquire other intangible assets either as part of a business combination or through a separate acquisition. Intangible assets acquired in a business combination are recorded at their fair value at the date of acquisition and recognised separately from goodwill. Intangible assets acquired through a specific acquisition are recorded at cost. Intangible assets that are considered to have a finite life are amortised on a straight-line basis over the useful lives. Intangible assets that are considered to have an indefinite life are not amortised but tested for impairment on an annual basis or when an indication of impairment exists.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements

This note provides details about our leasing arrangements, where Telstra is either a lessee or a lessor, including arrangements where Telstra is an intermediate lessor (i.e., subleases).

3.2.1 Telstra as a lessee

Our most significant lease contracts relate to network and non-network properties, including:

- land and buildings supporting our network assets and data centres
- office buildings and retail spaces.

Other lease arrangements include:

- spaces on mobile towers
- renewable energy plants
- motor vehicles
- equipment, mobile devices, laptops, personal computers, printers and other assets.

None of our leases include residual value guarantees. Other features of our leases are described below.

(a) Leases with extension, termination and purchase options

We do not have any significant purchase options in our property leases.

Extension options are included in a number of commercial and network property leases and are taken up to maximise the operational flexibility in terms of managing the assets used in our core business operations.

The majority of extension and termination options within our lease contracts are exercisable only by us and not by the respective lessor, with the exception of holdover periods in our property leases, where generally either party can terminate the lease.

The extension, termination and purchase options are considered when determining lease term.

Determining lease term for property leases

We apply judgement to determine a lease term for leases with extension, termination or purchase options. We also consider lease modifications where we continue to use the same underlying asset for an extended term.

Our property lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, with typical fixed term periods between one and 15 years.

In determining the lease term, we consider all facts and circumstances that create an economic incentive to exercise an extension, termination or purchase option, including holdover periods where relevant.

In particular, we consider contractual terms under which the lease term can be extended or terminated, potential relocation costs, asset specific factors and any relevant leasehold improvements or our wider strategy and policy decisions.

We also consider long-term inter-company arrangements to access tower sites and exchanges located on land leased from third parties.

Extension options are only included in the lease term if the lease is reasonably certain to be extended. Periods beyond termination options are only included in the lease term if it is reasonably certain that the lease will not be terminated.

The longer the fixed lease term, the less certain a lessee is to exercise an option to extend the lease.

The extension options for leases of office buildings have generally not been included in the lease term due to a competitive marketplace and our commercial ability to either substantially renegotiate or replace these assets instead of exercising the extension options.

Our termination options have been considered reasonably certain not to be exercised; therefore, the lease terms have not been shortened and all future cash flows have been included in the measurement of the lease liability.

The lease term assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment and that is within our control as a lessee.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.1 Telstra as a lessee (continued)

(b) Leases with lease payment increases

Under most of our lease arrangements, we pay fixed lease payments which may also include fixed rent increases, both of which are included in the measurement of lease liabilities at initial recognition or at the time of reassessment. However, some of our property leases may contain other escalation clauses, including increases subject to future consumer price index or at greater of fixed increase and future consumer price index and/or increases subject to market rates. Such increases are included in the measurement of lease liabilities at the time of reassessment.

No material remeasurements of lease liabilities resulting from such escalation clauses were recognised during the financial year 2026.

(c) Leases with variable lease payments that do not depend on an index or a rate

Some of our leases, such as leases of renewable energy plants, include variable lease payments that do not depend on an index or a rate. Such payments are not included in the measurement of the lease liability and are expensed as incurred in 'other expenses' in the income statement.

(d) Right-of-use assets

Table A shows movements in net book value of our right-of-use assets during the financial year.

Table A Telstra Group	Right-of-use assets for underlying assets		
	Land and buildings	Other	Total
	$m	$m	$m
Net book value at 1 July 2024	**1,934**	**732**	**2,666**
Additions	520	278	**798**
Depreciation expense	(422)	(178)	**(600)**
Impairment losses	(37)	-	**(37)**
Terminations	(85)	(16)	**(101)**
Derecognition due to finance subleases	(7)	(7)	**(14)**
Other movements	5	(36)	**(31)**
Net book value at 30 June 2025 comprising:	**1,908**	**773**	**2,681**
Cost	4,185	1,542	**5,727**
Accumulated depreciation and impairment	(2,277)	(769)	**(3,046)**
Net book value at 1 July 2025	**1,908**	**773**	**2,681**
Additions	492	262	**754**
Depreciation expense	(374)	(203)	**(577)**
Impairment losses	(14)	-	**(14)**
Terminations	(71)	(14)	**(85)**
Derecognition due to finance subleases	(2)	(6)	**(8)**
Other movements	(15)	(27)	**(42)**
Net book value at 30 June 2026 comprising:	**1,924**	**785**	**2,709**
Cost	4,455	1,633	**6,088**
Accumulated depreciation and impairment	(2,531)	(848)	**(3,379)**

Other movements include other individually insignificant transactions.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.1 Telstra as a lessee (continued)

(d) Right-of-use assets (continued)

Table B provides information about the weighted average useful lives of our right-of-use assets by class of underlying assets.

Table B Telstra Group	Weighted average useful life (years)	
	As at 30 June	
	2026	2025
Land and buildings	12	11
Other	8	8

(e) Lease liabilities

Lease liabilities do not include leases with variable payments which do not depend on an index or a rate, for which associated outstanding rental payments as at balance date are included in trade and other payables.

Determining incremental borrowing rates for property leases

We apply judgement to determine incremental borrowing rates for our property leases because the interest rates implicit in leases are not readily determinable for those arrangements.

The incremental borrowing rates are determined with reference to rates sourced from market-based credit adjusted yield curves which are independently derived and reasonably reflect the credit risk of the lessee. The discount rates also reflect:

- the lease term (based on the weighted average repayment term)
- any guarantees which may be in place
- the impact of any security if significant to pricing.

As at 30 June 2026, the weighted average incremental borrowing rate was 4.1 per cent (2025: 4.0 per cent).

Table C presents maturity analysis of our lease liabilities.

Table C Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Undiscounted future cash flows		
Less than 1 year	635	631
1 to 2 years	538	461
2 to 5 years	1,099	1,086
More than 5 years	1,628	1,719
Total undiscounted lease liabilities	**3,900**	**3,897**
Future finance charges	(809)	(798)
Present value of lease liabilities	**3,091**	**3,099**
Comprising:		
Current	511	502
Non-current	2,580	2,597
	3,091	**3,099**

Measurement of lease liabilities reflects judgements made about discounted future cash flows arising from reasonably certain extension options and lease modifications, which must be reassessed should the circumstances change.

Potential future cash outflows of $1,521 million (2025: $1,270 million) are not reflected in the measurement of lease liabilities as they relate to leases which are yet to commence and/or extension options that we assessed as not reasonably certain. Of those cash flows, 90 per cent (2025: 90 per cent) would occur after five years. These outflows represent contractual undiscounted future cash flows estimated based on fixed lease payments only, payable over:

- for leases yet to commence - the legally non-cancellable lease term
- for leases already recognised in the statement of financial position and for those yet to commence - all extension options exercisable only by us (i.e., excluding holdover periods).

Such cash flows are not contractually payable until options have been legally exercised (if at all) and/or until the effective dates of already executed new contracts.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.1 Telstra as a lessee (continued)

(f) Amounts recognised in the income statement and cash outflows for leases

Table D presents amounts recognised in the income statement and the cash outflows related to our lease arrangements.

Table D Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Amounts recognised in the income statement		
Income from operating subleases (in revenue from other sources)	12	13
Net gain on sale and leaseback transactions (in other income)	16	31
Net gain on modifications and reassessment of leases (in other income)	3	45
Depreciation of right-of-use assets	(577)	(600)
Impairment losses (in other expenses)	(14)	(37)
Expense for leases with variable payments (in other expenses)	(6)	(6)
Interest expense on lease liabilities (in net finance costs)	(153)	(130)
Cash outflows for leases		
In cash flows from operating activities	(6)	(6)
In cash flows from financing activities (principal portion)	(673)	(632)
In cash flows from financing activities (interest portion)	(151)	(130)
Total cash outflows for leases	**(830)**	**(768)**

3.2.2 Telstra as a lessor (including a dealer-lessor and an intermediate lessor)

Our lease arrangements where Telstra is a lessor, including a dealer-lessor and intermediate lessor, include the following main categories:

- leases and subleases of property assets, including office and network buildings
- finance leases where Telstra is a dealer-lessor of communication assets dedicated to solution management
- leases of modem devices to our consumer and small business customers
- leases of dark fibre
- leases of spaces on mobile towers.

Our key finance and operating leases are described below.

(a) Finance leases

(i) Finance leases where Telstra is a dealer-lessor

We enter into finance lease arrangements with our customers predominantly for communication assets dedicated to solution management. At lease commencement date, we recognise revenue and a selling profit from these transactions as we have no risks associated with the remaining rights in the underlying assets.

(ii) Subleases

Generally, we rent office and network buildings for our own use and not with the intention to earn rental income. However, where our needs or the intended use of the rented properties change and we have assessed that exiting a lease is uneconomical, we may sublease property assets on market terms for all or a part of the remaining non-cancellable lease term of the head lease.

These subleases are classified either as operating lease or finance lease. For finance subleases, at lease commencement date, we record a net gain or loss on the derecognised right-of-use asset and recognise a finance lease receivable. We have no risks associated with any retained rights in the underlying assets as the properties are vacated and returned to the landlords at the end of the non-cancellable lease term.

(iii) Leases of passive infrastructure assets

Generally, we hold our infrastructure assets for our own use and not with the intention to earn rental income. However, we also generate some revenue from rental of dark fibre, network building floorspace and spaces on mobile towers mainly to our wholesale customers.

These leases are classified either as operating lease or finance lease.

(iv) Finance lease receivable maturity analysis

Table E sets out the maturity analysis of undiscounted lease payments receivable and the unearned finance income for our finance lease receivables. No unguaranteed residual values accrue under our finance leases.

Table E Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Undiscounted lease payments receivable under finance leases		
Less than 1 year	111	92
1 to 2 years	35	36
2 to 3 years	60	49
3 to 4 years	47	39
4 to 5 years	37	33
More than 5 years	172	176
Total undiscounted lease payments receivables	**462**	**425**
Less: unearned finance income	(162)	(169)
Net investment in the lease	**300**	**256**
Allowance for doubtful debts	(2)	(1)
	298	**255**
Comprising:		
Current	84	66
Non-current	214	189
	298	**255**

During the financial year 2026, we added $79 million (2025: $53 million) new finance lease receivables and recognised interest income of $35 million (2025: $20 million).

Refer to note 3.3.1 for details regarding impairment assessment of our finance lease receivables.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.2 Telstra as a lessor (including a dealer-lessor and an intermediate lessor) (continued)

(b) Operating leases

Table F sets out maturity analysis of undiscounted future lease payments receivable under our operating leases.

Table F Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Less than 1 year	93	112
1 to 2 years	62	75
2 to 3 years	48	60
3 to 4 years	41	51
4 to 5 years	38	41
More than 5 years	227	243
	509	**582**

(c) Amounts recognised in the income statement

Table G presents amounts relating to our lease arrangements where Telstra is a lessor (including an intermediate lessor) recognised in the income statement during the financial year.

Table G Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Revenue from dealer-lessor finance leases (in revenue from other sources)	62	34
Income from operating leases, including subleases (in revenue from other sources)	133	105
Net gain on derecognition due to finance leases, including subleases (in other income)	11	20
Finance income from finance leases (in finance income)	35	20

3.2.3 Recognition and measurement

(a) Lease identification and lease term

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset, including a physically distinct portion of an asset, for a period of time in exchange for consideration. The customer has the right to control the use of an identified asset if the supplier has no substantive substitution rights, and the customer obtains substantially all of the economic benefits from use of the identified asset and has the right to direct its use.

A contract may include lease and non-lease components, which are accounted for separately. We allocate the consideration to lease and non-lease components based on their relative standalone (selling) prices.

If a lease has been identified at inception of the arrangement, a lease term is determined considering a non-cancellable period and reasonably certain extension, termination or purchase options.

(b) Telstra as a lessee

A lessee recognises a right-of-use asset and a lease liability at lease commencement date. The lease liability is initially measured as a present value of the following lease payments:

- fixed payments (including any in-substance fixed lease payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially using the index or rate as at the commencement date
- the exercise price of a purchase option, if the purchase option was assessed as reasonably certain to be exercised
- payments for penalties for terminating the lease, if the lease term reflects that the lessee will exercise that option.

Lease payments expected to be made under a reasonably certain extension option are also reflected in the measurement of the lease liability.

Where lease arrangements include market rent review clauses, lease liabilities are measured excluding any expected impacts from market rent reviews until they are legally binding and can be reliably measured.

The lease payments are discounted using the interest rate implicit in the lease, unless that rate is not readily determinable, in which case the lessee's incremental borrowing rate is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that do not depend on an index or a rate are recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

At the commencement of the lease, right-of-use assets are measured at cost, which comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. Where an obligation exists to dismantle, remove or restore a leased asset or the site it is located on and a provision has been raised, the right-of-use asset also includes these restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that we will exercise the purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

Right-of-use assets are reviewed for impairment under the same policy as our property, plant and equipment assets. Refer to note 3.1.4 for further details regarding impairment testing.

Costs of improvements to the leased properties are capitalised as leasehold improvements and usually depreciated over the shorter of the useful life of the improvements and the term of the lease.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.2 Lease arrangements (continued)

3.2.3 Recognition and measurement (continued)

(b) Telstra as a lessee (continued)

We reassess lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed (reflecting reassessment of or exercise of an extension or termination options previously not included in the measurement of the lease liability) or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- the future lease payments change due to changes in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

(c) Telstra as a lessor (including a dealer-lessor and an intermediate lessor)

We distinguish between finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased asset from the lessor to the lessee, and operating leases under which the lessor effectively retains substantially all such risks and benefits. Lease classification is made at the inception date and is only reassessed if a lease is modified.

Where we are an intermediate lessor, we account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Where we lease assets via a finance lease, a finance lease receivable (i.e., a net investment in the lease) is recognised at the lease commencement date and measured at the present value of the lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term and discounted using the interest rate implicit in the lease. We derecognise the asset subject to the lease and recognise any difference between the finance lease receivable and the carrying amount of the asset in the income statement as a net gain (i.e., other income) or a net loss (i.e., other expenses) on finance lease.

Finance lease receipts are allocated between finance income and a reduction of the finance lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Where we are a dealer-lessor, at the commencement of the lease, in addition to the finance lease receivable we also recognise a selling profit or loss (being the difference between revenue from other sources and the cost of sale) from the sale of the underlying asset.

Income from operating leases is recognised on a straight-line basis over the term of the relevant lease and presented in the income statement as revenue from other sources.

(d) Sale and leaseback transactions

When we sell and lease back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer:

- if yes, we measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by us as a seller-lessee. Accordingly, we recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.
- if not, as a seller-lessee we continue to recognise the transfer asset and we recognise a financial liability equal to the transfer proceeds.

3.3 Trade and other receivables and contract assets

3.3.1 Current and non-current trade and other receivables and contract assets

Table A Telstra Group	Note	As at 30 June 2026 $m	 2025 $m
Current			
Trade receivables from contracts with customers		2,324	2,516
Finance lease receivables	3.2	84	66
Accrued revenue		257	256
Other receivables		209	218
		2,874	**3,056**
Contract assets	3.5	485	621
		3,359	**3,677**
Non-current			
Trade receivables from contracts with customers		851	661
Finance lease receivables	3.2	214	189
Other receivables		59	38
		1,124	**888**
Contract assets	3.5	409	269
		1,533	**1,157**

The majority of our receivables are in the form of contracted agreements with our customers. In general, the terms and conditions of these contracts require settlement between 14 and 30 days from the date of invoice. Credit risk associated with trade and other receivables and contract assets has been provided for.

Our trade receivables include receivables with deferred payment terms over 12, 24 or 36 months arising from mass market device repayment contracts. Amounts expected to be collected within 12 months from the reporting date are presented as current assets.

Trade receivables from contracts with customers represent an unconditional right to receive consideration (primarily cash) which normally arises when the goods and services have been delivered and/or a valid invoice has been issued. By contrast, contract assets relate to our rights to consideration for goods or services provided to the customer but for which we do not have an unconditional right to payment at the reporting date.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.3 Trade and other receivables and contract assets (continued)

3.3.1 Current and non-current trade and other receivables and contract assets (continued)

In general, we invoice customers in advance for services provided under our prepaid or fixed fee (usually monthly) contracts and in arrears for usage-based contracts (e.g., carriage services under enterprise contracts). In those cases, we would recognise a contract liability and a contract asset, respectively.

Refer to note 3.5 for movements in net contract assets and contract liabilities.

(a) Impairment of trade and other receivables and contract assets

Trade and other receivables and contract assets are exposed to customers' credit risk and are subject to impairment assessment.

If a credit loss (i.e., a shortfall between the contractual and expected cash flows) is expected, an allowance for doubtful debt is raised to reduce the carrying amount of trade and other receivables and contract assets. For both receivables and contract assets we estimate the expected credit loss using one or a combination of a portfolio approach and/or an individual account by account assessment as detailed below.

(i) Portfolio approach

The portfolio approach is based on historical credit loss experience and, where appropriate, adjusted to reflect current conditions and estimates of future economic outlook. This approach is mostly applied to balances arising from our consumer and small to medium business customer contracts. Under this approach, expected credit losses are measured using the probability of default and the expected loss given default, both represented as a percentage of the exposure at default over the remaining contractual term.

Expected credit losses are generally calculated at the customer account level. A customer account is considered to be in default when it becomes past due by more than 60 days.

For certain portfolios, a provision matrix approach is applied, whereby the receivables and contract assets are grouped based on shared credit risk characteristics, including account status (services still active or not), customers' payment history and the days past due. An account within the group is considered to be in default when the customer's service is deactivated, or when it becomes past due by more than 90 days (whichever is earlier).

Our provision rates range from nil (2025: 0.1 per cent) for balances not past due to 91.0 per cent (2025: 91.0 per cent) for balances where the payment is overdue by more than 90 days and the customer's services have been deactivated.

(ii) Individual approach

The individual approach is an account by account assessment based on credit history, knowledge of debtor's financial situation, such as insolvency or entering a payment plan, or other known credit risk specific to the debtor, such as judgement based on the debtor's industry. This approach is applied to balances arising from contracts with large enterprise and government customers as well as to other accounts in Telstra Enterprise, Telstra International, Telstra InfraCo, Telstra Consumer and Telstra Business segments where some detrimental change in payment behaviour has been noticed or certain thresholds have been exceeded by a customer.

Balances arising from our transactions with nbn co under the nbn DAs and related arrangements and under other commercial contracts are separately assessed based on the Australian government credit risk rating.

We estimate our allowance for impairment as detailed below.

Estimating expected credit losses

We apply judgement to estimate the expected credit losses for our trade and other receivables measured at amortised cost and for contract assets.

For trade receivables and contract assets arising from our Telstra Consumer, Telstra Business and Telstra Enterprise customers, we have implemented a scenario-based approach incorporating base, good and bad economic scenarios. The overall expected credit loss was calculated as a weighted average of the three scenarios.

Our analysis has shown that generally overall macroeconomic factors, such as unemployment rates, interest rates or gross domestic product have no strong correlation with our bad debt losses unless certain thresholds are exceeded. As at 30 June 2026, those macroeconomic factors were within the relevant thresholds.

The aging analysis and loss allowance in relation to trade receivables from contracts with customers, finance lease receivables and contract assets are detailed in table B. The analysis is based on the original due date of the receivables, including where repayment terms for certain long outstanding receivables have been renegotiated. Contract assets are not yet due for collection, thus the entire balance has been included in the 'not past due' category. Unallocated receipts from or credits granted to customers have been included in the 'not past due' category.

Table B Telstra Group	As at 30 June 2026 Gross $m	 Allow-ance $m	 2025 Gross $m	 Allow-ance $m
Not past due	3,939	(52)	3,850	(66)
Past due 1 - 30 days	254	(5)	296	(11)
Past due 31 - 60 days	90	(5)	105	(7)
Past due 61 - 90 days	32	(10)	56	(10)
Past 91 days	257	(133)	245	(136)
	4,572	**(205)**	**4,552**	**(230)**

Accrued revenue, amounts owed by joint ventures and associated entities (which have been fully provided for), and other receivables (before allowance for doubtful debts) totalling $515 million (2025: $524 million) are subject to impairment assessment using the general approach and include 59 per cent (2025: 55 per cent) of balances with counterparties with an external credit rating of A- or above, and 17 per cent (2025: 19 per cent) of balances with counterparties with an external credit rating between B+ and B-. The remaining balance is related to individually insignificant debtors, and there is no concentration of credit risk in those amounts.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.3 Trade and other receivables and contract assets (continued)

3.3.1 Current and non-current trade and other receivables and contract assets (continued)

(a) Impairment of trade and other receivables and contract assets (continued)

We hold security for a number of trade receivables, including past due or impaired receivables, in the form of guarantees and deposits. During the financial year 2026, the securities we called upon were insignificant. These trade receivables, along with our trade receivables that are neither past due nor impaired, comprise customers who have a good debt history and are considered recoverable. Further, we limit our exposure to credit risk from trade receivables by establishing a maximum payment period and, in certain instances, cease providing further services after 90 days from the past due date (or 60 days for our no-lock-in mass market plans).

Movements in the allowance for doubtful debts in respect of all our trade and other receivables and contracts assets, regardless of the method used in measuring the impairment allowance, are detailed in table C.

Table C Telstra Group	Year ended 30 June 2026 $m	 2025 $m
Opening balance 1 July	**(241)**	**(197)**
Additional allowance	(136)	(181)
Amount used	34	28
Amount reversed	127	109
Closing balance 30 June	**(216)**	**(241)**

Impairment allowance related to accrued revenue, amounts owed by joint ventures and associated entities, and other receivables (i.e., balances not presented in table B) amounted to $11 million (2025: 11 million).

3.3.2 Recognition and measurement

Trade and other receivables and contract assets are financial assets which are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

Contract assets are initially recorded at the transaction price allocated as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other goods or services under the same contract (or group of contracts) and/or we are yet to issue a valid invoice. Contract assets are subsequently measured to reflect relevant transaction price adjustments (where required) and are transferred to trade receivables when the right to payment becomes unconditional.

(a) Impairment of financial assets

We estimate the expected credit losses for our financial assets (including contract assets) measured at amortised cost depending on their nature on either of the following basis:

- for accrued revenue, amounts owed by joint ventures and associated entities, and other receivables - using a general approach, i.e., 12-month expected credit loss which results from all possible default events within the 12 months after the reporting date. However, if the credit risk of a financial asset at the reporting date has increased significantly since its initial recognition, loss allowance is calculated based on lifetime expected credit losses.
- for trade receivables from contracts with customers, contract assets and lease receivables - using a simplified approach, i.e., lifetime expected credit loss which results from all possible default events over the expected life of a financial instrument.

Any expected credit loss is discounted at the original effective interest rate.

Any customer account with debt more than 90 days past due (or 60 days for our no-lock-in (month to month) mass market plans) is considered to be in default.

Trade and other receivables and contract assets are written off against the impairment allowance or directly against their carrying amounts and expensed in the income statement when all collection efforts have been exhausted and the financial asset is considered uncollectable. Factors indicating there is no reasonable expectation of recovery include insolvency and significant time period since the last invoice was issued.

3.4 Contract liabilities and other revenue received in advance

Contract liabilities arise from our contracts with customers and represent amounts paid (or due) to us by customers before receiving the goods and/or services promised under the contract.

Other revenue received in advance comprises upfront consideration under contracts giving rise to revenue from other sources or other income, for example from leases or sale of assets.

Amounts expected to be recognised as revenue within 12 months from the reporting date are presented as current liabilities.

Table A presents customer payments received in advance under different types of our commercial arrangements.

Table A Telstra Group	Note	As at 30 June 2026 $m	 2025 $m
Current			
Contract liabilities	3.5	1,396	1,344
Other revenue received in advance		126	143
		1,522	**1,487**
Non-current			
Contract liabilities	3.5	901	1,040
Other revenue received in advance		563	583
		1,464	**1,623**

Section 3. Our core assets, lease arrangements and working capital (continued)

3.5 Net contract assets and contract liabilities

Contract assets and contract liabilities arise due to the timing differences between revenue recognition and customer invoicing. Our billing arrangements for goods and services as well as different types of discounts, credits or other incentives can vary depending on the type and nature of the contracts with customers. As a result, at times under the same accounting contract, we may recognise both a contract asset and a contract liability. At each reporting date, any balances arising from the same accounting contract are presented net in the statement of financial position as either a net contract asset or a net contract liability.

The net presentation mainly impacts our small to medium business and enterprise framework arrangements that offer loyalty programs and technology funds, some large enterprise contracts, and nbn Definitive Agreements, where multiple legal contracts have been combined as one accounting contract.

Table A presents opening and closing balances of our current and non-current contract assets and contract liabilities and their total net movement for the period.

Table A Telstra Group	As at 30 June 2026 $m	 2025 $m
Current contract assets	485	621
Non-current contract assets	409	269
Total contract assets	**894**	**890**
Current contract liabilities	(1,396)	(1,344)
Non-current contract liabilities	(901)	(1,040)
Total contract liabilities	**(2,297)**	**(2,384)**
Total net contract liabilities	**(1,403)**	**(1,494)**
Decrease in net contract liabilities for the year	91	74

Generally, contract assets increase when we recognise revenue for goods and services transferred to the customer before billing and decrease when we invoice customers for already provided goods and services.

On the other hand, contract liabilities increase when we receive consideration in advance of transferring the goods and services to the customer, and decrease when we recognise revenue for the goods and services previously prepaid by the customer.

Other changes in our contract assets and contract liabilities represent movements resulting from changes in the transaction prices due to timing of invoicing and recognition of discounts, credits and other incentives.

The following selected movements contributed to the overall decrease of $91 million (2025: $74 million) in the net contract liabilities:

- $1,309 million (2025: $1,382million) revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the reporting period
- $25 million (2025: $7 million) increase reflecting cumulative catch-up adjustments to revenue recognised in the prior reporting periods.

Refer to note 3.3.1 for details regarding impairment assessment of contract assets.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.6 Deferred contract costs

We pay dealer commissions to acquire customer contracts and we incur upfront set-up and other costs related to customer contracts. When those costs support the delivery of goods and services in the future and are expected to be recovered, they are deferred in the statement of financial position and amortised on a basis consistent with the transfer of goods and services to which these costs relate.

Table A provides movements in net book values of the deferred contract costs.

Table A Telstra Group	Costs to obtain a contract	Costs to fulfill a contract			Total deferred contract costs
	Commis-sions	Set-up costs	Costs of service provider	Total	
	$m	$m	$m	$m	$m
Net book value at 1 July 2024 comprising:	**585**	**41**	**308**	**349**	**934**
Current	n/a	-	140	140	**140**
Non-current	585	41	168	209	**794**
Additions	220	6	378	384	**604**
Amortisation expense	(215)	(9)	(349)	(358)	**(573)**
Impairment losses	(72)	-	-	-	**(72)**
Reclassification to assets held for sale	-	-	(12)	(12)	**(12)**
Net book value at 30 June 2025 comprising:	**518**	**38**	**325**	**363**	**881**
Current	n/a	-	108	108	**108**
Non-current	518	38	217	255	**773**
Net book value at 1 July 2025	**518**	**38**	**325**	**363**	**881**
Additions	215	6	588	594	**809**
Amortisation expense	(209)	(10)	(573)	(583)	**(792)**
Impairment losses	(51)	-	-	-	**(51)**
Net book value at 30 June 2026 comprising:	**473**	**34**	**340**	**374**	**847**
Current	n/a	-	118	118	**118**
Non-current	473	34	222	256	**729**

Amortisation period of deferred contract costs

We apply judgement to estimate the amortisation period of deferred contract costs to obtain a contract.

For sales commissions paid on acquisition of the initial contract which are not commensurate with recontracting commissions, the amortisation period reflects the average estimated customer life for respective types of contracts.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.6 Deferred contract costs (continued)

3.6.1 Recognition and measurement

We capitalise costs to obtain an accounting contract when the costs are incremental, i.e., would not have been incurred if the contract had not been obtained and are recoverable either directly via reimbursement by the customer or indirectly through the contract margin.

We immediately expense the incremental costs of obtaining contracts if the period of benefit is one year or less.

Costs to fulfil a contract relate directly to an identified good or service or indirectly to other activities that are necessary under the contract but that do not result in a transfer of goods or services.

Costs to fulfil a contract include set-up costs and prepaid costs of a service provider related to goods and services which will be transferred in the future reporting periods.

We capitalise costs to fulfil a contract if:

- the costs relate directly to a contract or a specifically identified anticipated contract
- the costs generate or enhance resources that we control and will use when transferring future goods and services
- we expect to recover the costs.

We amortise deferred contract costs in 'goods and services purchased' expense over the term that reflects the expected period of benefit of the expense. This period may extend beyond the initial contract term to the estimated customer life or average customer life of the class of customers. We use the amortisation pattern consistent with the method used to measure progress and recognise revenue for the related goods or services.

We assess whether deferred contract costs are impaired whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. We recognise impairment losses in 'other expenses'.

3.7 Inventories

Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Current		
Goods for resale	448	408
Network and other inventory	67	77
	515	**485**
Non-current		
Network and other inventory	52	100
	52	**100**

3.7.1 Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. For the majority of inventory items, we assign cost using the weighted average cost basis.

Net realisable value of items expected to be sold is the estimated selling price less the estimated costs incurred in marketing, selling and distribution.

Net realisable value of items expected to be consumed, for example used in the construction of another asset, is the net value expected to be earned through future use.

3.8 Trade and other payables

Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Current		
Trade payables	1,249	1,117
Accrued expenses	1,721	1,921
Accrued capital expenditure	513	527
Accrued interest	176	168
Other payables	438	479
	4,097	**4,212**
Non-current		
Trade and other payables	83	28
	83	**28**

Trade payables and other payables are non-interest bearing liabilities. Our payment terms vary, however payments are generally made within 20 days to 90 days from the invoice date.

3.8.1 Recognition and measurement

Trade and other payables, including accruals, are recorded when we are required to make future payments as a result of purchases of assets or services. Trade and other payables are financial liabilities initially recognised at fair value and carried at amortised cost using the effective interest method.

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Section 4. Our capital and risk management

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

4.1 Capital management

Capital management is undertaken in accordance with the capital management framework and financial parameters regularly reviewed and approved by the Board.

We manage our capital structure with the aim to provide returns for shareholders and benefits for other stakeholders, while:

- safeguarding our ability to continue as a going concern
- maintaining an optimal capital structure and cost of capital that provides flexibility for strategic investments.

In order to maintain or adjust our capital structure, we may issue or repay debt, adjust the amount of dividends to be paid to shareholders or return capital to shareholders.

Notes 4.3 and 4.4 provide further details on each component of capital, being equity and net debt.

4.2 Dividend

We currently pay dividends to equity holders of the Telstra Entity twice a year, an interim and a final dividend. Table A below provides details about the dividends paid during the financial year.

Table A Telstra Entity	Year ended 30 June			
	2026	2025	2026	2025
	$m	$m	cents	cents
Previous year final dividend paid	1,081	1,040	9.5	9.0
Interim dividend paid	1,181	1,097	10.5	9.5
	2,262	**2,137**	**20.0**	**18.5**

On 13 August 2026, the Directors of Telstra Group Limited resolved to pay a partially franked final dividend for the financial year 2026 of 10.5 cents per ordinary share. The final dividend will be 90.48 per cent franked at a tax rate of 30 per cent, with a franked amount of 9.5 cents per share and an unfranked amount of 1.0 cent per share. The record date for the final dividend will be 27 August 2026, with payment to be made on 24 September 2026. From 26 August 2026, shares will trade excluding entitlement to the dividend.

On 13 August 2026, the Board determined that the Telstra Group Limited Dividend Reinvestment Plan will continue to operate for the final dividend for the financial year 2026.

As at 30 June 2026, the final dividend for the financial year 2026 was not determined or publicly recommended by the Board. Therefore, no provision for the dividend had been raised in the statement of financial position. A $1,169 million provision for the final dividend payable has been raised as at the date of resolution.

Franking debits of $454 million will arise from the payment of this final dividend that will be adjusted in our franking account balance.

Table B provides information about our franking account balance.

Table B Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Franking account balance (deficit)	(95)	(81)
Franking debits that will arise from the receipt of income tax receivable as at 30 June (at a tax rate of 30% on a tax received basis)	(134)	(207)
	(229)	**(288)**

Our current balance in the franking account, combined with the franking credits that will arise on our expected tax instalments expected to be paid in the financial year 2027, will be utilised to partially frank our final dividend for the financial year 2026.

Section 4. Our capital and risk management (continued)

4.3 Equity

This note provides information about our share capital and reserves presented in the statement of changes in equity.

We have established the Telstra Growthshare Trust to administer the Company's employee share schemes. The trust is consolidated as it is controlled by us. Shares held within the trust are used to satisfy future vesting of entitlements in these employee share schemes and reduce our contributed equity.

4.3.1 Share capital

Table A details components of our share capital balance.

Table A Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Contributed equity	1,128	2,379
Shares held by employee share plans	(47)	(40)
Net services received under employee share plans	13	6
	1,094	**2,345**

(a) Contributed equity

As part of our capital management program, on 14 August 2025 we announced an on-market share buy-back of up to $1 billion to be conducted during the financial year 2026. On 19 February 2026, we announced an increase to the amount of this on-market share buy-back from up to $1 billion to up to $1.25 billion.

During the financial year 2026, we bought back 245,892,740 ordinary shares for the total consideration of $1,251 million (including transaction costs). The buy-back was conducted in the ordinary course of trading at an average price of $5.08 per share. The shares bought back were subsequently cancelled.

As at 30 June 2026, there were 11,139,136,247 (2025: 11,385,028,987) authorised fully paid ordinary shares on issue. Each of our fully paid ordinary shares carries the right to one vote on a poll at a meeting of the Company.

Holders of our shares also have the right to receive dividends and to participate in the proceeds from sale of all surplus assets in proportion to the total shares issued in the event of the Company winding up.

(b) Share buy-back impact on earnings per share (EPS)

EPS is the amount of post-tax profit attributable to each share. It excludes profit attributable to non-controlling interests and takes into account the average number of shares weighted by the number of days on issue.

The EPS would have been higher had we completed the on-market share buy-back at the beginning of this reporting period.

(c) Shares held by employee share plans

As at 30 June 2026, the number of shares held by employee share plans totalled 10,790,295 (2025: 10,481,232) shares of Telstra Group Limited.

During the financial year 2026, Telstra Growthshare Pty Ltd (the trustee of the Telstra Growthshare Trust that administers our employee share schemes) purchased on-market 5,650,289 shares of Telstra Group Limited for the purposes of the employee incentive schemes for a total consideration of $28 million and at the average price of $4.91 per share.

(d) Net services received under employee share plans

We measure the fair value of services received under employee share plans by reference to the fair value of the equity instruments granted. The net services received under employee share plans represent the cumulative value of share-based payment expense recognised after the establishment of Telstra Group Limited as the parent entity following the Telstra Group restructure completed on 1 January 2023.

Section 4. Our capital and risk management (continued)

4.3 Equity (continued)

4.3.2 Reserves

Table B details our reserve balances.

Table B Telstra Group	Foreign currency translation reserve	Cash flow hedging reserve	Cost of hedging reserve	Fair value of equity instruments reserve	General reserve	Total reserves
	$m	$m	$m	$m	$m	$m
Balance at 1 July 2024	**96**	**(8)**	**(37)**	**37**	**2,047**	**2,135**
Other comprehensive income	(302)	(34)	(14)	(27)	-	**(377)**
Transactions with non-controlling interests	8	-	-	-	(13)	**(5)**
Other transfers	13	-	-	-	-	**13**
Balance at 30 June 2025	**(185)**	**(42)**	**(51)**	**10**	**2,034**	**1,766**
Other comprehensive income	(247)	171	3	(19)	-	**(92)**
Balance at 30 June 2026	**(432)**	**129**	**(48)**	**(9)**	**2,034**	**1,674**

The table below details the nature and purpose of our reserves.

Reserve	Nature and purpose
Foreign currency translation reserve	Represents exchange differences arising from the translation of the financial statements of controlled entities whose functional currency differs from the Group's presentation currency (Australian dollar). This reserve is also used to record our percentage share of exchange differences arising from our equity accounted non-Australian investments in joint ventures and associated entities.
Cash flow hedging reserve	Represents the effective portion of gains or losses on remeasuring the fair value of hedge instruments, where a hedge qualifies for hedge accounting.
Cost of hedging reserve	Represents changes in the fair value of our derivative financial instruments attributable to certain costs of hedging, for example, movements in foreign currency basis spread and option premiums (time value). The cost of hedging related to foreign currency basis and option premiums are included in interest on borrowings in the income statement over the life of the borrowing.
Fair value of equity instruments reserve	Represents changes in fair value of equity instruments we have elected to measure at fair value through other comprehensive income.
General reserve	Represents other items we have taken directly to equity.

4.3.3 Recognition and measurement

Issued and paid-up capital is recognised at the fair value of the consideration received by the Telstra Entity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of income tax, as a reduction of the share proceeds received.

Services received under employee share plans (i.e., share-based payments) increase our share capital balance and vested employee share plans decrease the share capital balance resulting in a net movement in our equity.

We record purchases of the Telstra Entity shares underpinning our employee share plans as a reduction in share capital.

Section 4. Our capital and risk management (continued)

4.4 Net debt

As part of our capital management, we monitor net debt. Net debt equals total lease liabilities, borrowings and derivative financial instruments, less cash and cash equivalents.

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

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

Table A Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Lease liabilities	(3,091)	(3,099)
Borrowings	(15,512)	(14,896)
Net derivative financial instruments	199	538
Gross debt	**(18,404)**	**(17,457)**
Cash and cash equivalents	1,103	1,012
Net debt	**(17,301)**	**(16,445)**

No components of net debt are subject to any externally imposed capital requirements except for a US$124 million ($180 million Australian dollar equivalent) non-recourse facility entered into by Telstra PM Pty Ltd with Export Finance Australia. A subset of these facilities contains debt covenants to measure debt serviceability with which we are compliant as at 30 June 2026.

All amounts owing under or in relation to the borrowing facilities with Export Finance Australia in respect of the Digicel Pacific acquisition (referred to as 'non-recourse borrowing facilities' in tables B and C) are secured by:

- substantially all of the assets (including any shares) and undertakings of substantially all of the acquired entities, comprising Digicel Pacific Limited and each of its wholly-owned subsidiaries
- the assets (including any shares) and undertakings of Telstra PM Pty Ltd and BidCo (S) Pte. Ltd
- the shares in Telstra PM Pty Ltd held by Telstra PM Holdings Pty Ltd.

Table B summarises the key movements in net debt during the financial year and provides our gearing ratio. Our gearing ratio equals net debt divided by total capital, where total capital equals equity, as shown in the statement of financial position, plus net debt.

Table B Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Opening net debt at 1 July	**(16,445)**	**(15,752)**
Non-recourse borrowing facilities	13	7
Debt issuance	(1,366)	(1,595)
Drawings (term bank loans)	-	(150)
Commercial paper (net)	(54)	(680)
Revolving bank facilities (net)	(1,006)	427
Debt repayments	1,133	1,370
Other borrowings	(24)	(4)
Lease liability payments	673	632
Net cash (inflow)/outflow	**(631)**	**7**
Fair value gain/(loss) impacting:		
Equity	265	(72)
Other expenses	59	(15)
Finance costs	2	3
Other non-cash movements		
Lease liability (Telstra as a lessee)	(665)	(623)
Other loans and derivatives	23	41
Total non-cash movements	**(316)**	**(666)**
Total increase in gross debt	**(947)**	**(659)**
Net increase/(decrease) in cash and cash equivalents (includes effects of foreign exchange differences)	91	(34)
Total increase in net debt	**(856)**	**(693)**
Closing net debt at 30 June	**(17,301)**	**(16,445)**
Total equity	(14,986)	(16,316)
Total capital	**(32,287)**	**(32,761)**
	%	%
Gearing ratio	53.6	50.2

During the financial year 2026, we issued debt of $1,366 million (Australian dollar equivalent), comprised of:

- 9.5-year €550 million Euro bond ($983 million Australian dollar equivalent)
- 12-year CHF200 million Swiss bond ($383 million Australian dollar equivalent).

Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.1 Borrowings

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

Table C Telstra Group	As at 30 June 2026		As at 30 June 2025	
	Carrying value	Fair value	Carrying value	Fair value
	$m	$m	$m	$m
Current borrowings				
Unsecured notes	550	546	1,344	1,334
Bank and other loans - unsecured	229	229	661	661
Commercial paper - unsecured	2,423	2,423	2,295	2,295
Non-recourse borrowing facilities	19	19	14	14
Other financial liabilities	1	1	-	-
	3,222	**3,218**	**4,314**	**4,304**
Non-current borrowings				
Unsecured notes	7,969	7,999	7,645	7,694
Bank and other loans - unsecured	2,786	2,786	1,324	1,324
Non-recourse borrowing facilities	1,120	1,141	1,198	1,217
Other financial liabilities	415	317	415	321
	12,290	**12,243**	**10,582**	**10,556**
Total borrowings	**15,512**	**15,461**	**14,896**	**14,860**

Unsecured notes comprise bonds.

Our commercial paper is used principally to support working capital and short-term liquidity and continues to be supported by a combination of liquid financial assets, and access to committed bank facilities, as well as to hedge some of our net investments in controlled entities in United State dollars.

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

(a) Recognition and measurement

	Recognition and measurement
Initial recognition and measurement	Borrowings are recognised initially on the trade date (the date on which we become a party to the contractual provisions of the instrument). All loans and borrowings are initially recorded at fair value, which typically reflects the proceeds received, net of directly attributable transaction costs.
Subsequent measurement	After initial recognition, all borrowings are measured at amortised cost, using the effective interest method. Any difference between proceeds received net of direct transaction costs and the amount payable at maturity is recognised over the term of the borrowing using the effective interest method. Borrowings that are in designated fair value hedge relationships are adjusted for fair value movements attributable to the hedged risk.
Derecognition	Borrowings are derecognised when our contractual obligations are discharged, cancelled or expired. Any gain or loss is recognised in the income statement when the borrowing is derecognised.

Borrowings are classified as non-current borrowings except for those that mature in less than 12 months from the reporting date, which are classified as current borrowings.

Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.2 Derivatives

Derivatives are financial instruments that derive their value from the price of an underlying item such as interest rate, foreign currency exchange rate or other index.

We enter into derivative transactions in accordance with policies approved by the Board to manage our exposure to market risks and volatility of financial outcomes that arise as part of our normal business operations. We do not speculatively trade in derivative financial instruments.

Table D shows the carrying value of each class of derivative financial instruments.

Table D Telstra Group	As at 30 June 2026		As at 30 June 2025	
	Assets	Liabilities	Assets	Liabilities
	$m	$m	$m	$m
Current derivative financial instruments				
Cross currency interest rate swaps	-	(122)	199	(29)
Interest rate swaps and options	74	(19)	5	(8)
Other derivatives	112	(3)	26	(45)
	186	**(144)**	**230**	**(82)**
Non-current derivative financial instruments				
Cross currency interest rate swaps	109	(179)	353	(47)
Interest rate swaps and options	101	(1)	29	(44)
Other derivatives	183	(56)	99	-
	393	**(236)**	**481**	**(91)**
Total derivative financial instruments	**579**	**(380)**	**711**	**(173)**

The terms of a derivative contract are determined at inception, therefore any movements in the price of the underlying item over time will cause the contract value to fluctuate, which is reflected in the change in fair value of the derivative.

Where the fair value of a derivative is positive, it is carried as an asset, and where negative, as a liability. Both parties are therefore exposed to the credit quality of the counterparty. We are exposed to credit risk on derivative assets as a result of the potential failure of the counterparties to meet their contractual obligations.

Refer to note 4.5.3 for information about our credit risk policies.

Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.2 Derivatives (continued)

(a) Recognition and measurement

	Recognition and measurement
Initial recognition and subsequent measurement	Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value at each reporting date. Recognition of resulting gains or losses depends on the designation of the derivative as a hedging instrument and the nature of the item being hedged.
Right to set off	We record derivative financial instruments on a net basis in our statement of financial position where we have a legally recognised right to set off the derivative asset and the derivative liability, and we intend to settle on a net basis or simultaneously.
Derecognition	Derivative assets are derecognised when the rights to receive cash flows from the derivative assets have expired or have been transferred and we have transferred substantially all the risks and rewards of the asset. Derivative liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

Derivative financial instruments are presented as current and non-current assets or liabilities based on future cash flows. The portion to be realised or settled within 12 months from the reporting date is classified as current, with the remaining portion classified as non-current.

Derivatives embedded in host contracts that are financial assets are not separated from financial asset hosts and a hybrid contract is classified in its entirety at fair value.

Derivatives embedded in other financial liabilities or host contracts are treated as separate financial instruments when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Section 4. Our capital and risk management (continued)

4.4 Net debt (continued)

4.4.3 Finance costs

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

Table E Telstra Group	Year ended 30 June 2026 $m	2025 $m
Interest income	44	61
Finance income from finance leases (Telstra as a lessor)	35	20
Finance income from contracts with customers	1	11
Net interest income on defined benefit plan	8	11
Total finance income	**88**	**103**
Interest expense on borrowings	(704)	(711)
Interest expense on lease liabilities	(153)	(130)
Gross interest on debt	**(857)**	**(841)**
Finance costs from contracts with customers	(34)	(45)
Net gains on derivative financial instruments included in remeasurements	37	50
Unwinding of discount on provisions	(4)	-
Other finance costs	**(1)**	**5**
Interest capitalised	101	94
Total finance costs	**(757)**	**(742)**
Net finance costs	**(669)**	**(639)**

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

4.5 Financial instruments and risk management

Our underlying business activities result in exposure to operational risks and financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk.

Our overall risk management program seeks to mitigate these risks in order to reduce volatility of our financial performance and to support the delivery of our financial targets. Financial risk management is carried out centrally by our treasury department under policies approved by the Board.

Our financial risk management strategies ensure that we can withstand market disruptions for extended periods.

This note summarises how we manage these financial risks. There have been no material changes to our risk management policies since 30 June 2025.

4.5.1 Managing our interest rate risk

Interest rate risk arises from changes in market interest rates. Borrowings issued at fixed rates expose us to fair value interest rate risk. Variable rate borrowings give rise to cash flow interest rate risk, which is partially offset by cash and cash equivalents balances held at variable rates.

We manage interest rate risk on our net debt portfolio by:

- limiting interest rate fluctuations using cross currency, interest rate swaps and options. Refer to note 4.4.2 for further details on derivatives.
- ensuring access to diverse sources of funding
- reducing risks of refinancing by establishing and managing our target maturity profiles.

(a) Exposure

The use of cross currency interest rate swaps, interest rate swaps and options allows us to manage the level of exposure our borrowings have to interest rate risks.

Table A shows our fixed to floating ratio based on the carrying value of our borrowings. The post hedge position differs from the pre hedge position where we have derivative hedging instruments in place.

Table A Telstra Group	As at 30 June 2026 Pre hedge $m	 2026 Post hedge $m	 2025 Pre hedge $m	 2025 Post hedge $m
Floating rate borrowings	(6,455)	(5,344)	(5,392)	(5,753)
Fixed rate borrowings	(8,642)	(9,753)	(9,089)	(8,728)
Other financial liabilities	(415)	(415)	(415)	(415)
Total borrowings	**(15,512)**	**(15,512)**	**(14,896)**	**(14,896)**

Refer to note 4.4.1 for further details on our borrowings.

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.1 Managing our interest rate risk (continued)

(a) Exposure (continued)

Table B summarises our floating rate derivative instruments showing estimated gross nominal floating rate interest cash flows until maturity, and the maturity profile of the associated nominal amounts in the underlying currency.

Table B Telstra Group	Average contracted fixed interest rate	Receive/ (pay)	Nominal interest flows	Weighted average nominal/principal amounts			
				Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
	%		$m	$m	$m	$m	$m
	As at 30 June 2026						
Interest rate swaps							
3MBBSW (AUD)	3.8	Receive	1,312	6,029	6,704	4,341	250
3MBBSW (AUD)	5.3	Pay	(378)	(1,375)	(1,242)	(908)	(750)
3MTSOF (USD)	3.8	Receive	5	50	33	-	-
6MTSOF (USD)	3.0	Receive	279	513	475	212	-
Interest rate options							
3MBBSW (AUD)	3.3/4.0	Receive/(pay)	-	125	688	482	-
Cross currency interest rate swaps							
3MBBSW (AUD)	2.7	Pay	(1,787)	(3,800)	(3,800)	(3,393)	(2,519)
	As at 30 June 2025						
Interest rate swaps							
3MBBSW (AUD)	3.9	Receive	384	3,042	2,240	469	375
3MBBSW (AUD)	5.1	Pay	(269)	(1,000)	(822)	(506)	(375)
3MTSOF (USD)	4.0	Receive	7	83	28	-	-
6MTSOF (USD)	3.0	Receive	52	483	388	46	-
Interest rate options							
3MBBSW (AUD)	3.3/3.9	Receive/(pay)	-	56	1,142	350	-
Cross currency interest rate swaps							
3MBBSW (AUD)	2.8	Pay	(1,060)	(3,572)	(3,800)	(3,226)	(2,519)

(b) Sensitivity

We have performed a sensitivity analysis based on the interest rate risk exposures of our financial instruments at balance date. In accordance with our policy to swap foreign currency borrowings into Australian dollars, our interest rate sensitivity relates primarily to movements in the Australian interest rates.

We have selected a sensitivity range of plus/minus 25 basis points as a reasonably possible shift in interest rates taking into account the current level of both short-term and long-term interest rates, historical volatility and market expectations of future movements. The sensitivity reflects a change in benchmark rates only. This is not a forecast or prediction of future market conditions.

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.1 Managing our interest rate risk (continued)

(b) Sensitivity (continued)

Table C shows the results of our sensitivity analysis on the impacts to profit after tax and on equity.

Table C Telstra Group	As at 30 June			
	2026		2025	
	Gain/(loss)			
	Net profit	Equity	Net profit	Equity
	$m	$m	$m	$m
Interest rates (+25bp)	(7)	57	(8)	45
Interest rates (-25bp)	7	(57)	8	(45)

The results of the sensitivity analysis are driven primarily by the following factors:

- any increase or decrease in interest rates will impact our net unhedged floating rate financial instruments and therefore will directly impact profit or loss
- changes in the fair value of derivatives which are part of effective cash flow hedge relationships are deferred in equity.

The analysis does not include the impact of any management action that might take place if the interest rate shifts were to occur.

4.5.2 Managing our foreign currency risk

Foreign currency risk is our risk that the value of a financial commitment, forecast transaction, recognised asset or liability will fluctuate due to changes in foreign exchange rates. We issue debt offshore and operate internationally and hence we are exposed to foreign exchange risk from various currencies.

This risk exposure arises primarily from:

- borrowings denominated in foreign currencies
- trade and other creditor balances denominated in foreign currencies
- firm commitments or highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies
- translation risk associated with our net investments in foreign controlled entities (foreign operations).

(a) Borrowings

We mitigate the foreign currency exposure on foreign currency denominated borrowings by converting these borrowings to Australian dollars using cross currency interest rate swaps and forward foreign exchange contracts.

Table D shows the cross currency interest rate swaps that are hedging our foreign currency denominated unsecured notes and the forward foreign exchange contracts that are hedging United States dollar denominated commercial paper.

Table D Telstra Group	As at 30 June 2026				As at 30 June 2025			
	Exposure	Cross currency interest rate swap/ forward foreign exchange contract receive/(pay)		Carrying value	Exposure	Cross currency interest rate swap/ forward foreign exchange contract receive/(pay)		Carrying value
	Local currency		Australian dollar		Local currency		Australian dollar	
	m	m	$m	$m	m	m	$m	$m
Euro	(2,850)	2,850	(4,796)	(4,605)	(3,050)	3,050	(4,941)	(5,383)
United States dollar	(500)	500	(650)	(728)	(500)	500	(650)	(765)
Swiss franc	(200)	200	(383)	(360)	-	-	-	-
Unsecured notes denominated in foreign currency			**(5,829)**	**(5,693)**			**(5,591)**	**(6,148)**
United States dollar	(1,240)	1,240	(1,738)	(1,787)	(975)	975	(1,514)	(1,473)
Commercial paper			**(1,738)**	**(1,787)**			**(1,514)**	**(1,473)**

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.2 Managing our foreign currency risk (continued)

(b) Trading

We have some exposure to foreign currency risk from our operating (transactional) activities. We manage this risk by:

- hedging a proportion of the exposure of foreign exchange transaction risk arising from firm commitments or highly probable forecast transactions denominated in foreign currencies in accordance with our risk management policy. These transactions may be physically settled in a foreign currency or in Australian dollars but with direct reference to quoted currency rates in accordance with a contractual formula.
- economically hedging a proportion of foreign currency risk associated with trade and other creditor balances.

We hedge the above risks using forward foreign exchange contracts.

Table E summarises forward foreign exchange contracts that are hedging our transactional currency exposures.

Table E Telstra Group	As at 30 June 2026				As at 30 June 2025			
	Exposure	Forward foreign exchange contract receive/(pay)			Exposure	Forward foreign exchange contract receive/(pay)		
	Local currency		Australian dollar	Average exchange rate	Local currency		Australian dollar	Average exchange rate
	m	m	$m	$	m	m	$m	$
Forecast transactions								
United States dollar	(563)	358	(506)	0.71	(734)	325	(516)	0.63
Indian rupee	(15,021)	6,008	(86)	69.52	(14,290)	5,716	(102)	55.78
Philippine peso	(651)	260	(6)	42.21	(551)	221	(6)	35.93
Trade payables								
United States dollar	(17)	17	(23)	0.71	(34)	34	(53)	0.65
Total in Australian dollar			**(621)**				**(677)**	

(c) Natural offset

Our direct foreign exchange exposure arising from the impact of translation of the results of our foreign entities to Australian dollars is, in part, naturally offset at the Group level by foreign currency denominated operating and capital expenditure of functions, for which we do not have hedges in place.

(d) Sensitivity

We have performed a sensitivity analysis based on our foreign currency risk exposures existing at balance date.

Table F shows the impact that a plus/minus 10 per cent shift in applicable exchange rates would have on our profit after tax and on equity.

Table F Telstra Group	As at 30 June			
	2026		2025	
	Gain/(loss)			
	Net profit	Equity	Net profit	Equity
	$m	$m	$m	$m
Exchange rates (+10%)	58	(26)	72	(4)
Exchange rates (-10%)	(71)	32	(88)	4

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.2 Managing our foreign currency risk (continued)

(d) Sensitivity (continued)

A shift of plus/minus 10 per cent has been selected as a reasonably possible change taking into account the current level of exchange rates and the volatility observed both on a historical basis and on market expectations of future movements. This is not a forecast or prediction of future market conditions. We have disclosed the sensitivity analysis on a total portfolio basis and not separately by currency.

Any unhedged foreign exchange positions associated with our transactional exposures will directly affect profit or loss as a result of foreign currency movements.

There is no significant impact on profit or loss from foreign currency movements associated with our borrowings that are swapped to Australian dollars as an offsetting entry will be recognised on the associated hedging instrument.

We are exposed to equity impacts from foreign currency movements associated with our offshore investments and our derivatives in cash flow hedges. The translation of our foreign entities' results into the Group's presentation currency has not been included in the above sensitivity analysis as this represents translation risk rather than transaction risk.

The analysis does not include the impact of any management action that might take place if these events occurred.

4.5.3 Managing our credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss. We are exposed to credit risk from our operating activities (primarily customer credit risk) and financing activities.

We manage credit risk by:

- applying Board approved credit policies
- monitoring exposure to high-risk debtors
- requiring collateral where appropriate
- assigning credit limits to all financial counterparties.

We may also be subject to credit risk on transactions not included in the statement of financial position, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in notes 7.3.1 and 7.4.2.

(a) Customer credit risk

Trade and other receivables and contract assets consist of a large number of customers, spread across the consumer, business, enterprise, government and international sectors. Our credit management team assesses customers' credit quality, and defines and monitors credit limits by customer. Sales to overdue customers are prohibited unless appropriately approved. Compliance with credit limits and approval process is regularly monitored. Other than nbn co, we do not have any significant credit risk exposure to a single customer or group of customers.

Refer to note 3.3 for details about our trade and other receivables and contract assets.

(b) Treasury credit risk

We are exposed to credit risk from the investment of surplus funds (primarily deposits) and from the use of derivative financial instruments.

We have a number of exposures to individual counterparties. To manage this risk, we have Board approved policies that limit the amount of credit exposure to any single counterparty. Counterparty credit ratings and market conditions are reviewed continually with limits being revised and utilisation adjusted where appropriate.

We also manage our credit exposure using a value at risk (VaR) methodology, which is an industry standard measure that estimates the maximum potential exposure of our risk positions as a result of future movements in market rates. This helps to ensure that we do not underestimate credit exposure with any single counterparty. Using VaR analysis at 30 June 2026, 100 per cent (2025: 100 per cent) of our derivative credit exposure was with counterparties that have a credit rating of A- or better.

4.5.4 Managing our liquidity risk

Our objective is to maintain a balance between continuity and flexibility of funding through the use of liquid financial instruments, long-term and short-term borrowings, and committed available bank facilities.

We manage liquidity risk by:

- defining minimum levels of cash and cash equivalents
- defining minimum levels of cash and cash equivalents plus undrawn bank facilities
- closely monitoring rolling forecasts of liquidity reserves on the basis of expected business cash flows
- using instruments which trade in highly liquid markets with highly rated counterparties
- investing surplus funds in liquid instruments.

Our access to commercial paper programs continues to be supported by a combination of liquid financial assets, and access to committed bank facilities.

Table G shows our total and undrawn committed bank facilities. As at 30 June 2026, we had total available facilities of $5,346 million, the majority of which were held by the Telstra Entity.

Our committed facilities mature on a staggered basis over the next five years with $4,575 million maturing beyond 12 months.

Table G Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Facilities available	5,346	4,771
Facilities used	(2,131)	(1,126)
Facilities unused	**3,215**	**3,645**

Drawdowns under our bank facilities and commercial paper issuances are shown on a gross basis in the statement of cash flows.

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.4 Managing our liquidity risk (continued)

Table H shows the maturity profile of our financial liabilities including estimated interest payments. We reduce refinancing risk by ensuring that our borrowings mature in different periods. Table H also includes the cash inflows and outflows of derivative financial assets as these assets have a direct relationship with an underlying financial liability and both the asset and the liability are managed together.

The amounts disclosed are undiscounted contractual future cash flows and therefore do not reconcile to the amounts in the statement of financial position.

Table H Telstra Group	Contractual maturity									
	As at 30 June 2026					As at 30 June 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Unsecured notes	(550)	(1,378)	(3,106)	(3,635)	**(8,669)**	(1,344)	(550)	(3,389)	(4,700)	**(9,983)**
Commercial paper	(2,450)	-	-	-	**(2,450)**	(2,323)	-	-	-	**(2,323)**
Bank and other loans	(229)	(2,421)	(364)	(1)	**(3,015)**	(661)	(989)	(334)	(1)	**(1,985)**
Non-recourse borrowing facilities	(19)	(57)	(223)	(840)	**(1,139)**	(14)	(20)	(209)	(969)	**(1,212)**
Other financial liabilities	(22)	(22)	(71)	(758)	**(873)**	(21)	(22)	(69)	(797)	**(909)**
Interest on unsecured notes, non-recourse facilities, bank and other loans	(413)	(369)	(850)	(612)	**(2,244)**	(434)	(391)	(919)	(736)	**(2,480)**
Lease liabilities	(635)	(538)	(1,099)	(1,628)	**(3,900)**	(631)	(461)	(1,086)	(1,719)	**(3,897)**
Trade and other payables	(4,097)	(83)	-	-	**(4,180)**	(4,212)	(28)	-	-	**(4,240)**
Derivatives net settled	52	44	58	1	**155**	6	(12)	(6)	6	**(6)**
Derivatives gross settled inflows	2,723	869	3,008	2,835	**9,435**	5,161	126	3,040	2,494	**10,821**
Derivatives gross settled outflows	(2,788)	(937)	(3,356)	(3,266)	**(10,347)**	(5,121)	(192)	(2,993)	(2,464)	**(10,770)**
Total	**(8,428)**	**(4,892)**	**(6,003)**	**(7,904)**	**(27,227)**	**(9,594)**	**(2,539)**	**(5,965)**	**(8,886)**	**(26,984)**

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.5 Hedge accounting

Hedging refers to the way in which we use financial instruments, primarily derivatives, to manage our exposure to financial risks. The gain or loss on the underlying item (the 'hedged item') is expected to move in the opposite direction to the gain or loss on the derivative (the 'hedging instrument'), therefore offsetting our risk position. Hedge accounting allows the matching of the gains and losses on hedged items and associated hedging instruments in the same accounting period to minimise volatility in the income statement.

In order to qualify for hedge accounting, prospective hedge effectiveness testing must meet all of the following criteria:

- an economic relationship exists between the hedged item and hedging instrument
- the effect of credit risk does not dominate the value changes resulting from the economic relationship
- the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

To the extent permitted by the Australian Accounting Standards, we formally designate and document our financial instruments by hedge type as follows:

	Fair value hedges	Cash flow hedges	Net investment hedges
Objectives of this hedging arrangement	To hedge the exposure to changes in the fair value of borrowings which are issued at a fixed rate, or denominated in foreign currency, by converting to floating rate borrowings denominated in Australian dollars.	To hedge the exposure to changes in cash flows from borrowings that bear floating interest rates or are denominated in foreign currency. Cash flow hedging is also used to mitigate the foreign currency exposure arising from highly probable and committed future foreign currency cash flows.	To offset the foreign exchange exposure arising from the translation of our foreign investments from their functional currency to Australian dollar.
Instruments used	We enter into cross currency and interest rate swaps to mitigate our exposure to changes in the fair value of our long-term borrowings.	We enter into cross currency swaps, interest rate swaps and options to hedge future variable cash flows arising from our borrowings. We use forward foreign exchange contracts to hedge a portion of firm commitments and highly probable forecast transactions.	Where we choose to hedge our net investment exposures, we use forward foreign exchange contracts, cross currency swaps and/or borrowings in the relevant currency of the investment.
Economic relationships	In all our hedge relationships, the critical terms of the hedging instrument and hedged item (including face values, cash flows and currency) are generally aligned.		
Discontinuation of hedge accounting	Hedge accounting is discontinued when a hedging instrument expires, is sold, terminated, or no longer meets the criteria for hedge accounting. At that time, any cumulative gains or losses relating to cash flow hedges recognised in equity are initially retained in equity and subsequently recognised in the income statement as the previously hedged item affects profit or loss. For fair value hedges, the cumulative adjustment recorded against the carrying value of the hedged item at the date hedge accounting ceases is amortised to the income statement using the effective interest method. For net investment hedges, any cumulative gains or losses that have been accumulated in the foreign currency translation reserve are initially retained in equity and subsequently recognised in the income statement on the disposal or partial disposal of the foreign operation.		

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.5 Hedge accounting (continued)

Table I shows the carrying value of each component of our gross debt including derivative financial instruments categorised by hedge type.

Table I Telstra Group	As at 30 June 2026 $m	 2025 $m
Borrowings by hedge designation		
Fair value hedges	(4,611)	(2,966)
Cash flow hedges	(8,026)	(6,853)
Net investment hedge	(323)	(392)
Not in an accounting hedge relationship	(2,552)	(4,685)
Total borrowings	**(15,512)**	**(14,896)**
Lease liabilities	(3,091)	(3,099)
Total borrowings and lease liabilities	**(18,603)**	**(17,995)**
Derivative assets by hedge designation		
Fair value hedges	-	138
Cash flow hedges	371	432
Not in an accounting hedge relationship	208	141
Total derivative assets	**579**	**711**
Derivative liabilities by hedge designation		
Fair value hedges	(306)	(79)
Cash flow hedges	(16)	(85)
Not in an accounting hedge relationship	(58)	(9)
Total derivative liabilities	**(380)**	**(173)**
Total gross debt	**(18,404)**	**(17,457)**

The principal value of our gross debt on an equivalent basis was $18,857 million (2025: $17,493 million). Principal value represents contractual obligations less future finance charges, excluding fair value remeasurements, and for foreign denominated balances, equates to the principal value in the underlying currency converted at the spot exchange rate at balance date.

(a) Derivatives not in an accounting hedge relationship

Some derivatives may not qualify for hedge accounting or are specifically not designated as a hedge as natural offset achieves substantially the same accounting results. This includes:

- interest rate swaps entered to offset against existing positions resulting in natural accounting offsets
- forward foreign currency contracts that are used to economically hedge exchange rate fluctuations associated with trade payables or other liability and asset balances denominated in a foreign currency
- embedded foreign exchange derivative
- power purchase agreements accounted for as derivative financial instruments.

(b) Fair value hedges

All changes in the fair value of the underlying item relating to the hedged risk are recognised in the income statement together with the changes in the fair value of derivatives. The net difference is recorded in the income statement as ineffectiveness. The carrying value of borrowings in effective fair value hedge relationships is adjusted for gains or losses attributable to the risk(s) being hedged.

Table J outlines the cumulative amount of fair value hedge adjustments that are included in the carrying amount of borrowings in the statement of financial position.

Table J Telstra Group	As at 30 June 2026 $m	 2025 $m
Principal value	(4,746)	(3,046)
Unamortised discounts	13	8
Amortised cost	**(4,733)**	**(3,038)**
Cumulative fair value hedge adjustments	122	72
Carrying amount	**(4,611)**	**(2,966)**

Table K shows the ineffectiveness recognised in the income statement. We have excluded foreign currency basis spreads and option time value from our designated fair value and cash flow hedge relationships.

Table K Telstra Group	Year ended 30 June 2026 (Gain)/ loss $m	 2025 (Gain)/ loss $m
Remeasurement of hedged item used to measure ineffectiveness	(149)	197
Change in value of hedging instruments	152	(203)
Net loss/(gain) before tax from ineffectiveness	**3**	**(6)**
Net loss/(gain) after tax	2	(4)

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.5 Hedge accounting (continued)

(c) Cash flow hedges

The portion of the gain or loss on the hedging instrument that is effective (i.e., offsets the movement on the hedged item) is recognised directly in the cash flow hedging reserve in equity and any ineffective portion is recognised within net finance costs directly in the income statement.

Gains or losses deferred in the cash flow hedging reserve are subsequently:

- transferred to the income statement when the hedged transaction affects profit or loss
- included in the measurement of the initial cost of the assets where the hedged item is for capital expenditure
- transferred immediately to the income statement if a forecast hedged transaction is no longer expected to occur.

During the financial year 2026, there was no material impact on profit or loss resulting from ineffectiveness of our cash flow hedges or from discontinuing hedge accounting for forecast transactions no longer expected to occur.

Table L presents the hedge gains or losses transferred to and from the cash flow hedging reserve.

Table L Telstra Group	Year ended 30 June 2026 $m	 2025 $m
Changes in fair value of cash flow hedges	143	(84)
Changes in fair value transferred to other expenses	36	(15)
Changes in fair value transferred to goods and services purchased	10	(6)
Changes in fair value transferred to finance costs	49	60
Changes in fair value transferred to property, plant and equipment	2	(2)
Changes in cash flow hedging reserve	**240**	**(47)**
Income tax on movements in the cash flow hedging reserve	(69)	14
	171	**(33)**

Table M shows when the cash flows are expected to occur with respect to items in cash flow hedges (i.e., notional cash outflows). These amounts are the undiscounted cash flows reported in Australian dollars.

Table M Telstra Group	As at 30 June 2026 $m	 2025 $m
Non-capital items		
Less than 1 year	(927)	(630)
Capital items		
Less than 1 year	(139)	(120)
Borrowings		
Less than 1 year	(2,292)	(2,784)
1 to 5 years	(4,919)	(1,865)
More than 5 years	(840)	(440)
	(9,117)	**(5,839)**

Non-capital items will be recognised in the income statement in the same period in which the cash flows are expected to occur. For capital items, the hedged assets affect the income statement as the assets are depreciated over their useful lives.

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.6 Valuation and disclosures within fair value hierarchy

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

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

During the financial year 2026, we included the environmental certificates associated with certain power purchase agreements within the fair value of power purchase agreements accounted for as derivatives as we no longer meet the AASB 9: 'Financial Instruments' own use exemption criteria.

There were no other changes in valuation techniques for recurring fair value measurements of our financial instruments. There were also no transfers between fair value hierarchy levels.

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

Level	Financial instrument	Fair value
Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities	Listed investments in equity instruments	Quoted prices in active markets.
Level 2: the lowest level input that is significant to the fair value measurement is directly (as prices) or indirectly (derived from prices) observable	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 from readily available market data quoted for all major interest rates and currencies.
	Interest rate swap options	Present value of estimated future cash flows, discounted using yield curves derived using option pricing models that incorporate observable market yield and volatility curves independently sourced from readily available market data.
	Forward contracts	Quoted forward rates at reporting date for contracts with similar maturity profiles.

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.6 Valuation and disclosures within fair value hierarchy (continued)

Level	Financial instrument	Fair value
Level 3: one or more key inputs for the instrument are not based on observable market data (unobservable inputs)	Unlisted investments in equity instruments	Valuation techniques include reference to discounted cash flows and fair values of recent orderly sell transactions between market participants involving instruments that are substantially the same. For unlisted investments denominated in foreign currencies, valuation technique also includes movements in exchange rates.
	Power purchase agreements accounted for as derivatives	Present value of future contracted cash flows and credit adjustments using estimates of long-term electricity price and environmental certificate price where observable market prices are unavailable.
	Embedded foreign exchange derivative	Present value of future contracted cash flows using long-term foreign exchange rate estimates where observable market prices are unavailable for certain currency pairs.
	Contingent consideration receivable	Present value of the expected cash flows based on future performance of the business and agreed migration milestones.

Table N categorises our financial instruments which are measured at fair value, according to the valuation methodology applied. As at 30 June 2026, there were no financial instruments measured using level 1 inputs.

Table N Telstra Group	As at 30 June 2026			As at 30 June 2025		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	$m	$m	$m	$m	$m	$m
Assets						
Contingent consideration receivable	-	21	**21**	-	-	**-**
Derivative financial instruments	376	203	**579**	588	123	**711**
Investments in unlisted securities	-	403	**403**	-	381	**381**
	376	**627**	**1,003**	**588**	**504**	**1,092**
Liabilities						
Derivative financial instruments	(324)	(56)	**(380)**	(173)	-	**(173)**
	(324)	**(56)**	**(380)**	**(173)**	**-**	**(173)**
Total	**52**	**571**	**623**	**415**	**504**	**919**

Fair value of borrowings presented in table C in note 4.4.1 was measured using level 2 inputs.

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.6 Valuation and disclosures within fair value hierarchy (continued)

As at 30 June 2026, investments in unlisted securities included mainly an investment in DAZN Group Holdings Limited (DAZN). During the financial year 2026, as part of DAZN's group reorganisation our previous investment in DAZN Group Limited was exchanged on a share-for-share basis for an equivalent investment in DAZN Group Holdings Limited with no substantive change to our interest in DAZN. As the investment is measured at fair value through other comprehensive income and denominated in a foreign currency, any foreign exchange component is included within the fair value movements recognised in other comprehensive income.

Table O details movements in derivative financial instruments measured using level 3 inputs.

Table O Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Opening balance at 1 July	**123**	**81**
Cash settlements made during the year	(7)	(4)
Remeasurements recognised in the income statement	36	46
Translation impacts recognised in foreign currency translation reserve	(5)	-
Closing balance at 30 June	**147**	**123**

Derivative financial instruments measured using level 3 inputs included:

- $124 million (2025: $88 million) embedded foreign exchange derivative asset. We determined its fair value using long-term foreign exchange rate estimates with the PGK/USD currency pair representing the most significant exposure. We recognised in the income statement a $41 million (2025: $45 million) net gain on remeasurement of this derivative financial asset within finance costs.
- $23 million (2025: $35 million) power purchase agreements accounted for as derivatives, including $79 million (2025: $35 million) derivative assets and $56 million (2025: nil) derivative financial liabilities.

We performed a sensitivity analysis to examine the effect of a change in key assumptions on the embedded foreign exchange derivative's fair value. A shift of plus/minus 10 per cent has been selected as a reasonably possible change taking into account the current level of exchange rates and the volatility observed both on a historical basis. This is not a forecast or prediction of future market conditions. We have disclosed the sensitivity analysis on a total portfolio basis and not separately by currency.

Table P shows the impact of a plus/minus 10 per cent shift in applicable exchange rates would have on the embedded foreign exchange derivative's fair value.

Table P Telstra Group	As at 30 June	
	2026	2025
	Gain/(loss) in net profit	
	$m	$m
Exchange rates (+10%)	7	15
Exchange rates (-10%)	(8)	(21)

We performed a sensitivity analysis to examine the effect of a change in key assumptions on the fair value of the power purchase agreements accounted for as derivatives. A shift of plus/minus 10 per cent has been selected as a reasonably possible change taking into account historical volatility movements. This is not a forecast or prediction of future market conditions.

Table Q shows the impact of a plus/minus 10 per cent shift in applicable electricity price would have on the fair value of the power purchase agreements accounted for as derivatives.

Table Q Telstra Group	As at 30 June	
	2026	2025
	Gain/(loss) in net profit	
	$m	$m
Electricity price (+10%)	42	39
Electricity price (-10%)	(42)	(39)

Notes to the financial statements (continued)

Section 4. Our capital and risk management (continued)

4.5 Financial instruments and risk management (continued)

4.5.7 Offsetting and netting arrangements

Table R presents financial assets and financial liabilities that are offset, or subject to enforceable master netting arrangements or other similar agreements but not offset.

The column 'net amounts' shows the impact on the statement of financial position if all set-off rights were exercised. 'Related amounts not offset in the statement of financial position' reflect amounts subject to conditional offsetting arrangements.

Table R Telstra Group	Effects of offsetting in the statement of financial position			Related amounts not offset in the statement of financial position		
	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts presented in the statement of financial position	Financial instruments	Collateral received or pledged	Net amounts
	$m	$m	$m	$m	$m	$m
	A	B	C=A-B	D	E	F=C-D-E
	As at 30 June 2026					
Cash and cash equivalents	1,040	988	**52**	-	-	**52**
Borrowings	(988)	(988)	**-**	-	-	**-**
Trade and other receivables and contract assets	68	46	**22**	-	-	**22**
Trade and other payables	(73)	(46)	**(27)**	-	-	**(27)**
Derivative financial assets	376	-	**376**	153	-	**223**
Derivative financial liabilities	(324)	-	**(324)**	(153)	-	**(171)**
Total	**99**	**-**	**99**	**-**	**-**	**99**
	As at 30 June 2025					
Cash and cash equivalents	686	676	**10**	-	-	**10**
Borrowings	(676)	(676)	**-**	-	-	**-**
Trade and other receivables and contract assets	293	77	**216**	44	4	**168**
Trade and other payables	(155)	(77)	**(78)**	(44)	-	**(34)**
Derivative financial assets	588	-	**588**	119	-	**469**
Derivative financial liabilities	(173)	-	**(173)**	(119)	-	**(54)**
Total	**563**	**-**	**563**	**-**	**4**	**559**

A number of the Telstra Group wholly-owned subsidiaries have entered into customary multi-entity bank account set-off facilities, under which bank accounts are managed on an aggregated basis. As a result, cash and overdraft balance sheet positions of different legal entities are presented net in the statement of financial position.

Our rights of set-off that are not otherwise included in column B of table R, related to:

- our inter-operative tariff arrangements with some of our international roaming partners, where we have executed agreements that allow the netting of amounts payable and receivable by us on cessation of the contract
- our derivative financial instruments, where we have executed master netting arrangements under our International Swaps and Derivatives Association agreements. These agreements allow for the netting of amounts payable and receivable by us or the counterparty in the event of default or a credit event. In line with contractual provisions, in the event of insolvency all derivatives with a positive or negative fair value that exist with the respective counterparty are offset against each other, leaving a net receivable or liability.

Section 5. Our people

We are working to attract and retain employees with the skills and passion to best serve our markets. This section provides information about our employee benefits obligations. It also includes details of our employee share plans and compensation paid to key management personnel.

5.1 Employee benefits

5.1.1 Aggregate employee benefits

Our employee related obligations include:

- liabilities for wages and salaries and related on-costs (presented within current trade and other payables)
- annual leave, long service leave and employee incentives (presented within current and non-current employee benefits) and
- redundancy provisions (presented within current other provisions).

Table A provides a summary of all these employee obligations.

Table A Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Accrued labour and on-costs	642	638
Current employee benefits	676	677
Non-current employee benefits	133	141
Current redundancy provisions	19	9
	1,470	**1,465**

We apply judgement and use estimates in measuring our provisions for employee benefits.

Long service leave provision

We applied judgement to determine the following key assumptions used in the calculation of long service leave entitlements:

- 3.6 per cent (2025: 3.7 per cent) weighted average projected increases in salaries
- 5.7 per cent (2025: 5.0 per cent) discount rate.

The discount rate used to calculate the present value has been determined by reference to market yields at 30 June 2026 on eight year (2025: eight year) high quality corporate bonds which have due dates similar to those of our liabilities.

For the amounts of the provision presented as current, we do not have the right at the end of the financial year to defer settlement for any of these obligations. However, based on experience, we do not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Amounts disclosed in table B have been determined in accordance with an actuarial assessment and reflect leave that is not expected to be taken or paid within the next 12 months.

Table B Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Leave obligations expected to be settled after 12 months	351	344

5.1.2 Recognition and measurement

The liabilities for employee benefits relating to wages and salaries, annual leave and other current employee benefits are accrued at their nominal amounts. These are calculated based on remuneration rates expected to be current at the settlement date and include related costs.

Certain employees who have been employed by Telstra for at least 10 years are entitled to take long service leave of three months or more depending on the actual length of employment. We accrue liabilities for long service leave not expected to be paid or settled within 12 months of the reporting date at present values of future amounts expected to be paid. This is based on the projected increases in wage and salary rates over an average of 10 years, experience of employee departures and periods of service.

Provisions are recognised when:

- we have a present legal or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or events
- it is probable that a future sacrifice of economic benefits will arise
- a reliable estimate can be made of the amount of the obligation.

We recognise a provision for redundancy costs when a detailed formal plan for the redundancies has been developed and a valid expectation has been created that the redundancies will be carried out in respect of the employees likely to be affected.

Section 5. Our people (continued)

5.2 Employee share plans

We have a number of employee share plans pursuant to which equity is awarded to executives as part of their total remuneration. Active share plans are conducted through the Telstra Growthshare Trust (Growthshare). Telstra wholly owns Telstra Growthshare Pty Ltd (the Trustee), which is the corporate trustee for Growthshare. The results of the Trustee are consolidated into our Telstra Group financial report.

A transaction will be classified as share-based compensation where the Group receives services from employees and pays for these either in shares or similar equity instruments or in cash but the amounts due are based on the Telstra share price.

This note summarises the primary employee share plans conducted through Growthshare and the key events in the share-based payment arrangements that have occurred during the financial year.

We have granted the following types of equity instruments as part of our equity-settled employee share plans:

- restricted shares
- restricted share rights
- performance rights.

Restricted shares are Telstra shares that are subject to satisfaction of service conditions over a restriction period.

Restricted share rights are rights to receive Telstra shares subject to satisfaction of service conditions over a defined deferral period.

Performance rights are rights to Telstra shares subject to the satisfaction of certain performance measures and service conditions over a defined performance period.

Telstra has discretion to provide the holder of a performance right or a restricted share right with a share or a cash amount equivalent to the value of a share on exercise of the performance right or restricted share right. Further information can be found in note 5.2.1.

Section 5. Our people (continued)

5.2 Employee share plans (continued)

The table below provides a summary of the instruments granted under the equity-settled employee share plans outstanding at 30 June 2026.

Type of equity instrument	Financial year granted	Restriction/ deferral period	Date of testing against performance hurdles	Performance hurdles	Number of instruments allocated and outstanding at 30 June 2026
Short Term Incentive Plan (STI) restricted share rights - CEO and Group Executives [FY26]	FY26	Two equal tranches with the respective tranches restricted for one and two years from the end of the performance period	n/a	n/a	The restricted share rights for FY26 are expected to be allocated in the first half of FY27
STI Plan restricted share rights - other executives [FY26]	FY26	Three equal tranches with the respective tranches restricted from one to three years from the end of the performance period	n/a	n/a	The restricted share rights for FY26 are expected to be allocated in the first half of FY27
Long Term Incentive Plan (LTI) performance rights [FY26]	FY26- Tranche 1 (uROIC)	n/a	30 June 2028	Average Underlying Return on Invested Capital (uROIC)	1,796,470
	FY26- Tranche 2 (RTSR)	n/a	30 June 2029	Relative Total Shareholder Return (RTSR)	1,784,953
STI Plan restricted shares - other executives [pre-FY26]	FY25	Three equal tranches with the respective tranches restricted from one to three years from the end of the initial performance period	n/a	n/a	1,896,470
	FY24		n/a	n/a	1,183,510
	FY23		n/a	n/a	652,670
Executive Variable Remuneration Plan (EVP) restricted shares [pre-FY26]	FY25	Four equal tranches with the respective tranches restricted from one to four years from the end of the initial performance period	n/a	n/a	2,063,516
	FY24		n/a	n/a	1,543,877
	FY23		n/a	n/a	817,113
	FY22		n/a	n/a	332,432

Section 5. Our people (continued)

5.2 Employee share plans (continued)

Type of equity instrument	Financial year granted	Restriction/ deferral period	Date of testing against performance hurdles	Performance hurdles	Number of instruments allocated and outstanding at 30 June 2026
EVP performance rights [pre-FY26]	FY25	n/a	30 June 2029	RTSR	2,358,302
	FY24	n/a	30 June 2028	RTSR	2,352,568
	FY23	n/a	30 June 2027	RTSR	1,867,678
	FY22	n/a	30 June 2026	RTSR	1,519,677

We will also grant cash rights in lieu of restricted share rights under the FY26 STI to Shailin Sehgal who ceased employment in June 2026 and Brendon Riley who ceased employment in September 2025. The cash rights are expected to be allocated in the first half of the financial year 2027. The cash rights provided in lieu of restricted share rights are subject to the same deferral period as restricted share rights.

Provided they have not been forfeited earlier, the EVP and STI restricted shares, as well as shares allocated on the vesting and exercise of EVP performance rights, will generally be transferred to the relevant executive on the first day of the first trading window occurring under Telstra's Securities Trading policy following the end of the relevant restriction period or the vesting date, as applicable.

Vested restricted share rights and performance rights issued under the STI plan and LTI plan are able to be exercised by the executive within a trading window under Telstra's Securities Trading policy up until the relevant expiry date (being the earlier of seven years after the vesting date or three years after the relevant employee's cessation of employment). On the expiry date vested rights are automatically exercised.

If an executive leaves Telstra other than for a Permitted Reason (the definition of which is set out in the Remuneration Report Glossary, which forms part of the Directors Report) before the end of the relevant performance, deferral or restriction period, their unvested rights/restricted shares will lapse or be forfeited unless the Board determines otherwise.

Performance rights, restricted shares and restricted share rights may also lapse, be forfeited or recovered if certain clawback (malus) events occur.

The definitions of Underlying Return on Invested Capital (uROIC) and Relative Total Shareholder Return (RTSR) are set out in the Remuneration Report Glossary.

Refer to the Remuneration Report for further details on the FY26 Executive remuneration framework.

5.2.1 Description of share-based payment arrangements

(a) Short Term Incentive (STI) Plan – CEO and Group Executives [FY26]

Under the FY26 STI Plan, the amount earned by the CEO or relevant Group Executives is determined at the end of a one-year performance period based on certain factors, including Telstra's performance against certain predetermined performance measures and the executive's individual performance (including their performance relative to other executives), with the Board retaining discretion to adjust the outcome to ensure it is appropriate. Half of the amount earned under the STI Plan is provided in restricted share rights (equity settled) with half vesting after one year and half vesting after two years.

Performance hurdles are applied in determining the number of restricted share rights allocated to executives, and therefore, restricted share rights are not subject to any other performance hurdles once they have been allocated.

Restricted share rights do not carry dividend or voting rights. A restricted share right entitles the holder to a Telstra share upon vesting and exercise. At the time of exercise of restricted share rights the holder is also entitled to a dividend equivalent payment equivalent to the dividends paid by Telstra during the period between allocation of the rights and exercise date, to be provided in shares. This entitlement is included in the grant date fair values.

The allocation of restricted share rights under the FY26 STI Plan is expected to be made after the 2026 Annual General Meeting. Shareholder approval will be sought at the 2026 Annual General Meeting for the CEO's FY26 STI restricted share rights allocation.

(b) STI Plan – other executives [FY26]

Under the FY26 STI Plan, the amount earned by non-Group executives is determined at the end of a one-year performance period based on certain factors, including Telstra's performance against certain predetermined performance measures and the executive's individual performance. 25 per cent of an eligible executive's actual STI payment is provided as restricted share rights. The table summarising the instruments granted under the equity-settled employee share plans lists the relevant deferral periods for each STI restricted share right.

Section 5. Our people (continued)

5.2 Employee share plans (continued)

5.2.1 Description of share-based payment arrangements (continued)

(b) STI Plan – other executives [FY26] (continued)

Performance hurdles are applied in determining the number of restricted share rights allocated to executives, and therefore, restricted share rights are not subject to any other performance hurdles once they have been allocated.

Restricted share rights do not carry dividend or voting rights. A restricted share right entitles the holder to a Telstra share upon vesting and exercise. At the time of exercise of restricted share rights the holder is also entitled to a dividend equivalent payment equivalent to the dividends paid by Telstra during the period between allocation of the rights and exercise date, to be provided in shares. This entitlement is included in the grant date fair values.

(c) Long Term Incentive (LTI) Plan [FY26]

Under the LTI Plan, performance rights (equity settled) are allocated to the CEO and eligible Group Executives based on a set percentage of fixed remuneration. The allocation of FY26 LTI performance rights was completed in October 2025, following shareholder approval for the CEO's allocation at the 2025 Annual General Meeting.

LTI Plan performance rights are allocated in two equal tranches, one subject to a performance condition linked to Telstra's three-year average uROIC and the other subject to a performance condition linked to Telstra's four-year RTSR (refer to the table summarising the instruments granted under the equity-settled employee share plans for testing dates).

The FY26 LTI Plan (uROIC) performance rights will vest on a straight-line scale, with 50 per cent of the performance rights vesting if Telstra meets the uROIC performance condition threshold, up to 100 per cent at maximum. No performance rights will vest if the performance condition is below threshold at the testing date.

The FY26 LTI Plan (RTSR) performance rights will vest on a straight-line scale, with 50 per cent of the performance rights vesting if Telstra's RTSR ranks at the 50th percentile against a comparator group comprising of 20 comparable companies in the ASX 50 ex-resources (Comparator Group) over the performance period, up to 100 per cent of the performance rights vesting where Telstra's RTSR ranks at the 75th percentile of the Comparator Group or above. No performance rights will vest if Telstra's RTSR ranks below the 50th percentile of the Comparator Group.

Any performance rights that do not vest following testing against the performance conditions will lapse.

At the time of exercise of LTI Plan performance rights the holder is entitled to a dividend equivalent payment equivalent to the dividends paid by Telstra during the period between allocation of the rights and exercise date, to be provided in shares. This entitlement is included in the grant date fair values.

(d) STI Plan – other executives [pre-FY26]

Under the STI arrangements for non-Group executives, 25 per cent of an eligible executive's actual STI payment was provided as restricted shares. The table summarising the instruments granted under the equity-settled employee share plans lists the relevant restriction periods for each STI restricted share.

Performance hurdles are applied in determining the number of restricted shares allocated to executives, and therefore, restricted shares are not subject to any other performance hurdles once they have been allocated.

From the actual grant date of restricted shares, executives are entitled to vote and earn dividends on their restricted shares. However, they are restricted from dealing with the shares during the restriction period.

(e) Executive Variable Remuneration (EVP) Plan [pre-FY26]

The EVP was offered up to (and including) the financial year 2025. A component of the amount earned under the EVP was provided in restricted shares and a component in performance rights.

(i) Restricted shares (equity-settled)

The table summarising the instruments granted under the equity-settled employee share plans lists the restriction periods for each EVP restricted share plan. No further performance hurdles apply now to the restricted shares that have been allocated. During the restriction period, executives are entitled to vote and earn dividends on their restricted shares from the actual allocation date. However, they are restricted from dealing with the shares during this period.

(ii) Performance rights (equity-settled)

EVP performance rights are tested against a RTSR measure over a five-year period inclusive of the initial one-year performance period (refer to the table summarising the instruments granted under the equity-settled employee share plans for testing dates).

No dividends are paid on EVP performance rights prior to vesting and exercise. For EVP performance rights that do vest, a cash payment equivalent to dividends paid by Telstra during the period between allocation and vesting of the performance rights will be made at or around the time of vesting, subject to applicable taxation. This cash entitlement is not included in the grant date fair values of the EVP performance rights as this is accounted for separately.

Testing of the outstanding FY22 EVP performance rights as at 30 June 2026 resulted in 98 per cent of those performance rights being eligible to vest due to the RTSR performance hurdle being met.

Telstra ranked at the 74th percentile against the Comparator Group over the performance period.

(iii) Cash rights (cash-settled)

Under the EVP, the executives who ceased employment for a Permitted Reason before allocation of the restricted shares and performance rights received cash rights in lieu of restricted shares and performance rights.

5.2.2 Fair value measurement

(a) Restricted share rights

Restricted share rights were measured based on the Board approved dollar amount outcome for the financial year 2026, with a final number of share rights to be allocated after Telstra's 2026 Annual General Meeting. The estimated fair value per share right granted in the financial year 2026 was $4.99 (2025: EVP restricted shares $4.95).

Section 5. Our people (continued)

5.2 Employee share plans (continued)

5.2.2 Fair value measurement (continued)

(b) Performance rights

Table A provides a weighted average of the inputs used in measuring the fair value of performance rights at grant date.

Table A Telstra Group	Year ended 30 June 2026	 2025
Share price	$4.87	$3.94
Risk free rate	3.60%	3.61%
Dividend yield	4.33% EVP (n/a FY26 LTI)	4.80%
Expected life in years	3.3 years	4.6 years
Expected stock volatility	14%	18%
Fair value ($)	$4.02	$1.88

The expected stock volatility is a measure of the amount by which the price is expected to fluctuate during a period. This is based on an annualised historical daily volatility of closing share prices over a certain period to the measurement date.

5.2.3 Expense and liability recognised

In the financial year 2026, we recognised total share-based payment expenses of $29.107 million (2025: $25.474 million). This includes $28.293 million (2025: $18.831 million) from transactions accounted for as equity-settled.

As at 30 June 2026, we recorded a $9.854 million (2025: $10.037 million) liability pertaining to the outstanding cash rights issued to certain executives that ceased employment for a Permitted Reason.

5.2.4 Recognition and measurement

For each of our equity-settled employee share plans, we measure the fair value of the equity instrument at grant date and recognise in the income statement the expense over the relevant vesting period with a corresponding increase in equity (i.e., share capital). The expense is adjusted to reflect actual and expected levels of vesting.

Grant date is the date when there is a shared understanding between employees and Telstra of the terms and conditions of the plan and the employees have accepted the offer. This often occurs prior to the allocation of equity instruments to the employees.

The fair values of our equity instruments are calculated by taking into account the terms and conditions of the individual plan and as follows:

Equity instrument	Fair value approach
Restricted shares/restricted share rights	By reference to the dollar amount outcome approved by the Board
Performance rights (uROIC)	Black-Scholes formula (risk-neutral assumption)
Performance rights (RTSR)	Monte Carlo simulation pricing models

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense in the income statement.

5.3 Post-employment benefits

We participate in, or sponsor, defined benefit and defined contribution schemes for our employees. This note provides details of the Aware Super Defined Benefit — Telstra Plan (Telstra Defined Benefit Plan) (previously part of Telstra Superannuation Scheme (TelstraSuper)) defined benefit plan.

Our employer contributions to the Telstra Defined Benefit Plan are determined based on the recommendations from the actuary of Aware Super in line with any legislative requirements and in consultation with the Trustee of Aware Super. The net defined benefit asset/(liability) at balance date is also affected by the valuation of the Telstra Defined Benefit Plan's investments and our obligations to members of the Telstra Defined Benefit Plan.

5.3.1 Net defined benefit plan asset/(liability)

Table A details our net defined benefit plan asset/(liability) recognised in the statement of financial position.

Table A Telstra Group	As at 30 June 2026 $m	 2025 $m
Fair value of defined benefit plan assets	1,421	1,421
Present value of the defined benefit obligation	1,205	1,229
Net defined benefit asset	**216**	**192**
Attributable to:		
Telstra Defined Benefit Plan (previously part of TelstraSuper)	241	201
Other	(25)	(9)
	216	**192**

Section 5. Our people (continued)

5.3 Post-employment benefits (continued)

5.3.2 Aware Super Defined Benefit - Telstra Plan (Telstra Defined Benefit Plan) (previously part of TelstraSuper)

During the financial year 2026, Telstra Group Limited participated in and was the sponsoring employer in TelstraSuper, a regulated superannuation fund under the *Superannuation Industry (Supervision) Act 1993 (Cth)* (SIS Act), that is regulated by the Australian Prudential Regulation Authority. Certain controlled entities in the Telstra Group were associated employers participating in TelstraSuper.

On 30 April 2026, TelstraSuper merged with Aware Super, one of Australia's largest profit-for-members super funds. Tetra Servicing Pty Ltd (formerly Telstra Super Pty Ltd, the Trustee of TelstraSuper) transferred all of the TelstraSuper members, their benefits and the assets of TelstraSuper to Aware Super Pty Ltd (the Trustee of Aware Super) via a successor fund transfer. The merger involved transferring over 21,000 members to Aware Super.

The successor fund transfer was completed in accordance with legislative requirements, on the basis that Aware Super conferred on transferring TelstraSuper members rights that were equivalent to those they held in TelstraSuper in respect of their benefits. Following the transfer, members became part of a larger superannuation fund, providing increased scale for the ongoing administration and management of member benefits.

Aware Super is a regulated superannuation fund under the SIS Act, that is regulated by the Australian Prudential Regulation Authority. Aware Super provides superannuation benefits on both a defined benefit and defined contribution basis (including income streams), and insurance benefits (where applicable) to members and their dependents or beneficiaries.

Following completion of the merger, Aware Super includes a separate defined benefit sub-fund, the Telstra Defined Benefit Plan for defined benefit members transferred from TelstraSuper. The Telstra Defined Benefit Plan, which is closed to new members, provides benefits based on years of service and final average salary paid as a lump sum. Post-employment benefits do not include payments for medical costs.

Following completion of the merger, Telstra Group Limited participates in and is the principal employer of the Aware Super Telstra Group Plan, which includes the Telstra Defined Benefit Plan. Certain controlled entities in the Telstra Group are associated employers which also participate in the Aware Super Telstra Group Plan.

The Aware Super Telstra Group Plan is legally separate from the Telstra Group. Responsibility for governance of the Aware Super Telstra Group Plan (that includes the Telstra Defined Benefit Plan), including investment decisions and plan rules, rests with the Trustee of Aware Super. The Telstra Entity has certain rights in relation to the Telstra Defined Benefit Plan, including in relation to contribution rates, the investment strategy for its assets and the use of any surplus assets.

On an annual basis, we engage qualified actuaries to calculate the present value of the defined benefit obligations.

Contribution levels for the Telstra Defined Benefit Plan are determined by the Telstra Entity after obtaining advice from the Aware Super actuary and consulting the Trustee of Aware Super. These contribution levels are designed to ensure that benefits accruing to members and beneficiaries are fully funded as they fall due. The benefits received by members of the Telstra Defined Benefit Plan take into account factors such as each employee's length of service, final average salary, and employer and employee contributions.

The Telstra Defined Benefit Plan is exposed to inflation, credit risk, liquidity risk and market risk. Market risk includes interest rate risk, equity price risk and foreign currency risk. The strategic investment policy of the fund is to build a diversified portfolio of assets to match the projected liabilities of the defined benefit plan.

An internal funding policy, which reflects funding agreements, is in place between the principal employer (i.e., the Telstra Entity) and the associated employers (i.e., other legal entities under common control which participate in the Telstra Defined Benefit Plan). Refer to note 7.3.2 for further details.

(a) Fair value of defined benefit plan assets

Table B provides a reconciliation of fair value of defined benefit plan assets from the opening to the closing balance.

Table B Telstra Defined Benefit Plan	As at 30 June 2026 $m	 2025 $m
Fair value of defined benefit plan assets at the beginning of the year	**1,421**	**1,516**
Employer contributions	10	11
Member contributions	16	15
Benefits paid (including contributions tax)	(97)	(202)
Plan expenses after tax	(3)	(3)
Interest income on plan assets	63	73
Actual asset gain	11	11
Fair value of defined benefit plan assets at the end of the year	**1,421**	**1,421**

(b) Present value of the wholly funded defined benefit obligation

Table C provides a reconciliation of the present value of wholly funded defined benefit obligation from the opening to the closing balance.

Table C Telstra Defined Benefit Plan	As at 30 June 2026 $m	 2025 $m
Present value of defined benefit obligation at the beginning of the year	**1,220**	**1,279**
Current service cost	35	33
Interest cost	55	62
Member contributions	8	6
Past service cost	5	12
Benefits paid	(97)	(202)
Actuarial (gain)/loss due to change in financial assumptions	(60)	41
Actuarial loss due to change in demographic assumptions	4	3
Actuarial loss/(gain) due to experience	10	(14)
Present value of defined benefit obligation at the end of the year	**1,180**	**1,220**

Section 5. Our people (continued)

5.3 Post-employment benefits (continued)

5.3.2 Aware Super Defined Benefit - Telstra Plan (Telstra Defined Benefit Plan) (previously part of TelstraSuper) (continued)

(b) Present value of the wholly funded defined benefit obligation (continued)

The actual return on defined benefit plan assets was 5.4 per cent (TelstraSuper 2025: 6.2 per cent) gain. Net actuarial gain recognised in other comprehensive income for the Telstra Defined Benefit Plan amounted to $57 million (TelstraSuper 2025: $19 million net actuarial loss).

(c) Categories of plan assets

Table D details the weighted average allocation as a percentage of the fair value of total defined benefit plan assets by class based on their nature and risks.

Table D Telstra Defined Benefit Plan	As at 30 June 2026 %	 2025 %
Asset allocations		
Equity instruments		
Australian equity[1]	10	10
International equity[1]	12	11
Debt instruments		
Fixed interest[1]	26	63
Other		
Property	9	9
Cash and cash equivalents	43	5
Other	-	2
	100	**100**

1 These assets have quoted prices in active markets.

(i) Related party disclosures

We own 100 per cent of the equity of Tetra Servicing Pty Ltd (formerly Telstra Super Pty Ltd), which was the Trustee of TelstraSuper prior to TelstraSuper's merger with Aware Super that occurred on 30 April 2026. Prior to the merger with Aware Super we had significant influence over Tetra Servicing Pty Ltd, which was accounted for as an associated entity. Following completion of the merger, we consolidate that controlled entity. Refer to note 6.5.1 for further details.

(d) Actuarial assumptions and sensitivity analysis

Defined benefit plan

The following key assumptions were used in the calculation of our defined benefit obligations:

- 3.4 per cent (TelstraSuper 2025: 3.3 per cent) average expected rate of increase in future salaries
- 5.4 per cent (TelstraSuper 2025: 4.7 per cent) discount rate.

We have used a six year (TelstraSuper 2025: six year) high quality corporate bond rate to determine the discount rate as the term matches closest to the term of the defined benefit obligations.

Our assumption for the salary inflation rate for Telstra Defined Benefit Plan reflects our long-term expectation for salary increases.

If the estimates prove to be different to actual experience, this may materially affect balances in the next reporting period.

Table E summarises how the defined benefit obligation as at 30 June 2026 would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point (1pp).

Table E Telstra Defined Benefit Plan	Defined benefit obligation 1pp increase $m	 1pp decrease $m
Discount rate	(53)	58
Expected rate of increase in future salaries	22	(20)

(e) Employer contributions

During the financial year 2026, we paid contributions totalling $10 million (2025: $11 million) at the average contribution rate of five per cent (2025: five per cent) to our defined benefit plan, following recommendations from the actuary of Aware Super (and prior to the merger, the actuary of TelstraSuper).

The current five per cent contribution rate remains unchanged as recommended by the actuary of TelstraSuper in the last triennial review effective 30 June 2024.

We expect to contribute at the rate of five per cent to our defined benefit plan for the financial year 2027. This contribution rate could change depending on market conditions and actuarial review.

Section 5. Our people (continued)

5.3 Post-employment benefits (continued)

5.3.2 Aware Super Defined Benefit - Telstra Plan (Telstra Defined Benefit Plan) (previously part of TelstraSuper) (continued)

(e) Employer contributions (continued)

Table F shows the expected proportion of benefits paid from the Telstra Defined Benefit Plan in future years.

Table F Telstra Defined Benefit Plan	Year ended 30 June	
	2026	2025
	%	%
Less than 1 year	10	8
1 to 5 years	33	29
5 to 10 years	30	31
10 to 20 years	26	30
More than 20 years	1	2
	100	**100**

The weighted average duration of the defined benefit plan obligations at the end of the reporting period was six years (2025: six years).

5.3.3 Other defined benefit schemes

Our controlled entities also participate in both funded and unfunded defined benefit schemes, which are individually and in aggregate immaterial.

5.3.4 Recognition and measurement

(a) Defined contribution plans

Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements and other obligations. The contributions are recorded as an expense in the income statement as they become payable. We recognise a liability when we are required to make future payments as a result of employee services provided.

(b) Defined benefit plans - Telstra Defined Benefit Plan

We currently sponsor a post-employment defined benefit plan, being the Telstra Defined Benefit Plan (part of Aware Super Telstra Group Plan) that, prior to the merger, was part of TelstraSuper.

At a reporting date, where the fair value of the plan assets is less than the present value of the defined benefit obligations, the net deficit is recognised as a liability. In the reverse situation, the net surplus is recognised as an asset. We recognise the asset to the extent that we have the ability to control this surplus to generate future funds that will be available to us in the form of reductions in future contributions or as a cash refund.

The actuaries use the projected unit credit method to estimate the present value of the defined benefit obligations of the plan. This method determines each year of service as giving rise to an additional unit of benefit entitlement. Each unit is measured separately to calculate the final obligation. The present value is determined by discounting the estimated future cash outflows using rates based on high quality corporate bonds.

We recognise all our defined benefit costs in the income statement, with the exception of actuarial gains and losses that are recognised directly in other comprehensive income.

Actuarial gains and losses are based on an actuarial valuation of each defined benefit plan at a reporting date. Actuarial gains and losses represent the differences between previous actuarial assumptions of future outcomes and the actual outcome, in addition to the effect of changes in actuarial assumptions.

5.4 Key management personnel compensation

Key management personnel (KMP) refer to those who have authority and responsibility for planning, directing and controlling the activities of the Telstra Group. KMP are deemed to include the following:

- the non-executive Directors of the Telstra Entity
- certain executives in the Chief Executive Officer's (CEO's) senior leadership team, including the CEO.

5.4.1 KMP aggregate compensation

During the financial years 2026 and 2025, the aggregate compensation of our KMP was:

Telstra Group	Year ended 30 June	
	2026	2025
	$000	$000
Short-term employee benefits	21,419	21,808
Post-employment benefits	449	426
Other long-term benefits	1,294	1,070
Termination benefits	1,164	852
Share-based payments	17,311	13,142
	41,637	**37,298**

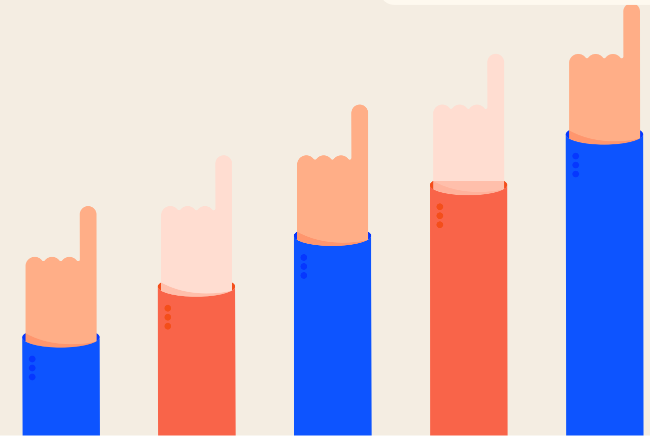
Refer to the Remuneration Report, which forms part of the Directors' Report for further details regarding KMP remuneration.

5.4.2 Other transactions with our KMP and their related parties

During the financial years 2026 and 2025, apart from transactions trivial and domestic in nature and on normal commercial terms and conditions, there were no other transactions with our KMP and their related parties.

Section 6. Our investments

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



6.1 Changes in the group structure

6.1.1 Current year acquisitions

During the financial year 2026, we incorporated the following controlled entities:

- InfraDigi HoldCo Pty Ltd and its controlled entities (incorporated on 1 October 2025), of which we own 100 per cent
- Pacific Business Solutions (China) TJ (incorporated on 1 April 2026), of which we own 48 per cent.

In addition, following the merger of Telstra Superannuation Scheme (TelstraSuper) and Aware Super completed on 30 April 2026, we obtained control of Tetra Servicing Pty Ltd (the trustee of Telstra Super prior to the merger), which used to be accounted for as an associated entity. We continue to own 100 per cent of the equity in this entity. We have consolidated its results from 1 May 2026. Refer to note 5.3.2 for further details about the merger of the superannuation funds.

6.1.2 Current year deregistrations and disposals

During the financial year 2026, we lost control of the following controlled entities:

- Power Health Solutions Limited (deregistered on 4 July 2025)
- Belong Corporation Pty Ltd (deregistered on 23 July 2025)
- Cell Phones Direct Pty Ltd (deregistered on 23 July 2025)
- Digital Turbine Pty Ltd (deregistered on 23 July 2025)
- Sound Surgeon Pty Limited (deregistered on 23 July 2025)
- Digicel International Resources Ltd (deregistered on 30 September 2025)
- Heritage Telecommunications Ltd (disposed on 3 October 2025)
- Alliance Automation Pty Ltd (disposed on 2 December 2025)
- DLM Automation Pty Ltd (disposed on 2 December 2025)
- Virtual Machine Technology Pty Ltd (deregistered on 10 December 2025)
- Dr Foster Holdings Limited (formerly Telstra Health UK (Holdings) Limited) (disposed on 16 December 2025)
- Dr Foster Limited (formerly Telstra Health UK Limited) (disposed on 16 December 2025)
- Dr Foster Research Limited (disposed on 16 December 2025)
- MTData Holdings Pty Ltd (disposed on 12 January 2026)
- Mobile Tracking and Data Pty Ltd (disposed on 12 January 2026)
- Transport Compliance Services Pty Ltd (disposed on 12 January 2026)
- MTData NZ Limited (disposed on 12 January 2026).

Except for the disposal of MTData Holdings Pty Ltd and its controlled entities, these deregistrations and disposals had no significant financial impact on our results.

6.1.3 Disposal of MTData disposal group

On 12 January 2026, we completed the disposal of our 100 per cent interest in MTData Holdings Pty Ltd and its controlled entities (MTData disposal group). The total consideration includes $30 million cash received at completion and a deferred consideration amount which is subject to final completion adjustments and claims. The deferred consideration amount will be received 24 months after the completion date. The $3 million net loss on disposal was recognised in the financial year 2026.

We recognised a $2 million goodwill impairment for the MTData disposal group as disclosed in note 3.1.2.

6.2 Investments in controlled entities

6.2.1 Investments in controlled entities

Telstra Group has a direct or indirect interest in over 190 controlled entities across approximately 30 countries. We have controlled entities in Australia, Asia, the South Pacific, New Zealand, Europe, Middle East, Canada and the United States of America. We conduct most of our business through our controlled entities Telstra Limited and Telstra Corporation Limited, which in total constituted 97 per cent of the Group's EBITDA.

Refer to the consolidated entity disclosure statement for a full list of our controlled entities within the Telstra Group.

6.2.2 Deed of cross guarantee

Telstra Group Limited and each of the wholly-owned subsidiaries set out below (together the 'Closed Group'), are party to a deed of cross guarantee (Deed), as defined in Australian Securities and Investments Commission (ASIC) legislative instrument: 'ASIC Corporations (Wholly-owned Companies) Instrument 2016/785' (ASIC Instrument).

The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

Pursuant to the ASIC Instrument, the wholly-owned subsidiaries within the Closed Group that are eligible for the benefit of the ASIC Instrument are relieved from the requirement to prepare and lodge separate financial statements, directors' reports and auditors' reports.

The statement of comprehensive income and statement of financial position disclosed in this section present consolidated results of the Closed Group.

Section 6. Our investments (continued)

6.2 Investments in controlled entities (continued)

6.2.2 Deed of cross guarantee (continued)

The following entities are party to the Deed and part of the Closed Group:

- Telstra Group Limited (holding entity)
- Aqura Technologies Pty Ltd
- Clinical Technology Holdings Pty Limited
- Clinical Technology Systems Pty Limited
- Epicon IT Solutions Pty. Ltd.
- Fone Zone Pty Ltd
- Fred IT Group Pty Ltd
- Health Communication Network Pty Limited
- Merricks NewCo Pty Ltd
- muru-D Pty Ltd
- Pacnet Internet (A) Pty Ltd
- Pacnet Services (A) Pty. Ltd.
- Service Potential Pty Ltd
- Telstra 3G Spectrum Holdings Pty Ltd
- Telstra Australia Networks Pty Limited
- Telstra Broadcast Services Pty Limited
- Telstra Communications Limited
- Telstra Corporation Limited
- Telstra Energy (Generation) Pty Ltd
- Telstra Energy (Holdings) Pty Ltd
- Telstra Energy (Retail) Pty Ltd
- Telstra Health Pty Ltd
- Telstra Health Services Pty Ltd
- Telstra Holdings Pty Ltd
- Telstra International (Aus) Limited
- Telstra International Holdings Pty Ltd
- Telstra International Networks Pty Limited
- Telstra International Operations Pty Limited
- Telstra Limited
- Telstra Multimedia Pty Limited
- Telstra OnAir Holdings Pty Ltd
- Telstra Pay TV Pty Ltd
- Telstra Plus Pty Ltd
- Telstra Reach Holdings Pty Ltd
- Telstra Services Solutions Holdings Limited
- Telstra Software Group Pty Ltd
- Telstra Towerco No.2 Pty Ltd
- Telstra Ventures Pty Limited
- Versent Group Pty Ltd (formerly Telstra Purple Pty Ltd)
- Versent Pty Ltd.

There were no new entities added as parties to the Deed for the financial year 2026 or since the end of the financial year 2026.

Telstra Pay TV Pty Ltd obtained financial reporting relief under the ASIC instrument for the financial year 2025 but was ineligible for this relief in respect of the financial year 2026 because it was a small proprietary company (as defined in section 45A(2) of the Corporations Act).

The following entities were the subject of a notice of disposal during the financial year 2026 and ceased to be members of the Closed Group as of the date set out below:

- Alliance Automation Pty Ltd (date of sale/date of notice of disposal: 2 December 2025)
- DLM Automation Pty Ltd (date of sale/date of notice of disposal: 2 December 2025)
- Mobile Tracking and Data Pty Ltd (date of sale/date of notice of disposal: 12 January 2026)
- MTData Holdings Pty Ltd (date of sale/date of notice of disposal: 12 January 2026)

There are no other members of the Extended Closed Group (as defined in the ASIC instrument). Telstra Finance Limited is trustee under the Deed, however, it is not a member of the Closed Group or the Extended Closed Group.

Financial information of the members of the Closed Group presented in tables A to C excludes Telstra Finance Limited. Entities disposed during the financial year 2026 and subject to a notice of disposal under the Deed of Cross Guarantee are excluded from table A and included in tables B and C only up to their respective dates of disposal. Transactions between the members have been eliminated.

Table A presents the statement of financial position of the Closed Group.

Table A Closed Group	As at 30 June	
	2026	2025
	$m	$m
Current assets		
Cash and cash equivalents	583	495
Trade and other receivables and contract assets	4,079	3,672
Deferred contract costs	118	108
Inventories	497	463
Derivative financial assets	157	211
Current tax receivables	127	211
Assets classified as held for sale	365	389
Prepayments	343	291
Total current assets	**6,269**	**5,840**
Non-current assets		
Trade and other receivables and contract assets	1,486	1,139
Deferred contract costs	727	770
Inventories	52	100
Investments – controlled entities	6,519	6,566
Investments – accounted for using the equity method	199	198
Investments – other	69	31
Property, plant and equipment	18,376	19,090
Right-of-use assets	2,220	2,215
Intangible assets	7,693	8,238
Derivative financial assets	280	403
Deferred tax assets	2	-
Defined benefit asset	241	201
Total non-current assets	**37,864**	**38,951**
Total assets	**44,133**	**44,791**

Section 6. Our investments (continued)

6.2 Investments in controlled entities (continued)

6.2.2 Deed of cross guarantee (continued)

Table A (continued) Closed Group	As at 30 June	
	2026	2025
	$m	$m
Current liabilities		
Trade and other payables	3,562	3,669
Employee benefits	648	648
Other provisions	117	128
Lease liabilities	486	444
Borrowings	4,341	5,484
Derivative financial liabilities	144	81
Contract liabilities and other revenue received in advance	1,380	1,355
Liabilities classified as held for sale	56	60
Total current liabilities	**10,734**	**11,869**
Non-current liabilities		
Other payables	82	28
Employee benefits	127	127
Other provisions	139	150
Lease liabilities	1,942	1,942
Borrowings	13,510	11,810
Derivative financial liabilities	236	86
Deferred tax liabilities	1,295	1,385
Contract liabilities and other revenue received in advance	850	925
Total non-current liabilities	**18,181**	**16,453**
Total liabilities	**28,915**	**28,322**
Net assets	**15,218**	**16,469**
Equity		
Share capital	1,157	2,379
Reserves	178	29
Retained profits	13,883	14,061
Equity available to the Closed Group	**15,218**	**16,469**

Table B presents the statement of comprehensive income of the Closed Group.

Table B Closed Group	Year ended 30 June	
	2026	2025
	$m	$m
Profit for the year for the Closed Group	**2,039**	**2,406**
Total other comprehensive income for the Closed Group	**170**	**15**
Total comprehensive income for the year for the Closed Group	**2,209**	**2,421**

Table C provides a reconciliation of retained profits of the Closed Group from the opening to the closing balance.

Table C Closed Group	Year ended 30 June	
	2026	2025
	$m	$m
Retained profits at the beginning of the financial year available to the Closed Group	**14,061**	**13,718**
Total comprehensive income recognised in retained profits	2,079	2,395
Cumulative gain from investments in equity instruments at fair value through other comprehensive income transferred to retained profits on disposal	5	85
Dividend	(2,262)	(2,137)
Retained profits at the end of the financial year available to the Closed Group	**13,883**	**14,061**

Section 6. Our investments (continued)

6.3 Non-controlling interests

Summarised financial information of the Telstra Group entities which have material non-controlling interests is detailed below.

6.3.1 Amplitel business

Table A summarises financial information of the entities which have material non-controlling interests, i.e., Towers Business Operating Trust and Amplitel Pty Ltd (Amplitel business), amalgamated for the year ended and as at 30 June 2026, with a non-controlling interest of 49 per cent (2025: 49 per cent). It represents the amounts before inter-company eliminations of transactions with other entities within the Telstra Group, with the exception of the transactions within the Amplitel business which have been eliminated.

Table A Amplitel business	Year ended/as at 30 June 2026 $m	2025 $m
Statement of financial position		
Current assets	294	288
Non-current assets	2,293	2,264
Total assets	**2,587**	**2,552**
Current liabilities	223	236
Non-current liabilities	1,134	1,031
Total liabilities	**1,357**	**1,267**
Net assets	**1,230**	**1,285**
Accumulated non-controlling interests	**702**	**716**
Statement of comprehensive income		
Revenue	281	261
Profit/total comprehensive income for the year	**225**	**253**
Profit allocated to non-controlling interests	**123**	**97**
Distributions paid/payable to non-controlling interests	**137**	**136**
Statement of cash flows		
Net cash inflow from operating activities	180	186
Net cash inflow from investing activities	127	110
Net cash outflow from financing activities	(309)	(295)
Net cash (outflow)/inflow	**(2)**	**1**

6.3.2 Telstra PM Pty Ltd and its controlled entities (Telstra PM Group)

In July 2022, we completed the acquisition of 100 per cent of the shares in Digicel Pacific Limited and its controlled entities (Digicel Pacific). This acquisition was partly funded by equity-like securities issued by the Telstra PM Group to the Australian Government, through Export Finance Australia.

Equity-like securities issued to the Australian Government

Telstra PM Group holds 100 per cent of the shares in Digicel Pacific. This investment was partly funded by equity-like securities issued by the Telstra PM Group to the Australian Government, through Export Finance Australia. As at 30 June 2026, the non-controlling interests related to the equity-like securities issued to the Australian Government were $951 million (2025: $951 million).

The securities are perpetual, subordinated, unsecured and redeemable in certain circumstances. The securities do not grant the Australian Government any recourse, voting rights, or earnings in respect of the Telstra Group.

We applied judgement to classify the issued securities as equity and present them as non-controlling interests in our consolidated statement of changes in equity.

Section 6. Our investments (continued)

6.3 Non-controlling interests (continued)

6.3.2 Telstra PM Pty Ltd and its controlled entities (Telstra PM Group) (continued)

Table B summarises financial information for the year ended and as at 30 June 2026 of Telstra PM Group which have material non-controlling interests. The financial information represents the amounts before inter-company eliminations of transactions with other entities within the Telstra Group, with the exception of the transactions within the Telstra PM Group which have been eliminated.

Table B Telstra PM Group	Year ended/as at 30 June 2026 $m	2025 $m
Statement of financial position		
Current assets	319	295
Non-current assets	2,597	2,919
Total assets	**2,916**	**3,214**
Current liabilities	227	277
Non-current liabilities	1,595	1,772
Total liabilities	**1,822**	**2,049**
Net assets	**1,094**	**1,165**
Accumulated non-controlling interests	**965**	**967**
Statement of comprehensive income		
Revenue	604	681
Profit for the year	**114**	**59**
Total comprehensive income for the year	**(58)**	**(291)**
(Loss)/profit allocated to non-controlling interests	**(1)**	**3**
Statement of cash flows		
Net cash inflow from operating activities	145	207
Net cash outflow from investing activities	(73)	(65)
Net cash outflow from financing activities	(101)	(120)
Net cash (outflow)/inflow	**(29)**	**22**

6.3.3 The Exchange Trust

As at 30 June 2026, our controlled entity, The Exchange Trust, which holds a portfolio of 36 Telstra exchanges in Australia, had a 49 per cent (2025: 49 per cent) non-controlling interest balance of $701 million (2025: $701 million). The trustee of The Exchange Trust is Merricks NewCo Pty Ltd, our wholly-owned controlled entity. During the financial year 2026, we paid the minority unit holder of the trust a $39 million (2025: $38 million) dividend.

6.4 Assets and liabilities held for sale

As at 30 June 2026, we have classified $365 million (2025: $390 million) assets and $56 million (2025: $61 million) liabilities as held for sale and, in accordance with AASB 5: 'Non-current Assets Held for Sale and Discontinued Operations' (AASB 5), measured them at the lower of carrying amount and fair value less costs to sell.

Assets and liabilities classified as held for sale related to our controlled entities and properties, none of which met the criteria of discontinued operations under AASB 5.

Details of the significant assets and liabilities classified as held for sale have been disclosed below.

6.4.1 Versent disposal group

On 13 August 2025, we signed an agreement, subject to conditions, to sell a 75 per cent interest in Versent Group Pty Ltd (formerly Telstra Purple Pty Ltd) excluding its subsidiaries at the time Alliance Automation Pty Ltd, Aqura Technologies Pty Ltd and Telstra Broadcast Services Pty Limited (Versent disposal group) for a total consideration of $233 million, subject to completion adjustments. We will retain 25 per cent ownership which will be accounted for as an investment in associated entities.

Completion of the transaction remains subject to receipt of pending regulatory approval. We expect completion to occur in the financial year 2027. Accordingly, the disposal group continues to be classified as held for sale at 30 June 2026.

In accordance with AASB 5, as at 30 June 2026 the carrying values of $359 million (2025: $369 million) assets and $56 million (2025: $61 million) liabilities of the Versent disposal group, with the exception of cash balances which will be recovered via completion adjustments, were classified as held for sale and measured at the lower of the carrying amount and fair value less costs to sell. During the financial year 2026, we recognised a $22 million goodwill impairment for the Versent disposal group, which was included in the Telstra Enterprise reportable segment result in note 2.1.

There was no material cumulative income or expense recognised in other comprehensive income relating to the Versent disposal group classified as held for sale.

Section 6. Our investments (continued)

6.4 Assets and liabilities held for sale (continued)

6.4.1 Versent disposal group (continued)

Table A below presents the major classes of assets and liabilities of the Versent disposal group classified as held for sale.

Table A Versent disposal group	As at 30 June 2026 $m	2025 $m
Current assets		
Trade and other receivables and contract assets	38	20
Deferred contract costs	6	10
Prepayments	-	1
Total current assets	**44**	**31**
Non-current assets		
Deferred contract costs	1	2
Property, plant and equipment	3	2
Intangible assets	308	331
Right-of-use assets	3	3
Total non-current assets	**315**	**338**
Total assets	**359**	**369**
Current liabilities		
Trade and other payables	21	17
Employee benefits	11	10
Other provisions	1	1
Lease liabilities	1	1
Contract liabilities and other revenue received in advance	9	15
Total current liabilities	**43**	**44**
Non-current liabilities		
Other payables	-	3
Employee benefits	4	4
Lease liabilities	1	3
Deferred tax liabilities	6	6
Contract liabilities and other revenue received in advance	2	1
Total non-current liabilities	**13**	**17**
Total liabilities	**56**	**61**
Net assets	**303**	**308**

Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities

We account for joint ventures and associated entities using the equity method. Under this method, we recognise the investment at cost and subsequently adjust it for our share of profits or losses, which are recognised in the income statement and our share of other comprehensive income, which is recognised in the statement of comprehensive income. Generally, dividends received reduce the carrying value of the investment.

The movements in the carrying amount of equity accounted investments in our joint ventures and associated entities are summarised in table A.

Table A Telstra Group	As at 30 June Joint ventures 2026 $m	 2025 $m	 Associated entities 2026 $m	 2025 $m
Carrying amount of investments at beginning of year	**-**	**90**	**222**	**546**
Additions	-	2	31	50
Disposals	-	(134)	-	(363)
	-	**(42)**	**253**	**233**
Share of net gain/(loss)	-	(1)	9	(16)
Share of distributions	-	(15)	(28)	(10)
Changes in fair value of equity instruments reserve	-	58	1	16
Share of reserves	-	-	-	(1)
Carrying amount of investments at end of year	**-**	**-**	**235**	**222**

Additions of associated entities include $31 million (2025: $50 million) of new investments in Titanium Ventures Fund III, L.P..

Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities (continued)

6.5.1 List of our investments in joint ventures and associated entities

Table B presents a list of our investments in joint ventures and associated entities, their principal place of business/country of incorporation and our ownership interest.

Table B **Telstra Group**			Ownership interest As at 30 June	
			2026	2025
Name of entity	Principal activities	Principal place of business/country of incorporation	%	%
Joint ventures				
3GIS Pty Ltd	Management of former 3GIS Partnership (non-operating)	Australia	50.0	50.0
Reach Ltd[1]	International connectivity services	Bermuda	50.0	50.0
Associated entities				
Asia Netcom Philippines Corporation[1]	Ownership of physical property	Philippines	40.0	40.0
Australia-Japan Cable Holdings Limited[1]	Network cable provider	Bermuda	46.9	46.9
Dacom Crossing Corporation[1]	Network cable provider	Korea	49.0	49.0
Pacific Carriage Holdings Limited Inc.[1]	Network cable provider	United States	25.0	25.0
Pivotal Labs Sydney Pty Ltd[2]	Software development	Australia	20.0	20.0
Samoa Submarine Cable Company Limited[3]	Network cable provider	Samoa	16.7	16.7
Southern Cross Cables Holdings Limited[1]	Network cable provider	Bermuda	25.0	25.0
Telstra Converge Inc.[1]	Telecommunication services	Philippines	48.0	48.0
Tetra Servicing Pty Ltd (formerly Telstra Super Pty Ltd)4	Superannuation trustee until 30 April 2026 and limited activities following successor fund transfer	Australia	100.0	100.0
Tianjin TenLink Electronic Technology Co., Ltd.[1, 5]	Control system of industrial internet supplier	China	4.8	4.8
Titanium Ventures Fund III, L.P.	Venture capital	Guernsey	50.0	50.0
TLSA Data &AI Function Private Limited (formerly Accenture Technology Services Private Limited)	Data and AI services provider	India	40.0	40.0
TLSA Data & AI Function Pty Ltd	Data and AI services provider	Australia	40.0	40.0
Tonga Cable Limited[3]	Network cable provider	Tonga	16.6	16.6

1 Balance date is 31 December.

2 Balance date is 31 January.

3 Balance date is 31 March.

4 Following the merger of Telstra Super with Aware Super (refer to note 5.3.2 for further details) we obtained control of Tetra Servicing Pty Ltd and consolidated its results from 1 May 2026.

5 We have significant influence due to board seat and unanimous key decision rights.

We apply judgement to determine if we have significant influence or joint control over our investments as detailed below.

Section 6. Our investments (continued)

6.5 Investments in joint ventures and associated entities (continued)

6.5.1 List of our investments in joint ventures and associated entities (continued)

Significant influence over Titanium Ventures Fund III, L.P.

We applied judgement to determine that we have significant influence over our investment in Titanium Ventures Fund III, L.P.. While we hold 50.0 per cent (2025: 50.0 per cent) on a committed capital amount basis, we have a seat on the Advisory Committee. This gives us the power to participate in the financial and operating policy decisions of the investment.

6.5.2 Other joint ventures and associated entities

Table C presents our share of the aggregate financial information of joint ventures and associated entities.

Table C **Telstra Group**	Year ended/as at 30 June			
	Joint ventures		Associated entities	
	2026	2025	2026	2025
	$m	$m	$m	$m
Carrying amount of investment	**-**	**-**	**235**	**222**
Group's share of:				
Net gain/(loss)	-	(1)	9	(16)
Other comprehensive income	-	58	1	15
Total comprehensive income	**-**	**57**	**10**	**(1)**

6.5.3 Suspension of equity accounting

Table D presents our unrecognised share of losses for the financial year and cumulatively for our entities where equity accounting has ceased and the investment is recorded at zero due to losses made by these entities and/or reductions in the equity accounted carrying amount.

Table D **Telstra Group**	Year ended 30 June			
	Period	Cumula -tive	Period	Cumula -tive
	2026	2026	2025	2025
	$m	$m	$m	$m
Joint ventures				
Reach Ltd	(4)	(570)	(4)	(566)
Associated entities				
Australia-Japan Cable Holdings Limited	-	(70)	-	(70)
	(4)	**(640)**	**(4)**	**(636)**

6.5.4 Recognition and measurement

(a) Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Our interests in joint ventures are accounted for using the equity method of accounting.

(b) Investments in associated entities

These are investments in entities over which we have the ability to exercise significant influence but we do not control the decisions of the entity. Our interests in associated entities are accounted for using the equity method of accounting.

(c) Equity method of accounting

Investments in associated entities and joint ventures are carried in the consolidated balance sheet at cost plus post-acquisition changes in our share of the investment's net assets and net of impairment loss. Goodwill relating to an investment in an associated entity or joint venture is included in the carrying value of the investment and is not amortised. When Telstra's share of losses exceeds our investment in an associated entity or joint venture, the carrying amount of the investment is reduced to nil and no further losses are recognised.

The equity accounted investments are assessed for impairment annually or when there are impairment indicators.

Section 7. Other information

This section provides information and disclosures not included in the other sections, for example our external auditor's remuneration, commitments and contingencies, parent entity disclosures and significant events occurring after reporting date.

7.1 Auditor's remuneration

Our external auditor of the Group is Deloitte Touche Tohmatsu (Deloitte). In addition to the audit and review of our financial reports, Deloitte provides other services throughout the year. This note details the total fees to our external auditors.

Telstra Group	Year ended 30 June	
	2026	2025
	$m	$m
Fees to Deloitte (Australia)		
Category 1	7.158	7.608
Category 2	0.222	0.041
Category 3	1.150	2.002
	8.530	**9.651**
Fees to other overseas member firms of Deloitte (Australia)		
Category 1	4.146	3.749
Category 2	0.005	0.005
Category 3	0.178	1.139
	4.329	**4.893**
Total auditor's remuneration	**12.859**	**14.544**

Audit and non-audit fees are disclosed in the following categories:

- Category 1: fees to the group auditor for auditing the statutory financial report of the parent covering the group, and for auditing the statutory financial report of any controlled entities
- Category 2: fees for assurance services that are required by legislation to be provided by the auditor
- Category 3: fees for other assurance and agreed-upon procedures services where there is discretion as to whether the service is provided by the auditor or another firm
- Category 4: fees for other services (e.g., advisory services).

Services in Category 3 include IT security control assessments, various assurance and agreed-upon procedures, and tax services.

As at 30 June 2026, Category 2 included $0.180 million fees for mandatory climate assurance services. As at 30 June 2025, fees for voluntary climate assurance services were included in Category 3.

We have processes in place to maintain the independence of our external auditor, including the nature of expenditure on non-audit services. Deloitte also has specific internal processes and policies in place to ensure auditor independence.

7.2 Other provisions

The table below provides a summary of our current and non-current other provisions.

Telstra Group	As at 30 June	
	2026	2025
	$m	$m
Current other provisions	115	130
Non-current other provisions	171	217
Total other provisions	**286**	**347**

Other provisions include provisions for self-insured workers' compensation liabilities, for restoration costs where an obligation exists to dismantle, remove or restore an owned or leased asset, and for redundancy and restructuring costs.

As at 30 June 2026, other provisions included $19 million (2025: $9 million) redundancy provisions as detailed in note 5.1.1.

7.3 Parent entity disclosures

This note provides details of Telstra Entity's financial performance and financial position as a standalone entity. The results include transactions with its controlled entities.

Tables A and B provide a summary of the financial information for the Telstra Entity.

Table A Telstra Entity	As at 30 June	
	2026	2025
	$m	$m
Statement of financial position		
Total current assets	2,484	2,358
Total non-current assets	44,800	45,253
Total assets	**47,284**	**47,611**
Total current liabilities	20,194	21,807
Total non-current liabilities	10,509	8,838
Total liabilities	**30,703**	**30,645**
Share capital	1,094	2,345
Reorganisation reserve	(53)	(53)
Cash flow hedging reserve	110	(13)
Cost of hedging reserve	(29)	(26)
Retained profits	15,459	14,713
Total equity	**16,581**	**16,966**

Section 7. Other information (continued)

7.3 Parent entity disclosures (continued)

Reorganisation reserve represents the amounts recognised as a result of the establishment of the new parent entity and other steps of the Telstra Group restructure completed on 1 January 2023.

Table B Telstra Entity	Year ended 30 June	
	2026	2025
	$m	$m
Statement of comprehensive income		
Profit for the year	2,985	1,034
Total comprehensive income	3,128	956

As at 30 June 2026, the Telstra Entity did not have any capital commitments. Refer to note 7.4.1 for details about the Group capital commitments.

7.3.1 Contingent liabilities and guarantees

Following the completion of the Telstra Group restructure on 1 January 2023, the Telstra Entity became the parent entity in the Telstra Group and the operating businesses are carried out by separate legal entities controlled by it. As a result, the performance obligations under a number of our existing contractual arrangements now apply to these separate legal entities. Where contractually required or otherwise agreed with counterparties, the Telstra Entity has provided parent company guarantees, however those guarantees did not change the overall economic exposure the Telstra Group had under these arrangements prior to the Telstra Group restructure.

(a) Intra-group debt guarantees

The Telstra Entity has entered into the following intra-group debt guarantees:

- a debt guarantee in favour of holders of specified debt issued by Telstra Group Limited under which each of Telstra Limited and Telstra Corporation Limited guarantee all amounts due and payable but unpaid by Telstra Group Limited in respect of the guaranteed debt. Guaranteed debt entered into by Telstra Group Limited comprises of unsecured notes, bank loans, commercial paper, derivatives covering interest rate swaps and options, cross currency interest rate swaps and forward foreign exchange contracts. The guarantee will apply for the term of the guaranteed debt, subject to early release in certain circumstances, including if the guaranteed debt is repaid, redeemed, purchased, exchanged, transferred or substituted (or similar) earlier, and, subject to certain applicable limitations and conditions, may also be released early in respect of the guarantee given by Telstra Corporation Limited. Following the issuance of the debt guarantee, it was measured at fair value and accounted for as an adjustment to the guaranteed debt of Telstra Group Limited, with a corresponding reduction in its investments in Telstra Corporation Limited and Telstra Limited.
- a debt guarantee in favour of holders of all unsecured notes and derivatives issued by Telstra Corporation Limited which were novated to Telstra Group Limited on 30 April 2025, under which each of Telstra Limited and Telstra Corporation Limited guarantee all amounts due and payable but unpaid by Telstra Group Limited in respect of the guaranteed debt. The guarantee will apply for the term of the guaranteed debt, subject to early release in certain circumstances, including if the guaranteed debt is repaid, redeemed, purchased, exchanged, transferred or substituted (or similar) earlier. Following the issuance of the debt guarantee, it was measured at fair value and accounted for as an adjustment to the guaranteed debt of Telstra Group Limited, with a corresponding reduction in its investments in Telstra Corporation Limited and Telstra Limited.

The financial impact of the intra-group debt guarantees has been eliminated at the Telstra Group level.

(b) Contingent liabilities and other guarantees

We have also provided the following indemnities, performance guarantees and financial support through the Telstra Entity:

- guarantees to nbn co in respect of payment obligations of Telstra Limited or Telstra Corporation Limited to nbn co up to a maximum of $2.5 billion in respect of the Subscriber Agreement, and $2.5 billion in respect of the Infrastructure Services Agreement. At the reporting date, the likelihood of any claims under these guarantees is considered remote.
- Telstra Group Limited, Telstra Limited, and Telstra Corporation Limited have entered into (i) a multi entity bank account set off facility; and (ii) banking services agreement, for their transactional banking requirements. A cross guarantee and indemnity have been provided by each of Telstra Group Limited, Telstra Limited and Telstra Corporation Limited in respect of amounts due and payable to the applicable bank counterparty under each of these arrangements.
- guarantees to third parties in respect of performance and other obligations of our controlled entities, with the maximum amount of our contingent liabilities of $64 million (2025: nil)
- parent guarantee under which the Telstra Entity has provided a guarantee in favour of Amplitel Pty Ltd as trustee for the Towers Business Operating Trust in respect of obligations from Telstra Limited under the Master Services Agreement
- guarantees in favour of counterparties in respect of specified obligations of one of our controlled entities under contracts executed under the International Swaps and Derivatives Association agreement (ISDA) between the controlled entity and the swap counterparty. As at 30 June 2026, there was no exposure under those contracts.

Section 7. Other information (continued)

7.3 Parent entity disclosures (continued)

7.3.2 Recognition and measurement

The accounting policies for the Telstra Entity are consistent with those of the Telstra Group, except for those noted below:

- under our income tax funding agreement, amounts receivable (or payable) recognised by the Telstra Entity for the current tax payable (or receivable) assumed from our Australian wholly-owned entities are booked as current assets or liabilities. These tax amounts are measured using a 'stand-alone taxpayer' approach. Refer to note 2.4.4 for details about amounts receivable and payable by the Telstra Entity under the income tax funding agreement.
- investments in controlled entities, included within non-current assets, are recorded at cost less impairment of the investment value
- under an internal funding policy which reflects funding agreements between the Telstra Entity, i.e., the principal employer of Telstra Defined Benefit Plan (previously TelstraSuper), and the associated employers (i.e., other legal entities under common control which participate in Telstra Defined Benefit Plan) and depending on the funding arrangement entered into, each entity recognises either the full net defined benefit cost or the cost of contributions related to its employees who are members of Telstra Defined Benefit Plan. Both the Telstra Entity and the associated employers bearing the liability for the whole defined benefit costs account for their share of the net deficit (i.e., net defined benefit liability) where the fair value of the plan assets allocated to that entity based on the defined benefit obligations of the employees who are members of Telstra Defined Benefit Plan is less than the present value of the defined benefit obligations of those employees. The Telstra Entity accounts for any deficits beyond the contributions of the associated employers only paying the contributions. The Telstra Entity also accounts for any surplus (i.e., net defined benefit asset) where the fair value of the total plan assets exceeds the total present value of the defined benefit obligations of Telstra Defined Benefit Plan as a whole.
- where the Telstra Entity grants its equity instruments to employees of a subsidiary, the subsidiary records an expense, with a corresponding credit to equity, representing a capital contribution from the Telstra Entity and the Telstra Entity records an increase in its investment in the subsidiary equivalent to the expense in the subsidiary, with a corresponding credit to equity.

7.4 Commitments and contingencies

This note provides details of our commitments for capital expenditure arising from our contractual agreements.

This note also includes information about contingent liabilities for which no provisions have been recognised due to the uncertainty regarding the outcome of future events and/or inability to reliably measure such liabilities.

7.4.1 Capital expenditure commitments

Table A shows capital expenditure commitments contracted for at balance date but not recorded in the financial statements.

Table A Telstra Group	As at 30 June 2026 $m	 2025 $m
Property, plant and equipment commitments	1,100	1,330
Intangible assets commitments	735	923

As at 30 June 2026, the property, plant and equipment commitments include a $378 million commitment for mobile investment program, and the intangible assets commitments include a $414 million commitment for software development from the strategic partnership with Accenture.

7.4.2 Contingent liabilities and contingent assets

Details and estimated maximum amounts (where reasonable estimates can be made) of contingent liabilities for the Telstra Entity are disclosed in note 7.3.1.

(a) Investigations by regulators

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

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

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

Section 7. Other information (continued)

7.4 Commitments and contingencies (continued)

7.4.2 Contingent liabilities and contingent assets (continued)

(b) Common law claims

Certain common law claims by employees and third parties are yet to be resolved. As at 30 June 2026, management believes that the resolution of these contingencies will not have a significant effect on the Telstra Group's financial results.

(c) Indemnities, performance guarantees and financial guarantees

In addition to the items disclosed in note 7.3.1, we have provided the following indemnities, performance guarantees and financial support through our controlled entities:

- indemnities to financial institutions and other third parties in respect of performance and other obligations, with the maximum amount of our contingent liabilities of $363 million (2025: $506 million, including corporate guarantees)
- letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains our controlled entity)
- an internal indemnity arrangement in connection to bank guarantees procured from, and indemnities granted to, financial institutions to the value of $230 million (2025: $237 million) in respect of the performance of contracts.

(d) Other contingent liabilities

Other contingent liabilities identified for the Telstra Group relate to the ASIC deed of cross guarantee. A list of the companies that are party to the deed and part of the Closed Group are included in note 6.2.2. Each of these companies that are part of the Closed Group guarantees the payment in full of the debts of the other companies in the Closed Group in the event of their winding up.

In addition to the above matters, entities within the Telstra Group may be recipients of, or defendants in, certain claims, regulatory or legal proceedings and/or complaints made, commenced or threatened. As at 30 June 2026, management believes that the resolution of these contingencies are not at a stage which supports a reasonable evaluation of the likely outcome of the matter and therefore, no provision has been made.

(e) Contingent assets

We had no significant contingent assets as at 30 June 2026.

7.5 Events after reporting date

We are not aware of any matter or circumstance that has occurred since 30 June 2026 that, in our opinion, has significantly affected or may significantly affect in future years:

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

other than the following:

7.5.1 Final dividend

The details of the final dividend for the financial year 2026 are disclosed in note 4.2.

7.5.2 Reach Networks Hong Kong disposal

On 7 July 2026, we entered into a share purchase agreement, subject to conditions, under which Reach International Holdings Limited, a subsidiary of our joint venture Reach Ltd, agreed to sell 100 per cent interest in Reach Networks Hong Kong Limited to Fortune Harvests Investment Limited, a subsidiary of HKT Limited. The transaction will result in Telstra receiving US$60 million as a repayment of our fully provisioned loan to Reach Ltd and a capital return against our fully written down investment. The proceeds will be recognised in our income statement upon expected completion in the financial year 2027 and will be received over three years from completion.

7.5.3 Network outage

On 8 July 2026, we had a network outage affecting some mobile calls and data services, including some Triple Zero calls. We have received one regulatory notice which we have responded to. We expect we may receive further notices. Customer claims are being assessed and we are continuing to make payments for eligible claims. At this stage regulatory outcomes and any financial implications from this outage are uncertain and cannot be reliably estimated.

7.5.4 Share buy-back

On 13 August 2026, we announced an on-market share buy-back of up to $1 billion to be conducted during the financial year 2027.

Consolidated Entity Disclosure Statement

As at 30 June 2026

The consolidated entity disclosure statement is required by section 295(3A) of the *Corporations Act*. It includes disclosures about entities consolidated within the Telstra Group, including details about tax residency of each entity.

The consolidated entity disclosure statement sets out a complete list of Telstra Group and its controlled entities as at 30 June 2026 as detailed in the table below.

Joint ventures (as determined under the accounting standards) are not consolidated as controlled entities in the Telstra Group.

Section 295(3A) of the *Corporations Act* requires disclosure of the tax residency of each entity included in the consolidated entity disclosure statement.

In certain cases, determining tax residency involves judgement as it can be fact dependent and subject to interpretation, requiring consideration of matters such as location of central management and control or place of effective management. We applied the following interpretations in determining tax residency:

- Australian tax residency has been assessed based on current legislation and judicial precedent, including having regard to the Commissioner of Taxation's existing public guidance
- foreign tax residency has been assessed based on applicable foreign legislation, judicial precedent and regulator guidance.

The table below includes the following details:

- the name of each entity consolidated within the Telstra Group, its country of incorporation or formation, and the ownership percentage of equity held by the subsidiary's immediate and ultimate parent, respectively
- whether the entity was an Australian tax resident and each foreign jurisdiction (if any) in which the entity was a tax resident
- entities which were a partnership or trust (with all other entities being companies/body corporates) are referenced with '(a)' with further details provided below the table
- entities which were a trustee of a trust within the Telstra Group, or a partner in a partnership within the Telstra Group are referenced with '(a)' with further details provided below the table.

Further details about entities within the Telstra Group should be read together with the table below and a related alphabetical reference (if any) next to the entity's name.

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2026	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
Parent entity					
Telstra Group Limited	Australia	Yes	n/a		
Controlled entities					
Telstra Corporation Limited	Australia	Yes	n/a	100.0	100.0
• DCA eHealth Solutions Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Argus Connecting Care Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Communicare eHealth Solutions Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Medinexus Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Merricks NewCo Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
• Telstra Multimedia Pty Limited	Australia	Yes	n/a	100.0	100.0
• InfraDigi HoldCo Pty Ltd	Australia	Yes	n/a	100.0	100.0
• InfraDigi Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
• InfraFibre Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
• Intercity Assets Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
Telstra ESOP Trustee Pty Limited	Australia	Yes	n/a	100.0	100.0
Telstra Finance Limited	Australia	Yes	n/a	100.0	100.0
Telstra Foundation Ltd (a)	Australia	Yes	n/a	n/a	n/a
Telstra Growthshare Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
Telstra International Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Holdings Pty Ltd (a)	Australia	Yes	n/a	100.0	100.0
• Telstra International Operations Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra International Networks Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Australia Networks Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Global (Malaysia) Sdn. Bhd.	Malaysia	No	Malaysia	61.0	61.0

Consolidated Entity Disclosure Statement (continued)

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2026	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Pacnet Limited	Bermuda	No	Bermuda	100.0	100.0
• Pacnet Services Corporation Ltd	Bermuda	No	Bermuda	100.0	100.0
• Asia Netcom Pacnet (Ireland) Limited	Ireland	No	Ireland	100.0	100.0
• Pacnet Global Corporation (S) Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Pacnet Services (Korea) Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Pacnet Services South Asia (Philippines) Inc.	Philippines	No	Philippines	100.0	100.0
• Pacnet Services (UK) Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Telstra Services (USA) Inc.	United States	No	United States	100.0	100.0
• Pacnet Services (Japan) Corp.	Japan	No	Japan	39.6	100.0
• Pacnet Services Holdings (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Telstra Services (Taiwan) Inc.	Taiwan	No	Taiwan	11.0	100.0
• Telstra Internet (S) Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Pacnet Internet (HK) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Pacific Business Solutions (China)	China	No	China	48.0	48.0
• Pacific Business Solutions (China) Xi'an	China	No	China	90.0	48.0
• Pacific Business Solutions (China) Shanghai	China	No	China	10.0	48.0
• Pacific Business Solutions (China) CQ	China	No	China	10.0	48.0
• Pacific Business Solutions (China) Tianjin	China	No	China	10.0	48.0
• Pacific Business Solutions (China) Chongqing	China	No	China	90.0	48.0
• Pacific Business Solutions (China) Beijing	China	No	China	10.0	48.0
• Pacific Business Solutions (China) Xi'an	China	No	China	10.0	48.0
• Pacific Business Solutions (China) Chongqing	China	No	China	10.0	48.0
• Pacific Business Solutions (China) Tianjin	China	No	China	90.0	48.0
• Pacific Business Solutions (China) Shanghai	China	No	China	90.0	48.0
• Telstra PBS Limited	Hong Kong	No	Hong Kong	100.0	48.0
• Pacific Business Solutions (China) CQ	China	No	China	90.0	48.0
• Pacific Business Solutions (China) Beijing	China	No	China	90.0	48.0
• Pacific Business Solutions (China) TJ	China	No	China	100.0	48.0
• Pacific Internet India Private Limited	India	No	India	99.9	100.0
• Pacnet Network Ltd	Bermuda	No	Bermuda	100.0	100.0
• Pacnet Network (UK) Ltd	United Kingdom	No	United Kingdom	100.0	100.0
• Pacnet Network (Korea) Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Pacnet Network (Philippines) Inc.	Philippines	No	Philippines	100.0	100.0

Consolidated Entity Disclosure Statement (continued)

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2026	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Pacnet Services (Japan) Corp.	Japan	No	Japan	57.8	100.0
• Pacnet Cable Limited	Bermuda	No	Bermuda	100.0	100.0
• C2C Pacnet (Ireland) Limited	Ireland	No	Ireland	100.0	100.0
• Pacnet Cable (Korea) Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Telstra Network & Business Services Korea Co., Ltd	Republic of Korea	No	Republic of Korea	49.0	100.0
• Pacnet Cable (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Pacnet Cable (USA) Inc.	United States	No	United States	100.0	100.0
• Pacnet Services (Japan) Corp.	Japan	No	Japan	2.6	100.0
• Asia Communications Investment Holdings (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Asia Communications Investment (Taiwan) Limited	Taiwan	No	Taiwan	100.0	100.0
• Telstra Services (Taiwan) Inc.	Taiwan	No	Taiwan	40.0	100.0
• Telstra Services (Taiwan) Inc.	Taiwan	No	Taiwan	49.0	100.0
• Beijing Australia Telecommunications Technical Consulting Services Company Limited	China	No	China	100.0	100.0
• Reach Network India Private Limited	India	No	India	99.9	99.9
• Telstra Asia Limited	British Virgin Islands	No	n/a	100.0	100.0
• Telstra SE Asia Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• PT Reach Network Services Indonesia	Indonesia	No	Indonesia	90.0	100.0
• Telstra Asia Regional Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• Telstra Malaysia Sdn. Bhd.	Malaysia	No	Malaysia	51.0	51.0
• Telstra (Thailand) Co. Ltd	Thailand	No	Thailand	49.0	49.0
• Telstra Philippines Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• Incomgen Holdings Inc.	Philippines	No	Philippines	40.0	40.0
• Telstra Web Holdings Inc.	Philippines	No	Philippines	60.0	64.0
• Telstra Philippines Inc.	Philippines	No	Philippines	60.0	78.4
• Telstra Philippines Inc.	Philippines	No	Philippines	40.0	78.4
• Telstra Web Holdings Inc.	Philippines	No	Philippines	40.0	64.0
• Telstra Global Holdings Limited	British Virgin Islands	No	n/a	100.0	100.0
• Telstra International Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Telstra Global (HK) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Telstra Cable (HK) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• PT Reach Network Services Indonesia	Indonesia	No	Indonesia	10.0	100.0
• Telstra Global Limited	United Kingdom	No	United Kingdom	100.0	100.0
• PT Telstra Nusantara	Indonesia	No	Indonesia	95.0	95.0
• Telstra UK Limited	United Kingdom	No	United Kingdom, UAE	100.0	100.0
• Company 85 Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Telstra Holdings Singapore Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Telstra Incorporated	United States	No	United States, Canada	100.0	100.0

Consolidated Entity Disclosure Statement (continued)

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2026	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Telstra India Private Limited	India	No	India	99.9	100.0
• Pacific Internet India Private Limited	India	No	India	0.1	100.0
• Telstra Telecommunications Private Limited	India	No	India	0.1	100.0
• Telstra International PNG Limited	Papua New Guinea	No	Papua New Guinea	100.0	100.0
• Telstra Japan K. K.	Japan	No	Japan	100.0	100.0
• Telstra Network Services NZ Limited	New Zealand	No	New Zealand	100.0	100.0
• Telstra Services Korea Limited	Republic of Korea	No	Republic of Korea	100.0	100.0
• Telstra Network & Business Services Korea Co., Ltd.	Republic of Korea	No	Republic of Korea	51.0	100.0
• Telstra Singapore Pte Ltd	Singapore	No	Singapore	100.0	100.0
• Telstra India Private Limited	India	No	India	0.1	100.0
• Telstra Telecommunications Private Limited	India	No	India	99.9	100.0
• Telstra Global Business Services LLP (a)	India	No	India	50.0	100.0
• Telstra GmbH	Germany	No	Germany	100.0	100.0
• Telstra SARL	France	No	France	100.0	100.0
• Telstra PM Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra PM Pty Ltd	Australia	Yes	n/a	100.0	100.0
• BidCo (S) Pte. Ltd	Singapore	No	Singapore	100.0	100.0
• Digicel Pacific Limited	Bermuda	No	Bermuda	100.0	100.0
• Digicel (Nauru) Corporation	Republic of Naoero	No	Republic of Naoero	80.0	80.0
• Digicel Carrier Services (Pacific) Limited	Hong Kong	No	Hong Kong	100.0	100.0
• Digicel (Singapore) Private Limited	Singapore	No	Singapore	100.0	100.0
• Digicel (PNG) Limited	Papua New Guinea	No	Papua New Guinea	100.0	100.0
• Digicel (PNG) Financial Services Limited	Papua New Guinea	No	Papua New Guinea	100.0	100.0
• Digicel PNG Foundation Inc.	Papua New Guinea	No	Papua New Guinea	n/a	n/a
• Digicel (Aus) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Diaspora Talktime (New Zealand) Limited	New Zealand	No	New Zealand	100.0	100.0
• Digicel Central Resources (Fiji) Pte Limited	Fiji	No	Fiji	99.0	100.0
• Digicel Pacific Finance Limited	Bermuda	No	Bermuda	100.0	100.0
• Digicel (Fiji Islands) Pte Limited	Fiji	No	Fiji	100.0	100.0
• Digicel (Fiji) Pte Limited	Fiji	No	Fiji	9.8	100.0
• Digicel (Fiji) Pte Limited	Fiji	No	Fiji	90.2	100.0
• Digicel Central Resources (Fiji) Pte Limited	Fiji	No	Fiji	1.0	100.0
• Digicel (Tonga) Limited	Tonga	No	Tonga	100.0	100.0
• Digicel Media Ventures (Tonga) Limited	Tonga	No	Tonga	100.0	100.0
• Digicel (Tonga) Financial Services Limited	Tonga	No	Tonga	100.0	100.0
• Digicel (Vanuatu) Limited	Vanuatu	No	n/a	100.0	100.0
• Highrise Properties Ltd	Vanuatu	No	n/a	100.0	100.0

Consolidated Entity Disclosure Statement (continued)

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2026	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Digicel Properties (Vanuatu) Limited	Vanuatu	No	n/a	100.0	100.0
• Digicel (Samoa) Limited	Samoa	No	Samoa	80.0	80.0
• Digicel (Samoa) Financial Services Ltd	Samoa	No	Samoa	100.0	80.0
• Telstra Reach Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
Telstra Limited	Australia	Yes	n/a	100.0	100.0
• Bridge Point Communications Pty Ltd	Australia	Yes	n/a	100.0	100.0
• CloudMed Pty Ltd	Australia	Yes	n/a	100.0	100.0
• NDC Global Holdings Pty Limited	Australia	Yes	n/a	100.0	100.0
• NDC Global Services Pty Limited	Australia	Yes	n/a	100.0	100.0
• Pacnet Services (A) Pty. Ltd.	Australia	Yes	n/a	100.0	100.0
• Pacnet Internet (A) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Hunterlink Pty Limited	Australia	Yes	n/a	100.0	100.0
• Quantium Telstra Pty Ltd	Australia	Yes	n/a	50.1	50.1
• Telstra Communications Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Holdings) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Retail) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Markets) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Energy (Generation) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Foundation (Philippines), Inc.	Philippines	No	Philippines	n/a	n/a
• Telstra Health Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Health Services Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Clinical Technology Holdings Pty Limited	Australia	Yes	n/a	100.0	100.0
• Clinical Technology Systems Pty Limited	Australia	Yes	n/a	100.0	100.0
• Health Communication Network Pty Limited	Australia	Yes	n/a	100.0	100.0
• Phoenix Medical Publishing Pty Limited	Australia	Yes	n/a	100.0	100.0
• MedicalDirector (NZ) Limited	New Zealand	No	New Zealand	100.0	100.0
• MedicalDirector Limited	United Kingdom	No	United Kingdom	100.0	100.0
• Power Solutions Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Powerhealth Solutions W.L.L.	Bahrain	No	n/a	100.0	100.0
• Power Solutions DTD Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Power Solutions Health Management Consulting Limited	Saudi Arabia	No	Saudi Arabia	100.0	100.0
• PowerHealth Solutions Canada Inc	Canada	No	Canada	100.0	100.0
• Power Solutions DTD Limited	Ireland	No	Ireland	100.0	100.0
• Power Health Solutions Limited	New Zealand	No	New Zealand	100.0	100.0
• Fred IT Group Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Medication Knowledge Pty Ltd	Australia	Yes	n/a	100.0	100.0
• MedView Services Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra International Philippines, Inc.	Philippines	No	Philippines	100.0	100.0
• Telstra OnAir Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Pay TV Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Versent Group Pty Ltd (formerly Telstra Purple Pty Ltd) (a)	Australia	Yes	n/a	100.0	100.0
• Epicon IT Solutions Pty. Ltd.	Australia	Yes	n/a	100.0	100.0

Consolidated Entity Disclosure Statement (continued)

Name of entity	Country of incorporation	Tax residency		Equity held as at 30 June 2026	
		Australian resident	Foreign jurisdiction(s)	By immediate parent (%)	By ultimate parent (%)
• Service Potential Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Epicon Software Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Versent Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Stax-WMS Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Versent SG Pte. Ltd.	Singapore	No	Singapore	100.0	100.0
• Versent US Inc.	United States	No	United States	100.0	100.0
• Versent Group ESS Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Services Solutions Holdings Limited	Australia	Yes	n/a	100.0	100.0
• Telstra 3G Spectrum Holdings Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra International (Aus) Limited (a)	Australia	Yes	Philippines	100.0	100.0
• Telstra Global Business Services LLP (a)	India	No	India	50.0	100.0
• Telstra Plus Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Ventures Pty Limited	Australia	Yes	n/a	100.0	100.0
• Fone Zone Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Fone Zone People Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Sprout Corporation Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Kel 2000 Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Kel 2010 Pty Ltd	Australia	Yes	n/a	100.0	100.0
• One Zero Communications Pty Ltd	Australia	Yes	n/a	100.0	100.0
• One Xerro TLS (Bundaberg) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Geek Squad Australia Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Computer Geek Squad Pty Ltd	Australia	Yes	n/a	100.0	100.0
• One Zero TCS (Warwick) Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Media Innovations Holdings Pty Ltd	Australia	Yes	n/a	51.4	51.4
• Media Innovations IP Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Media Innovations Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Media Innovations Management Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Convergent Media Investments Pty Ltd	Australia	Yes	n/a	100.0	51.4
• FetchTV Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Fetch TV Retail Pty Ltd	Australia	Yes	n/a	100.0	51.4
• FetchTV Content Pty Ltd	Australia	Yes	n/a	100.0	51.4
• FetchTV Management Pty Ltd	Australia	Yes	n/a	100.0	51.4
• Media Innovations Services Sdn. Bhd.	Malaysia	No	Malaysia	100.0	51.4
• Telstra Software Group Pty Ltd	Australia	Yes	n/a	100.0	100.0
• muru-D Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Delta Networks Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Boost Tel Pty Limited	Australia	Yes	n/a	100.0	100.0
• Telstra Sports and Media Streaming Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Aqura Technologies Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Telstra Broadcast Services Pty Limited	Australia	Yes	n/a	100.0	100.0
Telstra Towerco No.2 Pty Ltd	Australia	Yes	n/a	100.0	100.0
• Amplitel Pty Ltd (a)	Australia	Yes	n/a	51.0	51.0
Tetra Servicing Pty Ltd (formerly Telstra Super Pty Ltd)	Australia	Yes	n/a	100.0	100.0

Consolidated Entity Disclosure Statement (continued)

(a) Entities which were a partnership or trust, or a trustee of a trust, or a partner in a partnership

Entities with reference '(a)' were a partnership or trust, a trustee of a trust within the Telstra Group, or a partner in a partnership within the Telstra Group as at 30 June 2026.

The entities have been classified as partnerships or trusts in accordance with the accounting requirements. Refer to note 6.5.4 for our accounting policy regarding recognition and measurement of joint ventures and associated entities.

The following entities were partners in Telstra Global Business Services LLP, a partnership within the Telstra Group:

- Telstra Holdings Pty Ltd
- Telstra International (Aus) Limited.

The table below presents the entities which were a trustee of a trust within the Telstra Group and the trusts that they were trustees of:

Trustee	Trust
Amplitel Pty Ltd	Towers Business Operating Trust
InfraDigi Pty Ltd	InfraDigi Trust
InfraFibre Pty Ltd	InfraFibre Trust
Intercity Assets Pty Ltd	Intercity Assets Trust
Merricks NewCo Pty Ltd	The Exchange Trust
Telstra Foundation Ltd	Telstra Foundation Community Development Fund
Telstra Growthshare Pty Ltd	Telstra Growthshare Trust
Versent Group Pty Ltd (formerly Telstra Purple Pty Ltd)	Telstra Prism Trust

Directors' Declaration

This Directors' Declaration is required by the *Corporations Act 2001* of Australia.

The Directors of Telstra Group Limited have made a resolution that declared:

(a) in the Directors' opinion, the financial statements and notes of the Telstra Group for the financial year ended 30 June 2026 as set out in the financial report are in accordance with the *Corporations Act 2001*, including:

  (i) complying with the Accounting Standards applicable in Australia, International Financial Reporting Standards and Interpretations (as disclosed in note 1.1 to the financial statements), and Corporations Regulations 2001

  (ii) giving a true and fair view of the financial position of Telstra Group Limited and the Telstra Group as at 30 June 2026 and of the performance of Telstra Group Limited and the Telstra Group, for the year ended 30 June 2026

(b) they have received declarations as required by section 295A of the *Corporations Act 2001*

(c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that Telstra Group Limited will be able to pay its debts as and when they become due and payable

(d) at the date of this declaration there are reasonable grounds to believe that the members of the extended closed group identified in note 6.2.2 to the financial statements, as parties to a Deed of Cross Guarantee, will be able to meet any liabilities to which they are, or may become, subject to because of the Deed of Cross Guarantee described in note 6.2.2

(e) in the Directors' opinion, the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* for the year ended 30 June 2026 is true and correct.

For and on behalf of the board

Craig W Dunn
Chair

Vicki Brady
Chief Executive Officer and Managing Director

13 August 2026

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Melbourne, VIC, 3000 Australia

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Independent Auditor's Report to the Members of Telstra Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Telstra Group Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Revenue recognition As described in note 2.2 of the consolidated financial statements, the Group reported revenue of $22,937 million (FY25: $23,125 million) for the year ended 30 June 2026. Management records revenue in accordance with AASB 15: Revenue from Contracts with Customers ("AASB 15"). Auditing the revenue recorded by the Group involves greater auditor effort and attention due to the high volume of transactions that depend on a variety of legacy and new IT systems and tools for initiation, processing and recording in an automated manner. There is additional complexity due to ongoing technology transformation and the presence of multiple internal and outsourced service arrangements.	Our procedures included, but were not limited to, obtaining an understanding of and evaluating the design and operating effectiveness of controls over the Group's revenue recognition process for significant revenue streams, including management's determination of the timing of revenue recorded and controls relating to changes to products, pricing and plans. In conjunction with our IT audit specialists, we also evaluated the design and tested the operating effectiveness of controls over the appropriate initiation and flow of transactional data through relevant IT systems and tools, and the reconciliation of billing system data to accounting records. For significant revenue streams, our audit procedures also included substantive procedures to verify the appropriateness of transactions recorded on a sample basis or substantive analytical procedures to compare revenue recorded in accounting records against an independently developed expectation. We have also assessed the adequacy and appropriateness of the Group's accounting policies and related disclosures in the notes to the financial statements.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Capitalisation of assets and determination of useful lives As described in note 3.1 of the consolidated financial statements, the Group reported property, plant and equipment of $20,653 million (FY25: $20,651 million) and software intangible assets of $4,504 million (FY25: $4,720 million) in the statement of financial position as at 30 June 2026. The determination of the carrying amount of assets, including property, plant and equipment and software intangible assets, requires judgement to be exercised by management, particularly as it relates to: • The decision to capitalise or expense costs; and • The assessment of useful lives. Changes in these judgements can potentially have a significant impact on the results of the Group.	Our audit procedures to evaluate the determination of the carrying amount of assets, including property, plant and equipment and software intangible assets included the following: • Obtaining an understanding of the Group's processes and controls relating to the capitalisation of assets and the annual assessment of useful lives; • Evaluating the design and implementation of key controls with respect to the capitalisation of assets and the annual assessment of useful lives; • Verifying the appropriateness of costs capitalised during the year based on a sample of additions and using data analytics to assist in assessing the appropriateness of capitalised internal and external labour costs; • Performing substantive analytical procedures to audit the depreciation and amortisation expense recognised during the year; • Evaluating the Group's useful life assessment during the year and the judgements applied as part of the assessment, including any changes made to useful lives and any resulting changes in depreciation and amortisation. As part of this evaluation, we also consider significant changes that have taken place during the year or are expected to take place in future periods that would impact the useful life assessment. We have also assessed the adequacy and appropriateness of the Group's accounting policies and related disclosures in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the sustainability report upon which we have performed a review of specified sustainability disclosures and issued a separate auditor's review report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in 44 to 77 of the Directors' Report for the year ended 30 June 2026.

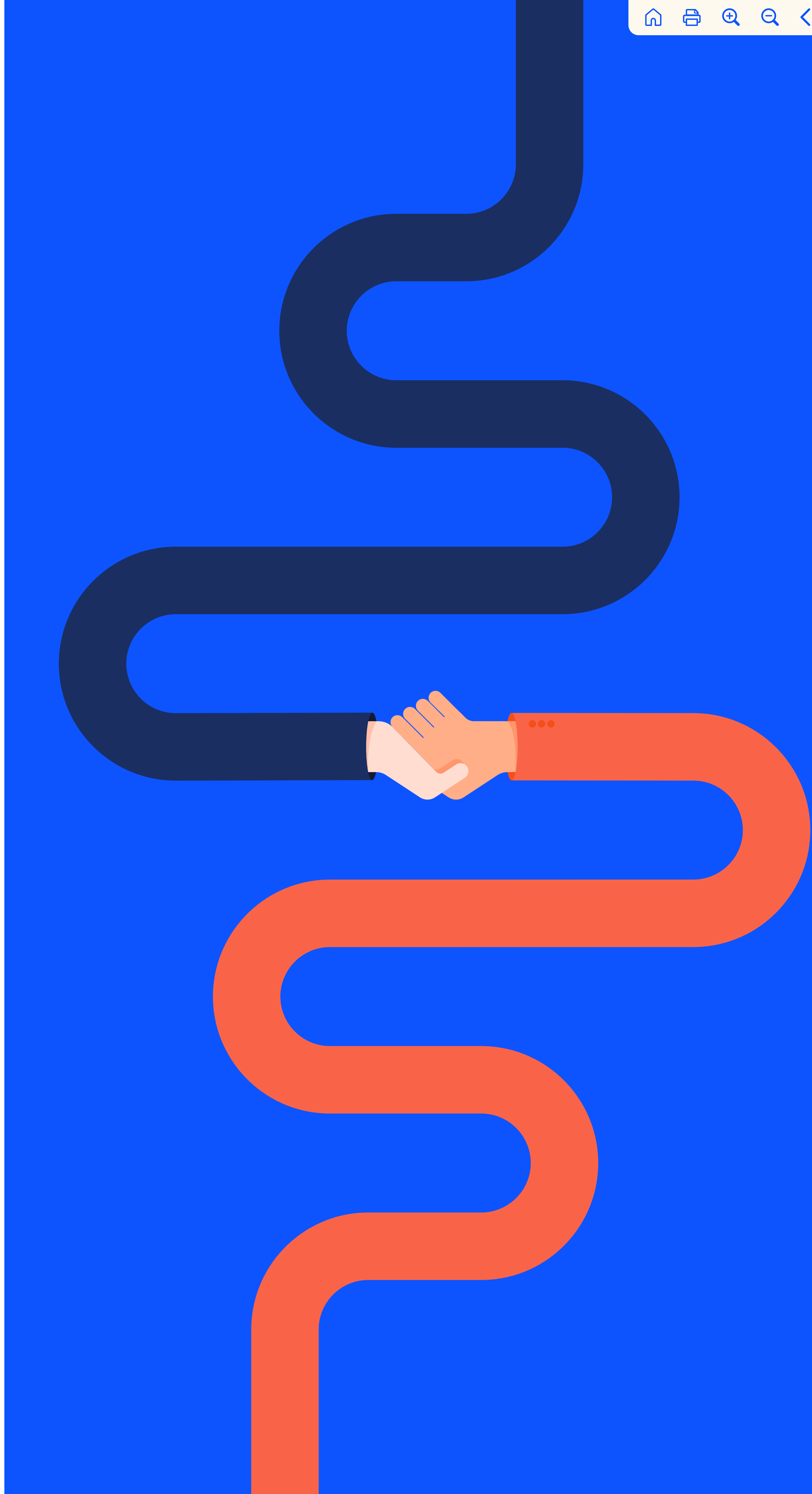
In our opinion, the Remuneration Report of Telstra Group Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Matthew Sheerin
Partner
Chartered Accountants
Melbourne, 13 August 2026



Sustainability Report

Climate statements for FY26

Forward looking statement summary disclaimer

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

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

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

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

Preface

This report represents a complete set of climate statements for Telstra Group Limited covering the financial year ending 30 June 2026. The climate statements are prepared to the Australian Accounting Standards Board (AASB) S2 *Climate-related disclosures standard* and use the same Principles of Consolidation as our financial report.

Our external auditor, Deloitte Touche Tohmatsu (Deloitte), has conducted a review of our governance, strategy (risks and opportunities), and scope 1, 2 and 3 emissions disclosures. Further information in relation to the scope of their review and the review conclusion can be found in the Independent Auditor's Review Report.

Overview

Telstra is committed to transitioning to a low carbon business. We strive to manage the physical and transition impacts of climate on our assets, operations and services, and to do so while meeting the broader needs of our business.

Connected Future 30

Our ambition is to be the number one choice for connectivity in Australia.

Our three layers and goals

- Customer engagement
- Network as a product
- Digital infrastructure

Our enablers

- People and culture
- Technology leadership
- Sustainability
- Financial discipline

Sustainability, including climate, is an enabler of our Connected Future 30 corporate strategy.

Climate shapes both the risks we manage and the opportunities we pursue. Below we summarise the key risks, opportunities, and financial insights from our climate statements alongside the progress we have made towards our climate-related targets.

Climate-related risks

At a Group level we have **four** climate-related risks.

Service disruption during acute climate events

Acute events, such as bushfires and storms, and the chronic rise in temperature cause mains power failures or direct asset damage leading to network disruption and increasing costs.

A rapid and disorderly transition of the electricity network

A rapid and disorderly decarbonisation of the electricity network may increase price volatility and impact the availability and reliability of energy.

Changing policy, regulatory and stakeholder expectations

Climate-related regulatory and policy positions may change as climate impacts worsen, requiring greater investment or ambition to meet the adaptation and resilience challenges.

Reduced revenue from climate-exposed sectors

Over the long-term we may see a slow decline in revenue from climate-exposed enterprise customers. Compounding climate and socio-economic vulnerabilities may increase the volume and level of financial hardship experienced by our consumer and business segments raising affordability concerns.

Climate-related risk exposure

Our climate-related risk exposure is concentrated in the **electricity distribution network.**

Our network cannot run without power.

Loss of mains power is a common contributing factor to climate-linked network outages.

Three of our climate-related risks are influenced by the electricity sector.

Acute climate events often cause mains power loss and telecommunications network outages.

A disorderly grid transition could influence the stability of power supply, cause an increase in unplanned electricity outages, and increase price volatility.

Network outages are leading to **increased scrutiny from policy makers, regulators and customers.**

We're taking action to increase our power resilience

We are investing in additional backup power for a selection of priority assets in vulnerable locations.

We also support policy and regulation which enables an orderly transition of the electricity network in line with Australia's renewable energy and decarbonisation targets.

Climate-related opportunities

help us improve risk management and create value for Telstra and our stakeholders.

Optimise our network for current and future resilience

The opportunity to enhance knowledge, decision-making, vulnerability detection and resilience through better access to, and use of, data and advanced analytics.

Enable the climate transition through connectivity products and services

The opportunity to use our connectivity to enable the transition to a low carbon economy, build climate resilience and stimulate economic growth and diversification.

Knowledge sharing, engagement and advocacy

The opportunity for knowledge sharing, engagement and advocacy to enable the climate transition, build national resilience and support climate vulnerable customers.

Climate-related financial insights

In FY26 we experienced **$43m** in climate-related costs.

Medium and long term projected climate-related spend

$57m

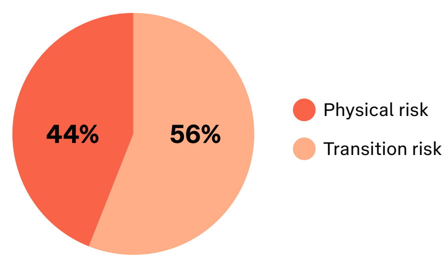
on average per annum anticipated over the period FY27 to FY30

Rising to between

$71m–$75m

per annum over the period FY31 to FY50 depending on the climate scenario

Physical vs. Transition



Progress towards our climate-related targets

Achieved a **48%** absolute reduction in our **scope 1+2 emissions** (excluding Digicel Pacific) from an FY19 baseline.

PROGRESS MADE

Achieved a **49%** absolute reduction in our **scope 3 emissions** (excluding Digicel Pacific) from an FY19 baseline.

ON TRACK

Achieved our target to enable renewable energy generation **equivalent to 100%** of our consumption by 2025.

Embedding climate in our corporate strategy

Connected Future 30 includes sustainability at its core and helps us prepare to anticipate and respond effectively to climate-related risks and opportunities.

Sustainability (including climate) is an integral part of our Connected Future 30 corporate strategy which covers the financial years to FY30. The strategy is built around the three layers of Customer Engagement, Network as a Product and Digital Infrastructure. Sustainability – including climate mitigation, adaptation and response – is an enabler to these layers. Our sustainability goal is to create ongoing value for our business and positive impact for our stakeholders, communities and the environment.

Connected Future 30 responds to, and prepares for, the expected business, operational and economic environment of 2030. The impacts of climate may be material to our business and stakeholders over this time horizon.

We expect:

- A changing regulatory landscape across both local and international jurisdictions
- More frequent and intense climate events affecting our ability to deliver climate resilient connectivity solutions
- Increasing customer expectations on the resilience and reliability of our network
- Greater volatility across energy markets
- Changing stakeholder expectations around the enablement of our operations, customers and value chain to decarbonise.

Our strategy leverages the growth potential of new technologies, including AI, as they mature. We believe these technologies will play a key role in the transition and decarbonisation of electricity grids, energy systems and the broader economy. We continue to monitor, and where possible mitigate, the energy, emissions and nature implications of AI (including water and electricity consumption) and other technologies we use and enable.

We have identified four climate-related risks (one physical[1], two transition[2] and one with elements of both) which currently affect our Australian operations and customers, or are anticipated to do so, within the timeline of Connected Future 30. These risks are:

- Service disruption during acute climate events.
- A rapid and disorderly transition of the electricity network.
- Changing policy, regulatory and stakeholder expectations.
- Reduced revenue from climate exposed sectors.

1. Physical climate-related risks can be event driven (acute), such as floods and bushfires, or linked to longer-term shifts in climatic patterns (chronic) including rising average annual temperatures.
2. Transition risks arise from efforts to transition to a lower-carbon economy and can include policy, legal, technological, operational, market and reputational risks.

Climate-related risks are managed via Telstra Group's risk management framework. The risks noted are directly linked to climate, however, we have other risks, and corresponding mitigation and adaptation actions, where climate is a component of a broader issue. When identifying climate-related risks we consider impacts across all classifications of our risk management framework. At this stage we do not consider any of our climate-related risks to be financially significant. Climate-related risks have the potential to affect how we deliver on (and mitigate risks to) our strategy. Our material risks section of this report provides more information about our Critical and Material Risks.

In FY26 we undertook work to identify potential climate-related opportunities. We consider a climate-related opportunity to have at least one of the following attributes:

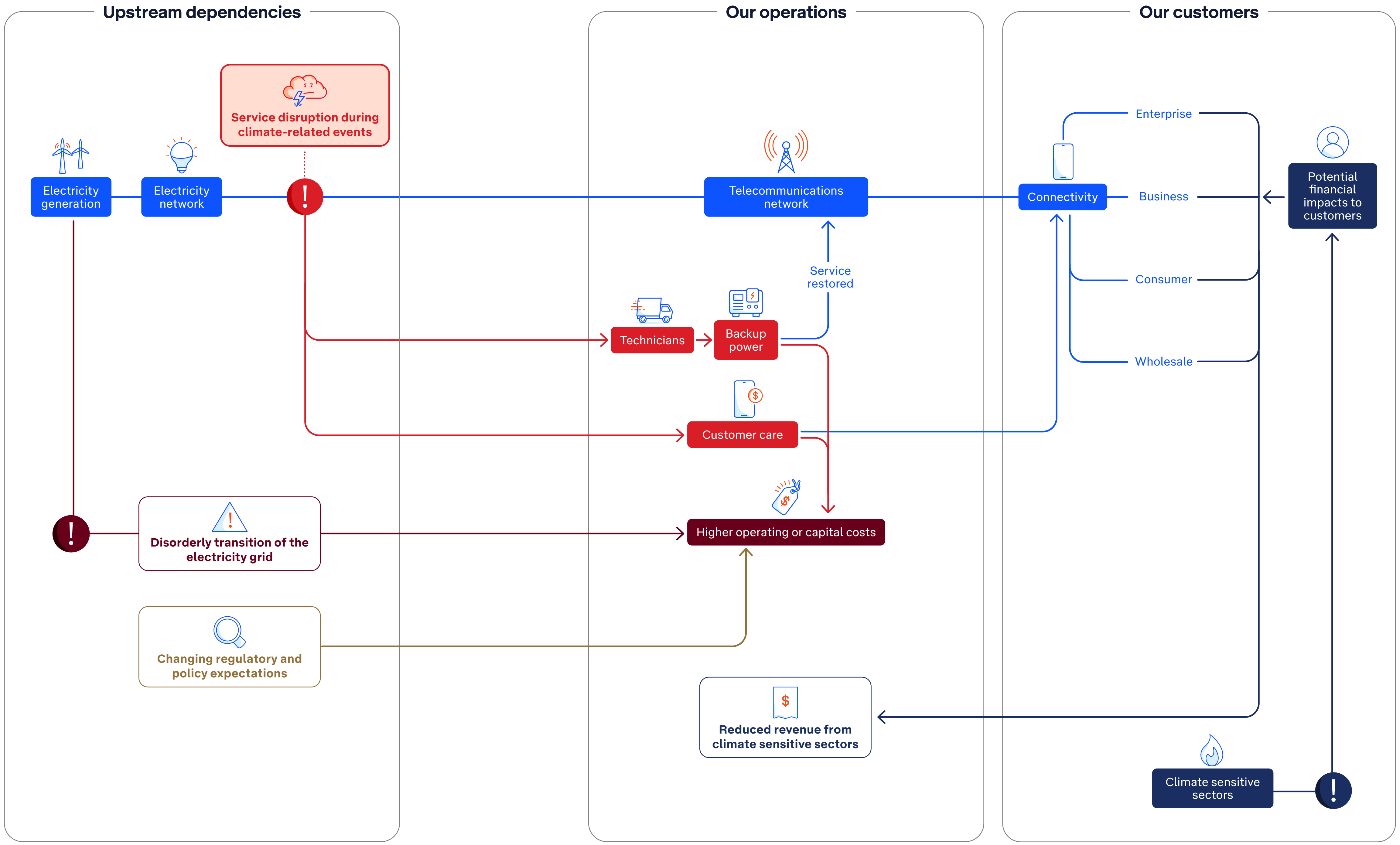
- A direct or co-climate benefit which drives business value
- Addresses a climate challenge through the novel application of our connectivity, products or services
- Mitigates a climate-related risk.

Following the evaluation of a long-list of potential climate-related opportunities, we have identified three opportunity categories which we will use to aggregate our activities and streamline reporting. These are:

- Optimise our network for current and future climate resilience.
- Enable the climate transition through connectivity products and services.
- Knowledge sharing, engagement and advocacy on climate-related matters.

How climate affects our business and value chain

All our climate-related risks and opportunities have a relationship with and dependency on our value chain[3]. The connectivity services we provide to customers are dependent upon the reliable operation of our infrastructure and that of our value chain. This includes above ground assets such as fixed network sites and mobile towers and more than 250,000km of buried fibre optic cable. These assets are predominantly reliant on the mains electricity network. With operations across the whole of Australia, international locations and subsea cables, our network will continue to be exposed to physical climate hazards. We also operate in markets which are undergoing rapid transitions. The diagram outlines the risk drivers and impacts of our climate-related risks across our value chain and highlights the concentration of climate risk exposure in the electricity grid.



3. A value chain encompasses the interactions, resources and relationships a business uses and depends on to create its products and services from conception to delivery, consumption and end-of-life, including those in supply and distribution channels, material and service sourcing and the sale and delivery of products and services.

Climate-related risks and opportunities

This section provides information on the four climate-related risks and three opportunities which have the potential to affect our business over the short, medium and long term.

We use climate scenario analysis to understand future climate risks and opportunities over three time horizons:

Short	FY26
Medium	FY27–30, aligned with our Connected Future 30 strategy.
Long	FY31–50, to support the planning and delivery of our net-zero commitment.

For physical climate hazards we explore pathways to 2100 global heating outcomes of <2°C, 2–3°C and >4°C. A further scenario which limits global heating to 1.5°C by 2100 identifies transition risks and opportunities which could affect our business over the medium term.

Climate-related risks

Physical risk	**Service disruption during acute climate events**
Risk description	Risk of acute physical climate events (such as bushfires, storms, and heatwaves) resulting in mains power loss, and to a lesser extent direct damage to Telstra assets, causing network disruption and/or higher costs.
Time horizon	Currently experienced and expected to increase over the medium to long term as events become more widespread and increase in frequency and intensity.
Exposure drivers	• Disruption to the mains electricity grid • Number of above ground network, fibre and subsea cable assets in exposed areas • Frequency and intensity of events • Design and operation of network equipment • Concentration of emissions in the atmosphere
Current effects	Our analysis suggests that over the short to medium term (now to 2030) between 21–27 per cent (5,036–6,511) of our Australian above ground assets will be exposed to one or more physical climate hazards (excluding storms). All of our assets are exposed to storms which can propagate across any geography. However, only a small proportion of our assets are affected in any given year. Additionally, not all climate-related events cause network disruption or damage to our assets. In FY26 we experienced around 28 mass disruption events triggered by acute climate events. During these events mains power loss was a contributing factor to service disruption.
Anticipated effects	Over the long term (2030–2050) we expect between 28–32 per cent (6,666–7,582) of our Australian above ground assets could become exposed to one or more physical climate hazards (excluding storms) depending on the scenario. Only a small proportion of our assets are expected to be affected in any given year. We continue to monitor cumulative impacts as we anticipate acute climate events to become increasingly frequent, widespread and concurrent. We are unlikely to meet customer expectations regarding network availability and resiliency as despite our best efforts we cannot guarantee a fault free network experience[4].
Financial impacts[5]	In FY26 we spent nearly $19 million preparing for or responding to acute physical climate-related events. This includes vegetation clearance, refuelling of backup power systems (generators) and repair and replacement of damaged assets. Based on the increased exposure of our assets to physical climate hazards, we expect this spend to average around $32 million per year between FY27–FY30. Depending on the future heating scenario, this could rise to $42–46 million on average per year between FY31–FY50.
Mitigation and adaptation	To support network resilience, we currently: • Undertake seasonal preparedness including vegetation clearance for bushfire exposed assets and access tracks to remote sites, inspections of flood prone fibre, and pre-deploying backup power • Prioritise lifecycle battery replacements to help maintain service when mains power is lost • Deploy automatic transfer units (ATUs) at selected sites to enhance power resilience • Monitor the network and co-ordinate our emergency response via our Global Operations Centre (GOC) • Work with the National Emergency Management Agency (NEMA), state and local emergency services and other telecommunications providers to share information and co-ordinate our response • Are exploring data sharing opportunities with electricity distribution network operators to strengthen our joint response during climate events • Incorporate climate projections into our designs for new assets • Track our exposure to acute and chronic climate hazards and use these insights to inform network planning and adaptation measures • Manage risk to critical assets in line with the Security of Critical Infrastructure (SOCI) Act • Proactively manage liquid fuel supplies to support network resilience and response activities • Assess potential improvements to our disaster readiness, response, restoration and broader processes following acute climate events. To support customer resilience: • Over the past few years we have upgraded over 1,000 payphones in disaster-prone areas to provide Wi-Fi and extended battery reserves • Telstra Satellite provides eligible customers with access to messaging and selected apps via satellite connection beyond the reach of our mobile network. Over the short and medium term our focus remains on improving the resilience of our network assets and leveraging new technologies such as satellite backhaul.

4. For further information on our resilience activities please see the 2026 Bigger Picture Report.
5. The financial impacts noted do not include those associated with chronic climate hazards which fall outside of mass disruption events as we are currently unable to separately identify such impacts.

Transition risk	**Rapid and disorderly transition of the electricity network**
Risk description	A rapid and disorderly transition of the electricity network may increase prices and episodes of market volatility and affect the availability and reliability of energy. Further, failure of the electricity network to decarbonise may affect our ability to meet our emissions reduction commitments.
Time horizon	Impacts are currently experienced and are expected to continue in the medium term (to 2030), and potentially beyond (2030–2040).
Exposure drivers	• Demand for electricity • Emission reduction ambition and rate of grid decarbonisation • Design and operation of backup power systems and network equipment • Energy optimisation through load shifting, demand response and firming • Energy market policy environment • Investment in transmission and distribution network infrastructure, and speed of deployment
Current effects	• Increasing operational spend due to rising electricity wholesale costs and network charges • Increasing operational spend to deploy temporary power generation to sites experiencing electricity network instability or outage • Network service disruption to customers due to power interruptions. This risk could affect 100 per cent of our business activities.
Anticipated effects	In the short to medium term, we expect increasing volatility in the energy market with an overall upwards trend in costs. Power interruptions could occur if there is insufficient electricity generation and storage capacity to meet demand. In the medium-term the electricity grid may not decarbonise to the level required to meet Australia's national renewable energy target which may place our emissions reduction targets at risk. This could require an increase in our emissions reduction activities or, if those activities do not cover the shortfall, we may consider the use of renewable energy certificates (RECs) to meet our target. Long term outcomes are heavily dependent on the national climate and energy policy position, energy infrastructure investment strategies and the speed at which these investments are deployed.
Financial impacts	A disorderly transition of the electricity network could increase price volatility, affecting the wholesale cost of electricity. We may also see higher build costs for new transmission infrastructure. These costs are passed through to electricity consumers via network charges. We experience these as higher operational expenses in our cash flow and income statements. However, there are multiple drivers of electricity pricing, and we cannot separately distinguish the impacts of a disorderly transition. Further, at this stage we have not experienced a network outage which could be directly linked to the transition of the electricity network; however, we will continue to monitor our operational data. Our investments in renewable energy generation support the wider decarbonisation of the electricity network. They have also provided a value stream to the business (around $18 million net gain on sale in FY26) and mitigated our exposure to energy market volatility.
Mitigation and adaptation	Multiple functions across Telstra have programs and initiatives focused on reducing our demand for electricity and improving our power resilience. Energy efficiency and resilience activities cover a range of measures including: • Optimising cooling equipment • Investing in energy efficient network equipment • Decommissioning legacy equipment • Deploying permanent and portable generators and standalone power systems • Replacing batteries • Flexible management of the network to match demand. We use a range of market mechanisms to optimise our procurement of energy on both the wholesale and retail markets.

Transition risk	Changing policy, regulatory and stakeholder expectations
Risk description	Climate-related regulatory and policy positions may change as climate impacts worsen, requiring greater investment or ambition to meet the adaptation and resilience challenges.
Time horizon	Impacts currently experienced and anticipated to continue over the medium to long term.
Exposure drivers	• State/territory, national and global political trends • Debt and equity markets • Customer and community demands
Current effects	**Compliance:** Introduction of mandatory climate disclosures driving increased reporting requirements and regulatory scrutiny on detail and completeness of public disclosures. **Reputation:** Stakeholder expectations and alignment with state/territory, national and global trends on climate matters. **Financial:** We design and execute our sustainability objectives in alignment with policy and stakeholder expectations. In FY26 we invested around $22 million in emissions reduction activities to support our net zero target. In addition, there are costs associated with seeking external assurance on our energy and emissions results and our climate disclosures. This risk could affect 100 per cent of our business activities.
Anticipated effects	We believe our emissions reduction targets largely meet stakeholder expectations and align with the ambitions of relevant governments in jurisdictions where we operate. Progress towards our emissions reduction targets is unlikely to be linear. We are continuing to make progress towards our scope 1+2 emissions reduction target, and we continue to invest in our ongoing legacy equipment decommissioning and energy efficiency programs. Achieving our scope 1+2 emissions reduction target is reliant on the timely decarbonisation of the electricity grid. Our modelling assumes Australia will meet the current national renewable energy target[6] of 82 per cent by 2030. We recognise there is a risk that this national target may not be met, and if so, we would need to increase our emissions reduction activities or, if those activities do not cover the shortfall, we may consider the use of renewable energy certificates (RECs) to meet our 2030 scope 1+2 emission reduction target. While our short term progress on reducing scope 3 emissions has benefited from tailwinds including supplier engagement, global electricity grids decarbonising and our financial discipline, there are risks to achieving this target in the medium-term. These headwinds include the potential increase in emissions from adoption of new technologies including the broad adoption of AI across the economy, satellite and other product growth, as well as dependence on key suppliers to decarbonise. In the medium term we may experience greater regulatory requirements, for example the Safeguard Mechanism may expand to include Telstra.
Financial impacts	In FY26 we had $23 million of financial impacts (capex and opex) largely associated with emissions reduction activities and assurance costs.
Mitigation and adaptation	In FY24 we increased the ambition of our scope 1+2 target to achieve a 70[7] per cent reduction by 2030 from an FY19 baseline, up from 50 per cent previously. We also maintained our scope 3 emissions reduction target at a 50 per cent reduction by 2030[7] from an FY19 baseline. Our progress towards these targets is monitored monthly by function leads and we provide regular updates to the Risk & Sustainability Committee (RSC) and/or Board. These emissions reduction programs are also supported by our broader network adaptation and climate resilience activities[8]. We expect ongoing growth in data traffic; however, we believe that continued grid decarbonisation, improved energy efficiency and legacy network decommissioning will continue to support a reduction in our scope 1+2 emissions. To date our energy efficiency activities have contributed a 27 percentage point reduction in our scope 1+2 emissions since FY19[7]. Our supplier governance and procurement teams work closely with our supply chain to help them monitor, report on and reduce their scope 3 emissions. We have disclosed our climate-related risks since 2020, first guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), then ISSB S2 and now AASB S2. We remain committed to providing transparent and decision-useful insights to the market on our climate-related risks and opportunities.

6. Aligned to DCCEEW Australian emissions projections 2025: https://www.dcceew.gov.au/climate-change/publications/australias-emissions-projections-2025
7. Excluding Digicel Pacific.
8. For more information on our network resilience activities see the Building resilient connectivity section of the 2026 Bigger Picture Report.

Transition and physical risk	Reduced revenue from climate-exposed sectors
Risk description	The transition to a low carbon economy may result in a contraction in revenue from fossil fuel focused Enterprise customers. Further, the increasing frequency of acute climate events may negatively affect agriculture and other climate exposed verticals. Contraction of these Enterprise segments is likely to cascade to the secondary economies which support them, particularly in regional Australia. These compounding climate and socio-economic vulnerabilities may increase the volume and level of financial hardship experienced by our consumer and business segments, raising affordability concerns.
Time horizon	This risk is heightened in the long term, although an increase in customer hardship associated with the physical risks of climate change is possible in the medium term.
Exposure drivers	• State/territory, national and global political trends • Diversity of Enterprise customer base • Debt and equity markets • Consumer demands
Current effects	We offer a range of financial and other support services to consumer, business and enterprise customers experiencing hardship, such as billing and payment support, extra data, and free phone connection services. Unless a customer is accessing a climate specific form of bill relief, such as long-term disaster relief, or in-kind support, we cannot separately identify if revenue contraction or financial hardship is caused by a climate exposure. In FY26 we supported nearly 56,000 customers during acute climate events.
Anticipated effects	Achieving state/territory, national, and global net zero ambitions will require a shift in the Australian economy away from fossil fuel intensive sectors. We could experience reduced revenue from these sectors as their ability to transition to, and thrive in, a low carbon economy could affect their ability to purchase our products and services. In regions where fossil fuel production is concentrated, this could result in hardship to local communities without a just transition. The physical impacts of climate change could also result in productivity declines in Australia's agriculture sector, and in the medium to long term could result in some regions becoming unviable for their current agricultural use. Telstra could experience similar revenue declines (from enterprise, consumer and business customers) if these productivity impacts affect their ability to purchase our products and services.
Financial impacts	In FY26 we assessed the level of Enterprise revenue from sectors we consider exposed to transition (oil, gas and thermal coal) or physical (agriculture) risks and found it not to be financially significant. In addition, we believe around 250,000 consumers and 21,000 business customers are based in communities with a high dependency on one or more of these sectors. These volumes highlight our **inherent** risk exposure, they do not consider the: • Timing of these risks (expected to occur in the long term) • Likelihood of impact • Mitigation actions Telstra or our customers could take. At this stage, we cannot confidently identify the current residual financial effects of this risk.
Mitigation and adaptation	Our connectivity is an enabler which supports climate risk adaptation, mitigation and response. Connectivity is a key enabler for supporting and scaling the transition of the Australian economy to a low carbon future, in particular providing pathways for supporting the reskilling and transformation of remote and regional Australia. While key sectors in the Australian economy may change, overall demand for connectivity and data solutions are expected to continue to increase. We track emerging macro trends and have the flexibility, and experience, to shift our focus to new and emerging growth segments as they arise. As part of our analysis of a 1.5°C climate scenario we have mapped expected inflection points of the policy, economic and technology landscape over the medium-term. This activity supports our stress-testing of business assumptions and operating models and provides line of sight to potential headwinds, supporting our long term planning.

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

Climate-related opportunities

Opportunity	Optimise our network for current and future climate resilience
Opportunity description	As climate impacts and connectivity demand increase, strengthening network stability and response capability will help to improve the continuity of telecommunications services[9]. This opportunity includes the deployment of novel hardware or engineering solutions to build physical network resilience, redundancy and power independence. It also includes the opportunity to enhance knowledge, decision making, vulnerability detection and resilience through better access to, and use of, data and advanced analytics. The potential benefits of this opportunity are concentrated in our own operations.
Time horizon	We have an ongoing process to identify new and emerging opportunities to enhance our network resilience. We believe this opportunity has the potential to grow in the medium to long term as data, analytics and AI-enabled decision support capabilities are progressively developed and deployed as part of Connected Future 30 and emerging technologies, such as satellite backhaul, mature.
Current effects	We prioritise improving network resilience as part of managing our critical risks and this year we are piloting a range of resilience and emissions reduction activities. In FY26 we have invested over $1 million in resilience opportunities with a direct climate benefit. We have also invested in programs where improved climate resilience is a co-benefit; these are not included in our financial quantification. We believe this opportunity applies to 100 per cent of our business activities.
Anticipated effects	This opportunity could deliver cost savings (compared to what would otherwise be incurred[9]) from fewer connectivity outages, reduced customer impacts, and lower maintenance expenditure. Investments in trialling and deploying new technologies are embedded within planned expenditure for Connected Future 30.

Opportunity	Enable the climate transition through connectivity products and services
Opportunity description	We believe in an increasingly digital world our connectivity, products and services will be foundational to the transition to a low carbon economy. In particular, we believe connectivity is a core enabler for regional and remote communities to economically diversify and mitigate the impacts of transition risks. The potential benefit is concentrated in our direct customer base and broader economy.
Time horizon	The transition to a low carbon economy will be reliant upon connectivity and digital solutions across the short to long term. For example, the continued decarbonisation of the electricity grid requires the real-time orchestration of distributed generators and loads. This requires reliable connectivity, data analysis and computation power and network security. Over the long term there is opportunity for growth in low emissions industries and economic diversity through digital skills building, remote and hybrid working, and industry electrification.
Current effects	Our customers use our connectivity for a range of activities, including those which have a climate-related benefit. Our focus in the short to medium term is on improving our understanding of external climate-related trends which influence connectivity demand. Currently, the climate-related benefits of our connectivity service cannot be separately identified. While there is potential for future growth in revenue from Enterprise customers in sectors which enable the transition to a low-emissions economy, these impacts are currently subject to high measurement uncertainty and have not been quantified. We believe this opportunity applies to 100 per cent of our business activities.
Anticipated effects	We expect volumetric and geographic changes in the demand for connectivity associated with the energy transition and growth of low-emissions industries. We have a role to play in ensuring a flexible connectivity service which is available to support industry and regional growth.

9. Climate-related events are projected to become more frequent and severe over time. Even with investments in improved resilience, the frequency or impact of disruptions may also rise. Costs will be variable year-on-year, and even with investments in improved resilience, may also rise in absolute terms.

Opportunity	Knowledge sharing, engagement and advocacy on climate matters
Opportunity description	Telstra has a unique role within the Australian economy. We have a geographically diverse customer base (across metro, regional and remote areas) which encompasses a wide spread of customers (consumers, businesses, enterprise and wholesale), and our activities are relevant to all levels of Government. Our connectivity forms part of Australia's essential infrastructure. We have also invested in developing our understanding of the impacts of climate risk and implications for infrastructure and community resilience. We have an opportunity to use our insights and relationships to share knowledge, and advocate for policy which enables the climate transition, reduces climate-related risks to vulnerable customers, and builds national resilience. The benefits of this opportunity are concentrated in our upstream and downstream value chain, with wider co-benefits to the broader economy.
Time horizon	The opportunity for advocacy is heightened in the short to medium term. There is a need for Australia to implement policies to steward an orderly transition of the electricity grid, deliver national commitments under the Paris Agreement and plan for a just transition for vulnerable communities. The benefits of these policies are unlikely to be seen until the long term. In the short term we already work closely with stakeholders across all segments to support climate resilience activities. This includes communications to help customers prepare ahead of the high-risk weather season and ongoing collaboration with emergency response agencies.
Current effects	Our energy policy engagement currently focuses on opportunities in the National Energy Market (NEM) to derive business value and enable broader decarbonisation. We have undertaken an analysis of the industries and communities at highest risk of economic and social vulnerability as a result of the climate transition and the physical risks of climate change. We regularly collaborate with industry, government and scientific bodies to support climate-related programs and share learnings. We believe this opportunity applies to 100 per cent of our business activities.
Anticipated effects	We anticipate a greater role for Telstra in highlighting how a well-coordinated climate transition delivers economic and social benefits to Australia. We believe connectivity delivered through secure and resilient infrastructure can enhance economic diversity to support thriving communities. We plan to extend our analysis of vulnerable communities to understand more fully the potential scale and timing of climate-related impacts, and to consider what advocacy role Telstra should play. The financial benefits of this opportunity are unlikely to be directly visible or quantifiable. Instead, they will be experienced in indirect ways such as greater customer retention, affordability, and better utilisation of connectivity solutions in some communities and regions.

Other climate exposures

The table below outlines the climate-related exposures of Digicel Pacific Limited and its controlled entities (Digicel Pacific), Telstra International more broadly, and our device and network equipment supply chain. We have noted these exposures for information and at this stage we do not consider these climate exposures financially significant to Telstra Group.

	Climate hazard, impact and exposure	Outlook
Digicel Pacific	The South Pacific is climatically diverse with multiple macro climate systems converging in the same area. This, coupled with the low-lying nature of Digicel Pacific's markets, leads to exposure to acute and chronic physical climate hazards. Acute events such as storms, cyclones and wildfires can cause direct asset damage. However, restricted site access due to landslides is the primary operational risk. Most Digicel Pacific assets rely on standalone power systems (usually diesel generators) which need regular refuelling. In addition, the high proportion of pre-paid services means any network outage can result in immediate loss of revenue alongside reputational impacts.	We are already seeing an increase in the frequency and intensity of acute climate events in the South Pacific and expect this to continue over the medium to long term. In addition, planned network growth will see in an increasing number of assets sited in climate exposed areas. While the operational management of acute events sits with Digicel Pacific, Telstra Group's financial performance may be impacted in the medium term by the potential loss of revenue and higher reactive spend to respond to acute climate events. For context, Digicel Pacific represented three per cent of Telstra Group revenue in FY26. In FY26 Digicel Pacific invested nearly $1 million in additional fibre pathways to support network resilience and over $1 million for the deployment of renewable energy generation.
Telstra International	In FY26 we have operations at 138 locations across 18 countries. A desktop physical climate risk assessment[10] has noted our current exposure is concentrated in Hong Kong (flooding) and Japan (typhoons). To date we have not seen any significant business impacts due to climate events.	In the medium and long term we expect a shift in exposure driven by increasing temperatures. While acute events will continue to impact existing areas, prolonged heatwaves and water stress could also affect our operations in India, Singapore and Taiwan. At present our hybrid working model and business continuity planning minimise potential business impacts.
Supply Chain	Our supply chain analysis explores the physical climate hazard exposure of our immediate supply chain (Tier 1) and their immediate dependencies (Tier 2 suppliers). We found our Australian supply chain is largely resilient to climate concerns and impacts are mitigated through supplier diversification and stock management. The nature of our business means we are reliant upon silicone-based electronics (for both consumer devices and network equipment). Manufacturing of chipsets is concentrated in Taiwan and Korea, with China the world's largest producer of silicone wafer. In 2021 a global shortage of semi-conductors occurred due to increased demand and prolonged drought conditions in Taiwan impacting water availability for manufacturing. To achieve our 2030 scope 3 emissions reduction target and 2050 net-zero commitment we are dependent on the decarbonisation efforts of our suppliers and broader value chain.	In the short to medium term, we do not expect to experience significant business impacts from physical climate-related risks to our direct suppliers. We are updating our supplier governance framework to include climate considerations based on the geography of our critical suppliers. This will help us understand the controls in place to mitigate supply disruption. However, the global supply chain for consumer devices and network equipment could be affected by acute climate events should they occur at key ports or other logistics hubs. Our short and medium term transition risk focus is to support our immediate suppliers to measure their emissions to increase the accuracy and availability of scope 3 data and encourage emissions reduction activities and target setting. In addition, our strategic focus on embedding circularity principles in our value chain supports the reuse of materials to mitigate exposure in the virgin material supply chain. Over the medium to long term global supply chain concerns include water availability for the production of consumer devices and network equipment.

10. In FY25 we reviewed over 80 per cent of locations where we have operational control. Our analysis considered exposure to heat stress, water stress, cyclones and flooding. We used historic observations and climate data consistent with RCP 8.5 to understand the change in exposure in 2030 and 2050.

Financial impacts of climate

We consider the financial impacts of climate change over the short, medium and long term. The long-term projections account for a range of hazard exposures driven by different warming scenarios. Our approach to estimating these impacts is summarised in the following diagram.

We assess climate-related financial impacts associated with:

Physical risk
This includes planned programs of work which directly contribute to our climate resilience and response to climate-linked mass disruption events.

Transition risk
Capturing expenditure and revenue associated with our climate programs such as activities contributing to delivery of our climate-related targets, managing electricity price volatility and assurance activities which support our regulatory obligations.

Opportunities
Expenditure and revenue associated with programs which provide a novel approach to climate adaptation, climate risk mitigation or enablement of the transition to a low carbon economy.

Types of financial inputs we consider:

- Capital expenditure
- Operational spend
- Revenue from climate-related activities
- Revenue adjustments

Our quantification methodology:

Short term
Collates in-year actuals for activities and financial categories noted above.

Medium term
Spend is forecasted based on short term actuals and planned budgets for future financial years.

To account for the increasing frequency and intensity of climate events we assume an increase in spend and forgone revenue associated with climate-related events using a three-year rolling average and a 'climate uplift' factor.

Long term
Over the long term, we incorporate the outcomes of our scenario analysis of physical climate hazards to understand how the exposure of our network will change over time under a range of warming outcomes. These scenarios impact the costs we expect to incur in responding to acute events.

The table below outlines the trend in climate-related financial impacts across Telstra Group, including Digicel Pacific over the short, medium and long term. The table below includes all climate-related financial impacts, including capital and operational expenditure, and revenue impacts.

	Climate-related financial impacts			
	Actual		Estimated: average per annum	
Risk, opportunity or activity description	FY25 $m	FY26 (short term) $m	FY27–30 (medium term) $m	FY31–50 (long term) $m
Service disruption during acute climate events	(46)	(19)	(32)	(42 –46)
Changing policy, regulatory and stakeholder expectations	(23)	(23)	(25)	(29)
Optimise our network for current and future climate resilience	(0)	(1)	Not quantified	
Total costs	(69)[11]	(43)	(57)	(71–75)
Rapid and disorderly transition of the electricity network	Not quantified	18	1	Not quantified
Net financial impact	(69)	(25)	(56)	(71–75)

The fall in impacts associated with service disruption during acute climate-related events in FY26 is due to the location and population density of affected areas. Annual variation is expected given the inherent variability of weather-related impacts.

The following risks and opportunities have not been quantified due to high measurement uncertainty; however, we believe their effects could be reflected in our statement of financial performance, financial position and cash flows for the relevant time periods[12]:

- Reduced revenue from climate-exposed sectors (risk) in the medium and long term
- Rapid and disorderly transition of the electricity network (risk) in the long term
- Optimise our network for current and future climate resilience (opportunity) in the medium to long term
- Knowledge sharing, engagement and advocacy on climate-related matters (opportunity) in the medium and long term although unlikely to be financially significant.

The opportunity to enable the climate transition through connectivity products and services has not been quantified due to climate-related impacts which are not separately identifiable and not decision-useful if reported in aggregate with other non-climate impacts.

We budget for climate-linked spend in our financial plans. However, since spend to respond to climate-related events varies year-on-year, any additional spend is managed through reprioritisation within existing budgets. We do not expect significant impacts to our overall plan due to climate-related spend in the medium term.

Impacts tabled above incorporate climate-related operating and capital expenditure, revenue adjustments associated with climate-related credits to customer accounts, and gains (or losses) on sale or surrender of environmental certificates[13]. These impacts are not significant to Telstra's financial statements for FY26 and, based on the scope of our analysis, are not projected to be significant in the medium term. In the long term, impacts to cash flow may exceed $75m on average per annum based on the scope of our analysis, however, overall impacts to financial statements are not projected to become significant.

We consider these projections as part of our assessment of impairment indicators. Based on our experience with extreme weather events (and considering the diverse location and nature of our assets as well as our continued focus on network resiliency and business continuity programs) we do not consider the potential impacts of climate and the transition to a lower carbon economy to be an impairment indicator at this stage. Further information can be found in Note 3.1 under 'Impairment assessment of our ubiquitous telecommunications network'.

11. In FY25 we estimated our in-year climate-related financial impacts to be $131m with $89m noted as 'reactive'. Of this, $79m was based on the market value of the in-kind data we provide to customers during climate events. In FY26 we updated the financial treatment of this in-kind data provision to better reflect the direct financial impact to Telstra. We now include only the forgone revenue associated with pre-paid customers who receive the data as we could not separately identify any climate-related incremental network costs to Telstra for post-paid customers. For completeness and comparison, we have therefore restated the FY25 figures.
12. We have applied judgment to determine that qualitative information about line items, totals and subtotals within the financial statements that are likely to be affected by the financial effects of those risks and opportunities is not material for primary users of the financial statements.
13. Financial impacts do not include Renewable Energy Certificates (RECs) which may be surrendered towards achievement of our 2030 target. Our modelling of alternate grid decarbonisation pathways indicates that if we did require RECs, this cost would not be significant to Telstra.

Our resilience to climate impacts

We test the resilience of our network assets to the physical impacts of climate change under three physical risk scenarios (<2°C, 2–3°C, and >4°C by 2100, see Climate scenario analysis methodology). We expect annual variability in physical climate impacts across all time horizons as well as a long-term increasing trend in exposure of our assets to physical risk. However, based on our analysis of climate-related mass disruptions, the most material impacts from physical climate risk do not arise from damage to our network assets. Instead, disruption of the electricity grid associated with climate-related events is the most significant risk driver. Loss of power causes outages to the telecommunications network which results in service disruption for our customers, reputational impacts to Telstra, additional costs (such as deploying temporary backup power) and revenue adjustments (for customer credits). To manage this risk, we are investing in backup power at priority locations, and we engage with government agencies on energy security, reliability and affordability.

Our transition risk scenario (aligned with a 1.5°C trajectory by 2100) explores potential impacts of the transition to a low carbon economy resulting in more stringent policy settings, faster decarbonisation of the electricity grid and greater demand for low-emissions products. This scenario identified a potential decline in economic activity associated with climate vulnerable sectors in the long term, and the resulting impacts to individual, business and enterprise Telstra customers in exposed regions or sectors could result in a contraction of revenue. These impacts would be geographically concentrated and are influenced by the actions of others (for example, Governments and fossil fuel operators) to manage a just transition. This risk would also be mitigated by an increase in economic diversity in vulnerable regions. We believe connectivity is foundational to enabling economic diversity in Australia's regional areas. In the short to medium term we are prioritising understanding the potential scale and timing of this risk, and are investigating opportunities associated with knowledge sharing, engagement and advocacy.

Technologies relevant to our sector continuously evolve. We have flexibility in our underlying infrastructure base to deploy new equipment and decommission legacy technologies. Upgrading and investing in our network continues to be core to our corporate strategy, which helps mitigate our exposure to physical and transition risks. The physical and transition climate-related risks we have identified are not financially significant to Telstra's prospects in the short term and, based on the scope of our current analysis, are not projected to become significant to the financial statements over the medium and long term. Based on our current risk assessment, scenario analysis and assessment of financial impacts, we consider Telstra to have an appropriate level of resilience to the physical and transition impacts of climate over the short, medium and long term. We do not anticipate any significant changes to our strategy or business model in the short to medium term in response to climate-related risks or opportunities.

Data limitations, assumptions and uncertainties

We believe our approach to mapping climate linked financial impacts across the business has identified the most material items. However, we note that the climate-related component of some activities is not separately identifiable. For example, as a business we undertake a range of activities each year to enhance the power resiliency of our network. These activities have co-benefits and support our resilience to power outages caused by, but not limited to, planned power outages, accidental damage and vandalism, in addition to climate-related events. Climate-related impacts to financial statements have been assessed relative to a dollar value threshold for significance and include the climate-related risks and opportunities to the extent described in the Financial impacts of climate section.

The long term projections capture our best estimates of changing exposure to climate hazards including coastal inundation, bushfires, tropical cyclones, riverine flooding and storms. These projections come with varying levels of measurement uncertainty based on the inherent limitations of climate data. We have not included the potential impacts of increasing temperature. While outside air temperature could be a contributing factor to some internal equipment faults, the climate effect cannot currently be separately identified.

Our physical risk assessment and financial quantification assume no material change in our assets over the medium to long term, although technologies applied in telecommunications can change over the medium to long term and their speed of application and use can sometimes be difficult to forecast.

The financial impacts of individual acute climate events vary, due to factors including, but not limited to, the underlying climate hazard, geographic area impacted, number and density of assets or customers affected and the intensity and duration of the event. The cumulative fiscal impact of these events is driven by the number of acute climate events we experience each year. We cannot predict how many acute climate events we will experience each year, nor where they will occur. To address this limitation, we use a three year rolling average of in year actuals to develop our medium term projections, and our long term view includes outputs from our physical risk scenario analysis.

At present, our modelling does not include an internal carbon price. In FY22-FY23 Telstra undertook projects to pilot a shadow carbon price of $40–$50 per tCO_2e in evaluating some in-year investment decisions and emissions reduction projects. The shadow carbon price did not materially change the financial assessments of those projects.

Our climate transition plan

In FY26 we used over 1,000GWh of electricity in Australia, making us one of the nation's largest consumers. Our transition to a low carbon economy is therefore dependent on the decarbonisation of the electricity grid. Our climate transition plan focuses on three primary activities to reduce risk and accelerate action:

1. Absolute emissions reduction of our own operations
2. Enabling the decarbonisation of the electricity network
3. Supporting our suppliers to decarbonise.

Our emissions reduction activities include energy efficiency, optimising our network to balance performance and energy consumption, and the decommissioning of legacy equipment. In FY26 we invested nearly $22 million in dedicated energy efficiency and decommissioning activities. Since FY19 these activities have contributed to a 27-percentage point reduction in our scope 2 emissions despite year-on-year growth in customer data use. Scope 1 emissions are a minor part of our profile. However, we continue to explore opportunities to decarbonise our vehicle fleets and displace diesel backup generators with renewable energy solutions and battery backup.

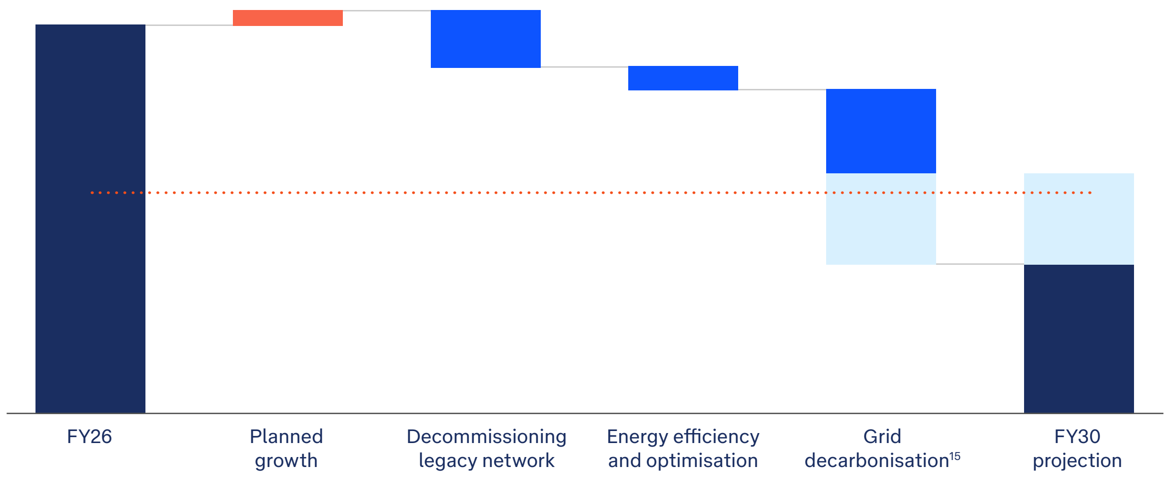
Since 2017 we have partnered with solar and wind farm developers to increase renewable energy in Australia's electricity grid through long-term Power Purchase Agreements (PPA). Our investments in seven projects across Queensland, Victoria and New South Wales have supported renewable energy projects worth $1.6 billion and contracted 868MW of renewable capacity. These projects increase renewable energy in Australia's electricity grid for the benefit of all users. We have not claimed the use of renewable energy from the projects ourselves. Further information on our renewable energy investment is in the Enabling renewable energy generation section of this report.

To support the delivery of our transition plan we have committed to achieving net-zero emissions across our scope 1, 2 and 3 emissions by 2050. We have an interim target to reduce scope 1+2 emissions by 70 per cent and our scope 3 emissions by 50 per cent by 2030 from an FY19 baseline[14]. Progress towards our emissions reduction targets is unlikely to be linear.

The chart below outlines our anticipated pathway between FY26 and FY30. Grid decarbonisation is anticipated to make the largest contribution towards achieving our target. Enhancements to our network, decommissioning legacy equipment, and other energy efficiency measures are also essential and where we have greater ability to influence.

Achieving our scope 1+2 emissions reduction target is reliant on the timely decarbonisation of the electricity grid. Our modelling assumes Australia will meet the current national renewable energy target of 82 per cent by 2030. We recognise there is a risk that this target may not be met, and if so, we would need to increase our emissions reduction activities or, if those activities do not cover the shortfall, we may consider the use of renewable energy certificates to meet our 2030 scope 1+2 emission reduction target. The chart below illustrates this uncertainty, and we will continue to monitor and update our modelling as new grid emissions factors are released. We also note there is uncertainty in our growth projections, and the below chart is a point-in-time view reflective of our current assumptions.

FY26 projected pathway to 2030 scope 1+2 emissions target (tCO_2e)



The majority (72 per cent) of our scope 3 emissions are from purchased goods and services (categories 1, 2 and 4). In addition to our own financial discipline, we have a program of activities which, in the short- to medium-term, focus on supporting our suppliers to:

- Reduce emissions in their own operations
- Improve the quality and consistency of emissions measurement and reporting
- Strengthen accountability through climate-related contract clauses.

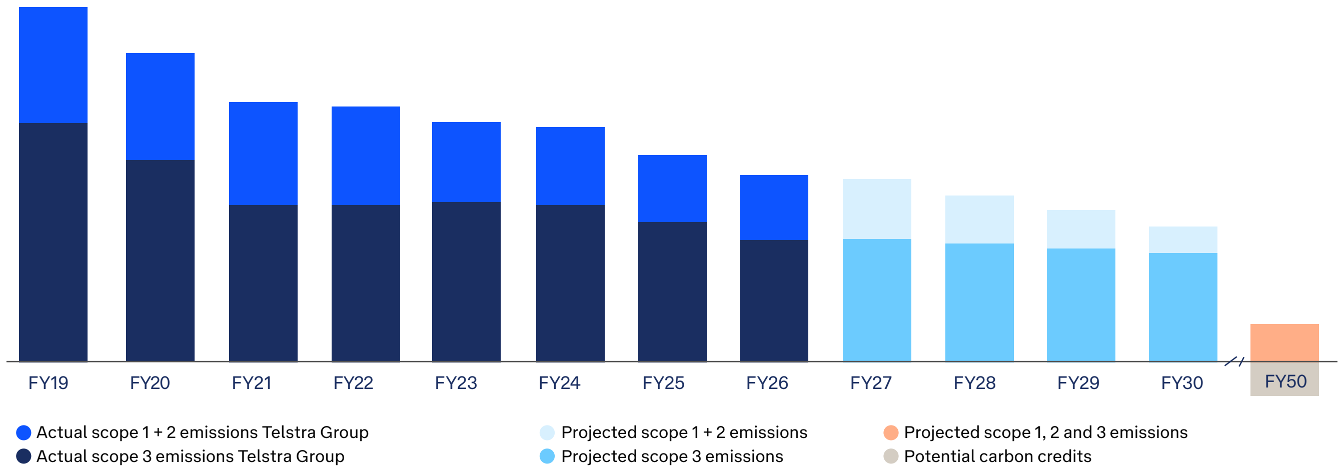
Over the long term we anticipate flow through benefits from our supplier's own net zero commitments to reduce our scope 3 emissions, grid decarbonisation to reduce the emissions impact of our sold products, alongside increased uptake of electric vehicles and growth of sustainable aviation fuel reducing employee commuting and business travel emissions.

14. Both 2030 targets exclude Digicel Pacific. We plan to include Digicel Pacific emissions in Telstra Group's 2030 emissions reduction targets no earlier than FY28.
15. Grid decarbonisation will make the largest contribution towards achieving our target. This chart reflects the range of our modelling assumptions: that Australia will meet the current national renewable energy target of 82 per cent by 2030 (in line with Australia's Emissions Projections 2025 published by DCCEEW) and sensitivity analysis considering a delay of up to two years for the decarbonisation target for the Australian grid (represented by the uncertainty range). Refer to Key inputs and assumptions table for more information.

Pathway to 2050

The chart below illustrates our expected pathway to reaching net-zero by 2050 (including Digicel Pacific). Our pathway includes assumptions on growth, changes in technology, grid decarbonisation and the use of carbon credits in 2050 to counter any residual emissions. Over the medium to long term there are uncertainties within these assumptions. We monitor these inputs and regularly update our assumptions and forward-looking trajectories to identify early any potential challenges to achieving our targets.

Indicative pathway to 2050: Scope 1, 2 and 3 emissions



Key inputs and assumptions	Detail
Growth	Key changes which are underway, planned or expected include expansion of our long-haul fibre network (Aura network), AI adaptation and data centre growth and scope 3 growth from strategic investments.
Grid decarbonisation and use of Renewable Energy Certificates	Grid electricity emissions factors for FY28–FY40 are based on forecasts issued by the Australian Department of Climate Change, Energy, the Environment and Water (DCCEEW)[16]. Those DCCEEW forecasts assume that Australia will meet the current national renewable energy target of 82 per cent by 2030. We have conducted scenario analysis considering a delay of up to two years for the decarbonisation target for the Australian grid. If that scenario occurred, we may consider mitigation options such as the use of Renewable Energy Certificates. Beyond 2040 we use the Australian Energy Market Operator's (AEMO) Integrated System Plan[17]. For international locations, including Digicel Pacific, between 2030-2050 we use emissions factors from the International Energy Agency's World Energy Outlook. Based on the above our modelling assumes Australia will meet the current national renewable energy target of 82 per cent by 2030. Should this target not be met we would need to increase our emissions reduction activities or, if those activities do not cover the shortfall, we may consider the use of renewable energy certificates (RECs) to meet our 2030 scope 1+2 emission reduction targets.
Energy efficiency and decommissioning	Including radio access network (RAN) modernisation, simplifying our fixed network infrastructure, retiring legacy technology and consolidating sites and piloting of new technologies to optimise our electricity time of use and improve energy efficiency.
Scope 3	Our scope 3 assumptions to 2030 and 2050 are based on the existing commitments of our key suppliers and expected long-term industry trends.
Carbon credits	We are not planning to use carbon credits to achieve our 2030 emissions reduction targets. However, as we approach our 2050 net-zero target we may revisit our use of carbon credits for hard-to-abate emissions. The current SBTi net-zero standard requires organisations to reduce absolute scope 1 and 2 emissions by 95 per cent and scope 3 emissions by at least 90 per cent by 2050. Companies may then use carbon credits to neutralise any hard-to-abate residual emissions. See https://sciencebasedtargets.org/net-zero for more information. If at that time we use carbon credits, it will be in accordance with the SBTi net-zero standard and we will provide guidance on carbon credit verification and certification arrangements, the type(s) of carbon credit used, and other information to enable users of financial reports to understand the credibility and integrity of those carbon credits.

16. https://www.dcceew.gov.au/climate-change/publications/australias-emissions-projections-2025
17. https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp

Progress towards our climate-related targets[18]

Target		Status[19] and progress
Reduce our absolute scope 1+2 emissions by at least 70% by 2030, from a FY19 baseline	Progress made*	Reduced our combined scope 1+2 emissions by 48% from an FY19 baseline.
Reduce our absolute scope 3 emissions by at least 50% by 2030, from a FY19 baseline	On track for delivery	Reduced our scope 3 emissions by 49% from an FY19 baseline.
Net-zero greenhouse gas (GHG) emissions by 2050[20]	On track for delivery	Reduced our combined scope 1, 2 and 3 emissions by 48% from a FY19 baseline.
Enable renewable energy generation equivalent to 100% of our consumption by 2025	Completed	**Achieved in December 2025** Enabled renewable energy generation equivalent to 121 per cent of our electricity consumption as at December 2025[21].

Legend On track for delivery · Progress made* · Not on track · Completed

Absolute emissions reduction

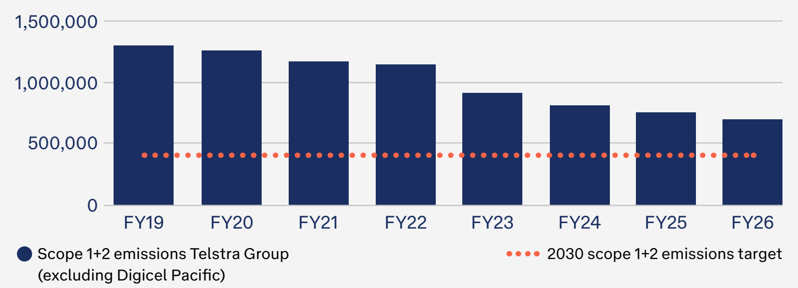
By the end of FY26, we reduced our scope 1+2 emissions by 48 per cent and our scope 3 emissions by 49 per cent, both from a FY19 baseline and excluding Digicel Pacific. Our scope 1+2 reductions to date have been driven by our own activities (27 percentage points), including decommissioning legacy equipment and modernising our infrastructure, and grid decarbonisation (15 percentage points). Our historical emissions and progress towards our 2030 and 2050 emissions targets are shown in the charts.

We track performance against our combined scope 1+2 emissions and scope 3 emissions separately and we receive limited assurance on our scope 1, 2 and 3 emissions reporting. Progress towards our emissions reduction targets is unlikely to be linear. To date, progress towards these targets has not involved the use of carbon credits or renewable energy certificates (RECs).

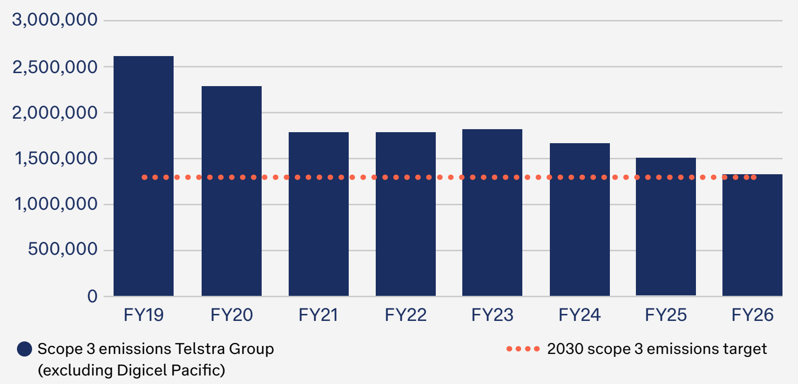
Achieving our scope 1+2 emissions reduction target is reliant on the timely decarbonisation of the electricity grid. Our modelling assumes Australia will meet the current national renewable energy target of 82 per cent by 2030. Should this target not be met, we would need to increase our emissions reduction activities or, if those activities do not cover the shortfall, we may consider the use of RECs to meet our 2030 scope 1+2 emission reduction targets.

Both our 2030 emissions reduction targets and long-term (2050) net-zero commitment require absolute emissions reduction and have been validated by the Science Based Targets Initiative (SBTi) as aligned with the level of decarbonisation needed to limit global temperature increase to 1.5°C compared to pre-industrial levels[22]. While our emissions reduction targets are not required by law or regulation, they do exceed the trajectory of Australia's Nationally Determined Contribution (NDC) to the Paris Agreement. Our emissions reduction targets are not derived using a sectoral decarbonisation approach. Our scope 3 target covers categories 1–9, 11, 12, 13 and 15. Categories 10 and 14 are not applicable.

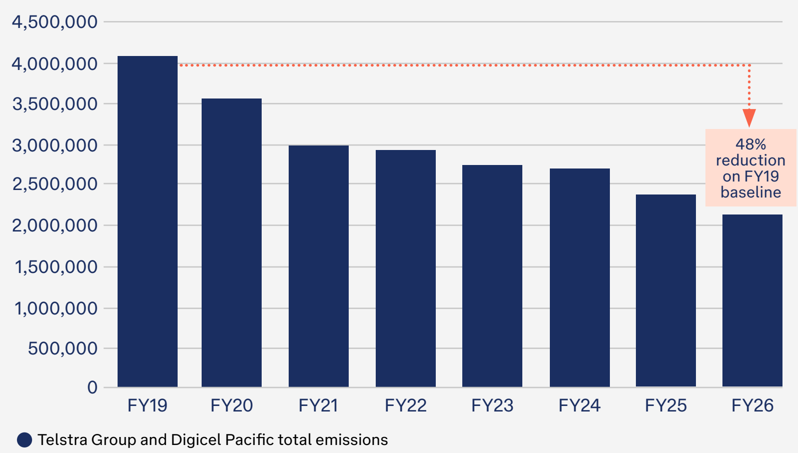
Progress towards 2030 scope 1 + 2 emissions target (tCO_2e)



Progress towards 2030 scope 3 emissions target (tCO_2e)



Progress towards 2050 net zero scope 1, 2 and 3 emissions target (tCO_2e)



18. Digicel Pacific is excluded from our 2030 emissions reduction targets but are included in our 2050 net-zero commitment.
19. This reflects status against the end-state target, not FY26 targets – for example, for emissions reduction this reflects status towards our 2030 targets.
20. To achieve net zero emissions under the SBTi framework we must achieve a minimum of a 95% absolute reduction in scope 1+2 emissions from our FY19 baseline and a minimum of a 90% reduction in scope 3 emissions from our FY19 baseline. Any residual emissions may be offset using appropriate carbon credits.
21. In December 2025 we achieved our target of enabling renewable energy generation equivalent to 100% of our consumption. The PPAs we have in place will continue to at least 2030 and their generation equivalent to our consumption will continue to be tracked as a metric in the Bigger Picture Data Pack.
22. Our absolute emissions reduction target has been derived using the SBTi's absolute contraction approach. A sectoral decarbonisation approach was not available for our industry at the time our target was set.

* Progress made: this status is used when there is medium confidence in achieving the target, recognising that the strategy is in its first year.

Greenhouse gas emissions profile

FY26 scope 1, 2 and 3 emissions data[23]

Segment	Telstra's gross emissions (tCO_2e[24])	FY26
Telstra Group Total (including Digicel Pacific)	Scope 1 total	52,177
	Scope 2 total	675,638
	Scope 3 total	1,400,816
	Total emissions	**2,128,631**

Telstra Group FY26 scope 3 emissions by category, including Digicel Pacific

Category	tCO_2e	Category	tCO_2e
Scope 3 total (aligned to GHG protocol)[25]	**1,400,816**	Cat 8: Upstream leased assets	46,108
Cat 1: Purchased goods and services	693,138	Cat 9: Downstream transportation and distribution	13,934
Cat 2: Capital goods	285,698	Cat 10: Processing of sold products[26]	0
Cat 3: Fuel- and energy-related emissions	75,548	Cat 11: Use of sold products	99,500
Cat 4: Upstream transportation and distribution	27,414	Cat 12: End-of-life treatment of sold products	983
Cat 5: Waste generated in operations	8,576	Cat 13: Downstream leased assets[27]	51,050
Cat 6: Business travel	7,325	Cat 14: Franchises[28]	0
Cat 7: Employee commuting	58,199	Cat 15: Investments	33,342

Enabling renewable energy generation

In 2020 we set a target to enable renewable energy generation equivalent to 100 per cent of our consumption by 2025. To meet this target, we supported the development of new Australian solar and wind farms through long-term renewable Power Purchase Agreements (PPAs), as well as reducing our energy consumption. These investments increased renewable energy in Australia's electricity grid for the benefit of all users. We have not claimed the use of renewable energy from the projects ourselves, nor has it directly contributed towards our scope 1+2 emissions reduction progress to date. These investments have also helped us manage our energy costs by mitigating volatile electricity prices.

By the end of December 2025 we met this target, enabling renewable energy generation equivalent to 121 per cent of our electricity consumption. This was a fixed, rather than enduring target. However, many of the PPAs we have in place will continue to at least 2030 and their generation equivalent to our consumption will continue to be tracked as a metric.

	FY21	FY25	H1 FY26	FY26
Operational renewable energy generation equivalent to consumption[29]	34%	76%	121%	138%

Climate linked remuneration

Remuneration for our senior executives and most of our employees[30] includes a variable component linked to performance against a scorecard which includes our absolute scope 1+2 and scope 3 emissions reduction targets. In FY26 and FY27, 5 per cent of the Telstra Group short term incentive (STI) scorecard is linked to performance against those emissions reduction targets. More information on the FY26 and FY27 Telstra Group STI Scorecard can be found in our Remuneration Report. In addition, some executives and employees with climate-related accountabilities have climate-related outcomes incorporated in their personal objectives and hence variable remuneration is directly tied to those outcomes.

23. The National Greenhouse Gas and Energy Reporting (NGER) determination is used for calculating Australian based scope 1+2 emissions with scope 2 calculated using a location-based methodology. The GHG Protocol is used for calculating Telstra's scope 3 emissions and international based scope 1 & 2 emissions with scope 2 emissions using a location-based methodology. Operational control is used as the emissions consolidation approach for both Australia and international scope 1 and 2 emission profiles. In FY26 we updated our approach to the calculation of scope 3 with the inclusion of emissions under category 13.
24. Tonnes of carbon dioxide equivalent gases.
25. We use the GHG Protocol to calculate Telstra's scope 3 emissions. Our scope 3 emissions measurement uses a combination of estimation techniques (for example spend, distance, and industry-based measures) and supplier-specific data.
26. Not applicable as Telstra does not sell products for the purposes of further processing.
27. In FY26, we reviewed our treatment of emissions from customer-managed equipment at Telstra Group sites and determined they should be included in our scope 3 emissions inventory under the GHG Protocol. We are now reporting these under Category 13 (downstream leased assets). Prior year data (FY19, FY24, FY25) has been restated. Our Category 13 emissions relate to customer-operated equipment located within Telstra Group owned sites where Telstra Group provides power and infrastructure. While these arrangements do not strictly meet the definition of downstream leased assets described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), they are reported under Category 13 as the closest available category to reflect the associated emissions and ensure transparency in reporting.
28. Telstra does not franchise stores.
29. Our progress towards our renewable energy enablement target is calculated by comparing the volume of renewable electricity generated under PPAs with the electricity consumption across Telstra's operations. The target is absolute in nature and is not validated by a third party.
30. Telstra Group Band 1–4 employees are eligible for a Short Term Incentive, other than those working in Amplitel, Belong and Telstra Health.

Governance of climate and nature matters

Our governance approach to climate and nature-related issues is structured to enable effective oversight and timely decision-making between the Board, the CEO and their leadership team (CEOLT), other relevant executives and functional teams. The roles and relationships between these groups are summarised in the diagram below.

Oversight

Board

- Provides insight into, and approves, organisational strategy
- Monitors performance metrics of CF30 strategy
- Approves public climate and sustainability targets
- Approves climate and sustainability disclosures
- Oversees the Group's approach to climate and nature-related risks and opportunities.

Risk and Sustainability Committee (RSC)

- Oversees the design, implementation and effectiveness of the Group's risk management framework
- Makes recommendations to the Board on public climate and sustainability targets
- Reviews and provides feedback on climate and nature-related risks, opportunities, plans and disclosures
- Monitors the effectiveness of the Group's governance, management systems and controls on climate-related matters
- Informs Board about matters discussed and resolved by the RSC
- Makes recommendations to the People and Remuneration Committee on ESG-related metrics and targets in executive incentive plans and assesses performance against those metrics and targets.

People and Remuneration Committee (PRC)

- Reviews and makes recommendations to the Board on remuneration arrangements for the CEO and Senior Management, including those related to performance against climate-related metrics and targets.

Management

CEO

- Responsible for the day-to-day management and execution of Telstra's strategy
- Receives periodic updates on environment matters
- Reviews and approves internal papers and external disclosures on climate-related matters.

CEO Leadership Team (CEOLT)

- Receive periodic updates on environment matters from the CARL GE
- Responsible for management decisions and oversight in relation to Telstra Group's sustainability strategy to effectively manage sustainability risk.

Corporate Affairs, Risk and Legal (CARL) Group Executive (GE)

- Accountable for company objectives relating to CARL, including sustainability
- Accountable Group Executive for material risks relating to CARL, including climate adaptation
- Member of CEOLT and key conduit to RSC.

Sustainability Executive

- Chairs Environment Executives Group
- Reports key progress and recommended actions on climate, nature and sustainability matters to the CEOLT and RSC
- Accountable for sustainability reporting, including risk management and due diligence processes.

Environment Executives Group (EEG)

- A group of cross-functional leaders from across the business
- Review climate and nature ambition and key priorities
- Oversee execution of management decisions on climate and nature-related matters within function areas
- Provide function-specific input on climate and nature-related matters.

Sustainability Centre of Expertise

- Accountable for the design and delivery of the sustainability strategy
- Provide cross function support, education and capacity building on climate and nature-related matters
- Monitor and prepare voluntary and mandatory sustainability disclosures
- Input into consultations with external bodies and agencies.

The RSC assists the Board in discharging its responsibility for environmental, social and governance matters which include climate and nature. The Committee's responsibilities are set out in its Charter. The Charter requires members of the RSC to have between them sufficient risk, compliance and ESG knowledge. The Board uses a skills matrix to assist it in maintaining an appropriate and diverse mix in its membership with skills and experience relevant to its areas of focus. The current skills matrix can be found in our Corporate Governance Statement. There is cross membership between the RSC and the Audit Committee (AC) to maintain strong linkage between climate, nature and financial concerns[31].

Environment risk updates (including climate and nature matters) are typically provided to the RSC biannually to provide the context relevant to oversee and monitor the execution of Connected Future 30. The written papers are prepared by appropriate SMEs and reviewed by relevant executives and approved by the CARL GE, CEO and CFO when relevant. These papers are the primary mechanism for providing the RSC with management's key judgements, recommendations and raising awareness of any trade-offs to support the RSC's decision making on climate-related matters. The papers are presented to the RSC by the CARL GE. In FY26 the RSC received climate-related information on mandatory reporting, climate adaptation, environmental risk, and progress towards relevant metrics and targets.

Our approach embeds climate and nature considerations and accountabilities at every level of the business and supports management of specific targets and topics. A range of strategy, framework, process, reporting and policy documents support the governance of climate and nature-related issues. For Telstra Group these include our Board and RSC Charters, risk management framework, Environment Policy[32] and Human Rights Policy[33].

Further, we include explicit commitments and expectations for climate and nature risk in our Environment Policy, Telstra Code of Conduct and Supplier Code of Conduct. These documents provide guidance for our people and our suppliers in considering nature and climate risk.

Identification and prioritisation of climate-related risks

New and emerging risks, including those related to climate, are identified through horizon scanning, review of historic incidents and impacts, operational management actions, anecdotal evidence, desktop assessments and advice from both internal and external subject matter experts.

In addition, we have embedded climate and nature considerations into several key business processes to help with the early identification of potential climate and nature-related concerns. These include:

- Our M&A screening process
- An in-house eco-design tool and assessment model in our product development cycle
- The screening approach for new suppliers.

Potential risks are assessed against our risk management framework which considers consequence and likelihood. Consequences, or risk impacts, are measured across seven categories, including financial, customer, environmental (including climate and nature), health and safety, and compliance. Each consequence category is rated from 1–5 with qualitative and quantitative thresholds for each level. Similarly, the likelihood of the risk occurring is rated from A (Rare) to E (Almost certain). The combination of the consequence and likelihood scores provides the inherent risk rating. We then identify and test risk controls and review relevant leading and lagging indicators to determine the residual risk rating.

Appetite for risks which have the potential to have a material impact on our business is set by the Board and informed by the recommendations of the RSC. The gap, if any, between the residual risk rating and risk appetite informs our management and control activities to mitigate the severity of consequence, reduce the likelihood of the risk occurring and/or accept the risk rating. The intent is to use controls to attain a residual risk rating in alignment with risk appetite.

Regular reviews and updates to CEOLT, RSC and Board are provided by respective risk owners. Control owners meet more frequently with relevant working groups and risk managers.

There have been no adjustments to the above risk management approach during this reporting period.

Prioritisation of climate-related opportunities

In FY26 we have developed a likelihood and consequence rating scale for climate-related opportunities which uses the same impact categories as our risk management framework. This will be used going forward to rate our climate-related opportunities. Updates to the climate-related opportunities will be communicated to the RSC as needed in line with the approach described in the previous section (Governance of climate and nature matters).

Climate scenario analysis to support risk identification

Climate is often a component or factor of other risks – while it is core to our FY26 Material Risks of Climate adaptation and Energy resilience, it is also a consideration in other Critical Risks or Material Risks such as Safety and wellbeing of our employees and contractors, Resilience of our networks and Effective, responsible and resilient supply chain.

Scenario analysis provides an indication of the magnitude and direction of change in our exposure to climate hazards. We have modelled the exposure of our Australian above ground and core fibre pathways to both acute and chronic physical climate hazards under different global heating scenarios (<2°C, 2–3°C and >4°C). This analysis has a time horizon to 2050 and offers an interim 2030 view. For climate transition concerns we take a medium-term view, which aligns with our Connected Future 30 strategy, to evaluate trends in customer needs, regulatory reform and market shifts which would be anticipated as part of a transition to a low carbon economy which limits global heating to 1.5°C by 2100.

31. More information on the membership, role and accountabilities of the two committees can be found in the Corporate Governance Statement and Board Committee Charters at https://www.telstra.com.au/aboutus/investors/governance-at-telstra
32. https://www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf-e/Environment-Policy.pdf
33. https://www.telstra.com.au/content/dam/tcom/about-us/investors/pdf-g/telstra-human-right-policy.pdf

Climate scenario analysis methodology

Our first climate scenario analysis occurred in 2020. Periodically we re-run the analysis and update our approach to reflect changes in availability of both business and climate data, and developments in best practice methodologies and approaches. Our most recent update to our transition risk assessment was in FY24, and FY26 for our physical risk assessment. This section describes key definitions, assumptions, data sources, scopes, outcomes and limitations of our analysis.

The scenarios we use to identify climate-related risks and stress-test our resilience

	2100 global heating outcome	RCP[34]	Time horizons	Key notes, assumptions and sources
Physical risks	<2°C	2.6	2030 and 2050	Temperature projections use climate model data from the Coupled Model Intercomparison Project Phase 5 (CMIP5) downscaled for Australian application by CSIRO. Temperature projections are broadly considered to be high confidence. Bushfire projections use peer-reviewed studies from CSIRO, vegetation and topography data from Government agencies, and the CMIP5 temperature projections described above. Due to limitations in forward looking vegetation data, fuel load is considered static across all models and time horizons. Tropical cyclone regions are assumed to remain constant over time. These are identified based on Wind Actions Standard AS/NZS 1170.2:2022. Coastal inundation and erosion exposures are estimated based on elevation and distance from the coast using topography data from Geoscience Australia. Riverine flooding is based on historic maximum flood extents in Queensland, NSW and Victoria provided under licence by FloodMapp Pty Ltd.
	2–3°C	4.5		
	>4°C	8.5		
Transition risks	1.5°C	1.9	2030	**Policy and legal:** • Australian renewable electricity target of 82% by 2030 • Australian emissions reduction target of 75% reduction by 2035 • Expansion of the Safeguard Mechanism to capture Telstra • Increasing international Cross Border Adjustment Mechanisms (CBAMs) come into effect • ASRS expanding to include the Taskforce for Nature-related Financial Disclosures. **Markets:** • Australian energy markets facing increasing price and operational volatility as they decarbonise in alignment with AEMO's 'Step Change' scenario • Complex co-ordination of policy, generation and transmission stakeholders required to meet decarbonisation targets. **Technology:** • Increasing reliance on digital infrastructure across the economy • Growth in data, AI and cloud computing requirements • Direct to handset satellite technology matures • Development of 6G towards 2030. Key sources include: • Australian Energy Market Operator (AEMO) Integrated System Plan 2024 'Step Change'[35] • Network for Greening the Financial System (NGFS) Net Zero 2050 Scenario[36] • International Energy Agency Net Zero Emissions by 2050[37] • Climateworks Centre decarbonisation scenarios 2023[38].

34. A Representative Concentration Pathway (RCP) projects a future greenhouse gas concentration and its effects on average global temperatures.
35. https://aemo.com.au/-/media/files/major-publications/isp/2024/2024-integrated-system-plan-isp.pdf?la=en
36. https://www.ngfs.net/ngfs-scenarios-portal/explore
37. iea.org/reports/net-zero-by-2050
38. climateworkscentre.org/resource/climateworks-centre-decarbonisation-scenarios-2023-australia-can-still-meet-the-paris-agreement/

Elements of our business evaluated under these scenarios

Australian operations	Detailed physical climate hazard assessment including financial quantification covering all above ground network assets and major fibre pathways under RCP 2.6, 4.5 and 8.5, with a view of changing exposure in 2030 and 2050. Transition risk assessment covers Australian business operations and reflects both local and global macroeconomic and policy trends. Outputs include detailed qualitative information with some financial quantification.
Digicel Pacific	Desktop assessment of current and future exposure to physical climate hazards between now and 2050 under a RCP 8.5 scenario.
Telstra International	High-level desktop assessment of 80% of locations where we have operational control. Assessment captured change in exposure to heat stress, water scarcity, flooding and cyclones under a RCP 8.5 scenario.
Global supply chain	High-level desktop assessment of our key suppliers (Tier 1 suppliers) and their immediate suppliers (Tier 2 suppliers) exploring exposure to heat stress, water scarcity, flooding and cyclones under a RCP 8.5 scenario.

Suitability of our scenarios

The services we provide are reliant upon long-life physical infrastructure. The scale of our network both in terms of geographic coverage and volume of assets drives our exposure to physical climate hazards. It is therefore important that we have line of sight to the long-term expected impacts of a changing climate and consider a wide range of climate outcomes. Our <2°C and 2–3°C scenarios offer a view to the likely climate outcomes we can expect by 2100, while our >4°C scenario, although unlikely, provides a 'worst case' scenario for us to assess our resilience against. Although our scenarios are based on CMIP5 data, there is no material difference in terms of the magnitude and direction of change of the outcomes between CMIP5 and CMIP6.

For our international operations, including Digicel Pacific, and our global supply chain we currently review our climate exposure under the >4°C scenario to give an extreme view of potential impacts. These elements of our business are much smaller than our Australian operations. By stress testing to the >4°C scenario we can determine the likelihood of these exposures becoming material in future.

Our transition scenario tests the implications of a rapid transition to a low emissions pathway and considers national and global policy settings, changes in markets, stakeholder expectations and technology. This scenario draws on literature and sources which are aligned with 1.5°C warming by 2100. While we recognise the growing scientific consensus that this temperature outcome is unlikely, the transition risks and opportunities we test are still relevant and could arise in circumstances where the global warming outcome is higher than 1.5°C. Our transition risk assessment focuses on the short to medium term to align with Connected Future 30.

Directors' declaration

This Directors' Declaration is required by the *Corporations Act 2001* of Australia.

The Directors of Telstra Group Limited have made a resolution that declared that in the Directors' opinion, Telstra Group Limited has taken reasonable steps to ensure the substantive provisions of this sustainability report are in accordance with the *Corporations Act 2001*, including:

(a) section 296C (compliance with sustainability standards etc.); and

(b) section 296D (climate statement disclosures).

For and on behalf of the board,

Craig W Dunn
Chair

Vicki Brady
Chief Executive Officer
and Managing Director

13 August 2026

Deloitte.

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Independent Auditor's Review Report to the Members of Telstra Group Limited

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Telstra Group Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* ("ASSA 5010") issued by the Auditing and Assurance Standards Board ("AUASB"):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures* ("AASB S2") (including related general disclosures required by Appendix D)	Location in the Sustainability Report
Governance	Paragraph 6	"Governance of climate and nature matters" section on page 204 to 205
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	"Climate-related risks and opportunities" section on page 190 to 195
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	"Greenhouse gas emission profile" section on page 203

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the "Act").

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001.*

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* ("ASSA 5000") issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the '*Summary of the Work Performed*' section of our report below.

Our responsibilities under ASSA 5000 are further described in the '*Auditor's Responsibilities*' section of this report.

We are independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024 (the “Code”), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Group are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and our auditor’s report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the financial report and Remuneration Report upon which we have performed an audit and issued a separate auditor’s report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the Specified Sustainability Disclosures

The Directors of the Group are responsible for:

a. The preparation of the specified Sustainability Disclosures in accordance with the Act; and

b. Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in Preparing the Specified Sustainability Disclosures

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

The specified Sustainability Disclosures include judgements and assumptions about future events and circumstances. Actual outcomes may differ from those described and, accordingly, the disclosures are subject to a higher level of inherent uncertainty.

Auditor’s Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity’s internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Performed inquiries, walkthroughs, and inspection of documentation to understand the processes, systems, methodologies and personnel involved in preparing the specified Sustainability Disclosures.
- Inspected internal information (e.g. Board papers, committee meeting minutes, and internal policies) supporting the Governance disclosures.
- Assessed the appropriateness of management’s determined reporting boundary.
- Assessed the completeness and accuracy of disclosed climate-related risks and opportunities based on management’s process and judgements to identify material information for disclosure.
- Tested on a sample basis Scope 1 and 2 emissions data and emission factors and assessed management’s estimation methods against the relevant requirements of AASB S2, the GHG Protocol and NGER Scheme legislation.
- Reconciled the specified Sustainability disclosures in the Sustainability Report to the underlying outcome of procedures performed.
- Evaluated the disclosure and overall presentation of the specified Sustainability Disclosures against the relevant requirements of AASB S2.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Matthew Sheerin
Partner
Chartered Accountants
Melbourne, 13 August 2026

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Shareholder information

Listing information

Stock Exchange Listing

Telstra Group Limited is listed, and its issued shares are quoted on the Australian Securities Exchange (ASX).

Markets on which our debt securities are listed

Telstra Group Limited also has debt securities listed on the ASX, the Singapore Exchange and the Six Swiss Exchange.

Voting rights

Shareholders (whether residents or non-residents of Australia) may vote at a meeting of shareholders in person, directly or by proxy, attorney or representative, depending on whether the shareholder is an individual or a company.

Subject to any rights or restrictions attaching to our shares, on a show of hands each shareholder present in person or by proxy, attorney or representative has one vote and, on a poll, has one vote for each fully paid share held. Presently, we have only one class of fully paid ordinary shares and these do not have any voting restrictions. If shares are not fully paid, on a poll the number of votes attaching to the shares is pro-rated accordingly.

Distribution of securities and security holdings

The following table shows the number of listed shares on issue at 20 July 2026:

Title of class	Identity of person or group	Amount owned	%
Listed shares	Listed shareholders	11,139,136,247	100

Distribution of shares

The following table summarises the distribution of our listed shares as at 20 July 2026:

Size of holding	Number of shareholders	%	Number of shares	%
1–1,000	520,310	49.90	276,202,726	2.48
1,001–5,000	359,529	34.48	844,791,032	7.58
5,001–10,000	85,572	8.20	611,148,744	5.49
10,001–100,000	74,826	7.18	1,785,123,895	16.03
100,001 and over	2,506	0.24	7,621,869,850	68.42
Total	**1,042,743**	**100.00**	**11,139,136,247**	**100.00**

The number of shareholders holding less than a marketable parcel of shares was 23,114 holdings totalling 602,198 shares (based on the closing market price on 20 July 2026).

Substantial shareholding

As at 20 July 2026, the following organisations have disclosed a substantial shareholding notice on the ASX:

Name	Number of shares
AUSTRALIANSUPER PTY LTD[1]	565,651,735
STATE STREET CORPORATION AND SUBSIDIARIES[2]	831,989,028

1. Substantial shareholding as at 8 January 2026, as per notice lodged on 12 January 2026.
2. Substantial shareholding as at 16 April 2026, as per notice lodged on 20 April 2026.

Twenty largest shareholders as at 20 July 2026

The following table sets out the Top 20 holders of our shares:

	Shareholder name	Amount owned	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,898,967,572	17.05
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,563,290,315	14.03
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,046,843,927	9.40
4	CITICORP NOMINEES PTY LIMITED	1,018,144,815	9.14
5	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	498,400,897	4.47
6	BNP PARIBAS NOMS PTY LTD	313,299,073	2.81
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	79,926,893	0.72
8	BNP PARIBAS NOMINEES PTY LTD <DEUTSCHE BANK TCA>	76,592,015	0.69
9	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	74,933,163	0.67
10	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	56,791,667	0.51
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	46,087,469	0.41
12	ARGO INVESTMENTS LIMITED	37,500,000	0.34
13	BNP PARIBAS NOMS (NZ) LTD	29,338,913	0.26
14	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	24,777,688	0.22
15	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	17,885,251	0.16
16	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	17,690,221	0.16
17	BKI INVESTMENT COMPANY LIMITED	15,771,000	0.14
18	UBS NOMINEES PTY LTD	15,237,951	0.14
19	IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	14,642,015	0.13
20	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	13,106,939	0.12
	Total for Top 20	**6,859,227,784**	**61.58**
	Total other Investors	**4,279,908,463**	**38.42**
	Grand Total	**11,139,136,247**	**100.00**

On-market share buy-back

On 14 August 2025, we announced an on-market share buy-back of up to $1 billion, to be conducted during the financial year 2026. On 19 February 2026, the Directors resolved to increase the amount of the on-market share buy-back from up to $1 billion to up to $1.25 billion. The on-market share buy-back commenced on 9 September 2025 and was completed on 4 June 2026. During this period, we bought back 245,892,740 ordinary shares for the total consideration of $1.25 billion at an average price per share of $5.08. The shares bought back were subsequently cancelled.

On 13 August 2026, we announced an additional on-market share buy-back of up to $1 billion to be conducted during the financial year 2027.

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Guidance versus reported results

This schedule details adjustments made to the reported results for the current and comparative periods to reflect the performance of the business on the basis on which we provided guidance to the market, which excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. For acquisitions, Underlying EBITDAaL includes earnout adjustments in the second and subsequent years following acquisition in accordance with our policy.

The following adjustments provide a detailed reconciliation from reported to guidance results for the below guidance measures:

	FY25 $m	FY26 $m
Reported EBITDAaL	**8,007**	**8,245**
M&A Adjustments[1]	(36)	(25)
Impairments[2]	50	121
Guidance Underlying EBITDAaL	**8,021**	**8,341**
Spectrum Amortisation	(321)	(317)
BAU Capex	(3,388)	(3,365)
Guidance Cash EBIT	**4,312**	**4,659**

The adjustments set out in the above tables have been reviewed by our auditor in accordance with the Australian Standard on Review Engagements ASRE 2405 Review of Historical Financial Information Other than a Financial Report, for consistency with the guidance basis set out on this page. Our auditors have concluded that based on their review, which is not an audit, nothing has come to their attention that causes them to believe that the adjustments made to reported EBITDAaL and Cash EBIT set out in the Market Guidance Statement for the year ended 30 June 2026 are not prepared, in all material respects, in accordance with the guidance basis as set out on this page.

Notes:

1. M&A adjustments relating to acquisitions and disposals of controlled entities, joint ventures, associates and other investments and any associated net gains or losses, and contingent consideration:
   – FY25 included income adjustments of $47m, including non-cash gain from Tianjin data centre lease ($43m), and cost adjustments of $11m.
   – FY26 included income adjustment for net gain on the disposal of our International Voice business ($25m).
2. FY25 impairments included the impairment of London Hosting Centre assets ($50m).
   FY26 impairments included the impairment of London Hosting Centre assets ($25m), Fetch TV goodwill ($32m) and impairment of international assets due to changes in landing rights approvals and the discontinuation of associated projects ($64m).

The above table is consistent with the FY26 Guidance we provided to the market on 19 February 2026.

AASB S2 Climate Disclosures content index

A Glossary is available at telstra.com/annualreport

2027 financial calendar

Please note, the timing of events may be subject to change. Any change will be notified to the Australian Securities Exchange (ASX).

Half Year Results announcement	Thursday 18 February 2027
Ex-dividend share trading commences	Wednesday 24 February 2027
Record date for interim dividend	Thursday 25 February 2027
DRP election date	Friday 26 February 2027
Interim dividend paid	Thursday 25 March 2027
Director nominations open	Friday 4 June 2027
Director nominations close (by 5pm AEST)	Friday 6 August 2027
Annual Results announcement	Thursday 12 August 2027
Ex-dividend share trading commences	Wednesday 25 August 2027
Record date for final dividend	Thursday 26 August 2027
DRP election date	Friday 27 August 2027
Final dividend paid	Thursday 23 September 2027
Annual General Meeting	Tuesday 12 October 2027

Contact details

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Customer enquiries: 13 2200

Shareholder Enquiries

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Telstra Group Limited

ABN 56 650 620 303
Incorporated in Victoria. Telstra Group Limited's shares are listed on the Australian Securities Exchange.

Websites

Telstra Investor Centre: telstra.com/investor
Telstra Sustainability: telstra.com/sustainability/report
Telstra Corporate Governance: telstra.com/governance
Telstra Customer Enquiries: telstra.com.au/support
Contact Telstra: telstra.com.au/aboutus/contactus

Keeping informed

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- visit telstra.com.au/exchange
- subscribe to our sustainability newsletter by emailing us at sustainability@team.telstra.com