2025

HALF YEAR REPORT

For the six months ended 31 December 2024

ABOUT THIS REPORT

NBN Co

NBN Co Limited (NBN Co or the Company) is wholly-owned by the Commonwealth of Australia as a Government Business Enterprise (GBE), incorporated under the *Corporations Act 2001* (Cth) and operating in accordance with the *Public Governance, performance and Accountability Act 2013* (Cth) (PGPA Act).

Half-Year Financial Report

This Half-Year Financial Report is for the six months ended 31 December 2024.

The Half-Year Financial Report was authorised for issue by the Directors on 6 February 2025. The Directors have the power to amend and reissue the Half-Year Financial Report.

Forward-looking statements

This Half Year Report includes information about NBN Co's performance for the period 1 July 2024 to 31 December 2024. Any forward-looking statements are based on NBN Co's current expectations, best estimates and assumptions as at the date of preparation, many of which are beyond NBN Co's control. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, which may cause actual results to differ materially from those expressed in the Half Year Report. Such forward-looking statements should not be relied on or considered to be a representation of what will happen by any third party. NBN Co does not give any guarantee or assurance that the results, performance or achievements expressed or implied by such forward-looking statements will actually occur.

Legal notice

Copyright subsists in this Half Year Report. NBN Co owns that copyright. Other than as permitted under the *Copyright Act 1968* (Cth), the Half Year Report (in part or as a whole) cannot be reproduced, published, communicated or adapted without the prior written consent of NBN Co.

Any request or inquiry to so use the Half Year Report should be addressed to:

The Chief Financial Officer, NBN Co Limited, Level 13, 100 Mount Street, North Sydney, NSW 2060, Australia.

Glossary

Defined terms within this Half-Year Report should be read in conjunction with the Glossary on the NBN Co website: https://www.nbnco.com.au/utility/glossary-of-terms.

© 2025 NBN Co Limited. 'nbn', 'Sky Muster', 'business nbn' and nbn logos are trade marks of nbn co ltd.
ABN 86 136 533 741

RECONCILIATION ACTION PLAN
INNOVATE

In the spirit of reconciliation NBN Co acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all First Nations peoples today.

CONTENTS

About NBN Co ›

4 About NBN Co

Directors' Report ›

6 Directors' Report
8 How we create value
10 Our Company strategy
12 Our impact
14 Operational and financial review
43 Risk management
44 Board of Directors
46 Other information

Auditor's Independence Declaration ›

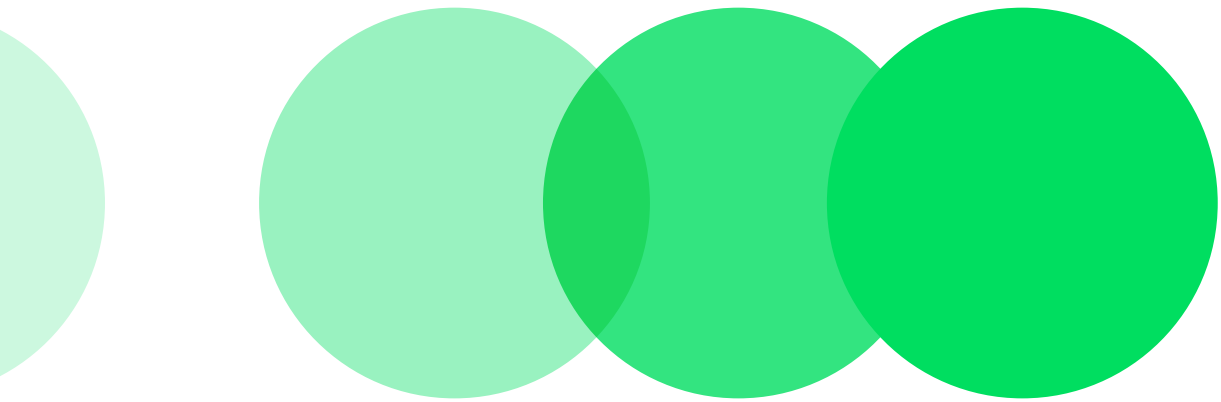
47 Auditor's Independence Declaration

Half-Year Financial Report ›

48 Half-Year Financial Report

Independent Auditor's Review Report ›

70 Independent Auditor's Review Report



ABOUT NBN CO

The Company's purpose is to lift the digital capability of Australia.

NBN Co Limited (the Company or NBN Co) was established in 2009 as a Government Business Enterprise (GBE) and is a wholly-owned Commonwealth company. The principal responsibility of NBN Co is to operate and continue to expand and upgrade the nbn® network in accordance with the expectations of the Government.

NBN Co works to fulfil the objectives set out by its Shareholder Ministers being, the Minister for Communications and Minister for Finance, in accordance with the Government's Statement of Expectations (SoE).

PURPOSE AND OBJECTIVES

The Company's purpose is to lift the digital capability of Australia. NBN Co aims to achieve its purpose by providing fast, reliable and affordable connectivity via wholesale broadband services which meet the current and future needs of Australian households, communities and businesses. Providing equitable access to affordable and reliable wholesale broadband services is essential in enabling end users to access key health services, maximising employment and educational opportunities, supporting economic growth and promoting digital inclusion.

As a Commonwealth company, NBN Co operates on a commercial basis and drives a culture of efficiency and innovation whilst ensuring the highest standards of transparency, governance, and accountability are maintained.

WHOLESALE-ONLY NETWORK AND WORKING WITH RETAIL SERVICE PROVIDERS

NBN Co operates a wholesale-only access network that is available to all access seekers and promotes competition in retail broadband markets. Lifting the digital capability of the nation requires collaboration with Retail Service Providers (RSPs). The Company seeks to offer products and pricing that promote the take up and utilisation of the nbn® network, meeting the needs of RSPs and other stakeholders. The Company looks to support the smooth connection of end users to the network and works with RSPs to improve processes that manage and reduce faults and outages in order to minimise disruption for consumers.

UPGRADING THE NETWORK

The Company continues to upgrade and improve the nbn® network with the aim of enhancing service quality and consumer experience, improving network reliability and meeting both current and future consumer demand. This includes the delivery of the large scale upgrade programs to increase fibre access and Fixed Wireless capacity.

In order to create a future-ready network, promote innovation, improve services and generate efficiencies in service delivery, NBN Co will continue to undertake proactive network planning to utilise emerging and future technologies.

NETWORK SECURITY AND RESILIENCE

Network security and resilience are an integral part of NBN Co's decision making, and the Company continues to demonstrate best practice in managing these issues. In addition, NBN Co continues to develop and maintain its disaster and crisis management plans in collaboration with governments and RSPs to restore services to disaster affected communities as soon as possible.

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks that climate change poses to its operations, network continuity and service obligations. The Company strives to operate a climate-resilient and resource-efficient network, that supports Australia's current and future social wellbeing and economic prosperity and aims to achieve Net-Zero emissions by 2050, or sooner.

PROMOTING EQUITABLE ACCESS

A continued focus for the Company is improving digital inclusion, particularly for low-income households, other vulnerable groups and First Nations communities who face barriers to accessing high-speed broadband. As part of its Reconciliation Action Plan, NBN Co works collaboratively with First Nations communities and organisations to improve network access and deliver services such as community Wi-Fi.

NBN Co will continue to enhance its services and assist in addressing access and connectivity challenges in regional and remote areas by proactively engaging with governments and stakeholders to deliver improved services and digital inclusion.

This is being achieved through initiatives such as the Fixed Wireless Upgrade Program and enhanced offerings on Sky Muster® Satellite services.

OPERATING COMMERCIALLY

NBN Co will continue to operate on a commercial basis and must be commercially sustainable to support the efficient ongoing investment in the network and to service and repay its debt obligations. Both NBN Co and the Commonwealth Government recognise that there may need to be trade-offs between NBN Co's commercial objectives and the Company's obligations and policy expectations. NBN Co may not be able to generate a commercial return in delivering all policy objectives under the SoE, particularly in regional and remote Australia. NBN Co will continue to take a flexible approach to supporting Government initiatives, including utilising contributions from the Regional Broadband Scheme (RBS) and, where necessary, returns in other parts of its business.

DIRECTORS' REPORT

The Directors of the Company present their report of NBN Co Limited (NBN Co or the Company) together with the Financial Report for the six months ended 31 December 2024 and the Independent Auditor's Review Report therein.

HOW WE CREATE VALUE

INPUTS

Network
A reliable and resilient wholesale broadband network available to people across Australia.

Products
Products to meet current and future broadband connectivity needs of the nation.

Customers & Partnerships
Relationships with RSPs, customers, local communities, suppliers, government, regulators and industry groups.

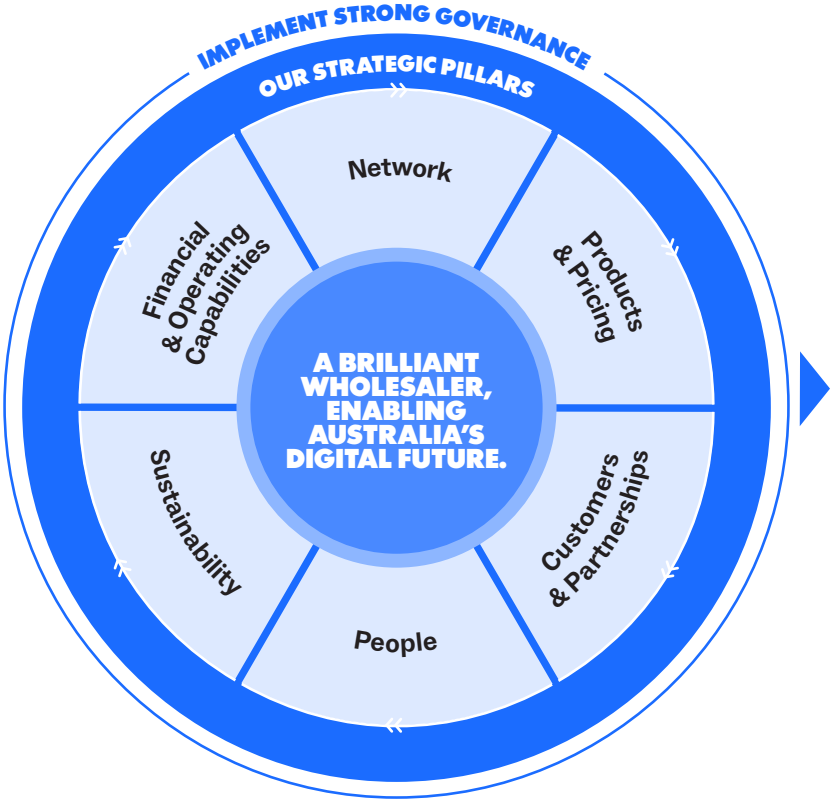
People
Highly capable teams who contribute their knowledge and experience to deliver NBN Co's purpose and strategy.

Natural Resources
Efficient use of natural resources to build and operate the network.

Financial Resources
Capital from our shareholders, lenders and operating activities.

OUR BUSINESS MODEL

OUR PURPOSE
To lift the digital capability of Australia



OUR VALUES

- We are one team
- We deliver
- We care
- We are fearless

ENABLED VALUE FOR OUR NATION AND CUSTOMERS

OUTPUTS

Upgrade and expand the network
- Number of premises Ready to Connect (RTC) to the nbn® network
- Availability of nbn® Home Ultrafast speed tier plans
- Regional network capability.

Support greater use of the network
- Homes and businesses connected to the nbn® network
- Percentage of customers on higher speed tier products
- Delivery of fibre connect upgrades.

Enhance RSP and customer experience
- Overall customer satisfaction levels
- Percentage of faults resolved within the agreed timeframes
- Frequency of service assurance faults.

A safe, inclusive and engaged workforce
- Workforce engagement
- Percentage of females in management positions
- Number of work-related health and safety injuries.

Protected environment
- Scope 1, scope 2 and scope 3 emissions
- Percentage of renewable energy purchases
- Percentage of waste recycled.

Deliver commercial value
- Achieve sustainable long-term financial growth
- EBITDA performance via operational efficiencies
- Responsible capital management of financial risks.

OUTCOMES AND IMPACT

ECONOMIC

- Improved financial performance enabling NBN Co's long-term financial stability, ability to invest in the network and driving greater shareholder value
- Higher numbers of active premises and utilisation of higher speed products increasing productivity and economic growth for the nation
- Wholesale broadband business services support innovation and efficiency and facilitate new businesses.

SOCIAL

- Access to and take up of high-speed broadband services enables greater connectivity and access to education, health and government services, supporting individuals' wellbeing
- Uplifting regional network capability and performance helps provide employment opportunities and community benefits across rural and regional areas
- Maintaining a respectful, safe, inclusive and diverse workplace and empowering employees, contributes to employee engagement and retention, and Company performance.

ENVIRONMENTAL

- Fibre upgrades support greater network resilience to climate change and reduced nbn® network power consumption
- Delivery of NBN Co's Science Based Targets for emissions reduction, contributing to the Governments stated target of Net Zero emissions by 2050
- Improved digital connectivity can increase take-up of digital technologies that can support emissions reductions.

OUR COMPANY STRATEGY

The Company's strategy aims to provide reliable and resilient high-speed network infrastructure that meets the current and future needs of residential and business customers.

NBN Co's principal responsibility is to operate and continue to expand and upgrade the nbn® network in accordance with the Government's Statement of Expectations (SoE) issued on 19 December 2022. The SoE explicitly informs the Company's strategy.

NBN Co was established to improve wholesale broadband services across the country, while also enabling the provision of reasonably priced services to consumers and businesses via RSPs on a non-discriminatory basis.

The Company exists to help level the playing field in the Australian telecommunications industry, enhance competition and innovation and provide greater choice for customers across the nation.

This will create access to new economic opportunities and different ways of working, accessing information and obtaining essential services which will ultimately improve social outcomes for people across Australia. It is the Company's responsibility to continuously prepare for and respond to these societal changes in the way humans interact, live and work.

The Company has worked closely with the industry and the Australian Competition and Consumer Commission (ACCC) to establish a revised Special Access Undertaking that will provide improved terms of access for the Company's customers and regulatory certainty for NBN Co.

The future is digital and the nbn® network will need to deliver faster upload and download speeds and carry far greater capacity than ever before. NBN Co continues to focus on expanding and improving the nbn® network, which is essential to meeting current and future demand. These network upgrades will require continuous innovation and investment into new architecture and technology.

The growing need for broadband services will reach even higher levels over the next decade as the internet continues to transform how we live and work, and even how the infrastructure within our cities communicates. These societal changes both rely upon and create a greater need for connectivity, driving the growth of the Australian and global digital economies. The development of Artificial Intelligence (AI) and large language models will further accelerate this change.

NBN Co is key to enabling these changes and continues to invest in the network and develop products to support customers and enable economic growth.

The Company aims to deliver upon its purpose by progressing the following strategic pillars:

Network

Build and maintain a nationwide network capable of delivering access to high-speed, reliable and resilient broadband.

People

Deliver the Company's purpose and strategy through a safe, inclusive and engaged internal and external workforce, where highly capable, skilled and motivated people live the NBN Co values.

Products & Pricing

Develop a product and pricing portfolio that addresses both RSP's and customers' diverse needs and drives greater use of the network.

Sustainability

Enable long-term social, economic and environmental value for the nation and customers.

Customers & Partnerships

Deliver a customer experience that drives network use, satisfaction and preference as well as strengthen relationships with government, industry and communities to optimise customer benefits.

Financial & Operating Capabilities

Build capabilities for the future and grow profitability to enable financial sustainability, network reinvestment to benefit the Company's customers, and deliver greater stakeholder value.

OUR IMPACT

NBN Co utilised its key resources to create value for Australian homes and businesses, delivering solid operational and financial results for the six months to 31 December 2024.

Network

12.52m

Premises Ready to Connect (RTC)

FY24: 12.44m

9.40m

Premises able to access nbn® Home Ultrafast speed tier plans[1]

FY24: 8.84m

6.22 Tbps[2]

Total capacity on the Fixed Wireless network

FY24: 4.20 Tbps

Products & Pricing

8.62m

Homes and businesses connected

FY24: 8.61m

87.50 Mbps[3]

Average wholesale service speed[4]

FY24: 76.64 Mbps

590,000+

Total cumulative fibre upgrade connections

FY24: 375,000+

Customers & Partnerships

3.5

Average number of faults per 100 premises[5]

HY24: 3.7

92%

Service faults resolved within agreed timeframes[5]

HY24: 92%

22,087

Families connected via the School Student Broadband Initiative

FY24: 13,997

1. Refer to page 16 for further details.
2. Terabytes per second (Tbps).
3. Megabits per second (Mbps).
4. Refer to page 23 for further details.
5. Refer to page 28 for further details.

People

36.2%

Female representation in management[1]

FY24: 36.1%

1.9%

First Nations employees

FY24: 1.6%

1.40

Lost Time Injury Frequency Rate[2]

FY24: 1.11

Environment

15.6 GWh[3]

Per annum of energy reductions delivered through energy efficiency initiatives

HY24: 7.3 GWh

65,000+

Network assets recovered for refurbishment and potential reuse within the nbn® network

HY24: 58,000+

61.7%

Waste diverted away from landfill[4]

HY24: 60.3%

Financial Resources

$2.9bn

Revenue

HY24: $2.8bn

$2.1bn

EBITDA[5]

HY24: $2.0bn

$564m

Loss After Tax

HY24: $696m

1. Including Executive, Senior and Middle management, excluding Board.
2. Refer to page 34 for further details.
3. Gigawatt hours (GWh).
4. Refer to page 37 for further details.
5. EBITDA is defined as earnings before interest, tax, other non-operating income, depreciation, amortisation and gains or losses on derivatives measured at fair value.

OPERATIONAL AND FINANCIAL REVIEW

During the six months ending 31 December 2024, NBN Co executed the Company's strategies as outlined in its 2025 Statement of Corporate Intent. NBN Co's operational and financial results were achieved by utilising and managing NBN Co's resources to make progress against the Company's strategies. These results are summarised below and discussed in greater detail across the subsequent pages of this report.

Total revenue for the six months to 31 December 2024 was $2.9 billion, a 4 per cent increase on HY24. Earnings before interest, tax, depreciation and amortisation (EBITDA)[1] was $2.1 billion in HY25, reflecting a $131 million improvement on HY24. These revenue and EBITDA results indicate that the Company is on track to achieve results within the guidance range provided in its 2025 Statement of Corporate Intent.

The scale of the nbn® network continues to expand, primarily due to network construction activities to build infrastructure for new developments. As at 31 December 2024, the Company has made 12.52 million premises Ready to Connect (RTC), which increased from 12.44 million premises as at 30 June 2024.

NBN Co is on target to enable more than 10 million premises, or up to 90 per cent of the Fixed Line network, to access the nbn® Home Ultrafast wholesale speed tier, which is capable of delivering peak wholesale download speeds of 500 Mbps to close to 1 Gbps[2], by the end of 2025.

The Company aims to achieve this target by delivering its fibre upgrade program which is making 3.5 million premises that were originally served by Fibre to the Node (FTTN) technology eligible to upgrade to Fibre to the Premise (FTTP) by the end of December 2025. As at 31 December 2024, NBN Co has made almost 2.6 million premises Ready for Offer (RFO) to upgrade to FTTP services.

In January 2025, NBN Co and the Commonwealth Government announced new upgrade paths for the remaining 622,000 homes and businesses served by FTTN that were not covered within the existing 3.5 million premises to be upgraded to FTTP technology by the end of 2025. These additional upgrades are expected to be enabled by an equity investment of up to $3.0 billion from the Commonwealth Government and more than $800 million in additional funding from NBN Co.

The Company prioritises the delivery of high-speed broadband across the country including regional, rural and remote Australia. As at 31 December 2024, approximately 71 per cent of homes and businesses in regional Australia were served by Fixed Line technology and the Company's network upgrades are on track to enable an estimated 1.61 million premises in regional Australia to upgrade from FTTN to full fibre connections and have access to its highest speed services by December 2025.

1. EBITDA is defined as earnings before interest, tax, other non-operating income, depreciation, amortisation and gains or losses on derivatives measured at fair value.
2. Regardless of the retail service an end customer purchases, the actual speeds delivered by NBN Co's highest wholesale speed tiers of 500 Mbps to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. Reference to speeds are not end user speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. An end customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control (like equipment quality, software, and how a retail service provider designs its network) and the NBN Co technology used for the connection.

The Company has completed its Fixed Wireless and Satellite Upgrade Program, which has enabled NBN Co to deliver typical wholesale busy period download speeds of at least 50 Mbps[1] across the Fixed Wireless network. This facilitated the introduction of two new Fixed Wireless high-speed tier products, being the nbn® Fixed Wireless Home Fast and nbn® Fixed Wireless Superfast, with wholesale peak download speeds of between 200-250 Mbps and up to 400 Mbps respectively[2].

The Company aims to promote greater usage of the nbn® network and as at 31 December 2024 the number of active premises has risen to almost 8.62 million homes and businesses. In addition to a larger volume of customers, the demand for data is growing and customers are ordering and receiving higher speeds over the nbn® network, with end user download speeds continuing to rise.

As at 31 December 2024, NBN Co has completed over 590,000 fibre connection upgrades to premises previously served by either FTTN or Fibre to the Curb (FTTC), with over 217,000 of these delivered during HY25.

This demonstrates growing momentum for fibre connection upgrades as the RFO footprint continues to grow and RSPs enhance their product offerings to encourage fibre connections.

NBN Co's strategic focus on sustainability is expanding to consider the important role that high-speed and reliable digital connectivity delivered over the nbn® network can play in enabling economic, social and environmental value for the nation and for customers, now and in the future. NBN Co's position as Australia's wholesale broadband supplier means the Company has a key role in lifting the digital capability of the nation.

In the six months to 31 December 2024, NBN Co continued to progress against its Science Based Targets for emissions reductions, including industry consultation on the new energy efficient FTTP Network Termination Device (NTD) and other energy efficiency initiatives which are currently contributing 15.6 GWh in energy reductions per annum.

1. This measure will be an estimate based on a sample of nbn® Fixed Wireless wholesale services and will measure the average speed at certain points in each hour of the busy period between 7-11pm to identify a 'typical busy period speed', in line with the methodology outlined in the ACCC's Broadband Speed Claims Industry Guidance Paper (October 2022). For each sample measured it will take into account factors outside of NBN Co's control such as environmental impact on radio signal strength, but will not take into account retail level, in-premises or user factors that could impact the end user service.
2. Actual end user speeds will differ as a number of factors influence this, including the particular end user applications in use at the time, end user equipment and software, and the number of concurrent users on the nbn® Fixed Wireless network.

UPGRADE AND EXPAND THE NETWORK

NBN Co continues to upgrade, expand and maintain the nbn® network to meet the evolving needs of Australian households, communities and businesses.

The nbn® network is Australia's digital backbone and plays an essential role in delivering the Company's purpose to lift the digital capability of Australia.

Broadband connectivity has become more important to daily life and NBN Co remains committed to making its network accessible to more premises, increasing the availability of higher speeds and providing greater network capacity and reliability.

The Company continues to invest in the network by proactively planning and delivering enhanced network capability to meet the ever-increasing usage requirements of customers and deliver great customer experience.

NETWORK PERFORMANCE AND AVAILABILITY

The acceleration of the nation's digital demand requirements is driving higher data traffic over the nbn® network as a result of the increasing use of data-intensive applications across households and businesses. The average monthly data download per customer has increased to 492 GB per month as at 31 December 2024, up from 443 GB per month in HY24, representing an increase of over 11 per cent.

In addition, peak network traffic demands continue to grow with traffic over the nbn® network reaching a peak of 30.1 terabits per second during HY25, up from a previous high of 29.9 terabits per second in FY24.

During HY25, the network continued to perform well with average monthly availability[1] of 99.96 per cent, which supports strong customer outcomes as the network delivered reliable and resilient broadband for households, businesses and communities across Australia.

The scale of the network continues to grow predominately due to the construction of network infrastructure for new developments. In the six month period to 31 December 2024, over 64,000 new premises were made Ready to Connect (RTC) to the network. As at 31 December 2024, the Company has now made over 12.52 million premises RTC to the nbn® network, which has increased from 12.44 million as at 30 June 2024.

NBN Co is committed to enabling more than 10 million premises, or up to 90 per cent of homes and businesses across the Fixed Line network, to access nbn® Home Ultrafast by the end of 2025. This product offers wholesale download speeds of close to 1 gigabit per second (Gbps)[2,3], which is essential to meet the anticipated needs of broadband customers in the future.

As a result of the progress made by NBN Co's fibre upgrade program, almost 9.40 million premises across Australia were able to access the nbn® Home Ultrafast speed tier by 31 December 2024, which equates to approximately 82 per cent of the Fixed Line nbn® network. This is an increase from 8.84 million premises (approximately 78 per cent of the Fixed Line network) as at 30 June 2024. This demonstrates that NBN Co remains on track to fulfill its commitment to enable more than 10 million premises to access nbn® Home Ultrafast by the end of 2025.

1. Percentage of time the nbn® access network is available and operating. For this measure, the network is considered 'unavailable' during the time NBN Co is restoring services following the raising of a fault. It doesn't include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond NBN Co's control.
2. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered by NBN Co's highest residential wholesale speed tier will be less than 1 Gbps due to equipment and network limitations. References to speeds are not end customer speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. An end customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control (like equipment quality, software, and how a retail service provider designs its network) and the NBN Co technology used for the connection.
3. NBN Co provides wholesale services to phone and internet providers. nbn® wholesale speed tiers available to providers vary depending on the access technology in an end user's area.

NETWORK INVESTMENTS – FIBRE UPGRADES

NBN Co's fibre upgrade program is aimed at enhancing the reliability and speed of internet services across Australia. The program focuses on upgrading premises currently served by FTTN and FTTC to FTTP. By the end of 2025, NBN Co plans to have made 3.5 million FTTN and 1.5 million FTTC premises eligible for these upgrades. This includes the incremental 1.5 million premises that the Commonwealth Government agreed to contribute up to an additional $2.4 billion in equity funding towards.

In January 2025, NBN Co and the Commonwealth Government announced new upgrade paths for the remaining 622,000 homes and businesses across Australia served by FTTN technology that are not already due to be made eligible for an FTTP upgrade, with more than half located in regional Australia. These additional upgrades are expected to be enabled through an equity injection of up to $3.0 billion from the Commonwealth Government and more than $800 million in additional funding from NBN Co.

Work on the upgrade pathway will start immediately and will be completed progressively, with the network upgrades expected to be completed by the end of 2030. It is anticipated that more than 95 per cent of premises will have the option to upgrade to nbn® full fibre via FTTP technology. The remaining 5 per cent require further design work to confirm the appropriate upgrade path[1].

The transition to FTTP technology helps provide faster, more reliable internet connections that can support the increasing demands of modern households and businesses.

There are multiple benefits associated with the fibre upgrade program. The primary benefit is the significant improvement in internet speeds as FTTP technology currently enables near gigabit speeds, which means users can enjoy seamless streaming, faster downloads, and more efficient online work and learning experiences. This is particularly beneficial for households with multiple devices and users, as well as for businesses that rely on high-speed internet for their operations. Additionally, a fibre network is more energy efficient for the Company to operate in comparison to other nbn® network technologies. Upgrading from copper based technology to fibre also improves the reliability and resilience of the nbn® network, strengthening it against weather related events and requiring less ongoing maintenance.

The Company measures the progress of the fibre upgrade program by the number of premises declared Ready for Order (RFO). Premises are declared RFO once the required local fibre infrastructure has been constructed and the premises have been released to RSPs to offer fibre connection migrations.

As at 31 December 2024, over 2.8 million FTTN premises have been declared as RFO, which is an increase of nearly 500,000 compared to 30 June 2024. The Company remains on track to reach the full target of 3.5 million FTTN premises RFO by the end of December 2025, which will mean that approximately 60 per cent of premises served by the network will be either on FTTP or capable of ordering an FTTP service. NBN Co has also made approximately 1.47 million FTTC premises RFO which represents almost all of the existing FTTC footprint.

Multi-Dwelling Units (MDUs) continue to be an area of focus for NBN Co. As part of the fibre upgrade program, NBN Co is enabling over 950,000 FTTN and FTTC MDU premises to be made RFO and capable of upgrading to fibre by December 2025. As at 31 December 2024, approximately 856,000 MDU premises had been made RFO.

1. The Company is committed to undertaking design work with the aim of providing an upgraded wholesale broadband service.

NETWORK INVESTMENTS – REGIONAL AUSTRALIA

NBN Co is committed to delivering a high-performing network across Australia, including regional and remote areas.

The fibre upgrades outlined previously will benefit many homes and business in regional towns with over 960,000 of the 3.5 million FTTN premises to be made RFO located in regional areas.

In addition to this, the Company delivered its Fixed Wireless and Satellite Upgrade Program on time by December 2024.

This program was a $750 million initiative between NBN Co and the Commonwealth Government (with a $480 million grant from the Commonwealth Government), which enabled the Company to perform substantial enhancements to its Fixed Wireless network to improve available speeds.

NBN Co has added significant capacity into the Fixed Wireless network via the installation of more than 25,000 new wireless cells in HY25, a 90 per cent increase on the number of wireless cells added during HY24. This brings the total number of wireless cells in the Fixed Wireless network to over 93,000 as at 31 December 2024. These new wireless cells have uplifted the capacity across the Fixed Wireless network to 6.22 Tbps as at 31 December 2024, compared to 4.20 Tbps as at 30 June 2024.

As a result of these capacity upgrades, NBN Co can now deliver typical wholesale busy period download speeds of at least 50 Mbps[1,2,3,4] across all of the Fixed Wireless network.

It has also enabled the Company to uplift the existing Fixed Wireless Plus speed tier to a potential maximum peak wholesale speed of up to 100 Mbps (download) and 20 Mbps (upload) and expand its suite of Fixed Wireless products by introducing two new Fixed Wireless high speed tier wholesale products (Home Fast and Home Superfast)[3,4].

As part of the upgrade program, the coverage of the Fixed Wireless network was expanded to enable approximately 120,000 satellite-only premises to be able to order a Fixed Wireless service. NBN Co exceeded this target, and as at 31 December 2024, the Company has successfully made the Fixed Wireless available to more than 122,000 satellite-only households and businesses across regional Australia. The migration of Satellite customers to the Fixed Wireless network has and will continue to release capacity on the nbn® Satellite network, enabling uplifted services to the remaining Satellite premises.

The emergence and maturation of Low Earth Orbit (LEO) satellite technology has accelerated over the last few years and NBN Co is actively exploring options for a LEO satellite technology to complement its existing services well before its geostationary satellites reach their end of life in the early 2030s. In June 2023, NBN Co released a Request for Information (RFI) to LEO satellite providers to further understand offerings and evaluate if LEO satellites could enhance the Company's network capabilities. This exploration is part of NBN Co's broader strategy to ensure the delivery of reliable broadband services across all of Australia.

1. Faster download speeds mean less buffering where the buffering was caused by slow download speeds over the nbn® Fixed Wireless network. Please note that the amount of buffering you experience may also be affected by other factors outside of NBN Co's control (like your Wi-Fi and other equipment configuration, chosen broadband plan, how your provider designs its network, or the video streaming and other content providers' network).
2. This measure will be an estimate based on a sample of nbn® Fixed Wireless wholesale services and will measure the average download speed at certain points in each hour of the busy period between 7-11pm to identify a 'typical busy period speed', in line with the methodology outlined in the ACCC's Broadband Speed Claims Industry Guidance Paper (October 2022). For each sample measured it will take into account factors outside of NBN Co's control such as environmental impact on radio signal strength, but will not take into account retail level, in-premises or user factors that could impact the end user service. Actual end user speeds will differ as a number of factors influence this, including the particular end user applications in use at the time, end user equipment and software, and the number of concurrent users on the nbn® Fixed Wireless network.
3. These are nbn® wholesale speed tiers, which NBN Co provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require nbn to complete upgrades to the equipment at the premises.
4. Your experience, including the speeds actually achieved, depends on many factors, including whether you are using the internet during the busy periods (7pm - 11pm), the number of people in your household online at the same time, and some factors outside of NBN Co's control (like your equipment quality and set-up, chosen broadband plan, age of device(s) and/or how your provider designs its network).

CO-INVESTMENTS

NBN Co actively partners with all levels of government where there is an interest to co-invest in the nbn® network. This is a core component of the Company's objective to continually improve its services and assist in addressing access, connectivity, and productivity challenges, particularly in regional, rural and remote areas.

NBN Co continues to be successful in securing government funding via open government grant and tender processes to support nbn® network upgrades, including through the Commonwealth Government's Regional Connectivity Program (RCP).

In December 2024, NBN Co signed a funding agreement with the Commonwealth Government for round three of the Regional Connectivity Program, with the Government contributing $32.7 million, in addition to $12.3 million in funding support from state, territory and local governments and NBN Co contributing $14.4 million to deliver these co-investment projects (amounts are exclusive of GST). Negotiations with the other contributing parties to sign all dependency agreements commenced in 2025 following the signing of the Australian Government agreement.

This funding allocation will enhance connectivity for around 10,000 homes and businesses across regional Australia through Satellite technology upgrades to FTTP or Fixed Wireless technology. This builds on the $109 million capital already invested to deliver previous rounds of the RCP.

EXPANDING THE NETWORK

NBN Co remains committed to collaborating with property developers across the nation to deliver fast and reliable broadband access to households, businesses, and communities. In HY25, NBN Co made over 64,000 new development premises RTC to the nbn® network, a decrease of 25 per cent compared to HY24.

NBN Co works with many of Australia's most innovative smart technology companies to support Australia's property developers in creating smarter communities, making the most of nbn® full fibre into homes and businesses. nbn® Smart Places is designed to allow customers to connect to the nbn® network via smart infrastructure and the Internet of Things (IoT) outside of buildings. This enables connectivity to existing and emerging applications in outdoor locations including public Wi-Fi, smart poles, electric vehicle charging stations and transport infrastructure.

Many of Australia's leading property developers are incorporating this emerging capability within their projects, including one of Australia's single largest property developments, Walker Corporation's pioneering project at Appin in New South Wales.

nbn® Smart Places has or is in the process of being deployed at 110 different property development projects across Australia. During HY25, NBN Co announced a collaboration with Urbis and Delos Delta that aims to drive best practice adoption of 'smart' technology by Australian residential property developers.

The three companies will draw on global research and insights, case studies, and feedback from key industry stakeholders before releasing a prospectus 'Accelerating Smarter Development for Australia' early in 2025. This prospectus will identify high-value opportunities for smart innovative technology in various developments, providing developers, builders, place-makers, community members and policy-makers a platform to engage with smart city and smart community ideas and practical solutions.

REGIONAL BROADBAND SCHEME

The Regional Broadband Scheme (RBS) was established by the Commonwealth Government to ensure transparent and sustainable funding arrangements are in place to support essential broadband services to regional, rural and remote Australians.

Under the RBS, carriers that provide services over Fixed Line networks which are capable of providing speeds of at least 25/5 Mbps are required to pay the RBS levy, to contribute towards the cost of building and operating the Fixed Wireless and Satellite networks which are necessary to provide high-speed broadband to regional communities.

As NBN Co is the largest Fixed Line network operator in Australia, the Company estimates that it will contribute around 95 per cent of the total levy raised each year. NBN Co has recognised $14.6 million in funding under the RBS during HY25.

In April 2024, the Commonwealth Government commenced a consultation on the funding of universal telecommunications services, incorporating a review of the RBS legislation and in November 2024, the ACCC commenced a separate consultation on the methodology used to calculate the RBS levy amount for the purpose of its 2025 advice to the Minister for Communications.

UNIVERSAL SERVICE OBLIGATION

In October 2023, the Commonwealth Government opened a broad consultation with the telecommunications industry and the community on delivering a modernised Universal Service Obligation (USO), which concluded in March 2024.

NBN Co views change to Universal Service Obligations as necessary given that key technologies used to service regional and remote Australians, such as copper-based technology, are approaching the end of their useful life.

The Company has proposed a modern universal service regime centred on a single converged baseline voice and broadband obligation in line with the regulatory framework of the existing Statutory Infrastructure Provider (SIP) regime. SIPs operating fixed-line and fixed wireless networks are already required to support voice services as well as providing broadband services.

The Company has also proposed that legacy consumer protections, Customer Service Guarantee and Priority Assist, could be modernised to reflect changing technologies, with specific consumer protections developed to ensure the most at-need and vulnerable customers are provided the certainty and assistance they require. NBN Co's views are outlined in its March 2024 submission to the Commonwealth Government, which is publicly available[1].

NETWORK RESILIENCE AND RELIABILITY

In line with regulatory obligations defined in the *Security of Critical Infrastructure Act 2018* and leading practice, NBN Co adopts an all-hazards approach to assessing threats which could impact the resilience of the network and supporting systems, as well as identifying opportunities for potential improvements. All-hazards in this context means minimising or eliminating risks and mitigating impacts arising from cyber and information security hazards, personnel hazards, supply chain hazards and physical and natural hazards.

The Company's approach and priorities are constantly shifting and adapting as risks emerge and threats evolve, and this informs a 'must do, should do, could do' approach to managing resilience investment. NBN Co has spent many years proactively investing in additional network redundancy, new technologies, temporary moveable recovery equipment and power backup equipment, such as generators, to absorb and respond to climate driven impacts.

The Company's current focus is on investment to combat emerging and evolving threats to the nbn® network, recovery planning and heightened security controls, ensuring an appropriate balance between proactive risk mitigation and response and recovery capabilities. The Company remains focused on continuous improvement to make its network and systems more reliable and resilient.

1. https://www.infrastructure.gov.au/sites/default/files/documents/bdus2024-nbn-co.pdf

The Company's resilience programs include how the nbn® network is affected by the impacts of climate change. A key component of NBN Co's strategy is rolling out more fibre across the country which improves network resilience, energy efficiency and requires less network maintenance.

The Company has installed more than 1,000 nbn® Disaster Satellite Service units at nominated emergency management sites across Australia to enable people to stay informed and connected with family and friends during emergencies. These will provide better communications access and help improve safety at evacuation centres via a public Wi-Fi connection, powered by nbn® Sky Muster® Plus satellite broadband services. The installation of these services was made possible by a grant provided through the Government's Strengthening Telecommunications Against Natural Disasters (STAND) Program.

In addition, equipment has been strategically placed in areas across the country so it can be deployed in the case of an emergency event as soon as it is safe to do so, which keeps vital lines of communication operational for communities and first responders. This includes Multi Technology Trailers, Network on Wheels, Wireless Mast Trailers and Hybrid Power Cubes (HPCs).

The Company has deployed 76 HPCs, which combine solar, battery and compact diesel generator technologies to keep Fixed Wireless facilities operational when the power grid goes down. These provide a more resilient, environmentally friendly and cost-effective power source during widespread power outages caused by extreme weather events.

NBN Co continues to make improvements to the reliability of the nbn® network as well as exploring measures aimed at improving the way it prepares for, responds to, and recovers from emergency events. NBN Co's FY25 Annual Service Improvement Plan (ASIP) includes initiatives to enhance network and service reliability.

NETWORK SECURITY AND PRIVACY

The nbn® network is Australia's largest critical infrastructure network and NBN Co has a pivotal role in managing all security and privacy risks faced by the organisation. This is reflected in the Company's Enterprise Security Risk Management Framework.

NBN Co aims to enhance the security of its network environment for all users by implementing security measures, complying with privacy laws, and educating customers.

NBN Co runs a converged security function incorporating both physical and cyber security. The Security Strategy outlines internal responsibilities and key risk and governance structures.

NBN Co's Security Strategy also factors in how the Company is addressing its requirements under the *Security of Critical Infrastructure Act 2018*, and the Government's 2023-30 Cyber Security Strategy. NBN Co is working to a new five-year Security Strategy designed to ensure the Company complies with the Government's Cyber Security Strategy, while also maintaining the internal positioning of the security function as a business enabler.

SUPPORTING NETWORK INNOVATION

NBN Co works closely with its vendor partners, exploring innovation and network development through structured Vendor Innovation Funds, allowing research projects to be explored with the right partners to ensure cutting edge technological development is strategically aligned to company priorities.

NBN Co embraces a strong network innovation culture, promoting the use of technological advancements to enhance infrastructure and meet future network demands. This is evidenced by the Company's active participation in broadband industry development, partnering with bodies such as The Broadband Forum, Internet Engineering Task Force and the Tele-management Forum. These industry bodies facilitate cross-industry collaboration and translation of global best practices into industry standards which are then implemented by network equipment vendors and operators.

NBN Co's commitment to innovation is further supported by the Advancing Science, Technology, Engineering and Mathematics (STEM) Technology Research Innovation and Deployment (ASTRID) agreement with the University of Technology Sydney, established to support early innovation and research on pivotal network development, while supporting a robust and diverse early talent pipeline.

Recent innovative network development announcements include:

- Scaling deployment of the next generation FTTP platform including the installation of new XGS-PON capable Optical Line Terminal equipment, which is designed to enable speeds beyond 2 Gbps
- NBN Co and Nokia demonstrated a world-first by achieving wholesale download speeds of 83 Gbps on the live nbn® full fibre[1] access network[2,3]. This successful demonstration utilised Nokia's prototype 100 gigabit technology and showcased the world-class capabilities of nbn® full fibre to support the next generation of broadband services
- Pioneering the deployment of cutting-edge technologies like 5G mmWave, which extends the range and capacity of NBN Co's Fixed Wireless network
- Showcasing the multi-gigabit capability of the Hybrid Fibre Coaxial (HFC) network in October 2024 through CommScope's latest DOCSIS 3.1® Distributed Access Architecture node, paired with a new generation DOCSIS 4.0® Cable Modem. This demonstration delivered a wholesale download speed of 8.7 Gbps and an upload speed of 1.5 Gbps. This new equipment digitises the HFC optical node in the street, and in conjunction with NBN Co's deep fibre deployment, is expected to not only increase data capacity, but improve the performance, resiliency and reliability of the HFC network, while reducing power consumption.

1. NBN Co's full fibre network is also referred to as nbn® Fibre to the Premises (FTTP).
2. NBN Co provides wholesale services to retail service providers and any reference to speeds in this media release are not end-user speeds. They represent the capabilities of potential future FTTP technologies and were obtained during a technical demonstration carried out in conjunction with Nokia. They have not been subject to tests with RSPs.
3. In relation to NBN Co's existing services, a customer's experience, including the speeds actually achieved over the nbn® network, depends on a range of factors (some of which are outside NBN Co's control, like equipment quality, software, and how the retail service provider designs its network), including the nbn technology used for the connection.

SUPPORT GREATER USE OF THE NETWORK

As a wholesale network operator, NBN Co provides non-discriminatory access to the nbn® network, aiming to enhance competition and offer greater choice for customers across Australia.

Customers connect to the nbn® network through RSPs who handle most commercial aspects such as onboarding, billing, and customer support, while NBN Co manages the installation and maintenance of connections to end-user premises.

NBN Co anticipates a growing demand for broadband over the next decade as the internet continues to transform daily life and work in Australia. To maximise the benefits enabled by the nbn® network, the Company aims to increase the number of active premises and the percentage of users on higher speed tiers. This involves developing products and pricing strategies that encourage greater network use, including initiatives such as the fibre upgrade program and evolving product strategies to meet the ever growing needs of customers.

As at 31 December 2024, the number of homes and businesses connected to the nbn® network was 8.62 million, up from 8.61 million as at 30 June 2024. This stable customer base reflects the maturity of NBN Co's network coverage and equates to more than 20 million people relying on the network every day.

In addition to the volume of customers utilising the nbn® network, the data and speed demands of customers continues to evolve. This is demonstrated by the growth in average wholesale service speeds from 76.64 Mbps as at 30 June 2024 to 87.50 Mbps[1] as at 31 December 2024.

FIBRE UPGRADE CONNECTIONS

NBN Co is continuing to progress the FTTN and FTTC to FTTP upgrade programs. It is on schedule to make 3.5 million FTTN premises and 1.5 million FTTC premises eligible to upgrade to FTTP by the end of 2025[2,3]. Over 4.2 million premises have been made Ready for Offer (RFO) as at 31 December 2024. As a result, more premises have been made available to RSPs for FTTP connections, allowing access to higher speed products.

NBN Co is working with RSPs to deliver increased migrations to FTTP technology. The Company has set nbn® Home Fast 100/20 Mbps as the required wholesale speed tier order to trigger eligibility for FTTC to FTTP upgrades under the fibre connect program. This aligns with the order requirement for FTTN to FTTP upgrades. Previously, eligible customers connected to the nbn® network via FTTC had to place an order for Home Superfast 250/25 Mbps to qualify for eligibility for an FTTP upgrade.

As part of its aim to enhance speeds available on the FTTP network, NBN Co has plans to deploy new Network Termination Devices (NTDs) in customer homes for new FTTP connections from September 2025. A new single port NTD will support download speeds of up to 2 Gbps[4] (depending upon the plan chosen) and a new model four-port NTD would be deployed in certain scenarios.

1. Average TC4 wholesale service speed. Your experience, including the speeds actually achieved, depends on many factors, including whether you are using the internet during the busy periods (7pm - 11pm), the number of people in your household online at the same time, and some factors outside of NBN Co's control (like your equipment quality and set-up, chosen broadband plan, age of device(s) and/or how your provider designs its network).
2. Conditions, eligibility criteria and costs will apply - please speak with your preferred provider. Eligibility criteria includes among other things, placing an order for an nbn powered plan based on an eligible wholesale speed tier. Additional costs may apply to providers, who may choose to pass this charge onto their customers.
3. Not all providers offer plans based on the full range of wholesale speed tiers. Talk to your preferred provider for more information about availability and the right retail solution for your needs.
4. For full fibre (FTTP), an end customer's experience, including speed, depends on their internet provider, plan, equipment quality and if they use the internet at peak times.

As at 31 December 2024, over 440,000 premises have received FTTN to FTTP fibre upgrade connections and over 150,000 premises have received fibre upgrade connections from FTTC to FTTP. This is an increase of over 165,000 and over 52,000 fibre technology upgrades respectively from 30 June 2024.

NBN Co is actively collaborating with RSPs to boost customer demand for fibre upgrade connections. The momentum is building as more premises are declared RFO and RSPs enhance their products to encourage fibre connections.

Migrating customers from FTTN and FTTC services to FTTP enhances the customer experience by providing access to higher speeds and reducing service disruptions, as a result of the increased reliability of the fibre network.

SPEED TIER UPLIFT PROGRAM

Speed and capacity are critical factors for NBN Co in provisioning its network and updating its products, especially as the number of internet-connected devices in the average home continues to rise.

In September 2024, NBN Co confirmed that it plans to accelerate the wholesale download and upload speeds on its three highest speed residential wholesale products.

NBN Co will enhance its popular nbn® Home Fast wholesale product from 100/20 Mbps to deliver five times faster wholesale download speeds of 500/50 Mbps[1]. The Company will also triple the wholesale download speed and double the upload speed of its nbn® Home Superfast wholesale product, accelerating it from 250/25 Mbps to 750/50 Mbps[1].

Additionally, the Company will double the wholesale upload speed of the nbn® Home Ultrafast wholesale product from 500 to approximately 1000/50 Mbps to approximately 1000/100 Mbps[1].

The accelerated, high-speed wholesale products will be available to RSPs to sell to eligible residential and business customers connected to the nbn® network via FTTP or HFC technology from September 2025. The timing of when these upgrades will be offered to customers will be at the discretion of participating RSPs.

During the consultation process on the Company's proposal to accelerate its three highest residential speed tiers, NBN Co received feedback from several retailers that the Company should launch multi-gigabit wholesale download speed products earlier. As a consequence, NBN Co plans to launch the new nbn® Home Hyperfast[1,2] product in September 2025 which will offer 2 Gbps wholesale speed tiers[1,3]. The simultaneous launch of all new, accelerated speed tiers in September 2025 will allow RSPs an opportunity to make the enhancements available to their customers.

The new nbn® Home Hyperfast residential speed tier will be available in two variants, with wholesale speeds of 2,000/200 Mbps available to customers connected to the network via FTTP, and wholesale speeds of 2,000/100 Mbps[3] available to customers connected to the network via HFC technology.

REGIONAL PRODUCT STRATEGY

More homes and businesses in regional Australia can now access higher nbn® network speeds on their nbn® Fixed Wireless connection. Faster speeds, especially during busy periods, help meet the growing data demands of regional Australia and support the rise of remote healthcare, working and learning from home, connect rural entrepreneurs to the world and allow people to stay connected to family, friends and their community.

The higher nbn® network speeds have been made possible through the $750 million investment in the nbn® Fixed Wireless network, with the Commonwealth Government contributing $480 million and NBN Co contributing over $270 million. The Fixed Wireless and Satellite Upgrade Program was completed in December 2024.

1. NBN Co provides wholesale services and not all providers offer plans based on the full range of NBN Co services. An end customer's experience, including speeds actually achieved, depends on some factors outside the Company's control (like equipment quality, software, and how a RSP designs its network) and the nbn® technology used for the connection. Home Ultrafast: Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered will be less than 1 Gbps due to equipment and network limitations.
2. The availability of these speed tiers is subject to the capacity within each individual HFC segment or FTTP PON port reflected in the service qualification function (and may affect RSP's ability to place an order).
3. Customer experience, including the speeds actually achieved over the nbn® network, depends on the nbn® network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside NBN Co's control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn®'s Fixed Wireless network, including during busy periods.

This investment into the Fixed Wireless network has enabled NBN Co to uplift the existing Fired Wireless Plus speed tier with potential maximum peak wholesale speeds of up to 100 Mbps (download) and 20 Mbps (upload). In addition, NBN Co has progressively rolled out two new Fixed Wireless higher speed tier wholesale products[1,2]. Fixed Wireless Home Fast offers peak wholesale speeds of 200-250 Mbps (download) and 8-20 Mbps (upload) and Fixed Wireless Superfast offers peak wholesale speeds of 400 Mbps (download) and 10-40 Mbps (upload).

The Fixed Wireless and Satellite Upgrade Program enabled NBN Co to offer improved Sky Muster® services, such as the launch of the new Sky Muster® Plus Premium product in June 2023. This was NBN Co's first plan that offered uncapped data usage[3] and a range of speeds to meet different needs and budgets. NBN Co has now confirmed it will simplify the Sky Muster® Plus offering by the withdrawal of Sky Muster® Plus capped plans from 1 March 2025.

As a result of a highly dynamic market and availability of alternatives plans, including the Sky Muster® Plus Premium plans, NBN Co has announced the withdrawal of the Business Satellite Service by 31 December 2025. This will enable greater network efficiencies for the Sky Muster® Satellite base and allow the Company to focus more resources on meeting the greatest needs and demands of customers, including those in regional and rural areas.

LIFTING THE DIGITAL CAPABILITY OF AUSTRALIAN BUSINESSES

NBN Co is committed to enhancing the digital capabilities of Australian businesses through reliable, high-speed broadband services delivered by RSPs via the nbn® network. By leveraging advanced network infrastructure and innovative product offerings, NBN Co aims to empower businesses with the connectivity they need to thrive in a digital economy. Through strategic product offerings and continuous network improvements, NBN Co is dedicated to fostering a robust digital landscape that drives economic growth and competitiveness across Australia.

NBN Co announced in September 2024 that alongside its Speed Tier Uplift Program, the Company plans to implement a range of uplifts to its wholesale broadband products, specifically designed for small, medium and enterprise businesses in September 2025.

This includes the launch of two new business speed tiers for the small and medium business market, including a new 2,000/500 Mbps[4,5] speed tier on FTTP and a new 250/100 Mbps speed tier on the HFC network to complement the existing FTTP products.

1. These are nbn® wholesale speed tiers, which NBN Co provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require nbn to complete upgrades to the equipment at the premises.
2. Customer experience, including the speeds actually achieved over the nbn® network, depends on the nbn® network technology and configuration over which services are delivered to a customer's premises, whether they are using the internet during the busy period, and some factors outside NBN Co's control (like the customer's equipment quality, software, broadband plans, signal reception and how their service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn®'s Fixed Wireless network (including during busy periods).
3. Fair Use Policy and shaping apply. To proactively protect and ensure the fair access to the nbn® network for all users, NBN Co may from time to time, at its discretion, shape the following activities to maximum wholesale upload and download speeds of 256 kbps: uploads and downloads via peer to peer; uploads and downloads to cloud storage platforms; PC and smartphone operating system updates; software/application updates; gaming software updates; any other traffic related to applications which nbn cannot identify. Other activity that NBN Co considers may cause adverse network impacts may also be added to the above list to be shaped, including streaming video and VPN.
4. NBN Co provides wholesale services and not all providers offer plans based on the full range of nbn® services. An end customer's experience, including speeds actually achieved, depends on some factors outside NBN Co's control (like equipment quality, software, and how a RSP designs its network) and the nbn technology used for the connection.
5. The availability of these speed tiers is subject to the capacity within each individual HFC segment or FTTP PON port reflected in the service qualification function (and may affect RSPs' ability to place an order).

The Company will also reduce the effective wholesale price of its nbn® ethernet business fibre plans, including the 250/100 Mbps plus Essentials package, its 500/200 Mbps plus Pro package and its 1,000/400[1] Mbps plus Pro package.

All business fibre plans will continue to include additional business service support for customers end-to-end, from the connect experience through to any service outages or faults, with the Pro package offering resolution within four hours and the Essentials package within 12 hours[2].

Finally, all business fibre plans will be eligible to have the new four-port Network Termination Device (NTD) installed with no additional charge (if the use case requires a new NTD). This device is XGS-PON capable, supporting business customers to further scale in the future.

NBN Co's Enterprise Ethernet (EE) products are designed to meet the needs of mid-market and enterprise customers. The proposed pricing changes aim to simplify and flatten the EE products by highlighting a smaller number of speed tiers, ranging from 500 Mbps to 10 Gbps, and these products will have the option of NBN Co's highest level of service, Premium 4 (24/7) at no extra wholesale charge. The new EE pricing and enhanced service offering will be available to new services and existing services whose minimum term has expired (or which were never subject to a minimum term).

To further support the business take-up of EE, NBN Co has created 322 Business Fibre Zones (BFZ) across Australia, of which 142 are located in regional areas. For most businesses within these zones[3], the Company is offering EE to service providers with no up-front build costs, and at NBN Co's most competitive wholesale servicing pricing[4]. As at 31 December 2024, approximately 950,000 businesses in the BFZ are benefiting from this initiative, providing a more equitable price offering for many Australian businesses.

1. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered will be less than 1000 Mbps due to equipment and network limitations.
2. The fault restoration times described are where no site visit is required. Fault rectification time may vary depending on the location of the premises; and all times refer to what we offer to providers – which may differ to what times they offer end customers.
3. The Business Fibre Zone offering does not apply to unforeseeably complex premises, premises already served by other providers, data centres and temporary sites. In order to find out if a specific address is available for the nbn® Business Fibre Initiative contact a NBN Co service provider.
4. NBN Co is a wholesaler and does not control prices charged by service providers. Customers should contact their preferred provider to ask about availability, Business Fibre Zone eligibility and any fees and charges from their provider that may be applicable. Business Fibre Zone eligibility is determined through a desktop study using available data. In the infrequent event that unforeseeable cost or complexity is encountered, additional charges may apply.

IMPLEMENTATION OF THE SPECIAL ACCESS UNDERTAKING

The Special Access Undertaking (SAU) is a crucial part of the regulatory framework that sets out the prices, service standards, and terms under which NBN Co can provide wholesale broadband services to RSPs. NBN Co's SAU Variation was accepted by the Australian Competition and Consumer Commission (ACCC) in October 2023. This acceptance brings greater long-term regulatory predictability for NBN Co, retailers, and customers, and introduces measures aimed at enhancing customer experience, ensuring cost certainty, simplicity, and value.

Following the acceptance of the SAU Variation, NBN Co implemented these changes through the fifth iteration of the Wholesale Broadband Agreement (WBA5), the commercial contract between NBN Co and access seekers.

Annual Service Improvement Plan

Under the SAU Variation, NBN Co has committed to publishing an Annual Service Improvement Plan (ASIP) and conducting an Annual Service Performance Review (ASPR) against set WBA service levels and performance objectives.

In July 2024, NBN Co published its FY25 ASIP, which details a series of initiatives focused directly and indirectly towards improving service outcomes for RSPs and their customers. This is a core part of the Company's SAU commitment to the ACCC, government, the telecommunications industry and households and businesses across Australia. The ASIP Framework is used to document and review NBN Co's plans and execution of service improvement initiatives, with a focus on how these deliver qualitative and quantitative service improvement outcomes for residential and business customers.

Consulting with stakeholders in developing NBN Co's next regulatory proposal

Under the SAU Variation, the current Regulatory Cycle is for three years, from 1 July 2023 to 30 June 2026. Prior to the end of the cycle, NBN Co must submit to the ACCC its regulatory proposal, the Replacement Module Application (RMA), setting out the Company's plans for the next Regulatory Cycle, including details on expenditure, benchmark service standards, entry level offers and the length of the Regulatory Cycle.

As part of the SAU, the ACCC will consider NBN Co's proposals and make a determination about those matters for the next Regulatory Cycle commencing on 1 July 2026. The ACCC notified the Company on 1 July 2024 that the RMA for the next Regulatory Cycle must be provided by 2 July 2025.

In October 2024, NBN Co published the RMA Stakeholder Engagement Strategy that sets out the Company's approach to consulting with a range of stakeholders from October 2024 to March 2025, which will inform what NBN Co proposes in the RMA. The Company has established a Regulatory Proposal Forum to consult consumer advocacy groups, set-up a 50-person end-user panel to engage with end-users, and is working with retailers and access seekers on NBN Co's plans through webinars, direct engagement and a formal consultation paper.

In November 2024, NBN Co published a consultation paper seeking views from stakeholders on the Company's forecast expenditure and proposed service that NBN Co plans to nominate as the Entry Level Offer.

ENHANCE RSP AND CUSTOMER EXPERIENCE

NBN Co collaborates with RSPs to lift the nation's digital capability and aims to deliver a customer experience that drives satisfaction and greater take up of nbn® services.

Operating the network involves ongoing maintenance, continuous performance monitoring, and restoring services during faults or outages. NBN Co works with RSPs to ensure equitable access to the network, particularly in areas with below-average broadband uptake. The Company develops tailored solutions to promote network use in these communities, enhancing access to healthcare and education and helping ensure customers can benefit from the social and economic advantages of broadband.

CUSTOMER EXPERIENCE

NBN Co is dedicated to enhancing connectivity, reliability, and customer service by minimising network outages, providing timely notifications for planned outages, ensuring convenient and on-time connections, and promptly resolving issues. The Company values every customer interaction from initial connection to disconnection and is committed to improving outage information through updates to RSPs and via information published on NBN Co's website.

NBN Co publishes a monthly progress report which provides metrics related to the services NBN Co delivers. This report is designed to give customers a transparent view of the performance of the Company in areas such as connections, faults, average time taken to restore services and network congestion.

NBN Co continues to prioritise customer experience on the nbn® network by improving the reliability and performance of the network. During HY25, NBN Co had an average of 3.5 faults per 100 premises[1] which was an improvement on HY24, which had an average of 3.7 faults per 100 premises. This improvement reflects the Company's continuous progress in upgrading and maintaining the nbn® network.

Where customers experienced service issues, NBN Co was able to resolve these faults within agreed timeframes[2] on average 92 per cent of the time during HY25, which remains consistent with HY24.

As part of the FY25 Annual Service Improvement Plan (ASIP), NBN Co plans to uplift customer service and reduce costs for the Company and RSPs through proactive detection and repair of the network, reduced repeat appointments and wasted truck rolls, as well as faster connection and restoration of services. Field technician productivity is being uplifted through enhanced testing and diagnostics and Gen AI driven text and voice analytics. The Company is in discussions with RSPs to further optimise fibre connections for the 57,000 premises currently served by underperforming FTTN lines, enabling FTTP upgrades for these premises without any need for the customer to order a higher speed service.

1. The number of faults on the nbn® access network per 100 premises (excluding faults within 10 business days of the connection). This measure tracks individual service faults, not network related faults which are tracked separately. It excludes faults not related to the nbn® access network.
2. The percentage of time NBN Co resolves accepted faults within NBN Co's target timeframes with phone and internet providers. This measure tracks individual service faults, not network related faults which are tracked separately. The fault restoration measure does not include restoration for faults reported to us relating to Priority Assistance Faults or Enhanced Faults, network upgrades and improvements, and events beyond NBN Co's control. NBN Co's target timeframes apply to faults raised by phone and internet providers and accepted by NBN Co and vary depending on the location of the premises and are different for the Sky Muster® satellite network.

WORKING WITH RSPS

NBN Co is committed to enhancing the experience for RSPs and reducing costs within the telecommunications industry. The Company has initiated a multi-year program focused on continuous improvement and optimising processes through digitisation and innovation. Key aspects include addressing RSP pain points, improving partner interactions, and ensuring better coordination and predictable execution dates for structured product and service delivery.

The Company is also introducing simplified operational interactions for wholesale billing and updates to Service Health Assurance tools. NBN Co is continuously improving RSP system resilience through architectural redesign, aiming to achieve greater stability and performance levels for the Company's systems.

SOCIAL IMPACT OF BROADBAND

NBN Co's purpose is to lift the digital capability of Australia and this drives the Company to enable social and economic outcomes for households, businesses, and communities across the nation. Ubiquitous, fast and reliable broadband supports a range of economic and social benefits that are essential to Australia's prosperity and improved individual wellbeing, such as remote access to essential services which include healthcare and education.

NBN Co has developed and applied a Social Impact and Value Measurement Framework to better measure and understand the social impacts enabled by the nbn® network. The Framework was applied in FY24 to measure the 'so what' of digital inclusion for NBN Co's customers, which is defined as the social impact of the nbn® network on user wellbeing (life satisfaction) across five outcome domains; employment and income, education and skills, health, social and community connection and environment. Measurement found that the nbn® network is having a positive impact on individual wellbeing, with three in four users stating that having access to the nbn® network at home has had a positive impact on their satisfaction with life in the previous 12 months[1].

This framework will continue to be utilised to regularly assess the social impact of the nbn® network. This will aid in decision-making, support stakeholder engagement activities and NBN Co's reporting and disclosures.

DIGITAL INCLUSION

As part of its purpose, NBN Co is dedicated to enhancing digital inclusion nationwide, with the Company's strategy focused on areas where it can make the most significant impact. This involves collaborating with communities, industry, and government on access, affordability, and ability, as outlined in the Australian Digital Inclusion Index (ADII).

School Student Broadband Initiative (SSBI)

NBN Co continues to support the delivery of the Australian Government's SSBI. By providing essential connectivity at home, the initiative empowers students to participate in their education and build essential digital skills. The National Referral Centre, which is operated by Anglicare Victoria, works with nominating organisations across the country and NBN Co to continue to deliver this ambition.

As at 31 December 2024, there were 22,087 families connected to free home internet through the SSBI and the Government had provided $8.8 million in funding towards the initiative, with NBN Co also providing a contribution towards the IT establishment and other operational costs incurred by participating internet providers to support the initiative.

In January 2025, the Government announced an additional $4.9 million in funding to NBN Co to extend the SSBI to 30 June 2028 with the aim of easing the cost-of-living pressures and narrowing the digital divide for unconnected families with school children. This extension will allow the free services to continue for new and existing families, with up to 30,000 eligible houses set to benefit from the initiative.

1. https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-insight-report.pdf.coredownload.pdf. Note: The analysis was specifically focused on broadband delivered to premises (both nbn® and non-nbn® broadband) and did not seek to measure or take into account the economic or social impact that may have come from mobile broadband. Although mobile networks account for only 13 per cent of downloads across retail nbn®, non-nbn® fixed and mobile networks in the June quarter of 2023 (ACCC Internet Activity Report for period ending 30 June 2023), the pattern of economic and social benefits set out in this report may change if mobile broadband was able to be explicitly included in the analysis.

Low-Income and Digital Inclusion Forum (LIDIF)

NBN Co initiates and chairs the LIDIF to improve access, affordability, and digital ability for low-income, vulnerable and unconnected users of the nbn® network. During the six months to 31 December 2024, 24 member organisations, including not-for-profit organisations, customer advocacy groups, government agencies, RSPs, and independent researchers had the opportunity to attend two LIDIF meetings. LIDIF members actively support the SSBI and establishment of a National Device Bank, which distributes refurbished devices to those in need. The LIDIF is actively identifying and establishing new areas of focus for its future initiatives.

ACCESSIBILITY AND INCLUSION

NBN Co remains committed to providing more accessible and inclusive products and services to its customers and the broader community. NBN Co's Accessibility and Inclusion Plan (AIP), released in May 2023, aims to advance the Company's ambitions for the inclusion of people living with a disability.

This plan aims to improve access to reliable, secure, and high-speed broadband for vulnerable and marginalised communities, including people with disabilities.

NBN Co continues to progress actions within the AIP. This includes improving the accessibility of communications and marketing. The Company has committed to NBN Co application forms being accessible for people with diverse abilities by implementing accessibility requirements such as colour contrast, navigation and coding practices, as outlined in the Web Content Accessibility Standards (WCAG) 2.2 (Level AA), where practicable and appropriate. As an example, NBN Co recently revised the new development application form on the Company's website to make it more accessible and easier to use.

FIRST NATIONS CONNECTIVITY

NBN Co aims to engage with First Nations communities to support their digital inclusion aspirations. The Company recognises that digital inclusion is much lower for First Nations people compared to the general population, as evidenced by the ADII and validated through NBN Co's own engagement activities. As part of the Company's contribution to Target 17 of the Closing the Gap Report 2022, NBN Co is committed to providing equitable access and improving digital inclusion for First Nations people. Additionally, NBN Co acknowledges its role in supporting the culturally safe use of technology, expanding employment and business pathways, and amplifying the success of community-led programs and solutions.

NBN Co's Fifth Reconciliation Action Plan (RAP)

In FY23, NBN Co launched its fifth Reconciliation Action Plan (RAP V), which will be in effect until 2026. This plan emphasises connecting more communities and enhancing First Nations people's digital inclusion through customised product offerings and educational programs. It focuses on four key areas: First Nations digital outcomes, career pathways, First Nations procurement, and cultural learning. These are aligned with Reconciliation Australia's pillars of relationships, respect, opportunities, and governance. NBN Co is committed to increasing employment opportunities for First Nations job seekers and fostering sustainable engagement with First Nations-owned businesses across its supply chain.

NBN Co has made progress in several key areas of the RAP. As at 31 December 2024, NBN Co's workforce consisted of 83 First Nations employees, which is 1.9 per cent of the Company's total employees, an increase from 1.6 per cent as at 30 June 2024. NBN Co is also on track to meet its goal of engaging 15 new First Nations suppliers by 2026, with the Company having engaged 10 new First Nations suppliers as at 31 December 2024.

NBN Co has continued its partnership with Jawun during the period and facilitated 6 secondments to assist First Nations organisations in Central Australia, East Kimberley and East Arnhem. The insights obtained from these secondments are integrated into the Company's wider framework.

In July 2024, NBN Co hosted the inaugural Mob Connect event in Sydney to celebrate National Aborigines and Islanders Day Observance Committee (NAIDOC) Week. During this two-day event, 42 per cent of the Company's First Nations employees participated in various connection and cultural activities which celebrated and recognised the history, culture and achievements of Aboriginal and Torres Strait Islander people.

Remote First Nations Communities

Following the announcement of the $20 million grant funding from the Australian Government in February 2024, the Company has expanded its existing Community Wi-Fi Program to a further 23 remote First Nations communities. 19 out of the 23 remote First Nations communities had access to community Wi-Fi as at 31 December 2024.

These facilities provide free access to essential services like telehealth, MyGov, online education, and mentoring, with no download limits. The network design is developed in collaboration with community leaders to ensure cultural adherence. At each of these sites there is an NBN Co Digital Champion, who is a First Nations person based within the community, helping people access the nbn® network and improve their digital skills.

Enhancing First Nations Digital Inclusion

To further support digital inclusion, NBN Co will continue to work with peak bodies and interest groups like the First Nations Digital Inclusion Advisory Group (FNDIAG) to support families located in Limited Access Areas (LAA) who are currently ineligible or unaware of the SSBI. In partnership with First Nations groups, NBN Co will continue fostering on the ground engagement and building relationships with these communities to increase awareness and uptake of the SSBI. The Company will also continue exploring potential partnerships with organisations that can support First Nations people.

COMMUNITY SAFETY

NBN Co is committed to fostering a culture of security awareness among its employees and the broader community. Consequently, the Company has established itself as a reliable advisor in cybersecurity.

As NBN Co continues to upgrade the network across Australia, Scams Awareness Week 2024 served as a timely reminder for communities, particularly in regional Australia, to stay vigilant, recognise impersonation scams, and protect vulnerable friends and family.

The Company also participated in Cyber Security Awareness Month during October 2024, which is an annual campaign led by the Australian Cyber Security Centre (ACSC) to educate and promote simple, effective steps that everyone can take to protect themselves online. At NBN Co, it is crucial that all employees know how to stay ahead of cyber criminals and foster a resilient security culture.

NBN Co aims to educate individuals on recognising and avoiding common online threats, building their confidence and capabilities to fully benefit from nbn® network connectivity. The Company faces new threats daily and NBN Co emphasises fundamental security practices such as strong passphrases, multifactor authentication, timely device and app updates, avoiding suspicious links, and reporting suspicious activity. These efforts protect the network, NBN Co's people, and the community, both at work and at home, and are part of the Company's responsibility as the nation's broadband provider to help ensure safe and secure network usage.

APPROACH TO MODERN SLAVERY

NBN Co's approach to potential modern slavery risks is part of the Company's approach to sustainability, which supports the Company's Statement of Expectations (SoE). The SoE outlines the Government's expectations regarding adherence to the *Modern Slavery Act 2018* (Cth). NBN Co is a model employer and seeks to promote similar outcomes from its contractors.

As the Company's approach to modern slavery matures, the management of potential modern slavery risks and its potential impacts has been integrated into NBN Co's existing frameworks, processes and systems including NBN Co's Enterprise Risk Management and Compliance Frameworks, Third-Party Risk Management Framework, and the Sustainability Governance Framework.

Further details on NBN Co's approach to modern slavery are contained in the Company's latest Modern Slavery Statement[1] available on the Company's website.

1. https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/nbn-co-2024-modern-slavery-statement.pdf.coredownload.pdf

A SAFE, INCLUSIVE AND ENGAGED WORKFORCE

NBN Co's People Strategy is directly aligned to the Company's purpose and strategy, and aims to prioritise a safe, respectful, and inclusive workplace, underpinned by a customer-led culture and engaged workforce.

NBN Co brings its purpose to life through its people, leveraging their diverse range of skills for the benefit of customers and the nation.

To support its people, the Company is committed to providing a safe, respectful, and inclusive workplace where wellbeing, development and engagement is prioritised. This commitment is outlined in the Company's Code of Conduct[1] and is supported by NBN Co's values, People Strategy, and approach to sustainability.

As part of the Company's People Strategy, NBN Co has focused on equipping its workforce for the digital future, leveraging AI responsibly and other emerging technologies, and is committed to continuing to provide career development and learning support to its workforce.

SUPPORTING THE SAFETY AND WELLBEING OF NBN CO'S WORKERS

NBN Co recognises that in performing the Company's duties, whether in a field or office-based role, its workers can face risks in relation to safety and wellbeing. The Company takes action to mitigate these risks and potential impacts and is committed to supporting the safety and wellbeing of its people. This commitment is outlined in NBN Co's Safety and Wellbeing Policy. NBN Co's Safety and Wellbeing approach focuses on employees' experience in the workplace, including safe behaviours, psychosocial hazards, and controls to mitigate risk of injury or illness.

This commitment and approach is supported by the Company's Safety Management System, which is certified to *ISO 45001:2018 Occupational health and safety management systems*, consisting of standards, procedures, instructions, and information that supports the management of safety and wellbeing at NBN Co.

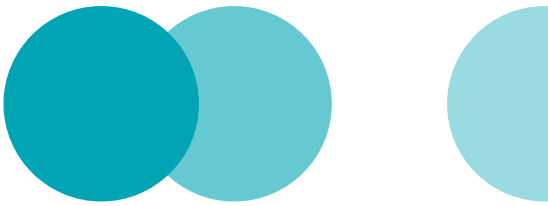
This includes the Company's Critical Risk Controls, which address the most significant safety risks faced by NBN Co employees and Delivery Partner workers.

The Company is working to strengthen its approach by focusing on four key areas in FY25, including safety by design, wellbeing by design, risk and assurance, and service delivery.

In HY25, NBN Co continued to support improvement in safety and wellbeing outcomes for its employees, demonstrated by:

- Launching a refreshed employee care offering, including a new employee assistance program and platform that includes 24/7 access to counselling, medical advice and safety features, including journey tracking and check-in features
- Implementing a refreshed safety assurance program
- Integrating safety into the work undertaken by NBN Co's growing internal field workforce.

NBN Co utilises lead and lag metrics to measure safety and wellbeing performance, which are reported to the Company's Board on a monthly basis.



1. https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/policies/code-of-conduct-august-2024.pdf.coredownload.pdf

The High Potential Incident Frequency Rate (HiPoFR)[1] (or the frequency of incidents with the potential to cause serious harm) for NBN Co overall remained steady compared to HY24. Compliance rates with NBN Co's Critical Risk Controls remained consistently high across Delivery Partners and the internal workforce. In HY25, no serious harm incidents resulting in permanent disability or death occurred. Ten notifiable incidents were reported to Comcare, with no formal investigations undertaken or regulatory improvement notices issued in HY25.

The Lost Time Injury Frequency Rate (LTIFR)[2] for employees and contractors increased from 1.11 as at 30 June 2024 to 1.40 as at 31 December 2024.

Lost Time Injuries among employees are primarily body stressing injuries, experienced by the internal field workforce, who undertake routine manual activities. NBN Co has developed treatment plans in response to the increase in lost time injuries for employees. This includes an injury reduction plan for field services employees, with initiatives such as refreshed manual handling training to reduce body stressing injuries.

EMPLOYEE ENGAGEMENT

To enable the delivery of the Company's purpose and strategy, NBN Co's People Strategy prioritises wellbeing, inclusion, and career and learning development, to support and maintain an engaged workforce. Employee engagement is measured annually through the Great Place to Work (GPTW) engagement survey. In the last survey result (June 2024), the Company achieved an overall engagement score of 77 per cent, with a participation rate of 90 per cent.

NBN Co will continue to focus on a safe and respectful workplace, diversity, equity and inclusion, professional development and digital skills, leadership capability, and performance and reward frameworks.

In September 2024, NBN Co held AI Odyssey Week which was an initiative designed to enhance employee AI skills and knowledge for future AI adoption across the Company. This was delivered through masterclasses, leadership sessions and interactive AI focused activities.

1. Total number of potential serious harm incidents per million hours worked includes incidents with a potential consequence of 'severe' but excludes incidents with an actual consequence of 'severe'. Serious harm incidents are those resulting in a severe consequence such as a fatality or permanent disabling injury.
2. Lost Time Injury Frequency Rate (LTIFR) is the total number of lost time injuries per million hours worked in a rolling 12-month period. LTIFR includes work related injuries that relate to a NBN Co workplace or NBN Co activity undertaken by a NBN Co employee, contractor, or Delivery Partner (DP) that resulted in the injured person deemed medically unfit to work for at least one shift following the incident.

FOSTERING DIVERSITY, EQUITY AND INCLUSION

NBN Co is dedicated to building an inclusive team and addressing risk factors for discrimination and harassment. This helps the Company to not only fulfil its obligations of providing a safe and inclusive workplace, but also aims to provide a positive working environment for employees and supports effective outcomes and solutions to its workforce, communities, and customers across Australia. The Company's commitment to foster a diverse, equitable and inclusive culture is outlined in NBN Co's Diverse, Respectful and Inclusive Workplace Policy.

Key HY25 achievements in support of NBN Co's commitment to foster a diverse, equitable and inclusive culture include:

Gender Equity

- Leveraged partnerships with University of Technology Sydney (UTS), the Royal Melbourne Institute of Technology (RMIT) University and Macquarie University to extend the Company's reach of female STEM talent. A pilot internship program was launched in September 2024, made up of 63 per cent female students
- Launched the Company's first menopause community Menopause Matters and resource library on World Menopause Day.

First Nations

- First Nations employee representation at NBN Co has grown from 1.6 per cent as at 30 June 2024 to 1.9 per cent as at 31 December 2024. The Company's Customer Field Technician program has seen 7 First Nations Trainees progress to permanent full-time employment in HY25
- Refreshed the Company's First Nations cultural learning strategy, which features partnerships with indigenous service providers
- Ran six culturally immersive experiences while uplifting cultural awareness, through NBN Co's partnership with Jawun.

LGBTIQ+ Pride

- Co-hosted with Accenture an International Pronoun Day event with approximately 40 attendees across both companies
- Presented training on LGBTIQ+ inclusion considerations for Human Resources and Recruitment to the Company's talent recruitment teams.

Accessibility

- Continued to work on actions which support commitments within the Accessibility and Inclusion Plan, including working towards becoming a Disability-Confident Recruiter
- Marked International Day of Persons with Disabilities Day in December 2024 via a company wide event, highlighting the advantages of integrating disability, equity and inclusion, with a Disability Advocate.

Cultural diversity

- Celebrated Cultural Diversity Day with an external guest from MindTribes
- Continued investment in building diverse leadership through participation in the John Yu Fellowship in 2024.

PROTECTED ENVIRONMENT

Being environmentally responsible, managing potential impacts and helping to minimise climate change is an integral part of being a sustainable business.

The construction, operation and maintenance of the nbn® network is dependent on the use of natural resources and has the potential to adversely impact natural environments and areas of cultural heritage significance. The Company aims to create and protect value by building a more resource-efficient, climate-resilient network and business, aligned with the latest climate science, while also protecting and restoring the environment.

This objective is outlined in the Company's Environment Policy[1] and is supported by the Company's principles-based approach to sustainability, which includes implementation of the Company's Climate Transition Plan, Circularity Framework and Environmental Management System.

UNDERSTANDING AND RESPONDING TO CLIMATE CHANGE RISKS AND OPPORTUNITIES

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks climate change poses to its operations, network continuity and service obligations.

To understand the physical and transitional risks and opportunities that climate change presents, NBN Co completed its first company-wide Climate Change Risk Assessment in FY22. The assessment supported the Company's ability to identify material physical and transition climate-related risks and opportunities, and to respond to the expectations regarding climate risk disclosures from investors, insurers and regulators.

NBN CO'S CLIMATE TRANSITION PLAN

To address climate-related risks and opportunities, the Company has developed a Climate Transition Plan (CTP). The CTP includes the Company's action plan to address physical and transitional climate change risks and opportunities, and the metrics and targets used to monitor progress towards its climate change goals. The CTP includes actions across three focus areas which are network, customer and communities, and partners.

In the six months to 31 December 2024, NBN Co continued to progress against the interim commitments and key actions within the CTP. This included industry consultation on the new slimline FTTP Network Termination Device (NTD) which is more energy efficient than the current NTD and is capable of supporting wholesale speeds of 2,000/200 Mbps. The Company also progressed on energy efficiency initiatives which are currently contributing 15.6 GWh (gigawatt hours) per annum of energy reductions.

CIRCULARITY AND WASTE MANAGEMENT

As part of the Company's Environment Policy, NBN Co commits to applying circular economy and environmental design principles to its activities, products and services. These principles are designed to minimise the use of new natural resources, promote reuse and recycling, and reduce waste going to landfill. NBN Co's approach to circularity is supported by its Circularity Framework which provides a coordinated approach to applying circular economy principles across the business to enable the associated environmental value, as the Company continues to build, upgrade and operate the nbn® network.

1. https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/policies/environment-policy-2024.pdf.coredownload.pdf

During HY25, NBN Co has continued to operationalise the Circularity Framework by embedding circularity principles into core business processes and engaging with external partners in the supply chain. This has resulted in the design of the next generation FTTP Network Termination Devices (NTDs) which are smaller in form and use post-consumer recycled plastic and plastic-free packaging.

NBN Co continues to recover, refurbish and reuse existing assets as the nbn® network is augmented, upgraded, and maintained. This includes legacy optical nodes, amplifiers and line extenders from the HFC network as part of the plant modernisation program and legacy line cards, nodes, distribution point units (DPUs) and network connection devices (NCDs) from the FTTN and FTTC networks as part of the fibre upgrade program. In HY25, more than 65,000 network assets were recovered for potential reuse, which is more than a 10 per cent increase compared to HY24.

Waste management is also integrated into NBN Co's Environmental Management System (EMS). To improve waste diversion rates in HY25, NBN Co updated its Waste Recycling Guide and launched a communication campaign aimed at helping workers correctly segregate and dispose of materials.

At operational sites, such as network and technical sites, depots and offices, NBN Co diverted 61.7 per cent of waste generated in HY25 away from landfill[1]. This reflects a 1.4 per cent increase compared to HY24.

ENVIRONMENTAL AND CULTURAL HERITAGE PROTECTION

NBN Co recognises that the upgrade, operation, and maintenance of the nbn® network has the potential to adversely impact natural environments and areas of cultural heritage. The Company's Environment Policy includes NBN Co's commitment to reducing its environmental impacts and dependencies and helping to protect and restore the environment in which the Company operates. This commitment is supported by NBN Co's EMS, which is certified to *ISO 14001:2015 Environmental Management Systems*.

To ensure continued protection of environment and cultural heritage values, NBN Co published updated environmental awareness and indigenous cultural heritage awareness training modules in HY25. This training aims to educate NBN Co workers about key risk control measures to be implemented when working in the field.

1. Waste from NBN Co operational sites, including network and technical sites, depots and select offices, for which there is complete and reliable data.

DELIVER COMMERCIAL VALUE

Achieving sustainable long-term financial growth is crucial for NBN Co to lift the digital capability of Australia and consequently enable positive environmental and social outcomes.

NBN Co strives for commercial sustainability and achieving a positive cash flow position. Realising this long-term financial sustainability requires stable revenue growth and a continuous focus on both capital and operating cost efficiency as part of a prudent Capital Management Strategy.

Generating positive future cash flows is essential to support funding for the network investments needed to meet future customer demand, fulfilling the Company's contractual obligations, and raising and servicing debt borrowings.

For the six months ended 31 December	2024 $m	2023 $m	2022 $m	2021 $m	2020 $m
Total revenue	2,870	2,750	2,625	2,522	2,260
Operating income	67	69	68	19	–
Operating expenses[1]	(821)	(834)	(886)	(1,040)	(1,836)
EBITDA[2]	**2,116**	**1,985**	**1,807**	**1,501**	**424**
Depreciation and amortisation expense	(1,613)	(1,638)	(1,488)	(1,709)	(1,720)
Finance costs on lease arrangements	(475)	(464)	(440)	(431)	(431)
Net finance costs on borrowings	(504)	(453)	(346)	(321)	(396)
Other income	21	23	17	15	13
Loss on derivatives measured at fair value	(2)	(2)	–	–	–
Tax benefit/(expense)	(107)	(147)	6	88	(3)
Loss for the period	**(564)**	**(696)**	**(444)**	**(857)**	**(2,113)**
Capital expenditure[3]	1,902	1,869	1,412	1,155	1,424
Total assets	39,901	38,737	37,763	36,126	36,096
Borrowings	28,449	26,504	25,171	24,780	22,618
Lease liabilities	12,062	12,068	11,581	11,008	10,776
Contributed equity	31,104	30,351	29,500	29,500	29,500
Operating cash flows[4]	1,977	1,844	1,608	1,276	322

FINANCIAL PERFORMANCE

The Company primarily measures its financial performance based on growth or improvement in revenue and earnings before interest, tax, depreciation and amortisation (EBITDA). The financial results for the six months ending 31 December 2024 indicate that NBN Co is on target to deliver revenue and EBITDA results for FY25 in line with guidance provided in the 2025 Statement of Corporate Intent.

During the six month period to 31 December 2024, NBN Co recorded revenue of $2.9 billion, which is a 4 per cent increase on the corresponding prior period.

Total operating expenses decreased by 2 per cent during the six months to $821 million.

The combined effect of revenue growth and lower operating expenses increased the Company's EBITDA by $131 million to $2.1 billion in the six months to 31 December 2024, an increase of 7 per cent.

The Company's statutory loss after tax for the period was $564 million, which is an improvement of $132 million compared to the corresponding period.

1. Includes subscriber costs.
2. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.
3. Capital expenditure excludes additions of leased assets, gifted assets and items of property, plant and equipment classified as inventories.
4. Net cash flows provided by operating activities (excluding receipts from government grants and infrastructure lease payments).

The statutory loss reflects the improved EBITDA[1] performance, lower depreciation and amortisation expense and a reduced income tax expense resulting from movement in the deferred tax recognised on NBN Co's financial derivatives, offset by higher interest costs on lease arrangements and net finance costs on borrowings.

The Company continues its investment in the nbn® network, with capital expenditure growing by 2 per cent to $1.9 billion when compared to the comparative period, primarily due to the significant investment in the delivery of the Company's network upgrades, including the fibre connection upgrades and completion of the Fixed Wireless and Satellite Upgrade Programs.

NBN Co received equity funding of over $528 million during HY25, as part of the Commonwealth Government's existing funding commitment to provide up to $2.4 billion in equity to the Company.

Operating cash flows[2] have increased by 7 per cent to $1,977 million as at 31 December 2024. This improvement correlates with EBITDA growth, demonstrating the Company's strong cash conversion.

These solid financial results for the period and ongoing progress against key measures such as revenue, EBITDA and operating cash flows are in line with management expectations and are reflective of the Company's mature, customer-led, operating business.

REVENUE AND OPERATING INCOME

NBN Co's total revenue for the six months ended 31 December 2024 was $2.9 billion, comprising $2.8 billion from telecommunications revenue and $0.1 billion from other revenue.

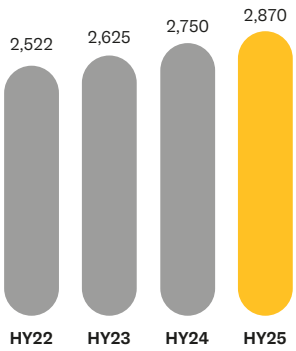
Telecommunications revenue increased by $134 million in HY25 due to a combination of Average Revenue Per User (ARPU) growth and higher total active premises on the network.

Almost 8.62 million residential and business premises were connected to the nbn® network as at 31 December 2024, which is an increase of over 36,000 premises compared to twelve months ago. Residential ARPU rose to $49, from $47 in HY24, as a result of greater demand for higher speed tiers and the impact of price changes consistent with the SAU Variation.

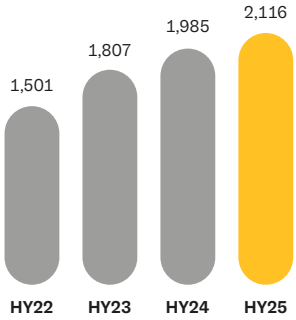
Other revenue from construction activities for developers, commercial works, and co-investment programs decreased by $14 million due to a reduction in new developer deployment charges and lower contributions recognised in respect of co-investment projects under the Connecting Victoria Program and the Commonwealth Government's Regional Connectivity Program.

Operating income, mainly from government grants and the RBS Levy, decreased by 3 per cent to $67 million for the six month period to 31 December 2024.

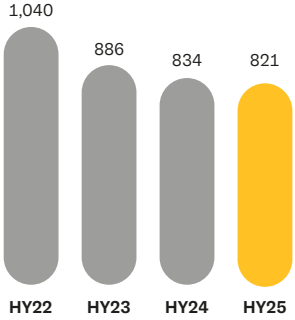
Revenue ($m)



EBITDA ($m)



Operating Expenses ($m)



1. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.
2. Net cash flows provided by operating activities (excluding receipts from government grants and infrastructure lease payments).

OPERATING EXPENDITURE

Total operating expenditure for the six months ending 31 December 2024 declined by 2 per cent to $821 million.

Direct network costs increased by 1 per cent to $297 million for HY25, primarily due to inflationary cost increases to operate network infrastructure assets. These increases have been partially offset by cost efficiency benefits achieved through the Company's continued focus on cost optimisation and network performance and reliability.

Total employee expenses decreased by 1 per cent to $294 million in HY25, due to a reduction in headcount compared to HY24, partially offset by inflationary remuneration increases.

Other operating expenses decreased by 6 per cent to $230 million in the six month period to 31 December 2024, driven by efficiency gains across multiple areas, including IT support and licencing, insurance and marketing costs.

NON-OPERATING INCOME/COSTS

The depreciation and amortisation expense for HY25 was $1.6 billion, declining by 2 per cent compared to the prior period. This reflects the impact of amending the useful life of certain network assets which increased depreciation in the comparative period.

Finance costs on lease arrangements have increased by 2 per cent to $475 million, due to the remeasurement of the Company's lease liabilities to reflect changes in future lease payments for CPI increases and lease amendments.

Net finance costs on borrowings increased by 11 per cent to $504 million when compared to HY24. This increase was due to greater average drawn debt during the period and a higher weighted average cost of debt.

The Company continues to hedge a significant portion of its floating debt, which mitigates some of the impacts of the movements in market interest rates.

Other income of $21 million has decreased by 9 per cent from HY24 and primarily relates to civil infrastructure assets, transferred for no consideration from developers.

The $2 million loss on derivatives measured at fair value relates to NBN Co's Power Purchase Agreements.

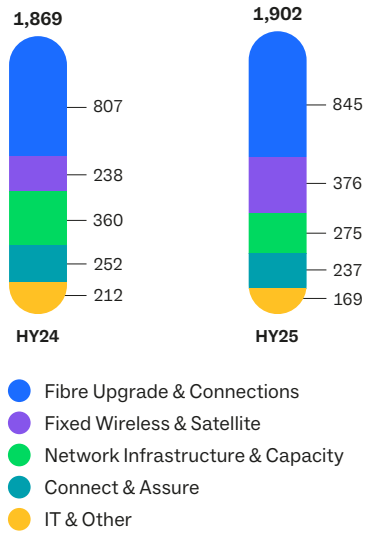
CAPITAL EXPENDITURE

During HY25, the Company continued to invest in the upgrade of the nbn® network, expanding the network for new developments and business fibre, and connecting and serving its customers. Capital expenditure increased to $1.90 billion compared to $1.87 billion in the corresponding prior period.

Capital expenditure incurred in the six month period focused on the following key areas:

- Building local fibre network infrastructure and delivering an increased volume of fibre connections to upgraded premises
- Completion of the Fixed Wireless and Satellite Upgrade Program in December 2024, providing greater speed and capacity to regional customers
- Building fibre to new developments and business customers, and delivering incremental network capacity to cater for network traffic demand
- Connecting and re-connecting premises onto the nbn® network and providing capital maintenance to assure the network
- Continuing investment in software and system development, network security and resilience, and facility costs.

Capital Expenditure ($m)



OPERATING AND FREE CASH FLOW

For the 6 months ended ($m)	31 December 2024	31 December 2023
Operating cash flows[1]	1,977	1,844
Receipts of Government grants	28	1
Capital expenditure	(1,910)	(1,921)
Equity funding from the Commonwealth	528	546
Lease payments	(610)	(575)
Interest paid on borrowings and other financial liabilities	(520)	(409)
Free cash flow	**(507)**	**(514)**

Operating cash flows increased by 7 per cent to $2.0 billion for the six months to 31 December 2024 due to the growth in EBITDA[2].

Receipts of Government grants increased to $28 million for the six months ending 31 December 2024, up from $1 million in the corresponding prior period, primarily due to funds received under the School Student Broadband Initiative and Community Wi-Fi grants.

Capital expenditure payments of $1.9 billion for the six months ending 31 December 2024, remained relatively consistent with the corresponding prior period.

Lease payments predominantly relate to costs associated with right-of-use arrangements over network infrastructure supplied by Telstra. Lease payments increased by 6 per cent to $610 million at HY25 as a result of inflation-linked contractual price increases.

Higher average levels of borrowings during the period and an increase in the weighted average cost of debt has resulted in increased interest payments on borrowings to $520 million in HY25, which is an increase of 27 per cent compared to HY24.

The Company's free cash flow for the six month period ended 31 December 2024 was a net cash outflow of $507 million.

CAPITAL MANAGEMENT

As at	31 December 2024	30 June 2024
Contributed equity ($ million)	31,104	30,576
Company debt[3] ($ million)	27,401	26,888
Weighted average cost of drawn debt during the financial period[4] (%)	3.52	3.24
Fixed interest ratio[5] (%)	75	74
Weighted average duration of available debt[6] (years)	4.2	4.4
Committed liquidity[7] ($ million)	4,017	2,914

As at 31 December 2024, the Company had raised in excess of $35.3 billion from debt capital markets (including short-term promissory note issuances) and committed bank facilities, which represents a net increase in available funding of just under $2.1 billion for the six month period. The Company executed the following in relation to its borrowings during HY25, in line with NBN Co's financing strategy:

- Issued United States Dollars (USD) $1,000 million US 144A/Reg S bonds, comprising USD $500 million with a 3-year tenor and USD $500 million with a 5-year tenor, under the Company's Global Medium-Term Note (GMTN) Programme and repaid a USD $600 million US 144A/Reg S bond that matured in October 2024
- Issued an Australian Dollar (AUD) $1,000 million bond, with a 3-year tenor, under the Company's Australian Medium-Term Note (AMTN) Programme and repaid $825 million of AMTNs that matured in September 2024
- Issued an AUD $750 million Green bond, with a 7-year tenor, under the Company's AMTN Programme and Sustainability Bond Framework
- Cyclical issuance and repayment of short-term promissory notes in AUD under NBN Co's Promissory Note Programme. As at 31 December 2024, a total of $3,905 million had been issued by the Company
- Renegotiated committed bank facilities which reduced the Company's available committed bank facilities by $150 million, to $10,750 million. $1,735 million of existing drawn facilities were repaid during the period, reducing the total drawn balance to $2,850 million as at 31 December 2024.

1. Net cash flows provided by operating activities (excluding receipts from government grants and infrastructure lease payments).
2. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.
3. Principal value of drawn debt, including overdraft facility but excluding hedge valuation adjustments, accrued interest and fees.
4. Average for the financial period, includes the interest rate impact of hedging activities and amortisation of associated fees.
5. Percentage comprises fixed and floating rate debt that has been hedged as a proportion of total debt. Excludes forward starting interest rate swaps.
6. Excluding promissory note issuances and overdraft facilities.
7. Excludes committed bank facilities with less than 12 months to maturity, promissory note issuances and overdraft facilities.

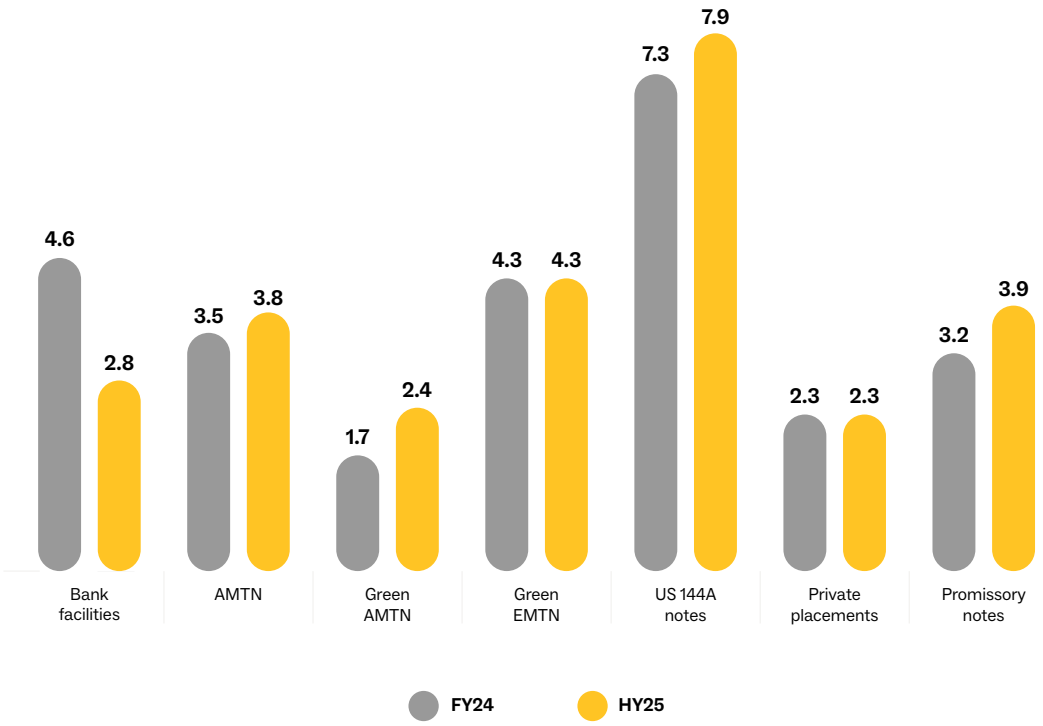
The weighted average cost of drawn debt has increased from 3.24 per cent for the year ended 30 June 2024 to 3.52 per cent for the six months ended 31 December 2024. This is due to higher market interest rates, which affect NBN Co's unhedged floating debt portfolio as well as interest costs associated with newly issued interest-bearing debt.

In line with NBN Co's Treasury Policy, the Company manages its exposure to market risks, such as foreign currency and interest rate movements, by entering into derivatives to hedge against these risks. This has helped shield the Company from the full effect of the aforementioned increase in market interest rates.

In addition to its debt raisings, NBN Co received over $528 million in equity funding from the Commonwealth Government during HY25. These funds represent instalments under the Government's existing commitment to provide up to an additional $2.4 billion in equity to the Company by 30 June 2026, to enable an additional 1.5 million homes and businesses previously served by FTTN to be eligible to upgrade to FTTP technology.

As at 31 December 2024, $31.1 billion of the total available equity funding of $31.9 billion from the Commonwealth Government has been provided to NBN Co.

Summary of drawn debt as at 31 December 2024 ($bn)



RISK MANAGEMENT

NBN Co's robust Risk Management Framework supports the achievement of the Company's strategic objectives. It ensures the Company can protect and create value as an organisation and operate as a responsible and sustainable business.

MANAGEMENT OF RISKS

NBN Co's Risk Management Framework, comprised of its Risk Management Policy, Risk Management Standard and Risk Appetite Statement, enables the proactive identification, assessment and management of business risks. This includes regular reporting to the Executive Committee, Audit and Risk Committee and the Board as well as Shareholder Departments.

The Audit and Risk Committee oversees NBN Co's Risk Management Framework, which defines the roles and responsibilities for risk management across the Company and guides the reporting and escalation of risks requiring the attention of management, the Executive Committee and the Board. Underpinning NBN Co's Risk Management Policy, Risk Management Standard and processes is a positive risk culture, supported by ethical and principle-led behaviours in alignment with the Company's overall values.

NBN Co's risk profile incorporates strategic, operational and emerging risks identified from a wide range of inputs, including NBN Co's annual integrated business planning cycle and strategic planning processes. The Audit and Risk Committee, management and the Board review these material risks on a regular basis. In the event there are material events or changes, more frequent reviews occur.

In the event of a risk occurring, preparedness, response and recovery structures, capabilities and practices are in place to minimise disruption, manage consequences and proactively communicate with key internal and external stakeholders.

OVERVIEW OF RISKS

As an owner and operator of national critical communications infrastructure, the availability, resilience, security and performance of the nbn® network remain core focus areas. As the Company continues to evolve as a business and critical infrastructure owner and operator, so too will the risk profile.

NBN Co continues to actively manage and monitor its key risks, which include, but are not limited to:

- Security and resilience of the nbn® network and business operations
- Strengthening relationships with the Company's channel partners and delivery partners to promote a positive customer experience
- Securing and optimising funding and reinvestment in the network
- Health and safety of employees, partners and the public
- Ability to respond to market conditions
- Achieving favourable regulatory outcomes, and maintaining regulatory compliance.

BOARD OF DIRECTORS

The Directors in office during the half-year reporting period 1 July 2024 to 31 December 2024 and as at the date of this Half Year Report are shown below:

KEVIN RUSSELL

Interim Chair and Non-Executive Director

Appointed Non-Executive Director effective 22 April 2024. Appointed Interim Chair effective 1 January 2025.

ELLIE SWEENEY

Managing Director and Chief Executive Officer

Appointed effective 3 December 2024.

PAM BAINS

Non-Executive Director

Appointed effective 19 March 2022.

NERIDA CAESAR

Non-Executive Director

Appointed effective 1 January 2022.

MIKE MRDAK

Non-Executive Director

Appointed effective 1 October 2023.

NICOLE LOCKWOOD

Non-Executive Director

Appointed effective 19 March 2022.

MICHAEL MALONE

Non-Executive Director

Appointed effective 20 April 2016.

Former Directors

KATE MCKENZIE

Chair and Non-Executive Director

Appointed Non-Executive Director effective 1 December 2019 and Chair effective 1 January 2022.
Kate's term as Chair and Non-Executive Director ceased 31 December 2024.

ELISHA PARKER

Non-Executive Director

Appointed effective 8 December 2021.
Elisha's term as Non-Executive Director ceased 7 December 2024.

OTHER INFORMATION

CORPORATE INFORMATION

NBN Co is an unlisted public company limited by shares that is incorporated and domiciled in Australia. The registered office of the Company is Tower 5, Level 14, 727 Collins Street, Docklands, Victoria, 3008. NBN Co is wholly-owned by the Commonwealth of Australia.

OPERATING AND FINANCIAL REVIEW

The operating and financial review is contained on pages 14 to 46 of the Directors' Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during HY25.

DIVIDENDS

No dividends have been paid or declared since the Company was established in April 2009.

DIRECTORS' INTERESTS

The Directors of NBN Co have no interests in the shares of NBN Co.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

NBN Co has indemnified each of the Directors of the Company against any legal proceedings, loss or liability that arises in their capacity as a Director of NBN Co.

As at 31 December 2024, no material claims have been made.

During HY25, the Company paid insurance premiums for contracts insuring Directors and Officers against liabilities (including costs and expenses) arising from the performance of their duties.

The Directors have not included the details of the nature of the liabilities covered or the amount of the premiums paid in respect of these insurance contracts, as such disclosure is prohibited under the terms of the contracts.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporation *(Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the Financial Report and Directors' Report have been rounded to the nearest million dollars, unless otherwise stated.

AUDITOR INDEPENDENCE

The Directors received an Auditor's Independence Declaration from the Auditor-General. A copy of this declaration has been included within the Half Year Report.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

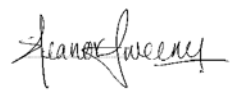
On 13 January 2025, NBN Co and the Commonwealth Government announced new upgrade paths for the remaining 622,000 homes and businesses served by FTTN technology, which are not expected to be made eligible for fibre upgrades as part of the previously announced 3.5 million FTTN premises. The Commonwealth Government has indicated that it will provide the Company equity funding of up to $3.0 billion to deliver these upgrades, with NBN Co providing more than $800 million in additional funding. This does not have any impact on the financial results or the financial position of the Company as at 31 December 2024

No other matter or circumstance has arisen since 31 December 2024 to the date of signing of this report that has significantly affected, or may affect:

- The Company's operations in future financial years
- The results of those operations in future financial years
- The Company's state of affairs in future financial years.

Signed in accordance with a resolution of the Directors, approving the Half Year Report.

KEVIN RUSSELL
Interim Chair



ELLIE SWEENEY
Chief Executive Officer

6 February 2025

AUDITOR'S INDEPENDENCE DECLARATION

Auditor-General for Australia

Australian National Audit Office

Mr Kevin Russell
Interim Chair of the Board
NBN Co Limited
100 Mount Street
NORTH SYDNEY NSW 2060

NBN CO LIMITED HALF–YEAR FINANCIAL REPORT
AUDITOR'S INDEPENDENCE DECLARATION

In relation to my review of the financial report of NBN Co Limited for the half-year ended 31 December 2024, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
(ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Dr Caralee McLiesh PSM
Auditor-General

Canberra
6 February 2025

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

HALF-YEAR FINANCIAL REPORT

The Half-Year Financial Report, comprising the financial statements, Notes to the financial statements and a Directors' declaration, for the six months ended 31 December 2024.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended	Notes	31 December 2024 $m	31 December 2023 $m
Revenue	B	2,870	2,750
Other income		88	92
Direct network costs		(297)	(293)
Employee benefits expenses		(294)	(297)
Other operating expenses		(230)	(244)
Depreciation and amortisation expense	C2 & C3	(1,613)	(1,638)
Finance costs on lease arrangements		(475)	(464)
Net finance costs on borrowings	C5	(504)	(453)
Loss on derivatives measured at fair value	C6	(2)	(2)
Loss before income tax		**(457)**	**(549)**
Income tax expense		(107)	(147)
Loss for the period		**(564)**	**(696)**
Loss attributable to the shareholder		**(564)**	**(696)**
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges, net of tax		(204)	(295)
Changes in the value of costs of hedging, net of tax		(46)	(48)
Total other comprehensive loss for the period, net of tax		**(250)**	**(343)**
Total comprehensive loss for the period		**(814)**	**(1,039)**
Total comprehensive loss attributable to the shareholder		**(814)**	**(1,039)**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at	Notes	31 December 2024 $m	30 June 2024 $m
Current assets			
Cash and cash equivalents	C1	59	54
Trade and other receivables		610	583
Derivative financial assets	C6	192	194
Other current assets		93	113
Total current assets		**954**	**944**
Non-current assets			
Property, plant and equipment	C2	36,203	35,452
Intangible assets	C3	1,368	1,439
Derivative financial assets	C6	1,357	922
Other non-current assets		19	20
Total non-current assets		**38,947**	**37,833**
Total assets		**39,901**	**38,777**
Current liabilities			
Trade and other payables		1,242	1,362
Other liabilities		147	138
Provisions		186	192
Derivative financial liabilities	C6	20	25
Lease liabilities	C4	549	476
Borrowings	C5	5,391	5,302
Total current liabilities		**7,535**	**7,495**
Non-current liabilities			
Trade and other payables		3	1
Other liabilities		1,586	1,568
Provisions		36	36
Derivative financial liabilities	C6	219	460
Lease liabilities	C4	11,513	11,370
Borrowings	C5	23,058	21,610
Total non-current liabilities		**36,415**	**35,045**
Total liabilities		**43,950**	**42,540**
Net liabilities		**(4,049)**	**(3,763)**
Equity			
Contributed equity	D1	31,104	30,576
Other reserves		420	670
Accumulated losses		(35,573)	(35,009)
Total equity		**(4,049)**	**(3,763)**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Notes	Accumulated losses $m	Contributed equity $m	Other reserves $m	Total equity $m
Balance at 30 June 2023		**(33,833)**	**29,805**	**914**	**(3,114)**
Loss for the period		(696)	–	–	(696)
Other comprehensive loss		–	–	(343)	(343)
Total comprehensive loss for the period		**(696)**	**–**	**(343)**	**(1,039)**
Contributions of equity		–	546	–	546
Balance at 31 December 2023		**(34,529)**	**30,351**	**571**	**(3,607)**
Balance at 30 June 2024		**(35,009)**	**30,576**	**670**	**(3,763)**
Loss for the period		(564)	–	–	(564)
Other comprehensive loss		–	–	(250)	(250)
Total comprehensive loss for the period		**(564)**	**–**	**(250)**	**(814)**
Contributions of equity	D1	–	528	–	528
Balance at 31 December 2024		**(35,573)**	**31,104**	**420**	**(4,049)**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the six months ended	Notes	31 December 2024 $m	31 December 2023 $m
Cash flows from operating activities			
Receipts from customers		3,129	2,993
Payments to suppliers and employees		(1,158)	(1,152)
Government grants received		28	1
Interest received		6	3
Net cash provided by operating activities		**2,005**	**1,845**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,754)	(1,758)
Payments for intangible assets		(156)	(163)
Net cash used in investing activities		**(1,910)**	**(1,921)**
Cash flows from financing activities			
Principal repayment of lease liabilities		(131)	(114)
Interest paid on lease liabilities		(479)	(461)
Proceeds from borrowings	C5	23,080	10,532
Repayment of borrowings	C5	(22,568)	(9,980)
Interest and other finance costs paid on borrowings and derivatives	C5	(520)	(299)
Interest paid on related party borrowings	F2	–	(110)
Equity injections for ordinary shares by the Commonwealth of Australia	D1 & F2	528	546
Net cash (used in)/provided by financing activities		**(90)**	**114**
Net increase in cash and cash equivalents		**5**	**38**
Cash and cash equivalents at the beginning of the period		**54**	**41**
Cash and cash equivalents at the end of the period	C1	**59**	**79**

The above statement should be read in conjunction with the accompanying notes.

A. ABOUT THIS REPORT

NBN Co Limited (NBN Co or the Company) is an unlisted public company incorporated and domiciled in Australia. It is a company limited by shares and is wholly-owned by the Commonwealth of Australia.

The Company is incorporated under the *Corporations Act 2001* (Cth) and is subject to (inter alia) the *National Broadband Network Companies Act 2011* (Cth) and the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

The Half-Year Financial Report is comprised of the financial statements, selected explanatory Notes to the financial statements and a Directors' declaration, for the six months ended 31 December 2024. NBN Co is a for-profit entity for the purpose of preparing the Half-Year Financial Report.

BASIS OF PREPARATION

This non-statutory Half-Year Financial Report has been prepared in accordance with Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting* (which complies with International Accounting Standards (IAS) 34 *Interim Financial Reporting*).

The Half-Year Financial Report does not include all explanatory notes of the type normally included in an Annual Financial Report and should be read in conjunction with the most recent Annual Financial Report for the year ended 30 June 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the most recent Annual Financial Report.

The Half-Year Financial Report has been prepared in accordance with the historical cost convention and does not take into account changing money values or fair values of assets unless otherwise stated.

The Half-Year Financial Report was authorised for issue by the Directors on 6 February 2025. The Directors have the power to amend and reissue the Half-Year Financial Report.

GOING CONCERN

The Half-Year Financial Report has been prepared on a going concern basis. This reflects the Directors' view that the Commonwealth Government will continue to direct NBN Co to operate in accordance with the policy objectives as set out in the current Statement of Expectations issued by the Shareholder Ministers to NBN Co on 19 December 2022.

As at 31 December 2024, NBN Co's current liabilities exceeded its current assets by $6,581 million and the Company had net liabilities of $4,049 million. These metrics are in line with expectations and the significant upfront investment in the network prior to the generation of free cash flows.

The Company has raised in excess of $35.3 billion from domestic and capital debt markets (including short-term promissory note issuances) and bank facilities, and as at 31 December 2024 had received $31.1 billion in equity funding from the Commonwealth Government out of committed equity funding of up to $31.9 billion under the terms of the existing Equity Funding Agreement. Additionally on 13 January 2025, the Commonwealth Government indicated that it will provide the Company with up to an additional $3.0 billion in equity funding, providing new upgrade paths for an additional 622,000 homes and businesses currently served by Fibre to the Node (FTTN) by the end of 2030.

NBN Co expects to fund its business through a combination of cash flows generated from the continuation of operating activities, the expected outcomes from the Company's future debt financing activities in both domestic and global markets, the investment of the equity funding from the Commonwealth Government and the utilisation of $7.9 billion undrawn committed bank facilities. NBN Co expects its financing strategy to be achievable based on its strong investment grade credit rating and the outcomes of recent financing transactions.

At the date of signing the Half-Year Financial Report, the Directors expect that NBN Co will be able to meet all of its obligations as and when they fall due for at least twelve months from the date of this report.

FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Australian dollars, which is the Company's functional currency.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest million unless otherwise stated.

COMPARATIVE FIGURES

Certain reclassifications have been made to comparative balances to conform with the current period presentation.

MATERIAL ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability. The Company's material accounting policies are outlined in NBN Co's 2024 Annual Report. Except where otherwise stated, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

OPERATING SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to allocate resources and assess the entity's performance.

NBN Co's Chief Executive Officer (CEO) has been identified as the CODM. NBN Co has determined that it operates in a single segment providing wholesale broadband services across Australia. The CODM assesses the performance of the Company using revenue, EBITDA[1], and net cash flows as presented in the primary financial statements. NBN Co's EBITDA[1] result was $2,116 million as at 31 December 2024 (31 December 2023: $1,985 million).

All NBN Co's operations are provided in Australia, therefore no geographic information is disclosed.

MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Company's accounting policies, management has made a number of judgements and applied estimates and assumptions to future events.

In determining material accounting estimates and judgements, the Company has considered changes in economic circumstances, climate change impacts, regulatory changes, government policies, business plans and strategies, expected level of network usage, and future technological developments impacting specific assets or groups of assets.

Estimates and judgements which are material or have the potential to be material to the Half-Year Financial Report are consistent with those referred to on page 158 of NBN Co's 2024 Annual Report. These estimates have been consistently applied to all periods presented, unless otherwise stated.

1. EBITDA is defined as earnings before interest, tax, other non-operating income, depreciation, amortisation and gains or losses on derivatives measured at fair value.

B. REVENUE

This section provides information that is most relevant to understanding revenue during the period.

B1. REVENUE

The Company's operations and main revenue streams are consistent with those described in NBN Co's 2024 Annual Report.

Revenue from contracts with customers

For the six months ended	31 December 2024 $m	31 December 2023 $m
Telecommunications revenue	2,759	2,625
Other revenue	111	125
Total revenue	**2,870**	**2,750**

Further disaggregation of revenue by timing

The Company has provided further disaggregation of revenue based upon the timing of recognition (i.e. whether products are transferred at a point in time or over time):

For the six months ended	31 December 2024 $m	31 December 2023 $m
Timing of revenue recognition		
At a point in time	135	150
Over time	2,735	2,600
Total revenue	**2,870**	**2,750**

C. ASSETS AND LIABILITIES

This section provides information relating to NBN Co's financial, tangible and intangible assets and their related liabilities. NBN Co's tangible assets are primarily constructed assets or items of infrastructure acquired through finance lease arrangements.

C1. CASH AND CASH EQUIVALENTS

The cash and cash equivalents disclosed in the Statement of financial position and the Statement of cash flows include $36 million (30 June 2024: $43 million) held by the Company which is subject to contractual restrictions and therefore not available for general use.

C2. PROPERTY, PLANT AND EQUIPMENT

	Land $m	Buildings and leasehold improve-ments $m	Furniture and equipment $m	IT equipment $m	Network assets $m	Total $m
Cost						
Balance at 30 June 2024	36	330	65	129	54,183	54,743
Additions	–	5	21	9	1,816	1,851
Remeasurement of right-of-use assets	–	1	1	–	304	306
Disposals	–	–	(5)	(3)	(195)	(203)
Balance at 31 December 2024	**36**	**336**	**82**	**135**	**56,108**	**56,697**
Accumulated depreciation						
Balance at 30 June 2024	(8)	(255)	(40)	(83)	(18,905)	(19,291)
Depreciation	–	(17)	(8)	(10)	(1,371)	(1,406)
Disposals	–	–	5	3	195	203
Balance at 31 December 2024	**(8)**	**(272)**	**(43)**	**(90)**	**(20,081)**	**(20,494)**
Net book value at 30 June 2024	**28**	**75**	**25**	**46**	**35,278**	**35,452**
Net book value at 31 December 2024	**28**	**64**	**39**	**45**	**36,027**	**36,203**

Depreciation on assets is calculated using the straight-line method to allocate the cost, net of any residual values, over their estimated useful lives or, in the case of leasehold improvements and right-of-use assets, the shorter of the lease term or useful life. The majority of the remeasurement of right-of-use assets reflects adjustments in the minimum lease payments for contractually linked Consumer Price Index (CPI) increases.

In line with its accounting policy, NBN Co reviews the useful lives of its network assets prior to each balance sheet date based on the most recent available information.

During the year ended 30 June 2024, NBN Co revised the estimated useful lives of certain network assets, within the existing range of 5 to 40 years, to align their expected period of use with the Company's latest business plans and upgrade strategies. The financial impact of the revised estimated useful lives was an increase in depreciation expense of $129 million for the six month period ended 31 December 2023 as disclosed in the Half-Year Financial Report for the six months ended 31 December 2023.

C. ASSETS AND LIABILITIES (CONTINUED)

C2. Property, plant and equipment (continued)

Property, plant and equipment at net book value is analysed as follows:

As at	31 December 2024 $m	30 June 2024 $m
Constructed and purchased assets	25,163	24,305
Assets in the course of construction	997	1,288
Right-of-use assets	8,581	8,441
Assets acquired for no consideration and under government grants	1,462	1,418
Property, plant and equipment – net book value	**36,203**	**35,452**

Assets in the course of construction

The majority of assets in the course of construction are network assets. As these assets have not been installed and are not ready for use, no depreciation is charged on these assets.

Right-of-use assets

	Land $m	Buildings and leasehold improvements $m	Furniture and equipment $m	Network assets $m	Total $m
Cost					
Balance at 30 June 2024	19	206	53	11,356	11,634
Additions	–	3	21	22	46
Remeasurements	–	1	1	304	306
Disposals	–	–	(5)	–	(5)
Balance at 31 December 2024	**19**	**210**	**70**	**11,682**	**11,981**
Accumulated depreciation					
Balance at 30 June 2024	(8)	(158)	(30)	(2,997)	(3,193)
Depreciation	–	(14)	(7)	(191)	(212)
Disposals	–	–	5	–	5
Balance at 31 December 2024	**(8)**	**(172)**	**(32)**	**(3,188)**	**(3,400)**
Net book value at 30 June 2024	**11**	**48**	**23**	**8,359**	**8,441**
Net book value at 31 December 2024	**11**	**38**	**38**	**8,494**	**8,581**

Assets acquired for no consideration and under government grants

Included within network assets are assets acquired from developers for no consideration and an indefeasible right-of-use arrangement with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to use certain Regional Backbone Blackspots Program assets for no consideration.

Non-current assets pledged as security

None of the non-current assets have been pledged as security by the Company.

C3. INTANGIBLE ASSETS

	Software $m	Licences $m	Right-of-use assets – Licences $m	Other $m	Total $m
Cost					
Balance at 30 June 2024	4,363	75	63	156	4,657
Additions	130	5	–	1	136
Disposals	(110)	–	–	–	(110)
Balance at 31 December 2024	**4,383**	**80**	**63**	**157**	**4,683**
Accumulated amortisation					
Balance at 30 June 2024	(3,000)	(44)	(26)	(148)	(3,218)
Amortisation	(195)	(4)	(4)	(4)	(207)
Disposals	110	–	–	–	110
Balance at 31 December 2024	**(3,085)**	**(48)**	**(30)**	**(152)**	**(3,315)**
Net book value at 30 June 2024	**1,363**	**31**	**37**	**8**	**1,439**
Net book value at 31 December 2024	**1,298**	**32**	**33**	**5**	**1,368**

Assets in the course of construction

The carrying amount of intangible assets includes expenditure recognised on software assets which are in the course of construction. As these assets have not been installed and are not ready for use, no amortisation is charged on these assets. Total software assets in the course of construction are $80 million (30 June 2024: $83 million).

C4. LEASE LIABILITIES

As at	31 December 2024 $m	30 June 2024 $m
Current		
Lease liabilities	549	476
Non-current		
Lease liabilities	11,513	11,370
Total	**12,062**	**11,846**

The majority of the Company's lease liabilities relate to right-of-use licences to access Telstra's network infrastructure, including ducts, pits, exchange rack space and dark fibre network cables. The terms of these right-of-use licences are governed by the Revised Definitive Agreements (RDAs) with Telstra (refer to Note F1 of NBN Co's 2024 Annual Report).

The Company also leases certain commercial properties, commercial vehicles, and wireless sites with various terms that are due to expire within a range of between one and thirty years.

Lease payments generally comprise a base amount plus an incremental contingent rental amount based on movements in the CPI and periodic reviews to market-based levels.

C5. BORROWINGS

As at	31 December 2024 $m	30 June 2024 $m
Current		
Borrowings	5,391	5,302
Non-current		
Borrowings	23,058	21,610
Total	**28,449**	**26,912**

NBN Co's borrowings consist of unsecured bank facilities, short-term promissory notes, Australian Medium-Term Note (AMTN) issuances, US 144A/Reg S bond issuances, Euro Medium-Term Note (EMTN) issuances and private placements. All of NBN Co's borrowings are fully drawn unless otherwise stated.

During the six month period ended 31 December 2024, the Company executed the following transactions in relation to its borrowings:

- Issued United States Dollars (USD) $1,000 million US 144A/Reg S bonds, comprised of USD $500 million with a 3-year tenor and USD $500 million with a 5-year tenor, under the Company's Global Medium-Term Note (GMTN) Programme and repaid a USD $600 million US 144A/Reg S bond that matured in October 2024
- Issued an Australian Dollar (AUD) $1,000 million bond, with a 3-year tenor, under the Company's AMTN Programme and repaid $825 million of AMTNs that matured in September 2024
- Issued an AUD $750 million Green bond, with a 7-year tenor, under the Company's AMTN Programme and Sustainability Bond Framework
- Cyclical issuance and repayment of short-term promissory notes in AUD under NBN Co's Promissory Note Programme. As at 31 December 2024, a total of $3,905 million had been issued by the Company
- Renegotiated committed bank facilities which reduced the Company's available committed bank facilities by $150 million, to $10,750 million. $1,735 million of existing drawn bank facilities were repaid during the period, reducing the total drawn balance of bank facilities to $2,850 million as at 31 December 2024.

All of NBN Co's bonds issued under both the AMTN Programme and GMTN Programme contain a dual-trigger change of control clause. In the event that a change of control of NBN Co occurs, which results in the credit ratings of NBN Co's bonds being downgraded to below investment grade or withdrawn, investors will have the right to require NBN Co to redeem all or a portion of their bonds at a redemption amount as specified in the applicable Pricing Supplement for that bond. If this redemption is not taken up then the bonds include a coupon step-up mechanism, which adjusts the rate of interest to reflect any downgrade or withdrawal of the credit ratings assigned to NBN Co's bonds as a result of the change of control.

Borrowings consist of the following unsecured financial arrangements at 31 December 2024:

	31 December 2024		30 June 2024	
As at	Current $m	Non-current $m	Current $m	Non-current $m
AMTN[1]	1,200	4,950	825	4,400
US 144A/Reg S[2]	–	7,949	824	6,494
EMTN[3]	–	4,287	–	4,287
Private placements[4]	–	2,260	–	2,260
Promissory notes	3,905	–	3,213	–
Bank facilities[5]	–	2,850	200	4,385
Total principal amount of borrowings	**5,105**	**22,296**	**5,062**	**21,826**
Accrued interest	287	–	170	–
Fair value hedge adjustments	–	(430)	(12)	(581)
Foreign exchange movements	–	1,285	82	456
Fees and other adjustments	(1)	(93)	–	(91)
Total borrowings	**5,391**	**23,058**	**5,302**	**21,610**

1. Includes $2,400 million in Green Bonds issued under the Company's AMTN Programme and Sustainability Bond Framework (30 June 2024: $1,650 million).
2. Represents USD denominated US 144A/Reg S notes of USD $5,650 million issued under the Company's GMTN Programme, measured at the hedged foreign exchange rate on the issuance date (30 June 2024: USD $5,250 million).
3. Represents EUR denominated Green EMTN of EUR 2,650 million issued under the Company's GMTN Programme and Sustainability Bond Framework, measured at the hedged foreign exchange rate on the issuance date (30 June 2024: EUR 2,650 million).
4. Represents private placement issuances in AUD $850 million, Norwegian Krone (NOK) 3,750 million, USD $50 million, EUR 90 million, HKD 1,370 million, GBP 150 million and Japanese Yen (JPY) 5,500 million. Foreign denominated issuances are measured at the hedged rate on the issuance date (30 June 2024: AUD $850 million, NOK 3,750 million, USD $50 million, EUR 90 million, HKD 1,370 million, GBP 150 million and JPY 5,500 million).
5. The terms of certain bank facilities were modified during the six month period to 31 December 2024, increasing the tenor and decreasing the overall facility limit by $150 million.

The Company's nominal weighted average cost of issued and drawn debt, taking into account hedging activities and amortisation of associated fees, for the six months ended 31 December 2024 is 3.52 per cent (31 December 2023: 3.20 per cent). All borrowings are repayable in full at the end of the contracted period.

Net finance costs on borrowings

Net finance costs on borrowings primarily relate to interest charged on borrowings.

For the six months ended	Note	31 December 2024 $m	31 December 2023 $m
Interest on related party borrowings	F2	–	(110)
Interest on borrowings		(478)	(309)
Other finance charges[1]		(26)	(34)
Total		**(504)**	**(453)**

1. Other finance charges includes hedge ineffectiveness.

Fair value of borrowings

At 31 December 2024, the carrying value and fair value of the Company's current and non-current borrowings are as follows:

	31 December 2024		30 June 2024	
As at	Carrying value $m	Fair value $m	Carrying value $m	Fair value $m
Borrowings	28,449	28,121	26,912	26,644
Total	**28,449**	**28,121**	**26,912**	**26,644**

The difference between the carrying value and fair value reflects the movements in underlying market interest rates between settlement date and reporting date for the Company's borrowings. The fair value of the Company's borrowings are measured using Level 2 inputs (refer to page 63).

In accordance with AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (AASB 2020-8), NBN Co is transitioning from Interbank Offered Rates (IBORs) to alternate Risk-Free Rates (RFRs). During the period, NBN Co transitioned the measurement of the fair value of its borrowings held in AUD and EUR to reference RFRs as opposed to IBORs (30 June 2024: NBN Co transitioned USD and GBP to reference RFRs). This did not have a material impact on NBN Co's financial statements as at 31 December 2024. NBN Co will seek to transition to using RFRs for borrowings held in remaining currencies as the RFRs are considered to be a reliable market reference input.

C6. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

As a result of its ongoing business operations, the Company is exposed to a number of financial risks including market risks (interest rate risk and foreign currency risk), liquidity risk and credit risk. The Half-Year Financial Report does not include all financial risk management information and disclosures required in the Annual Financial Report and as such, should be read in conjunction with Note G of NBN Co's 2024 Annual Report. There have been no significant changes to the Company's risk management policies since 30 June 2024.

Derivatives and hedging activities

The Company uses derivative financial instruments in the normal course of business in order to hedge exposures to fluctuations in interest rates and foreign exchange rates in accordance with the Company's financial risk management policies. The Company's policies allow derivative transactions to be undertaken for the purpose of managing risk and not for speculative trading.

The fair values, including accrued interest, of the Company's derivative financial instruments at 31 December 2024 are as follows:

	31 December 2024		30 June 2024	
As at	Current $m	Non-current $m	Current $m	Non-current $m
Assets				
Forward exchange contracts	9	–	–	–
Interest rate options	–	4	–	8
Interest rate swaps	40	503	65	747
Cross-currency interest rate swaps	143	846	129	161
Power purchase agreements	–	4	–	6
Total derivative assets	**192**	**1,357**	**194**	**922**
Liabilities				
Interest rate options	–	8	–	8
Interest rate swaps	–	112	1	93
Cross-currency interest rate swaps	20	99	24	359
Total derivative liabilities	**20**	**219**	**25**	**460**

Fair value measurement of financial instruments

The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2
- Level 3: If one or more of the significant inputs for the asset or liability are not based on observable market data (unobservable inputs).

Fair value of derivative assets and liabilities

The Company's derivative financial assets and liabilities are the only assets and liabilities carried at fair value in the Statement of financial position. The Company's derivative assets and liabilities are considered to be Level 2 financial instruments, as their fair value is determined by calculating the present value of the estimated future cash flows based upon observable interest rate yield curves and forward exchange rates at the reporting date (where applicable). The only exception to this categorisation relates to 'contract for difference' (CfD) derivatives within Power Purchase Agreements (PPAs), which are categorised as Level 3, as one of the key inputs, being the electricity forward prices, cannot be forecast (using observable market data) for the duration of the contract.

The changes in Level 3 derivative financial instruments for the six months ending 31 December 2024 are shown in the table below:

For the period ended	31 December 2024 $m	30 June 2024 $m
Derivative financial assets		
Opening balance	6	3
Change in fair value of PPA	(2)	3
Total	**4**	**6**

In accordance with AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (AASB 2020-8), NBN Co is transitioning from Interbank Offered Rates (IBORs) to alternate Risk-Free Rates (RFRs). During the period, NBN Co transitioned the measurement of the fair value of its derivatives held in AUD and EUR to reference RFRs as opposed to IBORs (30 June 2024: NBN Co transitioned USD and GBP to reference RFRs). This did not have a material impact on NBN Co's financial statements as at 31 December 2024. NBN Co will seek to transition to using RFRs for derivatives held in remaining currencies as the RFRs are considered to be a reliable market reference input.

There were no other changes in the valuation techniques applied and there were no transfers between hierarchy levels during the period.

Fair value of other financial instruments (excluding lease liabilities)

The carrying amounts of NBN Co's other financial instruments, which are not measured at fair value, are materially consistent with their fair value as at the reporting date.

The fair value of the Company's borrowings has been disclosed in Note C5.

D. EQUITY

The Commonwealth of Australia and NBN Co had previously entered into an Equity Funding Agreement (EFA), whereby the Commonwealth of Australia provided assurances to the Company in relation to the provision of equity funding of $29.5 billion until 30 June 2021. NBN Co entered into a subsequent EFA with the Commonwealth of Australia on 27 June 2023. Under the terms of the EFA, the Commonwealth of Australia will provide up to $2.4 billion in equity funding to NBN Co by 30 June 2026. The equity funding is to be used to enable an additional 1.5 million homes and businesses previously served by FTTN to be eligible for an upgrade to FTTP technology and will be provided to NBN Co as the program progresses, up to a maximum annual drawdown amount.

D1. CONTRIBUTED EQUITY

As at 31 December 2024, $31.1 billion of the total available equity funding of $31.9 billion from the Commonwealth of Australia had been provided to NBN Co under the terms of the EFAs (30 June 2024: $30.6 billion). The equity funding provided to the Company in the six months ending 31 December 2024 is as follows:

	Number of shares	Ordinary shares fully paid $m
Balance at 30 June 2024	**30,576,000,000**	**30,576**
Equity injections	528,131,945	528
Balance at 31 December 2024	**31,104,131,945**	**31,104**

E. SIGNIFICANT CONTRACTUAL ARRANGEMENTS AND COMMITMENTS

NBN Co's significant contractual arrangements and commitments are set out on pages 186 and 187 of its 2024 Annual Report and have not significantly changed from 30 June 2024.

E1. COMMITMENTS

Capital commitments

Total capital expenditure contracted for at the reporting date but not yet recognised in the Statement of financial position is as follows:

	31 December 2024 $m	30 June 2024 $m
Within one year	398	524
Later than one year but not later than five years	11	7
Later than five years	3	4
Total	**412**	**535**

Capital commitments include committed right-of-use and infrastructure ownership payments under the RDAs with Telstra, fixed-term commercial contracts and other contractually committed capital expenditure.

F. OTHER FINANCIAL INFORMATION

This section provides information on further disclosures required by the Australian Accounting Standards and the *Corporations Act 2001* (Cth).

F1. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

NBN Co's accounting policy in relation to contingent assets and contingent liabilities is set out on pages 201 and 202 of its 2024 Annual Report. There have been no material changes to these contingent assets and contingent liabilities during the period.

F2. RELATED PARTY TRANSACTIONS

Parent entity

The Company's ultimate parent entity and ultimate controlling entity is the Commonwealth of Australia.

Transactions with related parties

The following transactions occurred with related parties:

For the six months ended	Note	31 December 2024 $	31 December 2023 $
Equity injections from NBN Co's Shareholder Departments			
Balance at 1 July		30,576,000,000	29,804,692,179
Equity injections during the period	D1	528,131,945	546,587,184
Balance at 31 December		**31,104,131,945**	**30,351,279,363**

For the six months ended	31 December 2024 $	31 December 2023 $
Loans from NBN Co's Shareholder Departments		
Balance at 1 July[1]	–	5,500,000,000
Loans paid during the period	–	–
Interest charged on Commonwealth loan	–	109,795,068
Interest paid on Commonwealth loan	–	(109,795,068)
Balance at 31 December	**–**	**5,500,000,000**

1. NBN Co fully repaid the Commonwealth loan during the period to 30 June 2024.

For the six months ended	31 December 2024 $	31 December 2023 $
Significant transactions with NBN Co's Shareholder Departments		
Recognised in the Statement of profit or loss		
Other revenue	5,232,540	10,886,913
Other operating income	64,853,108	61,805,314
Recognised in the Statement of cash flows		
Receipts from customers	4,451,773	5,663,475
Government grants received	24,295,706	–

F. OTHER FINANCIAL INFORMATION

As at	31 December 2024 $	30 June 2024 $
Significant transactions with NBN Co's Shareholder Departments		
Recognised in the Statement of financial position		
Other receivables	42,063,015	28,237,989
Contract liabilities	(13,187,566)	(15,796,009)
Other liabilities	(263,095,299)	(288,000,000)

During FY22, NBN Co received $480 million grant funding from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts as part of the NBN Co Fixed Wireless and Satellite Upgrade Program, with NBN Co also contributing an estimated $270 million of investment into the Program. NBN Co recognises grant income in profit or loss on a basis aligned to the expenditure incurred by the Company for which the grant is intended to compensate. For the six months ended 31 December 2024, NBN Co had recognised $48 million (31 December 2023: $48 million) as other operating income and as at 31 December 2024, $240 million had been recognised as a deferred gain (30 June 2024: $288 million).

NBN Co had recognised grant income of $15 million (31 December 2023: $14 million) from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on behalf of the Commonwealth Government under the Regional Broadband Scheme (RBS). The RBS was established by Government to ensure there are long-term sustainable funding arrangements in place to provide essential broadband services to regional, rural and remote Australians. As at 31 December 2024, NBN Co had accrued income for the RBS Levy of $42 million (30 June 2024: $27 million). NBN Co received no cash payments during the six months ended 31 December 2024 (31 December 2023: nil).

NBN Co also received co-investment funding from the Commonwealth Government's Regional Connectivity Program (RCP) which is initially recognised as deferred revenue and released to other revenue as NBN Co completes the construction activity and satisfies the performance obligation under the contract. For the six months ended 31 December 2024, NBN Co had recognised other revenue of $5 million (31 December 2023: $11 million) and $13 million had been recognised as a deferred gain as at 31 December 2024 (30 June 2024: $15 million). NBN Co received $4 million in cash payments under the RCP during the six months ended 31 December 2024 (31 December 2023: $6 million).

During the six months ended 31 December 2024, NBN Co received a number of smaller, individual grants from the Commonwealth. NBN Co received $20 million under the Community Wi-Fi to Remote Communities program to enable NBN Co to deliver free community Wi-Fi to remote First Nations communities. NBN Co also received $4 million under the School Student Broadband Initiative to help provide free home internet to families with school-aged children that otherwise would not have access to an nbn® service. For the six months ended 31 December 2024, NBN Co had recognised $2 million (31 December 2023: $nil) as other income and as at 31 December 2024, $23 million had been recognised as a deferred gain (30 June 2024: $1 million).

NBN Co has an agreement with the Digital Transformation Agency, which enables NBN Co to access cloud computing and IT services via the Amazon Web Services (AWS) Whole of Government Arrangement. NBN Co has committed to a minimum spend by way of an upfront prepaid balance, which is then recognised as an operating expense as the services are provided.

As per AASB 124 *Related Parties*, an entity is not considered a related party simply because they have a Director in common with NBN Co. There are instances were Non-Executive Directors of NBN Co hold Director positions with entities that NBN Co enters into contractual relationships with on standard commercial terms.

F3. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the accounting policies, as outlined in its 2024 Annual Report, to all periods presented in these half-year financial statements, except for new standards, amendments to standards and interpretations effective from 1 July 2024.

A number of standards, amendments and interpretations were applicable for the first time from 1 July 2024. These have not had a significant or immediate impact on the Company's half-year financial statements. New standards and interpretations are also available for early adoption from 1 July 2024. The amendments to these standards are not expected to have a material impact on the Company's half-year financial statements.

G. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 13 January 2025, NBN Co and the Commonwealth Government announced new upgrade paths for the remaining 622,000 homes and businesses served by FTTN technology, which are not expected to be made eligible for fibre upgrades as part of the previously announced 3.5 million FTTN premises. The Commonwealth Government has indicated that it will provide the Company equity funding of up to $3.0 billion to deliver these upgrades, with NBN Co providing more than $800 million in additional funding. This does not have any impact on the financial results or the financial position of the Company as at 31 December 2024.

No other matter or circumstance has arisen since 31 December 2024 to the date of signing of this report that has significantly affected, or may affect:

- the Company's operations in future financial years
- the results of those operations in future financial years
- the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

(1) These non-statutory half-year financial statements and notes set out on pages 50 to 69 are in accordance with AASB 134 *Interim Financial Reporting* (which complies with IAS 34 *Interim Financial Reporting*), the *Corporations Act 2001* (Cth) and the *Public Governance, Performance and Accountability Act 2013* (Cth), giving a true and fair view of NBN Co's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

(2) There are reasonable grounds to believe that NBN Co will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Signed in accordance with a resolution of the Directors.

KEVIN RUSSELL
Interim Chair
6 February 2025

ELLIE SWEENEY
Chief Executive Officer
6 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

Auditor-General for Australia

Australian National Audit Office

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of NBN Co Limited

Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the accompanying Half-Year Financial Report of NBN Co Limited does not give a true and fair view of the financial position of NBN Co Limited as at 31 December 2024 and its financial performance and its cashflows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

The Half-Year Financial Report of NBN Co Limited, which I have reviewed, comprises the following statements as at 31 December 2024 and for the half-year then ended:

- Statement of profit or loss and other comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Statement of cash flows;
- Notes to the financial statements, comprising a summary of material accounting policy information and selected explanatory notes; and
- Directors' declaration.

Basis for Conclusion

I conducted my review in accordance with the Australian National Audit Office Auditing Standards which incorporates ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). My responsibilities under those standards are further described in the Auditor's Responsibilities section of my report. I am independent of NBN Co Limited in accordance with the relevant ethical requirements for financial report reviews conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other ethical responsibilities in accordance with the Code.

Directors' responsibility for the Half-Year Financial Report

The Directors of NBN Co Limited are responsible for the preparation of the Half-Year Financial Report that gives a true and fair view in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and for such internal control as the Directors determine is necessary to enable the preparation of the Half-Year Financial Report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibility for the Half-Year Financial Report

My responsibility is to express a conclusion on the Half-Year Financial Report based on my review. ASRE 2410 requires me to conclude whether anything has come to my attention that causes me to believe that the Half-Year Financial Report does not give a true and fair view of the financial position of NBN Co Limited as at 31 December 2024 and of its financial performance and its cash flows for the half year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

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

Australian National Audit Office

Dr Caralee McLiesh PSM
Auditor-General

Canberra
6 February 2025

SYDNEY

Level 13, 100 Mount Street
North Sydney NSW 2060

MELBOURNE

Tower 5, Level 14
727 Collins Street
Docklands Victoria 3008

CANBERRA

Unit 2, 16 National Circuit
Barton ACT 2600

BRISBANE

Level 1, 44 Southgate Avenue
Cannon Hill Queensland 4170

PERTH

Level 4, 202 Pier Street
Perth WA 6000

ADELAIDE

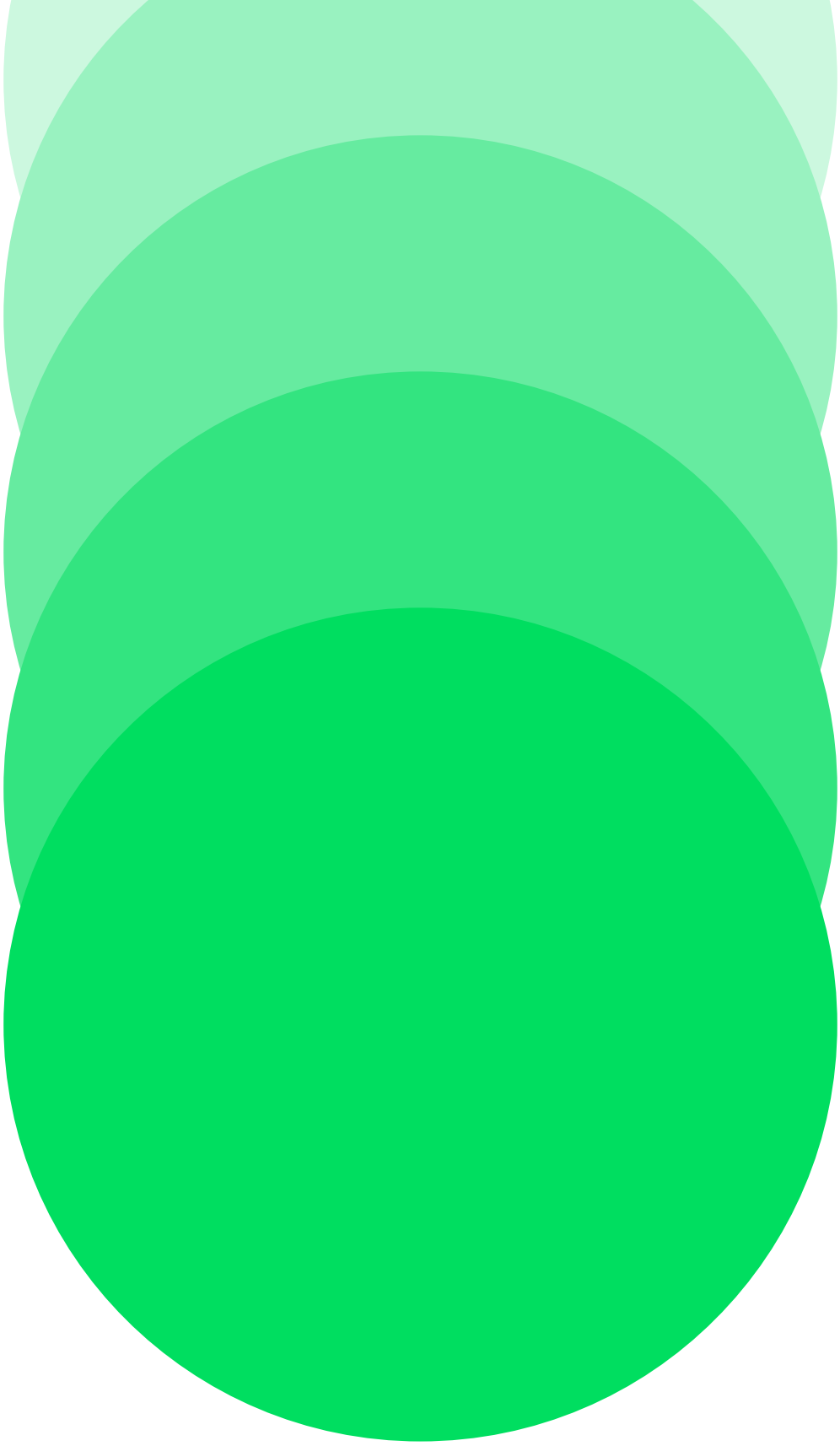
Level 20, Festival Tower
Station Road SA 5000

DARWIN

Unit 6, Terminal 1 Building,
396 Stuart Highway
Winnellie NT 0820

HOBART

Level 1, 54 Victoria Street
Hobart Tasmania 7000



© 2025 NBN Co Limited | ABN 86 136 533 741

nbn.com.au