Optus Tax Transparency Report

Singapore Telecom Australia Investments Pty Limited group ("Optus")

Year ended 31 March 2025

Optus Tax Consolidated Group

Our Approach to Tax

Tax Governance and Tax Risk Management

Optus is committed to paying tax in compliance with applicable tax laws. As part of the Singtel Group, we endorse and follow strict accountability and transparency in our taxation matters and have in place a Tax Risk Management Framework which is aligned to our Group's risk management philosophy and approach. This framework formalises our risk appetite and governance structure for managing tax risk. It sets a coordinated approach in the identification, management and mitigation of potential tax risks while promoting responsible tax management. For our approach to Tax Risk Management please refer ***here***

Tax Transparency

As a leading Australian technology and telecommunications company, we recognise that our contributions help communities by financing the government activities that support a range of important social initiatives. We acknowledge the need for sensible and useful disclosure of tax information and that tax transparency improves the community's confidence in the corporate sector. As a signatory to the Board of Taxation's voluntary tax transparency code, we continue to publish Tax Transparency Reports and have done so since FY2018.

International related party dealings

The Singtel Group has operations across a large number of jurisdictions, including Singapore, Australia, India, Thailand and the Philippines. For the year ended 31 March 2025, all international transactions entered into by Optus with entities that are part of the Singtel Group were at normal commercial terms and conditions and at market rates. Optus' key international related party dealings for this period were in relation to finance, global data and network connectivity services for wholesale and retail internet, and voice and data telecommunications connections and services.

Dealings with Tax Authorities and Disputes

Optus' engagement approach with the Australian Taxation Office (ATO) is to maintain a collaborative and constructive engagement using the ATO's Action Differentiation Framework and Justified Trust Approach, an ATO initiative based on a global movement to build and maintain community confidence that taxpayers are paying the right amount of tax.

In addition to meeting our corporate tax compliance obligations, Optus pays, collects and remits various taxes (such as payroll tax, withholding tax, stamp duty, fringe benefits tax and GST) to, and on behalf of, the Federal and State governments. We also pay Government annual fees and costs, including annual license fees, universal service obligations and spectrum license fees.

Commercial transactions and application of tax laws can be complex sometimes requiring adjudication to ensure fairness and certainty.

In March 2024, the Full Federal Court of Australia dismissed the appeal of our Australian head company (Singapore Telecom Australia Investments Pty Limited or 'STAI'), in respect of STAI's action against the Commissioner of Taxation. The case related to the acquisition financing of Singtel Optus Pty Limited in 2001. In October 2024, the High Court of Australia declined to grant STAI's application for special leave to appeal further. STAI has now exhausted all avenues of appeal, and the matter is now concluded. The tax, penalties and interest in respect of this dispute were fully provided in the statutory accounts in years prior to 2025.

Optus Tax Consolidated Group

Reconciliation of accounting profit to income tax expense and income tax payable

Reconciliation of accounting profit to tax expense	2025 A$m	2024 A$m
Profit / (Loss) Before Income Tax Expense	**(544)**	**(2,107)**
Prima facie income tax (credit)/expense at 30%	(163)	(632)
Add/(Subtract) non-temporary differences (Note 1):		
Research and development claims (a)	-	(2)
Other (b)	57	8
Impairment of goodwill (c)	-	339
Prior Year Adjustment (d)	(24)	
Income tax expense /(credit) (Note 2)	**(130)**	**(287)**

Reconciliation of income tax payable	2025 A$m	2024 A$m
Income tax (credit)/expense as disclosed in financial statements	**(130)**	**(287)**
Non-temporary differences included in tax (credit)/expense which are not included in calculating our FY2025 income tax payable:		
Prior Year Adjustment (d)	24	-
Research and development claims - deferred tax offset	-	2
Non-temporary differences identified for income tax return (e)	(1)	(1)
Temporary differences identified for income tax return (Note 3)	65	191
Tax loss /(Tax Loss Utilised) – tax effected (Note 4)	42	95
Income taxes payable/paid per income tax return (Note 5)	**0**	**0**

Key Notes

Note 1:
There are differences between the accounting standards and the tax law which result in a difference between how accounting profit and taxable income are determined. Accountants classify these differences as temporary (or timing) and non-temporary (or permanent) differences. Non-temporary differences generally reflect policy outcomes such as when the tax law does not assess amounts to tax, applies a different rate of tax or does not allow a tax deduction.

a) Australian tax law provides a government incentive of an 8.5% additional net tax benefit for qualifying R&D activities undertaken by certain corporates.
b) This includes various expenses/revenues recognised for accounting purposes which are not deductible/assessable for tax purposes, such as regulatory related penalties and expenses, goodwill amortisation, and entertainment.
c) A review of goodwill was undertaken during the FY2024 year resulting in the Group recognising a non-cash impairment charge of $1,130 million for the goodwill of Singtel Optus. This charge was not deductible for tax purposes. Further details can be found in the 2024 tax transparency report
d) This relates to the adjustment of estimates that were made in the preparation of the prior year Statutory Accounts and subsequently finalised on lodgement of the income tax returns together with under/over provisions for the prior years.
e) This relates to the adjustment of estimate of non-temporary differences that were made in the preparation of the current year Statutory Accounts and subsequently finalised on lodgement of the 2025 income tax return.

Note 2:
Income tax expense/(credit) for accounting and reporting purposes is calculated by multiplying accounting profit/(loss) (adjusted for non-temporary differences), by the corporate tax rate of 30%.

Note 3:
Further to comments under Note 1, temporary (or timing) differences arise when revenue and expense items are recognised for accounting in a reporting period that differs to the period reported for tax. Adjustments include movement in unearned revenue, accruals or provisions, amortisation, depreciation and fixed access network asset impairments.

Note 4:
Tax losses (tax effected) reflecting the amount as disclosed in Optus' income tax return. This may differ to the Tax Loss disclosed in Optus' audited financial statements, as the income tax return is finalised later than the statements.

Note 5:
Income taxes payable is calculated by multiplying accounting profit (adjusted for both temporary and non-temporary differences) by the corporate tax rate of 30**%.**

Corporate Tax Transparency: ATO Report of Entity Tax

In October 2025 the Commissioner of Taxation published its Report of Entity Tax information, which discloses the ATO's current record of Optus' tax consolidated group's total income, taxable income and tax payable for the year ended 31 March 2024 – this information is included below. The data disclosed below for FY2025 includes information sourced from Optus' consolidated tax return which was lodged in October 2025. The ATO is expected to release the FY2025 data in October 2026.

	FY2025	FY2024
Total income / revenue	8,318,716,290	8,203,717,551
Profit/(Loss) before income tax expense	$(542,435,766)*	$(2,106,317,556)
Taxable income	$0	$0
Income tax payable	$0	$0

** Difference between this amount and Statutory Accounts reported in millions, is attributable to rounding.*

Total Income/Revenue

Total income (or revenue) reported in the income tax return represents gross revenue for accounting purposes before taking into account any expenses incurred in deriving that amount, e.g. wages, finance costs, costs of goods sold, etc. Total revenue is not a real indicator in determining how much tax a company should pay.

In 2025, Optus had a loss before tax, primarily due to regulatory and remediation expenses recognised, higher interest expense and declines in the Satellite and Enterprise fixed market.

Effective Tax Rate

In 2025, Optus reported an operating loss which, after temporary and non-temporary differences, has resulted in nil tax payable.

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