2025 Tax Contribution Report

For the year ended 31 December 2024

EnergyAustralia Holdings Ltd
(ABN 57 101 876 135)

EnergyAustralia
LIGHT THE WAY

Contents

Chris Opperman - Chief Financial Officer

1. Message from the Chief Financial Officer

As Chief Financial Officer, I am pleased to present our Tax Contribution Report for the financial year 2024.

The 2024 financial year marked a significant turnaround in our operational and financial performance. Revenue increased by 13.0% to $7,196.8 million, compared to $6,370.5 million in the prior year, primarily driven by higher electricity generation volumes sold at higher realised wholesale electricity spot prices. This reflects improved asset performance.

The Group achieved an after-tax profit of $153.2 million in 2024, a recovery from the $829.9 million loss recorded in the previous year. While this profit is lower than the 2023 underlying profit of $273.1 million (after adjusting for a $1.1 billion goodwill impairment), it demonstrates the resilience of our business model amid challenging market conditions.

Our generation portfolio delivered improved reliability and performance throughout 2024. Coal supply to the Mount Piper Power Station in New South Wales improved with higher volumes and better quality compared to 2023. Higher wholesale prices and improved coal availability supported greater utilisation of the Mount Piper Power Station, while higher wholesale prices also drove increased utilisation of our gas-fired generation assets.

At Yallourn Power Station in Victoria, output was lower in 2024 due to planned major unit outages designed to enhance reliability through to the end of the station's expected operational life. While this temporarily impacted generation volumes, Yallourn continued to play an important role in our generation portfolio. These strategic maintenance investments underscore our commitment to providing reliable electricity supply for Australian consumers and businesses.

The retail energy market remained very competitive, with our customer-facing operations experiencing increased energy procurement costs, higher operating expenses driven by inflationary pressures, elevated bad debts, and compressed margins due to competitive pricing pressures. Despite these headwinds, we maintained our commitment to supporting customers experiencing financial hardship through payment plans and our dedicated hardship program, recognising the ongoing cost-of-living pressures facing Australian households.

Our improved operational performance and stronger financial results in 2024 enabled us to make substantial tax contributions across multiple categories, supporting essential government services, infrastructure development, and community programs. Looking ahead, we remain focused on operational excellence, prudent financial management, and supporting our customers through the energy transition.

2. Overview of EnergyAustralia

EnergyAustralia is one of Australia's largest energy retailers and generators, serving over 2.3 million electricity and gas customer accounts (as of 31 December 2024) across New South Wales, Victoria, South Australia, Queensland, and the Australian Capital Territory. Our retail business is backed primarily through our generation capacity, comprising coal, gas, and wind assets, as well as power purchase agreements for renewable energy and battery assets. We manage dispatch rights for grid-scale batteries enabling commercial trading of stored energy. We also supply decentralised energy solutions, including rooftop solar and battery offerings for customers. EnergyAustralia employs approximately 2,300 people and is headquartered in Melbourne. We are proud of the contribution our assets (whether owner or contracted) and our workforce continue to make to the economic prosperity of local communities and our nation.

EnergyAustralia is a wholly owned subsidiary of the CLP Group of Hong Kong, one of the oldest and largest integrated power businesses in the Asia Pacific region.

For income tax purposes, EnergyAustralia is a tax consolidated group comprising EnergyAustralia Holdings Limited (as head company) and its wholly owned Australian resident subsidiaries. This tax consolidated group is treated as a "single taxpayer", i.e., EnergyAustralia lodges a single Australian income tax return for its operations.

3. Basis of Preparation

The Tax Contribution Report is based on EnergyAustralia's audited financial statements for the year ended 31 December 2024. The tax figures presented reflect our tax return lodged with the Australian Taxation Office (ATO).

EnergyAustralia operates on a calendar year basis (January to December). Our 2024 financial year tax return was lodged on time, falling within the ATO's 2025 Income Year for tax purposes.

Our tax reporting undergoes multiple levels of review, external audit of financial statements (including tax provisions), external tax agent review of the tax return, ATO review through annual tax return lodgement, and regular ATO engagement under the Justified Trust Program.

Any differences between our December 2024 Financial Statements and the final tax return lodged with the ATO will be reflected in our 2025 financial statements once finalised.

4. Tax Policy, Risk Management and Governance

EnergyAustralia is governed by the Value Framework and Code of Conduct of our owner, CLP Group.
The framework and the code set out CLP Group's commitment to all stakeholders, including compliance with all applicable laws and regulations and open and transparent communication about business matters.

EnergyAustralia recognises that sound tax governance and risk management are crucial to running a sustainable and responsible business. EnergyAustralia is committed to observing all applicable laws, regulations, and rules (together the 'rules') in meeting both tax compliance and reporting obligations and paying all applicable taxes in accordance with relevant tax laws.

Our approach to tax risk management is defined under the EnergyAustralia Risk Management Policy, Group Tax Policy and Tax Risk Management Operating Procedures.

EnergyAustralia's Audit and Risk Committee (a subcommittee of the EnergyAustralia Holdings Ltd Board) oversees risk management and internal controls in relation to all risks across the company, including tax and receives regular updates on tax matters. Internal and external auditors provide an additional layer of oversight and governance.

5. Engagement with the Australian Taxation Office

EnergyAustralia is categorised as a Key Taxpayer by the ATO as it is a Top 100 public and multinational taxpayer. This means EnergyAustralia is subject to significant review by the ATO.

EnergyAustralia works co-operatively with the ATO in line with the Key Taxpayer Engagement Plan (KTE) on all pre-lodgement compliance reviews, annual compliance arrangements and streamlined assurance reviews. EnergyAustralia interprets the tax law using relevant case law, Tax Authority's rulings and guidance and discusses such interpretations with tax authorities where appropriate, to minimise tax disputes.

Under the ATO's Justified Trust Program, the ATO has issued to EnergyAustralia an overall high level of assurance for income tax in prior years. This means the ATO has assurance that EnergyAustralia has paid the correct amount of tax for that period. The ATO has indicated that it is satisfied with EnergyAustralia's open and transparent engagement approach with the ATO. The ATO is currently reviewing EnergyAustralia's financial year 2024 tax lodgement at the date of publication of this tax contribution report.

6. Reconciliation of accounting profit to income tax expense to income tax payable

EnergyAustralia returned to profitability in 2024 with $219 million profit before tax. This is an improvement of $932 million from 2023, a year where we made a loss before tax of $712.7 million largely because of a non-cash goodwill impairment charge of $1,103 million related to the retail business. The impairment reflected the challenging retail energy market, which put pressure on operating margins. The profit recovery follows the losses made in 2022 period when lower than expected asset performance coincided with extreme weather events, generator outages and global fuel price shocks driving wholesale electricity costs to record highs across the National Electricity Market. EnergyAustralia is utilising accumulated tax losses from 2022 and 2023 while working toward resuming cash tax contributions.

Understanding Our Tax Position

FY 2024 Financial Performance	**$m**
Total income	7,227.4
Less: Operating costs (including network charges)	(7,008.4)
Profit before tax (II)	219.0
Income tax expense on profit before tax (A)	**65.7**
Tax effect on Permanent Differences **(B)**	0.1
Income Tax Expense per financial statement I = (A) + (B)	**65.8**
Effective Tax Rate (I)/(II) - FY2024	**30%**

Understanding Total Income in the Energy Sector

EnergyAustralia's total income is derived from our retail energy customers and generation business in Australia. Total income represents our gross revenue before expenses – the figure reported to the ATO. For energy retailers, a large part of the total income includes regulated network charges that we collect from customers and remit directly to third party companies who operate and maintain the electricity network.

Like all Australian companies, we pay tax on profits, not revenue.

Effective tax rate

The prevailing Australian statutory corporate tax rate is 30% for large business. Our 30% effective tax rate for FY 2024 is equal to Australia's statutory corporate tax rate. We calculate this following the Board of Taxation's Voluntary Tax Transparency Code: income tax expense divided by accounting profit or loss before tax.

Reconciliation of income tax expense to income tax paid/payable

While EnergyAustralia recorded $65.8 million in tax expense for FY 2024, we paid no cash tax this year because we utilised some of the tax losses carried forward from 2022 and 2023. We will resume cash tax payments after all remaining tax losses are exhausted.

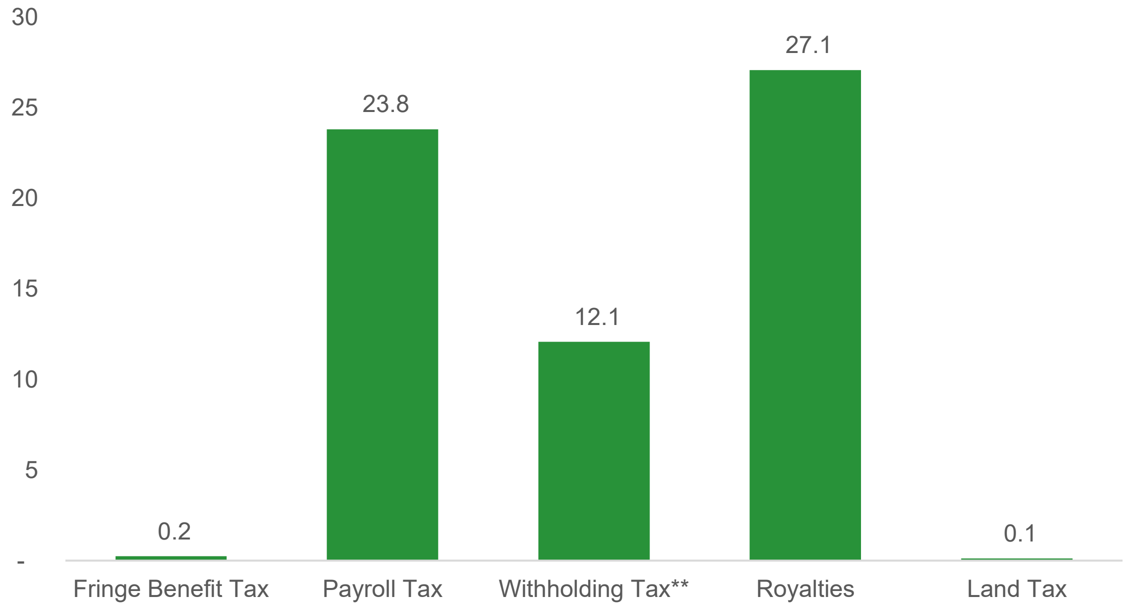
The table below reconciles the accounting income tax expense of $65.8 million to a nil income tax payable per the income tax return for the year ended 31 December 2025.

FY 2024 Tax Reconciliation – From tax expense to tax payable		
		$m
Income tax expense on Profit before Tax		65.7
Permanent difference		0.1
Total tax expense per statutory financial statements		65.8
Temporary Differences		
Depreciation	20.3	
Accruals	1.8	
Others	8.2	
Inventories	(19.3)	
Provisions	(5.4)	
Derivatives at fair value	(44.2)	(38.6)
Prior year tax losses applied		(27.2)
Income tax payable for FY2024		**Nil**

Temporary differences occur when tax law and accounting standards recognise income or expenses at different times. These differences reverse over time, meaning today's benefit becomes tomorrow's payment and vice versa. Temporary differences include depreciation, inventories, provisions, accruals and unrealised gains and losses on derivatives.

7. Australian tax contribution summary

For the year ended 31 December 2024, EnergyAustralia has made the following tax contributions ($m):



**Withholding Tax excludes Pay-As-You-Go (PAYG) amounts withheld from employees' salary and wages.

8. International related-party dealings

EnergyAustralia is a tax resident of Australia and operates entirely in Australia. EnergyAustralia does not own any foreign assets or offshore operations. All its profits are subject to Australian tax.

The primary international related party expense for the year ended 31 December 2024 was interest paid on international related party loans. As part of the ATO's early engagement process EnergyAustralia and the ATO agreed to the pricing of the related party loan via a Settlement Deed. EnergyAustralia pays Australian interest withholding tax on all interest paid on international related party loans.

EnergyAustralia maintains comprehensive documentation for all international related party transactions, ensuring full compliance with Australian and international tax laws. The ATO has visibility of all our international related party dealings through our annual reporting and ongoing engagement.