



AUSTRALIA'S NATIONAL  
RESEARCH AND  
EDUCATION NETWORK

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**ANNUAL REPORT 2025**



AARNet is Australia's national research and education network, supporting research, education and collaboration through national infrastructure, global connectivity and services. This report highlights key areas that reflect the scale, reach and impact of that role.

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## AARNET BY THE NUMBERS

National research and education infrastructure at scale. A snapshot of key metrics, with further detail in Our Role and Impact.

140+  
countries

NREN connectivity worldwide

7.9 million

eduroam authentications

28.2 Tbps

national network capacity

5+ million

users supported

99.99%

network availability

119,000+ km

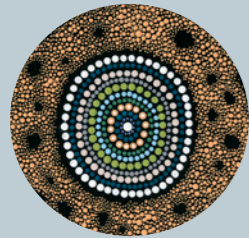
International reach over  
11 subsea cables

31,186+ km

national fibre network

1,497

connected sites



## ACKNOWLEDGEMENT OF COUNTRY

AARNet acknowledges the Traditional Custodians of the lands we work upon and connect across, recognising the profound connection to lands, waters and communities where we operate. We honour the enduring cultural legacy and continuous thread of storytelling and communication of the world's most ancient living cultures. We extend our respect to the Elders, those who have passed, those who are with us today, and those who will guide us into the future.

## LEADERSHIP MESSAGES Message from the Chair



As Chair of the AARNet Board, I am pleased to present this year's Annual Report.

AARNet plays a critical role in supporting Australia's research and education sector, providing the national digital infrastructure that underpins collaboration, teaching and discovery. As the scale and complexity of research and education in Australia continue to grow, this role remains fundamental to the sector's success. This is particularly important as institutions navigate increasing financial and operational pressures and global uncertainty, while continuing to invest in research, education and digital capability.

The past year has been one of transition, with the appointment of new Chief Executive Officer Ben White, following the retirement of Chris Hancock AM. On behalf of the Board, I would like to acknowledge Chris's outstanding contribution over more than two decades of leadership, and welcome Ben, whose experience and perspective will support AARNet's next phase.

The Board has maintained a strong focus on ensuring continuity and stability through this transition, while supporting the organisation's ongoing strategic direction. This has included the decision to retire the AARNet Security Operations Centre service, following extensive consultation with the sector. The decision reflects an appropriate evolution for AARNet, recognising the increasing maturity of commercial cyber security solutions and changes in sector needs.

AARNet is financially sound, operationally resilient and clearly focused on its role as Australia's National Research and Education Network.

On behalf of the Board, I thank our shareholders and stakeholders for their continued support and recognise all AARNet staff for their contribution and commitment over the past year.

**Professor Emeritus Ian O'Connor AC  
Chair, AARNet Board**

## LEADERSHIP MESSAGES

### Message from the CEO



I joined AARNet in July 2025, drawn by the opportunity to contribute to a sector that plays such a critical role in Australia's future at a time of enormous change.

AARNet has a unique role as Australia's National Research and Education Network, providing the infrastructure that connects institutions and research facilities across the country and links Australia to the global research and education community. This role is increasingly important as research and education delivery rapidly evolves, with ever growing reliance on cloud infrastructure and large-scale data movement.

Since joining, I have gained a much deeper understanding of the needs of the sector and the role AARNet plays in supporting it. I have been particularly struck by the depth of knowledge of our people, the incredible scale and capability of our network, and the strength of AARNet's relationships and reputation across the sector. I have also been impressed by the strong spirit of

collaboration and camaraderie across the research and education community, both in Australia and through the global NREN network.

What stands out most is the shared sense of purpose across our organisation, and the genuine commitment of our people to the sector we serve.

These insights have helped sharpen our focus on the performance and resilience of the AARNet network, aligning our organisation to better support delivery, and responding to changing sector needs.

As part of this, we undertook a review of our cyber security service portfolio in light of changing customer requirements and the evolution of mature commercial alternatives. This included extensive consultation with customers and other stakeholders across the sector and has led to the difficult but necessary decision to retire our Security Operations Centre (SOC) service.

The financial impacts of this decision, including the recognition of an associated onerous contract impairment and provision, are outlined in the Directors' Report and Consolidated Financial Statements. This decision creates a reported loss for AARNet in 2025, as it brings forward our remaining contractual obligations related to the SOC from 2026 and 2027 into the 2025 result. This however is a one-off impact and does not affect the ongoing strength and viability of AARNet's operations as a whole.

Decisions like this reflect AARNet's ongoing approach to evolving its service portfolio over time and concentrating effort where it delivers the greatest value to the sector.

We continue to invest in the network, expanding capacity, strengthening security and resilience, and extending connectivity across metropolitan, regional and remote locations. Examples of this include the ongoing investment in our network technology upgrade to AARNet5 and the

Looking ahead, our priority is to continue to build on AARNet's role as a trusted, sector-owned partner, providing capabilities to support research, education and collaboration at national and global scale.

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inter-capital Triversity fibre construction program, both of which have made significant progress in 2025. These investments are critical to supporting emerging technologies such as artificial intelligence and the growing demand for cloud services and data movement across the sector.

Looking ahead, our priority is to continue to build on AARNet's role as a trusted, sector-owned partner, providing capabilities to support research, education and collaboration at national and global scale.

I would like to thank our Board, the AARNet Advisory Committee, our shareholders, customers and partners in industry and government, and the AARNet team for their ongoing support and contribution. It is an incredible privilege to have joined and be part of such a collaborative and committed community.

**Ben White**  
**Chief Executive Officer, AARNet**

## OUR ROLE AND IMPACT

For nearly 40 years, AARNet has provided the dedicated national network supporting Australia's research and education community.

Owned by 38 Australian universities and the national science agency CSIRO<sup>1</sup>, and operated as a not-for-profit company, AARNet provides the high-capacity connectivity and digital capabilities that enable institutions across the country to collaborate, teach and conduct research in an increasingly data-intensive and globally connected environment.

The AARNet network connects universities, research institutes, national science agencies, TAFEs, schools, teaching hospitals and cultural institutions across Australia. Through this infrastructure, more than five million users – including researchers, educators, students and staff – can access global research and education networks, national and international collaborators, high-performance computing facilities, scientific instruments and data resources.

Together with its subsidiary entities, AARNet delivers this infrastructure as an integrated system, combining high-performance networking, security capabilities and sector-wide platforms and services to support research, education and collaboration at scale.

Unlike commercial telecommunications networks, the national research and education network is purpose-built to support the specialised needs of research and education. From enabling the transfer and analysis of large research datasets to supporting digital learning environments and international collaboration, the network underpins critical activities across Australia's research and education sector.

<sup>1</sup> Reflects ownership in 2025. From 2026, following the amalgamation of the University of South Australia and the University of Adelaide, AARNet is owned by 37 universities and CSIRO.

## WHO WE ARE & WHAT WE DO

### AARNet National Network



#### KEY

Major Capital City Nodes



Key Regional Sites



AARNet Network



This map is designed to be a conceptual representation of the national AARNet network

# National Research & Education Network Infrastructure

AARNet, Australia's National Research and Education Network (NREN), provides the high-performance digital infrastructure that connects campuses, laboratories, data centres and research facilities across the country.

Purpose-built for the specialised needs of research and education, the AARNet network is designed to support large-scale data movement, access to high-performance computing, digital learning environments, and the operation of distributed research infrastructure across multiple locations.

It also provides a reliable foundation for hosting and supporting national research platforms, ensuring they operate at scale and are accessible to institutions as shared national platforms.

AARNet network infrastructure supports some of the most data-intensive scientific projects in the world, including the international SKA Observatory (SKAO), which relies on high-capacity connectivity between remote telescope sites in outback Western Australia and national high-performance computing facilities.

By linking campuses, data centres, research facilities and a wide array of online resources, the AARNet supports a nationally distributed research and education system.

This infrastructure creates opportunities for collaboration, discovery and digital learning across Australia, now and into the future.

## BIOINFORMATICS RESEARCH AT SCALE

AARNet hosts the BioCommons Galaxy Australia bioinformatics platform, a widely used service for 'omics-based research with more than 25,000 users across Australia, funded under the NCRIS program.

Since partnering with AARNet in 2022, Galaxy has processed over 10 million jobs, compared to 3 million jobs in the previous 10 years, including passing the milestone of processing the platform's 13 millionth job in early 2025. This scale of growth highlights the increasing demand for high-performance digital infrastructure to support data-intensive research at scale.

## Connecting national research facilities

The AARNet network underpins the Australian Government-funded National Collaborative Research Infrastructure Strategy (NCRIS), connecting laboratories, instruments, data platforms and high-performance computing facilities across the country that operate as part of nationally coordinated world-class research capabilities supporting hundreds of research programs spanning a broad range of disciplines.

Across NCRIS capabilities, facilities such as AuScope (geoscience infrastructure), IMOS (Integrated Marine Observing System), TERN (Terrestrial Ecosystem Research Network) and Microscopy Australia (high-end microscopes and microanalysis tools) rely on AARNet's high-capacity connectivity to collect, move and analyse large volumes of data from geographically distributed sites. National high-performance computing facilities, including the Pawsey Supercomputing Research Centre and the National Computational Infrastructure (NCI), also depend on this connectivity to enable large-scale data transfers.

## NATIONAL NECTAR RESEARCH CLOUD

The Australian Research Data Commons (ARDC) National Nectar Research Cloud, hosted by AARNet, supported more than 65 research projects across Australia in 2025, including long-term initiatives across NCRIS capabilities such as BioPlatforms Australia, Australia's Climate Simulator (ACCESS-NRI) and Phenomics Australia, as well as leading universities.

The Nectar Research Cloud enables researchers to access distributed computing resources, share data and collaborate across institutions, helping to advance a wide range of data-intensive research.

### Backbone capacity

28.2 Tbps  
provisioned  
national capacity

### Fibre infrastructure

31,186+ km of fibre across Australia;  
500 km newly deployed in 2025

### Network footprint

1,497 connected sites



# Global Connectivity

Image credit: South African Radio Astronomy Observatory (SARAO)



Research is inherently global. Australian researchers collaborate with international partners, contribute to global scientific initiatives and rely on access to specialised research infrastructure located around the world.

AARNet connects Australia’s research and education community to the global network of national research and education networks, allowing institutions to exchange data, collaborate in real time and access international research infrastructure. This connectivity is underpinned by participation in global subsea cable systems and international research network partnerships, delivering resilient, high-performance connectivity between Australia and major international research centres worldwide.

AARNet works closely with global and regional NREN partners to strengthen the resilience of international research and education connectivity. Participation in collaborations such as the Asia-Pacific Europe Ring (AER), Asia Pacific Oceania Network (APONet) and Collaboration Asia Europe-1 (CAE-1) enhances path diversity and redundancy across global infrastructure, an increasingly important capability as risks to subsea cables – both accidental and deliberate – continue to grow.

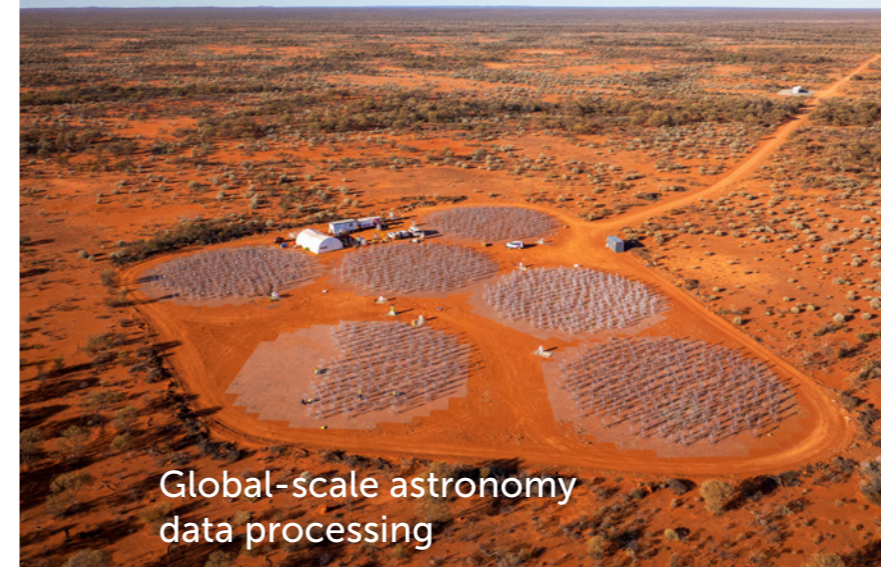
Through these connections, Australian researchers and educators participate in global collaborations, working with partners across Europe, North America, Asia and beyond on data-intensive research and education initiatives.

This global connectivity extends the reach of Australia’s research and education system beyond national boundaries, supporting collaboration at international scale.

## SUPPORTING GLOBAL RESEARCH COLLABORATION

Australian researchers exchange large datasets with international partners to support collaborative research across fields ranging from radio astronomy and high energy physics to climate science, genomics, defence, space and the arts. AARNet’s network and data transfer services enable the secure, efficient movement of data between countries, supporting geographically distributed teams.

This is reflected in how organisations use AARNet’s services. The National Transport Research Organisation uses Globus to transfer large datasets across its operations in Australia, India and New Zealand, supporting research aimed at improving transport safety and efficiency. Astronomers using international facilities such as the MeerKAT radio telescope in South Africa generate terabytes of data, transferred to research teams in Australia for analysis. This supports near real-time collaboration and complex, data-intensive workflows across international boundaries.



## Global-scale astronomy data processing

Image credit: SKAO

AARNet is collaborating with the international SKAO and CSIRO, Australia’s national science agency, on the design, delivery and operation of high-capacity connectivity supporting the SKA project, one of the world’s largest and most ambitious radio astronomy initiatives.

Multiple dedicated 100 Gbps links connect telescope facilities in outback Western Australia at Inyarrimanha Ilgari Bundara, the CSIRO Murchison Radio-astronomy Observatory, to the Pawsey Supercomputing Research Centre in Perth, and onward to researchers around the world, supporting the transfer and processing of vast volumes of observational data.

This connectivity is being progressively scaled in line with SKA construction and science phases – expanding from today’s high-capacity links toward multi-terabit capability as data volumes grow. As one of the most data-intensive uses of the AARNet network, it highlights the critical role of high-performance connectivity in enabling global scientific collaboration.

## RESEARCH CONTINUITY

Australian BioCommons migrated more than 15 TB of research data supporting its Apollo platform using Globus over the AARNet network, enabling a fast, secure and disruption-free transition between infrastructure environments. This ensured researchers maintained continuous access to critical datasets and workflows during the migration.

### Global NREN interconnections

# 140+

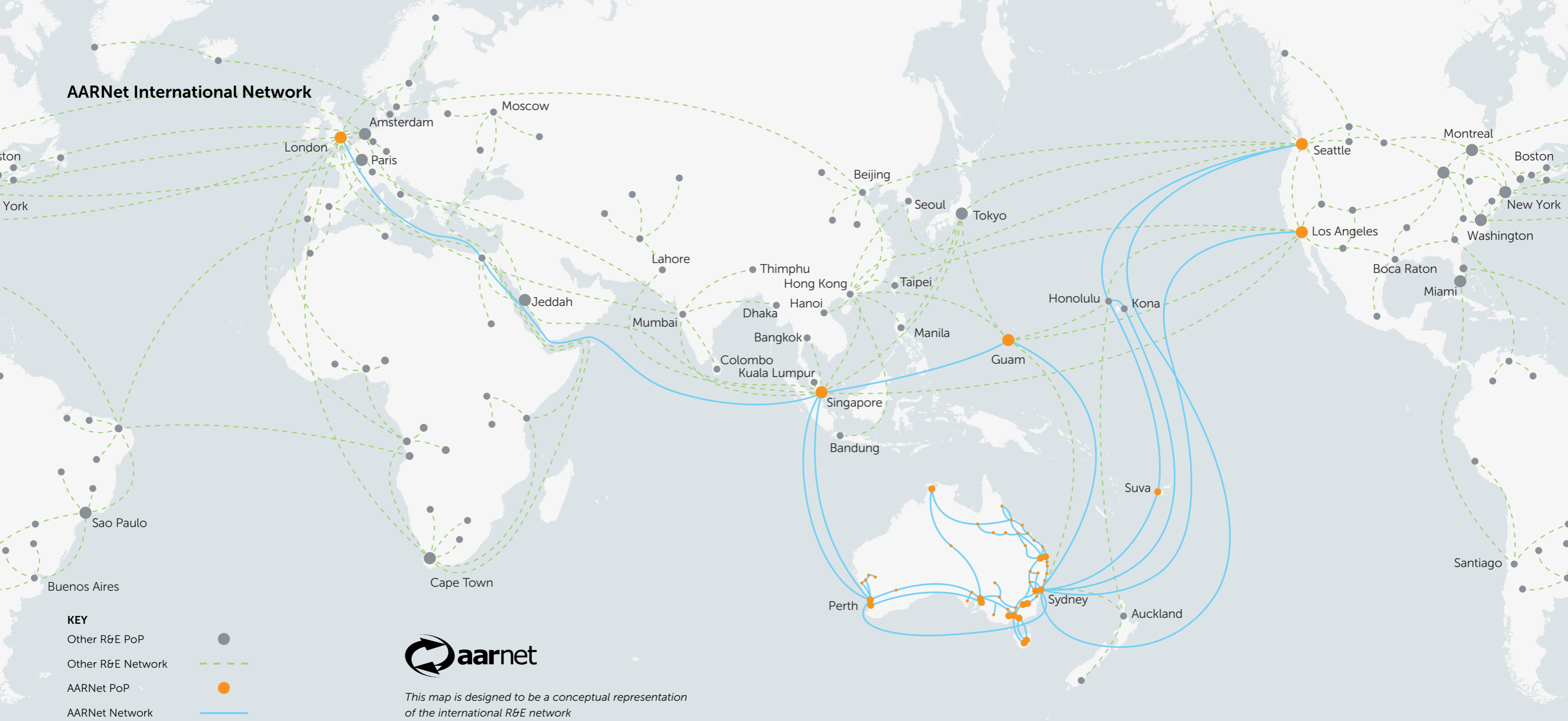
countries operating national research and education networks

### International reach

119,000+ km across 11 subsea cables

### Research data services

538 TB transferred via FileSender (+93% year-on-year since 2024)



**AARNet International Network**

- KEY**
- Other R&E PoP
  - Other R&E Network
  - AARNet PoP
  - AARNet Network



*This map is designed to be a conceptual representation of the international R&E network*

# Performance & Resilience

Reliable, high-quality connectivity is fundamental to research and education. Teaching, collaboration and access to digital services all depend on consistently high network performance.

AARNet's network delivers high availability, with resilient architecture, diverse network paths and redundant infrastructure supporting continuous operation across the country. As an integrated system, it includes security capabilities such as distributed denial of service (DDoS) protection and the SOC, which supported institutions in detecting and responding to cyber threats during 2025.

This high level of reliability enables institutions to access critical services, collaborate in real time and support digital learning environments at scale.

In addition to the network, sector-wide services such as eduroam form part of this integrated system, providing trusted access to digital environments, enabling mobility and collaboration between institutions.



## SUPPORTING DIGITAL LEARNING ENVIRONMENTS

Reliable connectivity supports the delivery of hybrid and online learning, ensuring students and educators can access teaching platforms, participate in classes and collaborate remotely.

To minimise the impact of outages, AARNet works with universities, schools and TAFEs to design and implement diverse network connections, helping ensure continuity of teaching and learning even during network disruptions.

## Trusted Wi-Fi access across the sector

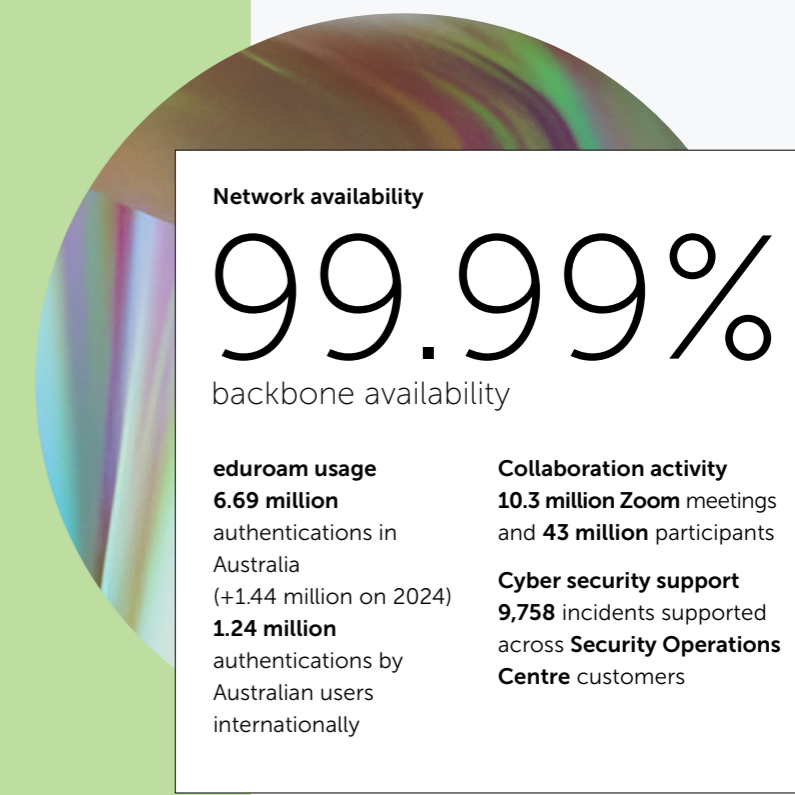
AARNet supports eduroam, the secure global roaming service that enables students, researchers and staff to connect seamlessly to trusted wireless networks across participating institutions in Australia and around the globe. 2025 marked 21 years of eduroam operation in Australia, reflecting AARNet's long-standing role in delivering and evolving this national capability.

With millions of authentications each year across Australia and billions worldwide, eduroam allows users to move between campuses and institutions while maintaining secure, reliable access to digital resources.

This trusted access supports mobility, collaboration and day-to-day teaching and research activities across the sector.

## Efficient access to software and datasets

The AARNet Mirror leverages the national research and education network for the distribution of open-source software and datasets across Australia, with more than 2.89 billion downloads in 2025. By providing high-speed, local access to widely used resources, it reduces reliance on international links and enables efficient access for research and education institutions.



# Long-Term Infrastructure Investment



Research and education infrastructure must continually evolve to meet growing demand. Increasing data volumes, emerging technologies and global collaboration are driving the need for greater capacity, more advanced connectivity and distributed digital infrastructure.

AARNet takes a long-term approach to infrastructure investment, expanding network capacity and upgrading critical components to ensure the network can support the emerging requirements of the sector it serves.

These investments support data-intensive fields such as artificial intelligence, genomics, climate science and astronomy, where the ability to move and process large datasets is essential.

By strengthening the national research and education network over time, AARNet ensures Australia's research and education community remains globally connected and well-equipped for future discovery and innovation.

## Advancing next-generation secure networking

AARNet collaborated with CSIRO and QuintessenceLabs to trial quantum-secure communication technologies over its fibre network.

These trials explored how emerging networking capabilities can support secure data transmission and future research applications, helping to position Australia at the forefront of next-generation digital infrastructure.

## EXPANDING NATIONAL FIBRE INFRASTRUCTURE

AARNet is progressing major fibre infrastructure projects as part of its Triversity Program, including key inter-capital corridors such as Canberra to Albury and Albury to Melbourne, expanding the national backbone and strengthening network capacity and resilience. In parallel, additional projects are extending connectivity into regional and remote locations, enabling more institutions and communities to participate in Australia's research and education ecosystem, including government-supported regional connectivity initiatives in Western Australia and the Northern Territory which are nearing completion.



## STRENGTHENING NATIONAL CONNECTIVITY INFRASTRUCTURE

Through a long-term agreement with APA Group, the AARNet Group is operating telecommunications services on the Basslink fibre optic infrastructure, providing high-capacity connectivity between Tasmania and mainland Australia. This investment supports the continued provision of resilient and diverse network capacity, strengthening connectivity for research and education institutions and the broader sector.

## SCALING FOR DATA-INTENSIVE RESEARCH

Advances in fields such as artificial intelligence are generating rapidly increasing data volumes. Network upgrades, including the AARNet5 Program, support efficient movement and analysis of these datasets.

Infrastructure asset base

# \$369.5 million

Infrastructure investment

**\$160.2 million** total infrastructure investment over the past 5 years, with anticipated investment at a similar rate over the next 5 years

# Sector Scale & National Reach



AARNet connects a diverse national community spanning universities, research institutes, education providers and cultural organisations.

In addition to Australia’s universities, the network connects schools, vocational education providers, research institutes, and galleries, libraries, archives and museums, as well as teaching hospitals and government health services in multiple states. This breadth enables collaboration across disciplines and sectors, strengthening research, education and knowledge sharing at a national and global scale.

By enabling access to digital resources and collaboration across organisational boundaries, AARNet supports a connected research and education ecosystem.

Our network spans metropolitan, regional and remote locations, ensuring institutions of all types can contribute to Australia’s research and education landscape.

This national reach reflects AARNet’s role as a not-for-profit, sector-owned organisation operating for the benefit of the research and education community.

## NATIONAL RESEARCH AND CULTURAL INITIATIVES

AARNet supports a broad range of research, health and cultural institutions and organisations, enabling collaboration and access to shared digital infrastructure.

In the health sector, AARNet connects leading research and education facilities, supporting training and research in hospitals and the secure movement of data between clinics, laboratories and high-performance computing environments.

AARNet is also a partner in national initiatives such as the Australian Emulation Network and the Language Data Commons of Australia, supporting the preservation, accessibility and analysis of digital and language collections across the sector.

## Sharing large media files

The Sydney Opera House produces large volumes of high-resolution media content as part of its performances and digital programming, which must be shared with artists, production partners and collaborators.

Using AARNet’s FileSender service, these files can be transferred quickly and reliably, supporting production workflows and enabling collaboration across Australia and internationally. The simplicity of the service allows partners to access content easily, without the need for specialised tools or complex setup.

This highlights the role AARNet plays in the efficient delivery of creative content.

## Access to digital learning

AARNet supports schools across metropolitan and regional Australia, providing connectivity that enables access to digital learning platforms, collaboration tools and a wide range of online education resources.

From high-capacity fibre in urban environments to satellite connectivity in regional and remote locations, these services ensure students and educators can participate fully in digital learning regardless of geography.

At Lauriston Girls’ School in Melbourne, AARNet worked with the school to address capacity and resilience challenges across its campuses – a growing requirement for metropolitan schools operating across multiple sites. By designing a new fibre connection and building a resilient network architecture, including a local fibre loop linking

campus locations, AARNet delivered high-capacity connections with built-in redundancy. Deployed in 2024, this solution delivered improved network performance in 2025 and reduced the risk of network interruptions impacting teaching and school operations.

Across regional Australia, AARNet applies the same principles to address connectivity constraints – combining increased capacity with built-in resilience to support rich, interactive learning, direct, real-time access to subject matter experts worldwide, and participation in virtual excursions and online programs.

For regional schools, this reduces the need for travel and helps ensure students can access the same learning opportunities as their metropolitan peers.

### End users supported

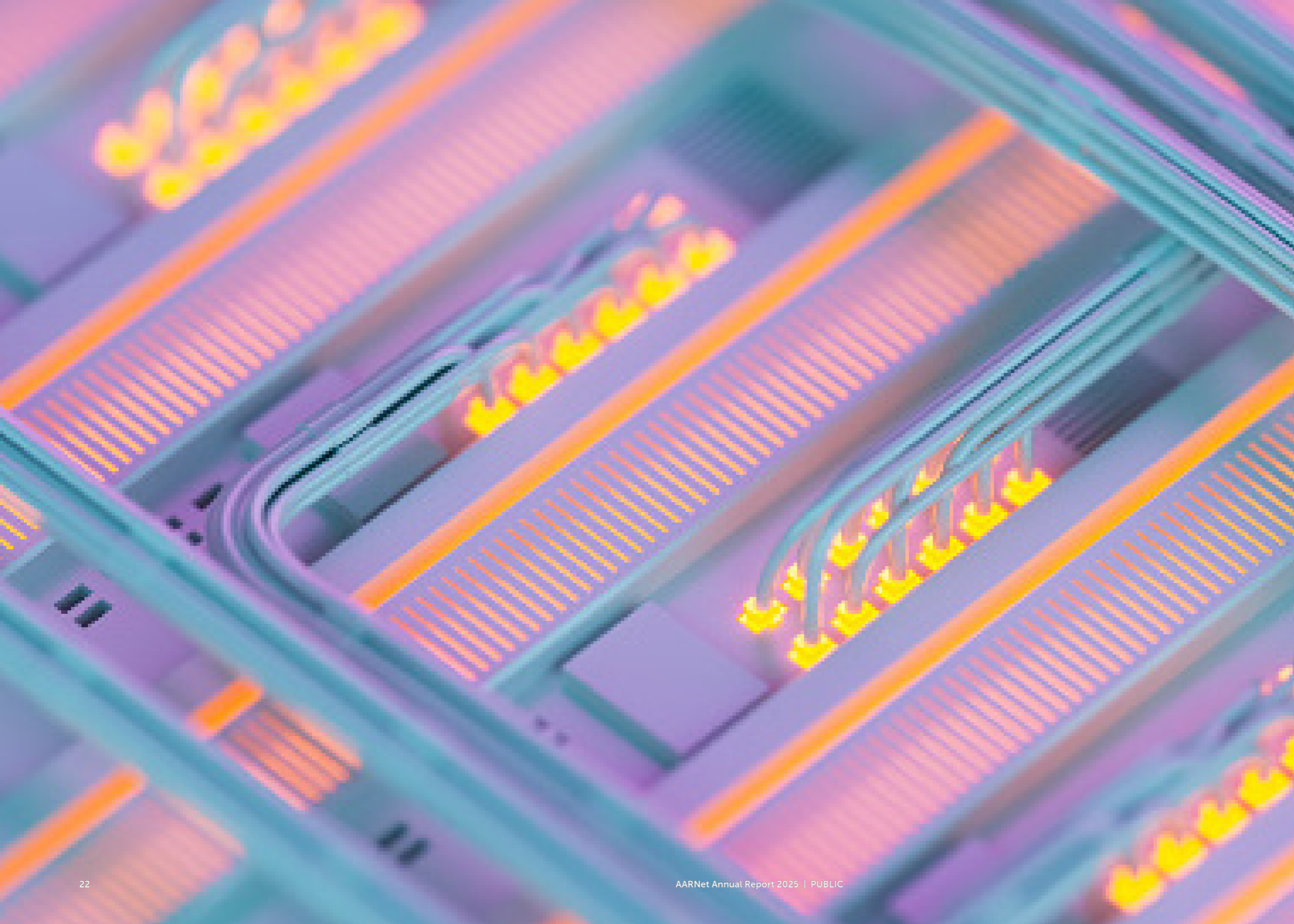
# 5+ million

**Australian Universities**  
41 connected

**Research Institutes**  
54 connected (including publicly funded and medical research institutes)

**Cultural Organisations**  
22 connected

**Schools**  
5,000+ supported



## OUR ROLE AND IMPACT

### Looking Ahead

Research and education is entering a new phase, shaped by rapid advances in data-intensive science, artificial intelligence and increasingly distributed models of collaboration, at a time of national and global change and uncertainty.

In this environment, the role of national research and education infrastructure becomes even more critical. Institutions rely more heavily on shared platforms, cloud services, global partnerships and digital learning environments, increasing the importance of high-capacity, resilient and well-coordinated networks.

AARNet's focus is clear: to strengthen and evolve the infrastructure that underpins the sector. This includes embedding network-level security, expanding capacity, improving resilience and ensuring connectivity reaches institutions and scientific instruments, across metropolitan, regional and remote Australia.

AARNet will continue to focus its efforts where it can deliver the greatest value, ensuring its capabilities remain aligned with evolving research and education needs.

This includes supporting and optimising the use of artificial intelligence, and exploring emerging areas such as quantum networking, alongside ongoing investment in the infrastructure required to support next-generation research and education.

At the same time, AARNet will continue to work closely with the sector and global partners to support collaboration at scale and ensure Australia remains seamlessly connected into the international research and education ecosystem.

As these demands continue to grow, AARNet's role as sector-owned national infrastructure will remain central, supporting the systems that enable research, education and collaboration across Australia and beyond.

## Our People

AARNet's work is made possible by the expertise and commitment of its people, who design, operate and support the national research and education network and a range of services for research and education.

Across Australia, AARNet teams work closely with members and partners to deliver critical infrastructure, support collaboration and respond to the evolving needs of the research and education sector. Their technical expertise, sector knowledge and commitment underpin the reliability and performance of our network and services every day.

During 2025, AARNet continued to invest in its workforce to support growing demand across the sector, with total employee numbers reaching 265, a 7.7% increase on 2024.

*Pictured: AARNet people at work across the sector and in the field.*



## Our Shareholders 2025

- Australian National University
- Commonwealth Scientific and Industrial Research Organisation
- University of Canberra
- Charles Sturt University
- Macquarie University
- Southern Cross University
- The Australian Catholic University
- University of New England
- University of New South Wales
- University of Newcastle
- University of Sydney
- University of Technology, Sydney
- Western Sydney University
- University of Wollongong
- Charles Darwin University
- Bond University
- Central Queensland University
- Griffith University
- James Cook University
- Queensland University of Technology
- University of Queensland
- University of Southern Queensland
- University of the Sunshine Coast
- Flinders University of South Australia
- University of Adelaide\*
- University of South Australia\*
- University of Tasmania
- Deakin University
- La Trobe University
- Monash University
- RMIT University
- Swinburne University of Technology
- The University of Melbourne
- Federation University Australia
- Victoria University
- Curtin University
- Edith Cowan University
- Murdoch University
- The University of Western Australia



# AARNet Pty Ltd Directors' Report and Consolidated Financial Report 2025

for the year ended 31 December 2025

ABN 54 084 540 518



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# DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the "Group"), consisting of AARNet Pty Limited ("AARNet" referred to hereafter as the "Company"), and the entities it controlled at the end of, or during, the year ended 31 December 2025.

The following persons were Directors of AARNet during the whole of the financial year and up to the date of this report:

**Professor Emeritus David (Ian) O'Connor AC**

Chair of the Board, Chair of the Nomination and Remuneration Committee

**Dr Christine Burns**

**Professor Alexander (Alec) Cameron**

**Professor Emeritus Elizabeth Carson**

Member of the Audit, Finance and Risk Committee

**Mr Robert Fitzpatrick**

Member of the Audit, Finance and Risk Committee

**Mr Bruce Hambrett**

Deputy Chair of the Board, Chair of the Audit, Finance and Risk Committee and a member of the Nomination and Remuneration Committee

**Professor Elanor Huntington**

**Mr Anthony Molina**

**Professor Deborah Terry AC**

Member of the Nomination and Remuneration Committee

**Professor Andrew Parfitt**

**Mr Benjamin White** was appointed as a director and Chief Executive Officer on 7 July 2025 and remains a director at the date of this report.

**Mr Christopher Hancock AM** was a director and Chief Executive Officer from the commencement of the financial year until his retirement on 1 July 2025.

**Mr Scott Sorley** was a director from the commencement of the financial year until his retirement on 5 August 2025.

## PRINCIPAL ACTIVITIES

AARNet is a proprietary company in which 38 Australian universities and the Commonwealth Scientific and Industrial Research Organisation (**CSIRO**) have an equal shareholding<sup>1</sup>.

AARNet is also a not-for-profit company registered as a charity with the Australian Charities and Not-for-Profits Commission (**ACNC**). Charities exist to pursue a charitable purpose. AARNet's purpose can be summarised as advancing education and research through supporting the education and research activities of its shareholders (**Members**) and others, by providing telecommunications, associated services and other supporting services.

AARNet's principal activity is therefore the provision of internet and advanced telecommunication and network services to its Members' and to other relevant organisations. Services are provided in accordance with the AARNet Access Policy in order that Members and other customers may:

- a) use AARNet's internet and other telecommunications facilities and services to provide educational programs and conduct research activities in an efficient and cost-effective manner, and
- b) collaborate with other parties (nationally and internationally) in furtherance of research and education objectives.

## OTHER ACTIVITIES

In addition, AARNet:

- a) facilitates the construction of optical fibre infrastructure to extend the AARNet backbone and to connect campuses and other locations to facilitate services for Members and customers;
- b) provides applications and services which operate across the AARNet network supporting education and research activities;
- c) secures those applications and services operating across the AARNet network through a Security Operations Centre and additional cyber security-related applications and services;
- d) monitors some Members' and non-members' equipment and infrastructure on campuses and other premises to identify and alert those customers to potential cyber attacks or potential

cyber threats allowing the customer to take early action to prevent, close down or mitigate cyber risks (note: AARNet has recently announced it intends to retire the Security Operations Centre Service in Q4 2026 - see Significant Changes in the State of Affairs section later in this report);

- e) participates in the design and deployment of advanced network infrastructure in partnership with network organisations in Australia and internationally, to develop national and global research and education networks; and
- f) makes representations to all levels of government on policy, legislation and programs to improve the telecommunications facilities and services available to its Members and other customers.

## DIVIDENDS

AARNet's constitution prohibits the payment of dividends or other distributions to its shareholders. Accordingly, no dividends have been paid, declared or recommended either during the financial year or in the period since that year ended (2024: nil).

## REVIEW OF OPERATIONS

### Network Performance

Throughout 2025 AARNet's network continued to perform at consistently high levels while carrying increasing volumes of traffic for Members and other customers. Average network availability for 2025 was 99.99%, which was the same as the level achieved in 2024.

This exceptionally high level of reliability is achieved over the vast geographic footprint of our infrastructure through our strategic long-term planning and carefully designed network redundancy. Diversity and triversity in network design and equipment enables our operations team to deploy alternate paths and minimise the impact of outages on AARNet customers.

Member telecommunications traffic in 2025 grew 12% higher than 2024 and Non-Member traffic growth was 14%.

### Network Expansion

During 2025 AARNet continued to invest to upgrade the capacity of the AARNet network and to expand the geographic reach of the network's fibre footprint.

Overall spending on communication assets (including network infrastructure and equipment) was \$72,981,541 during the year (2024: \$55,819,194) (refer to note 12 of the financial statements).

This investment reflected the continued investment in AARNet's domestic fibre footprint.

During 2025 AARNet's investment in an associated entity with an unrelated third party began operations. The purpose of this arrangement remains construction and operation of optical fibre infrastructure and related equipment. The investment seeks to ensure the diversity and triversity of the network and its long-term sustainability.

## Subscriptions and Telecommunications Revenues

AARNet's Members pay subscription and related fees for connection to the network and carriage of data across the network (to research and education facilities in Australia, international research and education networks, and the general internet). These charges form the single largest component of AARNet's revenues.

During 2025, Members' subscription and related charges were slightly higher than 2024 revenues, but below the rate of inflation, and despite the growth in Members' traffic discussed above.

	2025 \$	2024 \$	Increase
<b>Members: Subscription, Traffic and Access</b>	<b>44,675,340</b>	<b>43,427,951</b>	<b>2.9%</b>
<b>Non-Members: Subscription, Traffic and Access</b>	<b>14,097,525</b>	<b>13,695,740</b>	<b>2.9%</b>
<b>Other Services</b>	<b>39,300,847</b>	<b>37,860,922</b>	<b>3.8%</b>
<b>Telecommunications Revenue</b>	<b>98,073,712</b>	<b>94,984,613</b>	<b>3.3%</b>

### Other Services

In the category "Other Services" shown above, AARNet offers a range of other services to Members and other customers. Broadly, these services fall into three categories:

- I. transmission services providing point-to-point capacity: these enable Members and customers to link together geographically diverse campuses, research centres and remote research instruments; or to provide dedicated high-speed capacity between user facilities and third-party data centres;
- II. above the network services, such as Zoom and Globus, which directly support the delivery of education and research outcomes; and
- III. cyber security-related applications and services; predominately the AARNet Security Operations Centre.

<sup>1</sup> Following the merger of University of Adelaide and the University of South Australia into Adelaide University in January 2026, AARNet's shareholding comprises of 37 universities and the CSIRO.

Revenue from these other services increased by 3.8% during 2025, driven by growth in both transmission services and cyber security-related services.

Overall, subscriptions and service revenues increased by 3.3% from 2024, as shown in the table above.

### Infrastructure Revenues

Infrastructure establishment fees (income from the provision of new fibre infrastructure) grew by 14.9% in 2025 reflecting the value of both design fees and infrastructure projects completed and brought into service.

	2025 \$	2024 \$	Increase
Infrastructure Establishment Fees	18,491,822	18,381,919	0.6%
Infrastructure Construction Revenue	14,525,111	10,347,443	40.4%
	33,016,933	28,729,362	14.9%

Revenues from infrastructure construction and allied activities (such as services to relocate infrastructure) were 40.4% higher in 2025 than 2024. This income stream is linked to activity by utility providers, other telecommunications carriers and civil infrastructure projects (such as transport projects) and as such income can vary significantly from year to year. In 2025, the Company made significant progress on a large-scale civil infrastructure build recognising revenue for that proportion of the project completed in the period.

### Other Income

In addition to revenues from the provision of telecommunications services and infrastructure, AARNet also gains income from interest and dividends on invested funds. In 2025, this investment income totalled \$5,648,610 (2024: \$7,729,122) (see note 5 to the financial statements). The lower result is due to a lower amount of funds invested.

### Telecommunication Supply Expenses

Telecommunication supply expenses totalled \$42,287,984 in 2025 compared with \$38,137,403 in the 2024 financial result.

Telecommunication supply costs have increased year-on-year in line with increases in traffic and capacity on the AARNet network, along with costs to support revenue growth in providing cyber security-related applications and services.

### Infrastructure Construction Expenses

Infrastructure construction expenses totalled \$9,483,660 in 2025 compared with \$7,740,889 in the 2024 financial result.

Infrastructure construction costs have increased year-on-year representing the construction expenditure in 2025 for progress on a large-scale infrastructure build, matching the increase in infrastructure construction revenue referred to earlier.

### Employee and Administration Costs

To support the growth of our network and services, AARNet added staff to its infrastructure development and cyber security teams.

### Depreciation and Amortisation Charges

Depreciation and Amortisation charges, inclusive of depreciation on equipment, depreciation on infrastructure and amortisation of Indefeasible Rights to Use (IRUs) totalled \$20,746,600 in 2025 compared to \$23,130,467 (restated) in 2024.

### Net Finance Expenses

These net costs of \$5,109,670 are broadly in line with 2024 (\$5,220,332) and reflect the impact of "Significant Financing" in relation to IRU assets and infrastructure projects. Refer to Note 7 of our financial statements for more detail.

### ACCUMULATED SURPLUS AND RESERVES

In 2025, AARNet recorded a net deficit of \$18,085,340 (2024: net surplus of \$4,950,426 - restated). A material driver of this result is the Onerous Contract provision and impairment detailed in Significant Changes in the State of Affairs.

Surpluses earned in prior years, aided by conservative financial management, have enabled AARNet to retain a significant holding of cash and investments (net \$135,720,492 at the end of 2025.)

Surpluses earned by AARNet cannot (by virtue of the terms of AARNet's constitution) be distributed to the shareholders.

AARNet expects to use its accumulated reserves to:

- supplement Members' subscriptions and other income in future years;
- finance investments in technology to enhance the delivery of services to Members and other customers;

- defray part of the significant financial commitments in respect of expenditure and capital commitments which, at year end, were \$95,726,759, refer to note 25(a) to the financial statements;
- meet obligations to settle lease liabilities which totalled \$40,522,073 at year end as shown in note 14(i) to the financial statements; and
- fund other activities to support the Company's charitable purpose.

### NET ASSETS

Net assets at 31 December 2025 were \$207,058,543 (2024: \$225,050,752 - restated). The decrease represents the deficit and other comprehensive income for 2025.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In July 2025 AARNet's long standing Chief Executive Officer, Mr Chris Hancock AM, retired, and was replaced by Mr Benjamin White.

In December 2025 the AARNet Board decided to retire the AARNet Security Operations Centre service in late 2026. The service is being retired as a result of consultation with customers around their evolving requirements and the availability of mature commercial alternatives, resulting in AARNet no longer being able to provide the service in a viable and sustainable way for the majority of customers. As a result, the financial results recognise a \$17.7 million Onerous Contract provision and impairment.

The provision and impairment reflects the unavoidable cost of fulfilling contractual commitments over the next two financial years to customers, suppliers and employees, where the cost of meeting those obligations is expected to exceed the associated contract revenues.

Except for the matters above and those discussed under the heading "Review of Operations" there were no other significant changes in the Company's state of affairs during the financial year ended 31 December 2025.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Following the Board's decision, the Company announced to customers, suppliers and employees on 18 February 2026 that AARNet intends to retire the Security Operations Centre service by the end of October 2026. In addition to costs already provided for in the Onerous Contract provision, this will likely result in redundancy payments for remaining impacted staff who are unable to secure a suitable redeployment opportunity within the Company.

Except for the matter above and those discussed under the heading "Review of Operations" no other matter or circumstance has arisen since 31 December 2025 that has significantly affected or may significantly affect:

- AARNet's operations in future years;
- the results of those operations in future financial years; or
- AARNet's state of affairs in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

AARNet expects network traffic will continue to grow during 2026. In addition, investment in AARNet's domestic fibre network will continue during 2026. Some of the investment in AARNet's domestic fibre network will continue to be directed into the associated investment for the purpose of infrastructure construction.

AARNet also expects to continue receiving contributions from Members and others toward the cost of constructing network infrastructure. Consequently, during 2026 AARNet expects it will need to recognise further 'Significant Financing' non-cash costs as required by AASB15.

The decision to retire the Security Operations Centre service and the need to take an onerous contract provision in 2025 should see the Company's economic performance improve in 2026.

### ENVIRONMENTAL REGULATION

AARNet's operations are not adversely affected by any significant environmental regulation. AARNet believes its greenhouse gas emissions are substantially below the thresholds that are subject to the reporting requirements of either the *Energy Efficiency Operations Act 2006* and the *National Greenhouse and Energy Reporting Act 2007*.

## INSURANCE FOR OFFICERS

During the financial year, AARNet paid a premium of \$67,405 (2024: \$72,918) in respect of liability insurance for the Company's Directors and Officers. The liabilities insured against are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of AARNet, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Directors or Officers or the improper use by the Directors or Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to AARNet. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

No known liability has arisen under these indemnities to the date of this report.

## AGREEMENT TO INDEMNIFY OFFICERS

Under the terms of its Constitution, AARNet provides indemnity to persons who are, or have been, an officer or auditor of AARNet, but only to the extent permitted by law and to the extent that the officer or auditor is not indemnified by Directors' and Officers' liability insurance maintained by AARNet. The indemnity is against liability incurred by that person as an officer or auditor of AARNet to another person and for costs and expenses incurred by the officer or auditor in defending such proceedings.

Separately, AARNet and each director of AARNet have entered into a Deed of Indemnity under which AARNet indemnifies each director against any liability:

- a) to a third party (that is, other than to AARNet) unless the liability arises out of conduct involving a lack of good faith; and
- b) for legal costs incurred in successfully defending civil or criminal proceedings or in connection with proceedings in which relief is granted under the *Corporations Act 2001*.

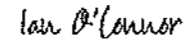
No known liability has arisen under these indemnities as at the date of this report.

## AUDITOR

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included on page 7 of this financial report.

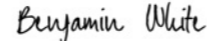
Following a tender process conducted during 2025, KPMG has replaced PricewaterhouseCoopers as the Company's auditor. KPMG commenced office in accordance with section 328A(1) of the *Corporations Act 2001* from 25 July 2025.

This report is made in accordance with a resolution of Directors.



Professor Emeritus Ian O'Connor AC  
Director

Sydney  
9 April 2026



Mr Benjamin White  
Director

## AUDITOR'S INDEPENDENCE DECLARATION



### Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of AARNet Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Daniel Robinson

Partner

Sydney

9 April 2026

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 \$	2024 \$ (Restated)*
Revenue	4	131,090,645	123,713,975
Other income	5	5,648,610	7,729,122
<b>Total revenue and other income</b>		<b>136,739,255</b>	<b>131,443,097</b>
Telecommunications supply expenses		(42,287,984)	(38,137,403)
Infrastructure construction expenses		(9,483,660)	(7,740,889)
Employee benefits expense		(43,363,401)	(40,312,359)
Depreciation and amortisation	6	(20,746,600)	(23,130,467)
Other administration expenses		(14,597,904)	(12,936,900)
Net finance income/ (expense)	7	(5,109,670)	(5,220,332)
Net other gains/ (losses)	8	(401,435)	1,018,137
Share of profit/(loss) of associates (net of tax)	27(b)	(1,098,340)	-
Onerous contracts impairment expense	15	(6,923,062)	-
Onerous contracts provision expense	22	(10,798,412)	-
<b>Total expenses</b>		<b>(154,810,468)</b>	<b>(126,460,213)</b>
<b>Net (deficit)/ surplus before income tax</b>		<b>(18,071,213)</b>	<b>4,982,884</b>
Income tax expense	9	(14,127)	(32,458)
<b>Net (deficit)/ surplus after income tax</b>		<b>(18,085,340)</b>	<b>4,950,426</b>
<b>Other comprehensive income</b>			
Movement in the fair value of financial assets		93,131	16,385
<b>Total comprehensive (deficit)/ surplus for the year</b>		<b>(17,992,209)</b>	<b>4,966,811</b>

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

\*Comparative information has been restated – refer note 29.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December 2025 \$	31 December 2024 \$ (Restated)*
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	64,146,446	66,604,170
Receivables and other assets	15	28,889,321	28,488,223
Financial instruments at amortised cost	18	15,002,999	39,523,955
Financial assets at fair value through profit or loss	19	10,738,575	3,434,160
Accrued income	16	4,371,128	4,781,928
<b>Total current assets</b>		<b>123,148,469</b>	<b>142,832,436</b>
<b>Non-current assets</b>			
Financial assets at amortised cost	18	1,299,498	8,318,496
Financial assets at fair value through profit or loss	19	31,212,893	37,730,348
Financial assets at fair value through other comprehensive income	20	13,320,081	7,590,675
Receivables and other assets	15	26,694,055	33,736,461
Property, plant and equipment	12	385,533,247	328,918,744
Intangible assets	13	133,065	208,065
Investment in associates	27(b)	901,660	-
Deferred tax assets	9	11,069	24,768
<b>Total non-current assets</b>		<b>459,105,568</b>	<b>416,527,557</b>
<b>Total assets</b>		<b>582,254,037</b>	<b>559,359,993</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	21	9,764,111	6,161,819
Income in advance	4	73,852,698	62,873,879
Current tax liabilities	9	429	-
Provisions	22	16,202,158	11,238,672
Lease liabilities	14	3,654,839	3,147,928
Other liabilities		715,855	489,419
<b>Total current liabilities</b>		<b>104,190,090</b>	<b>83,911,717</b>
<b>Non-current liabilities</b>			
Income in advance	4	228,797,028	209,396,607
Provisions	22	5,341,142	1,188,630
Lease liabilities	14	36,867,234	39,812,287
<b>Total non-current liabilities</b>		<b>271,005,404</b>	<b>250,397,524</b>
<b>Total liabilities</b>		<b>375,195,494</b>	<b>334,309,241</b>
<b>Net assets</b>		<b>207,058,543</b>	<b>225,050,752</b>
<b>EQUITY</b>			
Contributed equity	23	39,039	39,039
Reserve (accumulated unrealised gain/ (loss) on investments)		113,706	20,575
Retained earnings		206,905,798	224,991,138
<b>Total equity</b>		<b>207,058,543</b>	<b>225,050,752</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes. \*Comparative information has been restated – refer note 29.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2025

	Contributed equity	Reserve	Retained earnings	Total equity
<b>Balance 1 January 2024 (as reported)</b>	<b>39,039</b>	<b>4,190</b>	<b>223,860,161</b>	<b>223,903,390</b>
Impact of restatement *	-	-	(3,819,449)	(3,819,449)
<b>Balance 1 January 2024 (restated) *</b>	<b>39,039</b>	<b>4,190</b>	<b>220,040,712</b>	<b>220,083,941</b>
Surplus for the period (restated)	-	-	4,950,426	4,950,426
Other Comprehensive Income for the period	-	16,385	-	16,385
<b>Balance 31 December 2024 (restated)</b>	<b>39,039</b>	<b>20,575</b>	<b>224,991,138</b>	<b>225,050,752</b>
(Deficit) for the period	-	-	(18,085,340)	(18,085,340)
Other Comprehensive Income for the period	-	93,131	-	93,131
<b>Balance 31 December 2025</b>	<b>39,039</b>	<b>113,706</b>	<b>206,905,798</b>	<b>207,058,543</b>

*The above Consolidated statement of Changes in Equity should be read in conjunction with the accompanying notes. \*Comparative information has been restated – refer note 29.*

## CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2025

	Notes	31 December 2025 \$	31 December 2024 \$
<b>Cash flows from operating activities</b>			
Receipts from members and customers (inclusive of goods and services tax)		<b>162,373,123</b>	185,228,460
Payments to suppliers and employees (inclusive of goods and services tax)		<b>(116,996,519)</b>	(109,733,262)
Interest received		<b>4,828,018</b>	7,118,753
Interest paid on leases	7	<b>(2,715,751)</b>	(3,232,576)
Income tax paid		-	(72,391)
<b>Net cash inflow from operating activities</b>	10	<b>47,488,871</b>	79,308,984
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		<b>(69,506,702)</b>	(54,229,526)
Payments for financial assets at fair value through profit or loss		<b>(1,292,722)</b>	(2,251,659)
Payments for financial instruments at amortised cost		<b>(10,155,939)</b>	(10,605,735)
Proceeds from sale of financial assets at fair value through profit or loss		<b>1,423,015</b>	1,031,009
Proceeds from financial instruments at amortised cost		<b>34,900,000</b>	32,000,000
Dividends received		<b>746,279</b>	672,216
Proceeds from sale of property, plant and equipment		<b>12,934</b>	1,500
Investment in associate	27(b)	<b>(2,000,000)</b>	-
<b>Net cash outflow from investing activities</b>		<b>(45,873,135)</b>	(33,382,195)
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		<b>(4,073,460)</b>	(4,046,236)
<b>Net cash (outflow) from financing activities</b>		<b>(4,073,460)</b>	(4,046,236)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,457,724)</b>	41,880,553
Cash and cash equivalents at the beginning of the financial year		<b>66,604,170</b>	24,723,617
<b>Cash and cash equivalents at end of year</b>	11	<b>64,146,446</b>	66,604,170

*The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The financial statements cover AARNet Pty Ltd as a consolidated entity consisting of AARNet Pty Ltd and the entities it controlled at the end of, or during, the year (collectively referred to as 'the Group' or 'AARNet'). The financial statements are presented in Australian dollars, which is AARNet Pty Ltd's functional and presentation currency.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. AARNet Pty Ltd is domiciled in Australia and is a not-for-profit entity for the purpose of preparing the financial statements. The registered address of AARNet Pty Ltd is Tower A, Level 7, 799 Pacific Highway, Chatswood, NSW, 2067.

The consolidated financial statements of AARNet Pty Ltd comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 9 April 2026. The Directors have the power to amend and reissue the financial statements.

### Going concern

The directors are of the opinion that the Group will be able to pay its debts as and when they become due and payable for at least the next 12 months from the date of the annual report and have therefore prepared the financial report on a going concern basis.

### Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following: financial assets at fair value through Profit or Loss, financial assets at fair value through Other Comprehensive Income.

### Principles of consolidation

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

An entity is considered to be a controlled entity where we are exposed, or have rights, to variable returns from our involvement with

the entity and have the ability to affect those returns through our power to direct the activities of the entity.

We consolidate the results of our controlled entities from the date on which we gain control until the date we cease control.

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

The financial statements of the Group's controlled entities are prepared using consistent accounting policies as the parent entity.

### Income tax

The parent entity is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997 (amended). Other entities in the group are liable for income tax.

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables (except accrued expenses) are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## 2. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

### New, revised or amending Accounting Standards and Interpretations adopted

AARNet has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ('AASB') that are mandatory for the current reporting period. There were no significant impacts noted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by AARNet for the annual reporting period ended 31 December 2025. These standards and amendments are not anticipated to have a material impact in the current or future reporting periods, or foreseeable future transactions.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Often, this involves estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (i) Useful life of assets

AARNet is the owner of a significant amount of assets and infrastructure. Estimates are made as to the useful life of these assets which can affect both the amount of depreciation and amortisation expense during the year and the timing of revenue recognised in relation to establishment fees.

### (ii) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), AARNet is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, AARNet is typically reasonably certain to extend (or not terminate).
- Otherwise, AARNet considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or AARNet becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

### (iii) Significant financing

AARNet has recognised that receiving contributions from Members and others toward the construction cost of AARNet owned network infrastructure and provision of services in the future includes significant financing expense element. There are judgements in determining the relevant interest rate.

Similarly, AARNet has recognised that providing prepayments to suppliers ahead of services being provided in the future includes a significant financing revenue element. There are judgements in determining the relevant interest rate.

### (iv) Identification of performance obligations in customer contracts and allocation of consideration

The Group has entered into contracts which contain lease and non-lease components. The non-lease components require the company to deliver multiple performance obligations. Management

has estimated the standalone selling price of each component with reference to observable prices for similar arrangements. The standalone selling price is used to allocate contractual consideration to each of the components.

### (v) Estimation of duration in customer contracts

The Group has some contracts that do not have a fixed duration, but rather these contracts automatically renew unless one party notifies the other. In the case of these contracts, the estimated duration of the contract is aligned to the useful life of the underlying asset required to complete the contract performance obligations. This estimated duration is then referenced in determining significant financing and revenue recognition.

### (vi) Identification of whether a contract contains a lease

The Group has entered into buy side and sell side capacity contracts for telecommunications bandwidth. The company makes an assessment as to whether the arrangement contains a lease including analysis as to whether an identified specific asset is subject to the contractual arrangement.

### (vii) Impairment assessment including whether there are impairment indicators

The Group considers whether there are indicators of impairment for property, plant and equipment and intangible assets with reference to the fair value of each cash generating unit relative to its carrying value. Relevant factors considered by the company include movement of key cost inputs over time.

### (viii) Classification of financial instruments

The Group has applied judgement in determining the classification of financial assets including assessment of the business model for each of its portfolios of financial assets and consideration as to whether contractual cash flows represent solely payments of principal and interest.

### (ix) Classification of joint arrangements

The agreement in relation to the Indigo Central consortia is classified as a joint operation and the company is one of the joint operators because there is only one combination of the voting combinations that can approve relevant activities and that combination requires the company's voting rights. Indigo West and JGA South are not considered joint arrangements because either a third party has control or there are different combinations of operators that can approve relevant activities.

### (x) Onerous contracts provision

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract. The group has applied judgement on contractual arrangements through 2027 in determining the appropriate onerous contracts provision recognised in 2025. The provision is calculated as the net of the estimated economic benefit and the estimate of the committed cost discounted to present values.

## 4. SERVICE REVENUE

	<b>31 December 2025</b>	31 December 2024
	\$	\$
<b>Telecommunications</b>		
Subscription, Traffic and Access - Members	<b>44,675,340</b>	43,427,951
Subscription, Traffic and Access - Non-Members	<b>14,097,525</b>	13,695,740
Other Services	<b>39,300,847</b>	37,860,922
	<b>98,073,712</b>	94,984,613
<b>Infrastructure &amp; service agreements</b>		
Infrastructure Establishment Fees	<b>18,491,822</b>	18,381,919
Infrastructure Project Construction	<b>14,525,111</b>	10,347,443
	<b>131,090,645</b>	123,713,975

**(a) Disaggregation of revenue from contracts with customers**

AARNet derives service revenue from the transfer of goods and services over time and at a point in time as follows:

	Telco- Members	Telco- Non-Members	Telco- Other Services	Infra Establishment Fees	Infra Project Construction	Total
<b>2025</b>						
At a point in time	-	-	-	-	2,114,557	2,114,557
Over time	44,675,340	14,097,525	39,300,847	18,491,822	12,410,554	128,976,088
<b>Total</b>	<b>44,675,340</b>	<b>14,097,525</b>	<b>39,300,847</b>	<b>18,491,822</b>	<b>14,525,111</b>	<b>131,090,645</b>
	Telco- Members	Telco- Non-Members	Telco- Other Services	Infra Establishment Fees	Infra Project Construction	Total
<b>2024</b>						
At a point in time	-	-	-	-	1,790,773	1,790,773
Over time	43,427,951	13,695,740	37,860,922	18,381,919	8,556,670	121,923,202
<b>Total</b>	<b>43,427,951</b>	<b>13,695,740</b>	<b>37,860,922</b>	<b>18,381,919</b>	<b>10,347,443</b>	<b>123,713,975</b>

**(b) Assets and liabilities related to contracts with customers**

AARNet has recognised the following assets and liabilities related to contracts with customers:

	31 December 2025 \$	31 December 2024 \$
<b>Current Liabilities- Income in Advance in relation to:</b>		
Infrastructure Establishment Fees	27,036,390	21,056,940
Other Deferred Income	803,242	803,242
Infrastructure Service Fees	16,885,786	11,431,290
Subscriptions	29,127,280	29,582,407
	<b>73,852,698</b>	62,873,879
	31 December 2025 \$	31 December 2024 \$
<b>Non-Current Liabilities- Income in Advance in relation to:</b>		
Infrastructure Establishment Fees	228,380,039	208,828,360
Other Deferred Income	416,989	568,247
	<b>228,797,028</b>	209,396,607

*(i) Significant changes in contract assets and liabilities*

Contract liabilities for Infrastructure and service agreements have increased due to an increase in contributions for new projects that have not been completed as at 31 December 2025, despite no change in the timing of satisfied performance obligations; the nature of the goods supplied; nor the terms of payment.

There is no material amounts of revenue recognised for both financial years in relation to performance obligations satisfied in previous periods.

*(ii) Unsatisfied long-term transmission service contracts*

The anticipated timing for revenue recognition of liabilities related to contracts with customers (including Infrastructure establishment fees) is as follows:

	31 December 2025 \$	31 December 2024 \$
Within one year	73,852,698	62,873,879
Later than one year but not later than five years	117,783,504	116,177,042
Later than five years	111,013,524	93,219,565
<b>Total</b>	<b>302,649,726</b>	272,270,486

**Accounting Policy**

Service revenues (derived from contracts with customers) have been accounted for under the accounting standard, AASB15 *Revenue from Contracts with Customers*.

*(i) Telecommunication Services*

Telecommunication services consist of a series of performance obligations where revenue is recognised as data services have been delivered in accordance to the contract.

The performance obligation for telecommunication services is coupled with a performance obligation relating to access rights to the AARNet network, for the service agreement performance obligation cannot be executed without an access agreement.

An establishment fee forms part of the transaction price for telecommunication services. The establishment fee is not a consideration for a performance obligation in its own right, for the work to enable a transmission service cannot be separated from the transmission service itself.

*(ii) Other Services*

Other services consist of transmission services providing point-to-point capacity, above the network services and security-related products. Revenue is recognised as performance obligations within contracts are delivered.

*(iii) Infrastructure Establishment Fees*

Infrastructure establishment fees are contributions from customers to assist in the design and cost of construction. Revenue is recognised over the course of the contract's performance obligations.

*(iv) Infrastructure Project Construction Revenue*

Revenue from the provision of infrastructure where the infrastructure becomes the property of the customer is recognised either over the course of the contract's performance obligations, or when the underlying performance obligation is completed, depending on the contract terms. When recognised over time, this is based on a percentage of completion method, measured according to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

*(v) Stand alone selling price in the application of AASB15 Revenue from Contracts with Customers*

The standalone selling price in relation to all performance obligations contained within service contracts with customers is judged to be the fair value of those performance obligations if bought on a standalone basis.

*(vi) Discounts and Taxes*

Amounts disclosed as revenue are net of any discounts or taxes paid.

*(vii) Income in Advance*

Amounts received or due and receivable in respect of future subscription periods or for services which have not been delivered are recorded as Income in Advance and appear as a liability (refer note 4(b)). Income in advance is classified as either a current liability or a non-current liability depending on when the relevant subscription expires or the related service is expected to be delivered.

*(viii) Significant financing component in revenue contracts*

The Group identifies significant financing components in certain revenue contracts with customers. The interest expense, income in advance and revenue balances are adjusted to recognise the impact of significant financing component comprised in the upfront contributions by customers to the company.

*(ix) Departed customers & terminated services*

The Group reviews the income in advance balances to identify balances pertaining to certain customers who have terminated their revenue contracts or services within their contracts. The Group does not have any obligation to refund any portion of the upfront customer contributions on such termination. Accordingly, the income in advance balances pertaining to such terminated contracts, or terminated services within contracts, have been recognised as revenue in the period of such termination.

## 5. OTHER INCOME

	31 December 2025 \$	31 December 2024 \$
Interest	4,060,362	6,355,214
Dividends	833,479	583,846
Grants and contributions	731,323	744,738
Consulting	23,446	45,324
	<b>5,648,610</b>	7,729,122

### Accounting Policy

#### Interest and Dividend Income

Interest income is recognised as it accrues using the effective interest rate method and dividend income is recognised as revenue when the right to receive payment is established.

#### Grants and Contributions Received

This item includes amounts received by AARNet by way of grants and contributions where AARNet does not supply a service to the organisations providing the funding, however grants and contributions are recognised only upon completion of all performance obligations and when there are no unfulfilled conditions or other contingencies attaching to the grants.

#### Contributed Assets

Contributed assets are recognised at fair value when title and control of the asset passes or when the conditions to receive or retain funding are met.

The Accounting Policy for gain on financial assets at fair value is described in note 17.

## 6. EXPENSES

	Notes	31 December 2025 \$	31 December 2024 \$ (Restated)*
<b>Depreciation</b>			
Communication assets		15,560,912	16,630,908
Office and IT equipment		2,840,728	4,083,308
Leasehold improvements		810,599	810,718
Software		13,997	54,650
Buildings		1,445,364	1,475,883
Total depreciation	12	<b>20,671,600</b>	23,055,467
<b>Amortisation</b>			
Intangible assets	13	<b>75,000</b>	75,000
Total depreciation and amortisation		<b>20,746,600</b>	23,130,467
Superannuation expense		<b>6,258,822</b>	5,237,632

\*Comparative information has been restated – refer note 29.

### Accounting Policy

#### Depreciation and Amortisation

The accounting policy for depreciation and amortisation is described in notes 12 and 13 respectively.

## 7. NET FINANCE INCOME/(EXPENSE)

	31 December 2025 \$	31 December 2024 \$
<b>Finance income</b>		
Significant financing revenue - IRU assets	1,902,837	2,189,175
Total finance income	<b>1,902,837</b>	2,189,175
<b>Finance expense</b>		
Significant financing expense - income in advance	(4,296,756)	(4,176,931)
Interest expense - leased assets	(2,715,751)	(3,232,576)
Total finance expense	<b>(7,012,507)</b>	(7,409,507)
Net finance income/ (expense)	<b>(5,109,670)</b>	(5,220,332)

### Accounting Policy

The Accounting Policy for significant financing component in revenue contracts is described in note 4 and IRU assets in note 15. The Accounting Policy for lease accounting is described in note 14.

## 8. NET OTHER GAINS/(LOSSES)

	31 December 2025 \$	31 December 2024 \$
Gain/(loss) on financial assets at fair value	(202,411)	1,158,831
Gain/(loss) on foreign currency transactions	(167,614)	(99,318)
Gain/(loss) on foreign currency contracts	-	(35,403)
Gain/(loss) on disposal of assets	(31,410)	(5,973)
	<b>(401,435)</b>	1,018,137

## 9. INCOME TAX EXPENSE

### (a) Income tax expense

	31 December 2025 \$	31 December 2024 \$
<b>Current tax</b>		
Current tax on surplus/(deficit) for the year	429	(4,036)
Adjustments for current tax of prior year	-	11,726
Total current tax expense	<b>429</b>	7,690
<b>Deferred income tax</b>		
Prior year adjustment to deferred tax assets	-	45,500
(Increase)/ decrease in deferred tax assets	13,698	(20,732)
Total deferred tax expenses	<b>13,698</b>	24,768
Income tax expense	<b>14,127</b>	32,458

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	31 December 2025 \$	31 December 2024 \$ (Restated)*
Surplus/(deficit) from continuing operations before income tax expense	(18,071,213)	4,982,883
Tax at the Australian tax rate of 30.0% (2024 - 30.0%)	(5,421,364)	1,494,865
In calculating taxable income:		
Share of losses from associates	329,502	-
Other	59	314
Prior year tax losses utilised	(86,382)	-
Net (surplus)/deficit from the charity (income tax exempt)	5,192,312	(1,560,829)
Prior period adjustments	-	11,726
Current year tax losses not recognised	-	86,382
Income tax expense	<b>14,127</b>	32,458

\*Comparative information has been restated – refer note 29.

### (c) Deferred tax balances

Deferred tax assets comprise temporary differences attributable to:

	31 December 2025 \$	31 December 2024 \$
Amount recognised in assets		
Income in advance	11,069	24,768

### (d) Tax losses

	31 December 2025 \$	31 December 2024 \$
Unused tax losses for which no deferred tax asset has been recognised	-	287,941
Potential tax benefit @ 30.0%	-	86,382

The unused tax losses relate to income losses which can only be recoverable through future taxable income. They can be carried forward indefinitely. Losses generated in 2024 were utilised in 2025.

### Accounting Policy

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### (i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that could follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (iii) Tax exposure

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made. The Income Tax Assessment Act 1997 (amended) provides under section 50-5, income from a registered charity is exempt income. The group is only liable for income tax on income derived from the entities in the consolidated tax group.

## 10. RECONCILIATION OF NET (DEFICIT)/SURPLUS AFTER TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 December 2025 \$	31 December 2024 \$ (Restated)*
Net (Deficit)/Surplus after income tax	(18,085,340)	4,950,426
Depreciation, amortisation and impairment	20,746,600	23,130,467
Dividend income	(833,479)	(583,846)
Net loss (gain) on sale of investments	202,411	(1,158,831)
Net amortised interest income	39,954	38,600
Net loss on sale of property, plant and equipment	31,410	5,973
Share of profit/(loss) of associate (net of tax)	1,098,340	-
Decrease/ (increase) in trade receivables	(5,221,576)	(682,976)
Decrease/ (increase) in accrued income	498,001	(2,917,203)
Decrease/ (increase) in prepayments and other debtors	11,862,885	2,947,501
Increase/ (decrease) in derivative financial instruments	-	35,403
Increase/ (decrease) in trade payables	3,157,160	(2,569,871)
Increase/ (decrease) in other operating liabilities	226,436	123,248
Increase in provisions	9,115,998	1,731,163
Increase/(decrease) in income received in advance	24,541,596	54,274,999
Write-off of non-current assets	94,347	8,699
(Increase)/decrease in deferred tax assets	13,699	(24,768)
Increase/ (decrease) in deferred tax liabilities	429	-
Net cash inflow from operating activities	47,488,871	79,308,984

\*Comparative information has been restated – refer note 29.

## 11. CASH AND CASH EQUIVALENTS

	31 December 2025 \$	31 December 2024 \$
<b>Current assets</b>		
Cash at bank and in hand (AUD)	59,441,934	61,934,486
Cash at bank (USD and EUR)	4,704,512	4,669,684
	64,146,446	66,604,170

### Cash at bank and on hand

Cash at bank and on hand is held at interest rates varying between 0.00% and 4.10% (2024: 0.00% and 5.55%). During the year, cash is transferred to or from term deposits to meet liquidity requirements.

### Accounting Policy

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, bank overdrafts and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Buildings \$	Leasehold improvements \$	Office and IT equipment \$	Communication assets \$	Software \$	Total \$
<b>At 1 January 2024 (restated) *</b>						
Cost	17,475,215	9,317,802	26,838,385	437,729,360	1,767,992	493,128,754
Accumulated depreciation	(6,573,778)	(2,836,046)	(19,421,036)	(167,735,357)	(1,699,345)	(198,265,562)
Net book amount	10,901,437	6,481,756	7,417,349	269,994,003	68,647	294,863,192
<b>Year ended 31 December 2024</b>						
Opening net book amount (restated) *	10,901,437	6,481,756	7,417,349	269,994,003	68,647	294,863,192
Additions	-	127,717	1,617,182	55,819,194	-	57,564,093
Additions right-of-use assets	-	-	-	1,505,752	-	1,505,752
Remeasurement of right-of-use-assets	(1,942,654)	-	-	-	-	(1,942,654)
Disposals	-	-	(7,473)	-	-	(7,473)
Depreciation expense (restated) *	(1,475,883)	(810,718)	(4,083,308)	(16,630,908)	(54,650)	(23,055,467)
Other	-	(2,273)	(49,356)	42,930	-	(8,699)
Closing net book amount	7,482,900	5,796,482	4,894,394	310,730,971	13,997	328,918,744
<b>At 31 December 2024 (restated) *</b>						
Cost	15,532,560	9,443,246	27,892,382	489,217,352	1,767,992	543,853,532
Accumulated depreciation	(8,049,660)	(3,646,764)	(22,997,988)	(178,486,381)	(1,753,995)	(214,934,788)
Net book amount	7,482,900	5,796,482	4,894,394	310,730,971	13,997	328,918,744

\*Comparative information has been restated – refer note 29.

	Buildings \$	Leasehold improvements \$	Office and IT equipment \$	Communication assets \$	Software \$	Total \$
<b>Year ended 31 December 2025</b>						
Opening net book amount	7,482,900	5,796,482	4,894,394	310,730,971	13,997	328,918,744
Additions	-	107,160	2,700,776	72,981,541	-	75,789,477
Additions right-of-use assets	233,023	-	-	1,402,294	-	1,635,317
Disposals	-	(20,679)	(23,665)	-	-	(44,344)
Depreciation expense	(1,445,364)	(810,599)	(2,840,728)	(15,560,912)	(13,997)	(20,671,600)
Amount reclassified	-	(66,678)	(23,294)	(4,375)	-	(94,347)
Closing net book amount	6,270,559	5,005,686	4,707,483	369,549,519	-	385,533,247
<b>At 31 December 2025</b>						
Cost or fair value	15,765,583	9,433,577	28,250,268	563,480,103	1,767,992	618,697,523
Accumulated depreciation	(9,495,024)	(4,427,891)	(23,542,785)	(193,930,584)	(1,767,992)	(233,164,276)
Net book amount	6,270,559	5,005,686	4,707,483	369,549,519	-	385,533,247

### Communication assets- finance leases

AARNet provides other parties with rights to use components of AARNet's fibre and other infrastructure in return for that party providing AARNet with similar rights to use components of its fibre and infrastructure.

### Right-of-use assets

Communication assets and Buildings include both assets and leased right-of-use assets. See Note 14 for more detail on right-of-use assets.

### Assets in the course of construction

Included in the carrying amounts of the assets shown above are assets that were in the course of construction as at the end of the reporting period. The relevant amounts are as follows:

	31 December 2025 \$	31 December 2024 \$ (Restated)*
Communication assets	144,388,432	88,443,112
Office equipment	1,762,282	641,648
Leasehold improvements	107,160	66,678
Total assets in the course of construction	146,257,874	89,151,438

A review of the above balances during the year has resulted in an additional depreciation charge of \$5.5m being booked – (\$1.1m) within 2025 and (\$4.4m) in prior years. Refer note 29 for prior year restatement impact.

### Accounting Policy

#### Acquisition

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to AARNet and the cost of the item can be measured reliably.

#### Fibre and Infrastructure Swaps

AARNet may enter into arrangements granting other parties the right to use AARNet's fibre or infrastructure in return for receiving rights to use fibre or infrastructure owned by the other party ("swaps"). Where

such swaps involve significant values of assets, AARNet records an asset disposal in respect of the assets used by the other party at the carrying value of the relevant assets at the time the swap becomes effective. AARNet then recognises an asset of equivalent value, being the right to use the fibre or infrastructure of the other party.

#### Unincorporated Joint Operations

AARNet accounts for interests in unincorporated joint operations by recognising its share of the assets and liabilities held or owed by the joint operation along with its share of the expenses incurred by the joint operation.

Where the assets held within the joint operation include assets in the course of construction, AARNet's share of those assets is included in the values for assets in the course of construction shown in this note.

#### Depreciation

Property, plant and equipment is depreciated using the straight-line method to allocate cost, net of residual value, over each item's estimated useful life, as follows:

- Buildings	5 - 25 years
- Leasehold improvements	10 years
- Office equipment	3 years
- Leased communication assets	5 - 6 years
- Leased office equipment	3 years
- Communication assets	2 - 35 years
- Software	2 - 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period; such adjustments may result in a revised useful life shorter than that shown above.

#### Impairment of Assets

Assets that are subject to depreciation or amortisation are reviewed for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use is calculated on the basis of the depreciated replacement cost, which represents the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

### Impairment of Assets (continued)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). The company has two cash generating units, being the network and the security operations centre. Note, no property, plant and equipment impairments were required in relation to the onerous contract provision.

### Gains and Losses

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## 13. INTANGIBLE ASSETS

### At 31 December 2025

	Indefeasible Rights to Use traffic path \$	Total \$
<b>At 1 January 2024</b>		
Opening net book amount	283,065	283,065
Amortisation charge	(75,000)	(75,000)
Net book amount	208,065	208,065
<b>At 31 December 2024</b>		
Cost	8,707,978	8,707,978
Accumulated amortisation	(8,499,913)	(8,499,913)
Net book amount	208,065	208,065

	Indefeasible Rights to Use traffic path \$	Total \$
<b>Year ended 31 December 2025</b>		
Opening net book amount	208,065	208,065
Amortisation charge	(75,000)	(75,000)
Closing net book amount	133,065	133,065
<b>At 31 December 2025</b>		
Cost	8,707,978	8,707,978
Accumulated amortisation	(8,574,913)	(8,574,913)
Net book amount	133,065	133,065

AARNet's intangible assets are indefeasible rights to use (IRU) capacity on traffic paths across communication infrastructure owned by other parties.

### Interest expense capitalised

The company's accounting treatment on interest expense on account of significant financing component identified in its contracts with customers in accordance with AASB15 Revenue from Contracts with Customers, is to capitalise such interest expenses as a borrowing cost during the period of construction where the upfront contribution by customers is used for the construction of the related network assets. The interest expense is considered as a directly attributable cost of construction of the related network assets where the construction takes more than 12 months to complete.

### Accounting Policy

The value of each IRU is amortised from the date each right become available for service and will continue to be amortised over the term of the right, which varies from 10 to 28 years.

## 14. LEASES

This note provides information for leases where AARNet is the lessee.

### (i) Amounts recognised in the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases:

	31 December 2025 \$	31 December 2024 \$	
<b>Right-of-use assets</b>			
Buildings	6,214,643	7,423,707	
Communication assets	40,363,925	43,156,476	
Total right-of-use assets	46,578,568	50,580,183	
<b>Lease liabilities</b>			
Current	3,654,839	3,147,928	
Non-current	36,867,234	39,812,287	
Total lease liabilities	40,522,073	42,960,215	
<b>Right-of-use assets</b>			
	Buildings	Communication assets	Total \$
Balance as of 1 January 2025	7,423,707	43,156,476	50,580,183
Additions to right of use assets	233,023	1,402,294	1,635,317
Depreciation charge for the year	(1,442,087)	(4,194,845)	(5,636,932)
Balance as of 31 December 2025	6,214,643	40,363,925	46,578,568

### (ii) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

Expenses related to short-term leases, leases of low value assets and variable lease payments not included in lease liabilities in 2025 was \$1,702,349 (2024: \$2,366,501).

The total outflow for leases in 2025 was \$8,473,214 (2024: \$9,637,042).

### (iii) Future lease payments

Future lease payments in relation to lease liabilities as at the period end are as follows:

	2025 \$	2024 \$
Within one year	6,582,201	5,978,771
Later than one year but not later than five years	20,893,689	21,457,459
Later than five years	32,303,403	37,343,181
	57,779,293	64,779,411

### (iv) AARNet's leasing activities and how these are accounted for

AARNet leases various offices, data centre space and dark fibre. Rental contracts are typically made for fixed periods of 1 to 20 years, but may have extension options as described in (v) below.

Contracts may contain both lease and non-lease components. AARNet allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which AARNet is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

(iv) AARNet's leasing activities and how these are accounted for (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by AARNet under residual value guarantees, and
- Payments of penalties for terminating the lease, if the lease term reflects AARNet exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases at AARNet, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, AARNet uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by AARNet.

AARNet is exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Consolidated Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of equipment and small items of office furniture.

(v) Extension and termination options

Extension and termination options are included in a number of leases. These are used to maximise operational flexibility in terms of managing the assets used in AARNet's operations. The majority of extension and termination options held are exercisable only by AARNet and not by the respective lessor.

## 15. RECEIVABLES AND OTHER ASSETS

	31 December 2025 \$	31 December 2024 \$
<b>Current assets</b>		
Trade receivables	9,125,392	3,203,156
Provision for impairment of receivables	(829,872)	(129,212)
Prepayments and Other Debtors	20,593,801	25,414,279
<b>Total</b>	<b>28,889,321</b>	28,488,223
<b>Non-current assets</b>		
Prepayments	26,694,055	33,736,461

### Trade Receivables

Trade receivables are due for settlement no more than 30 days from the date of recognition.

At 31 December 2025, trade receivables included balances of \$1,259,116 (2024: \$1,239,850) which are past due but not impaired or considered uncollectable. These amounts have been outstanding for more than 90 days. These relate to a number of customers for whom there is no history of default.

### Prepayments and Other Debtors

Payments for goods and services which are to be provided in future years are recognised as prepayments. This includes prepayments for IRU arrangements that are not identified as leases.

AARNet has recognised that providing prepayments to suppliers ahead of services being provided in the future includes a significant financing revenue element that is included in these balances.

Other debtors generally arise from transactions outside the usual operating activities of AARNet. Interest is not normally charged.

The 31 December 2025 current prepayment balance is net of an impairment of \$6,923,062 relating to SOC prepayments in relation to the onerous contracts provision described within note 22.

### Fair Value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

### Accounting Policy

Trade receivables are recognised initially the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The amount of the provision is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in Telecommunications Supply expenses.

The carrying value less impairment provision of trade receivables is assumed to approximate fair value due to the short-term nature of the receivables.

## 16. ACCRUED INCOME

	31 December 2025 \$	31 December 2024 \$
<b>Current assets</b>		
Accrued interest receivable	3,918,834	1,101,454
Infrastructure projects	452,294	3,680,474
<b>Total</b>	<b>4,371,128</b>	4,781,928

## 17. FINANCIAL ASSETS AND INVESTMENTS

AARNet holds financial assets and investments (other than prepayments or trade receivables) including

- Financial instruments at amortised cost (note 18)
- Financial assets at fair value through Profit or Loss (note 19)
- Financial assets at fair value through other comprehensive income (note 20)
- Derivative financial instruments (shown on the Statement of Financial Position)

### Accounting Policy

Purchases and sales of financial assets are recognised on the date on which AARNet commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and AARNet has transferred substantially all the risks and rewards of ownership.

### Initial recognition - measurement

At initial recognition, AARNet measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on AARNet's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which AARNet classifies its debt instruments:

Amortised cost: AARNet classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Interest income from these financial assets is included in Other Income - Interest using the effective interest rate method.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at **FVOCI**. Movements in the fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, if required.

**FVPL:** Assets that do not meet the criteria for amortised cost or **FVOCI** are measured at **FVPL**. A gain or loss on a debt investment that is subsequently measured at **FVPL** is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

### Equity instruments

AARNet subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at **FVPL** are recognised in other gains/(losses) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as applicable.

### Impairment

AARNet assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and **FVOCI**. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Fair value measurements

AARNet measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss; and
- Derivative financial instruments.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) 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 or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the company's assets and liabilities measured and recognised at fair value at 31 December 2025 and 31 December 2024:

31 December 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Equity securities - fair value through profit or loss	10,797,556	-	-	10,797,556
Debt securities - fair value through profit or loss	1,012,000	30,141,912	-	31,153,912
Debt securities - fair value through other comprehensive income	-	13,320,081	-	13,320,081
<b>Total assets</b>	<b>11,809,556</b>	<b>43,461,993</b>	<b>-</b>	<b>55,271,549</b>

31 December 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Equity securities - fair value through profit or loss	11,086,255	-	-	11,086,255
Debt securities - fair value through profit or loss	1,029,500	29,048,753	-	30,078,253
Debt securities - fair value through other comprehensive income	-	7,590,675	-	7,590,675
<b>Total assets</b>	<b>12,115,755</b>	<b>36,639,428</b>	<b>-</b>	<b>48,755,183</b>

The fair value of financial instruments traded in active markets (such as listed financial assets at **FVPL**) are based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (such as derivative financial instruments and unlisted financial assets) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## 18. FINANCIAL ASSETS AT AMORTISED COST

	31 December 2025 \$	31 December 2024 \$
<b>Current Assets</b>		
Debt securities (fixed and floating rates)	9,002,999	8,523,955
Term deposits	6,000,000	31,000,000
	<b>15,002,999</b>	<b>39,523,955</b>
<b>Non-current assets</b>		
Debt securities (fixed and floating rates)	1,299,498	8,318,496

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025 \$	31 December 2024 \$
<b>Current Assets</b>		
Debt securities (fixed and floating rates)	10,738,575	3,434,160
<b>Non-current assets</b>		
Equity securities	10,797,556	11,086,255
Debt securities (fixed and floating rates)	20,415,337	26,644,093
	<b>31,212,893</b>	<b>37,730,348</b>

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2025 \$	31 December 2024 \$
<b>Non-current Assets</b>		
Debt securities (fixed and floating rates)	13,320,081	7,590,675

## 21. TRADE AND OTHER PAYABLES

	31 December 2025 \$	31 December 2024 \$
<b>Current liabilities</b>		
Trade payables	7,983,110	5,354,912
Other payables	1,781,001	806,907
	<b>9,764,111</b>	6,161,819

Trade payables and accruals are expected to be paid within 30 days.

These amounts represent liabilities for goods and services provided to AARNet prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### Accounting Policy

Financial liabilities are measured at amortised cost or Fair Value to Profit or Loss. Trade and other payables are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

## 22. PROVISIONS

	31 December 2025 \$	31 December 2024 \$
<b>Current liabilities</b>		
Employee benefits	9,321,853	11,238,672
Onerous contracts provision	6,880,305	-
	<b>16,202,158</b>	11,238,672
<b>Non-current liabilities</b>		
Employee benefits	1,032,388	797,983
Make good on leased premises	390,647	390,647
Onerous contracts provision	3,918,107	-
	<b>5,341,142</b>	1,188,630

	Make good on leased premises	Onerous contracts
<b>Balance at 1 January 2024</b>	390,647	-
Additional provisions recognised	-	-
Amounts used during year	-	-
<b>Balance at 31 December 2024</b>	<b>390,647</b>	-
Additional provisions recognised	-	10,798,412
Amounts used during year	-	-
<b>Balance at 31 December 2025</b>	<b>390,647</b>	<b>10,798,412</b>

### Accounting Policy

#### *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### *Make good on leased premises*

Provisions for make good costs on leased premises are recognised when AARNet has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

#### *Onerous contracts provision*

In December 2025, the AARNet Board decided to retire the AARNet Security Operations Centre service in late 2026. As a result, the financial accounts recognise a \$17.7m provision and impairment for onerous contracts as a combination of a provision (\$10.8m) and impairment of a prepayment (\$6.9m). The prepayment impairment is discussed further in note 15.

The provision component of the onerous contract total reflects the unpaid unavoidable cost of fulfilling contractual commitments over 2026 and 2027 to customers, suppliers and employees.

As of 31 December 2025, no announcements to customers, suppliers or employees regarding the retirement of the service had been made, and therefore, no restructuring provision was made. An announcement was made on 18 February 2026 and this is identified as a 'matter subsequent to the end of the financial year' in note 30.

## 23. CONTRIBUTED EQUITY

	31 December 2025 Shares	31 December 2024 Shares	31 December 2025 \$	31 December 2024 \$
Ordinary shares				
Fully paid ordinary shares	78	78	39,039	39,039

### Movements in ordinary share capital

Date	Details	Number of Shares	\$
1 January 2024	Opening balance	78	39,039
31 December 2024	Balance	78	39,039
31 December 2025	Balance	78	39,039

### Movements in ordinary share capital

As of 31 December 2025 AARNet's shareholders consisted of 38 Australian Universities and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). Each shareholder holds two ordinary shares.

Holders of ordinary shares are entitled to one vote per share on resolutions put before the members. Holders of ordinary shares are not entitled to dividends and have no right to receive any distribution during a winding up.

## 24. RELATED PARTIES

### (a) Key management personnel compensation

The key management personnel are those who had authority and responsibility for planning, directing and controlling the activities of AARNet, directly or indirectly, during the year. The remuneration for key management personnel including directors is as follows:

	31 December 2025 \$	31 December 2024 \$
Short-term and long-term employee benefits	4,307,083	4,011,712
Long-term employee benefits	446,018	530,843
Post-employment benefits	631,328	497,170
	<b>5,384,429</b>	5,039,725

### Transactions with key management personnel

Certain directors represent, act for, or hold offices at certain AARNet shareholders and customers. AARNet provides services to these shareholders in the ordinary course of business.

### (b) Other related party transactions

	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
	2025	2024	2025	2024
Sale of services to associate	1,323,663	200,000	1,676,029	-

AARNet provides its associate, Research and Education Industry Network Pty Ltd with administration and management services under an agreement executed during 2025.

All outstanding balances with the associate are to be settled within 30 days of the reporting date. None of the balance is secured.

## 25. COMMITMENTS AND CONTINGENCIES

### (a) Expenditure and capital commitments

	31 December 2025 \$	31 December 2024 \$
Within one year	33,077,867	26,220,055
Later than one year but not later than five years	36,781,863	11,263,203
Later than five years	25,867,029	29,431,378
	<b>95,726,759</b>	66,914,636

### (b) Contingent liabilities

#### Bank guarantee and credit facilities

AARNet has a \$1,500,000 Bank Guarantee Facility provided by the National Australia Bank. AARNet has drawn on this facility to provide bank guarantees in favour of the landlords for leased premises and a third party contractor. AARNet has an unsecured credit card facility of \$400,000.

AARNet's bankers have issued bank guarantees in favour of the Company's landlords and a third-party contractor with total face value of \$1,354,396 (2024: \$1,305,421).

## 26. REMUNERATION OF AUDITORS

### Audit and other assurance services

	2025 \$ (KPMG)	2024 \$ (PWC)
<b>Audit and other assurance services</b>		
Audit and review of financial statements	400,000	404,055
Total remuneration for audit and other assurance services	400,000	404,055
<b>Taxation services</b>		
Taxation compliance	-	21,400
<b>Other services</b>		
Internal audit services	11,720	-
Other advisory services	139,462	-
Total remuneration	551,182	425,455

As a result of the board appointing KPMG as company auditor during 2025 (replacing PricewaterhouseCoopers), the 2025 data represents services provided by KPMG with 2024 relating to services provided by PriceWaterhouseCoopers.

'Other advisory services' completed by KPMG in 2025 were in regards to Internal Audit work and is unrelated to 'Audit and other assurance services' performed.

## 27. GROUP STRUCTURE

### (a) The AARNet Pty Ltd group subsidiaries as at 31 December 2025 are set out below

	Ownership % 2025	Ownership % 2024
AARNet Research Cloud Pty Ltd	100	100
AARNet Services Pty Ltd	100	100
Vantage Fibre Projects Pty Ltd	100	-

These entities are incorporated in Australia.

### (b) Investment in Associates

	31 December 2025 \$	31 December 2024 \$
Investment in Associates	901,660	-

The group has an equity interest in the Research and Education Industry Network Pty Ltd entity. The Associate's principal activity is the ownership and operation of telecommunication networks in Australia.

An initial capital contribution of \$2 million was invested into the Associate during 2025.

The following table summarises the carrying amount and share of profit/(loss) of this associate.

	31 December 2025 \$	31 December 2024 \$
Carrying amount of interest in associates	901,660	-
Share of profit/(loss) from continuing operations	(1,098,340)	-

### Accounting Policy

Associates are those entities in which a group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. These are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of profit or loss and other comprehensive income of associates, until the date on which significant influence ceases.

## 28. PARENT ENTITY DISCLOSURES

The individual financial statements for the parent entity, AARNet Pty Ltd, show the following aggregate amounts:

	31 December 2025 \$	31 December 2024 \$ (Restated)*
Total current assets	121,034,901	142,802,592
Total non-current assets	460,292,840	416,602,789
Total assets	581,327,741	559,405,381
Total current liabilities	102,272,722	83,743,856
Total non-current liabilities	271,005,403	250,397,525
Total liabilities	373,278,125	334,141,381
Net assets	208,049,616	225,264,000
Contributed equity	39,039	39,039
Reserve	113,706	20,575
Retained earnings	207,896,871	225,204,386
Total equity	208,049,616	225,264,000

\*Comparative information has been restated – refer note 29.

	31 December 2025 \$	31 December 2024 \$ (Restated)*
(Deficit)/Surplus for the year	(17,307,516)	5,202,762
Total comprehensive (deficit)/surplus for the year	(17,214,385)	5,219,147

\*Comparative information has been restated – refer note 29.

## 29. RESTATEMENT OF COMPARATIVE PERIOD INFORMATION

In preparation of the financial statements for the year ended 31 December 2025, the comparative period information has been restated for the following changes:

Accelerated depreciation expense - A review of the aged Work In Progress communication and office equipment balances has resulted in a complete write-off of some older balances, together with the recognition of depreciation for assets that were in use, but not transferred into fixed assets.

The impact of the above on the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income is as follows:

	31 December 2024 (as previously reported)	Restated depreciation expense	31 December 2024 (Restated)
<b>Statement of Financial Position (Extract)</b>			
Property, Plant & equipment	333,356,150	(4,437,406)	328,918,744
<b>Total non-current assets</b>	<b>420,964,963</b>	<b>(4,437,406)</b>	<b>416,527,557</b>
<b>Total assets</b>	<b>563,797,399</b>	<b>(4,437,406)</b>	<b>559,359,993</b>
<b>Net assets</b>	<b>229,488,158</b>	<b>(4,437,406)</b>	<b>225,050,752</b>
Retained earnings	229,428,544	(4,437,406)	224,991,138
<b>Total Equity</b>	<b>229,488,158</b>	<b>(4,437,406)</b>	<b>225,050,752</b>

	31 December 2024 (as previously reported)	Restated depreciation expense	31 December 2024 (Restated)
<b>Statement of Profit or Loss and Other Comprehensive Income (Extract)</b>			
Depreciation and amortisation	(22,512,510)	(617,957)	(23,130,467)
<b>Net Surplus before income tax</b>	<b>5,600,841</b>	<b>(617,957)</b>	<b>4,982,884</b>
<b>Net Surplus after income tax</b>	<b>5,568,383</b>	<b>(617,957)</b>	<b>4,950,426</b>
<b>Total Comprehensive surplus</b>	<b>5,584,768</b>	<b>(617,957)</b>	<b>4,966,811</b>

	1 January 2024 (as previously reported)	Restated depreciation expense	1 January 2024 (Restated)
<b>Statement of Financial Position (Extract)</b>			
Property, Plant & equipment	298,682,641	(3,819,449)	294,863,192
<b>Total non-current assets</b>	<b>390,388,895</b>	<b>(3,819,449)</b>	<b>386,569,446</b>
<b>Total assets</b>	<b>505,801,662</b>	<b>(3,819,449)</b>	<b>501,982,213</b>
<b>Net assets</b>	<b>223,903,390</b>	<b>(3,819,449)</b>	<b>220,083,941</b>
Retained earnings	223,860,161	(3,819,449)	220,040,712
<b>Total Equity</b>	<b>223,903,390</b>	<b>(3,819,449)</b>	<b>220,083,941</b>

## 30. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Following the Board's decision, the Company announced to customers, suppliers and employees on 18 February 2026, that AARNet intends to retire the Security Operations Centre service by the end of October 2026. In addition to costs already provided for in the Onerous Contracts Provision, this will likely result in redundancy payments for remaining impacted staff who are unable to secure a suitable redeployment opportunity within the Company.

Except for the matter above, no other matter or circumstance has arisen since 31 December 2025 that has significantly affected or may significantly affect:

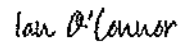
- AARNet's operations in future years;
- the results of those operations in future financial years; or
- AARNet's state of affairs in future financial years.

## DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) The Company is not publicly accountable.
- (b) the Consolidated financial statements and notes set out on pages 8 to 33 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) complying with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulations 2022, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the year ended on that date, and
- (c) there are reasonable grounds to believe that the Company and its controlled entities 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 Directors.



Professor Emeritus Ian O'Connor AC  
Director



Mr Benjamin White  
Director

Sydney  
9 April 2026



## Independent Auditor's Report

To the members of AARNet Pty Ltd

### Opinion

We have audited the **Financial Report**, of AARNet Pty Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the **Group's** financial position as at 31 December 2025, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 31 December 2025.
- ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes, including material accounting policies.
- iv. Directors' declaration of the Company.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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## Other information

Other Information is financial and non-financial information in AARNet Pty Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.
- vi. Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

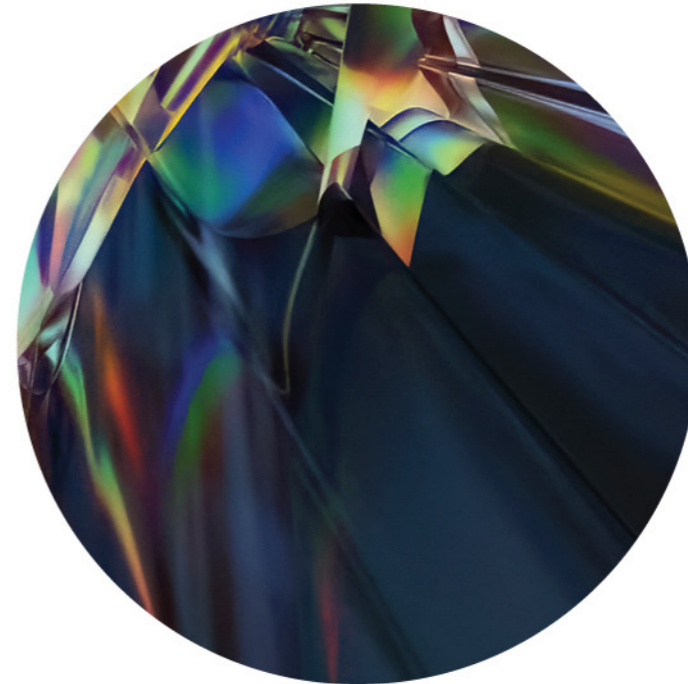
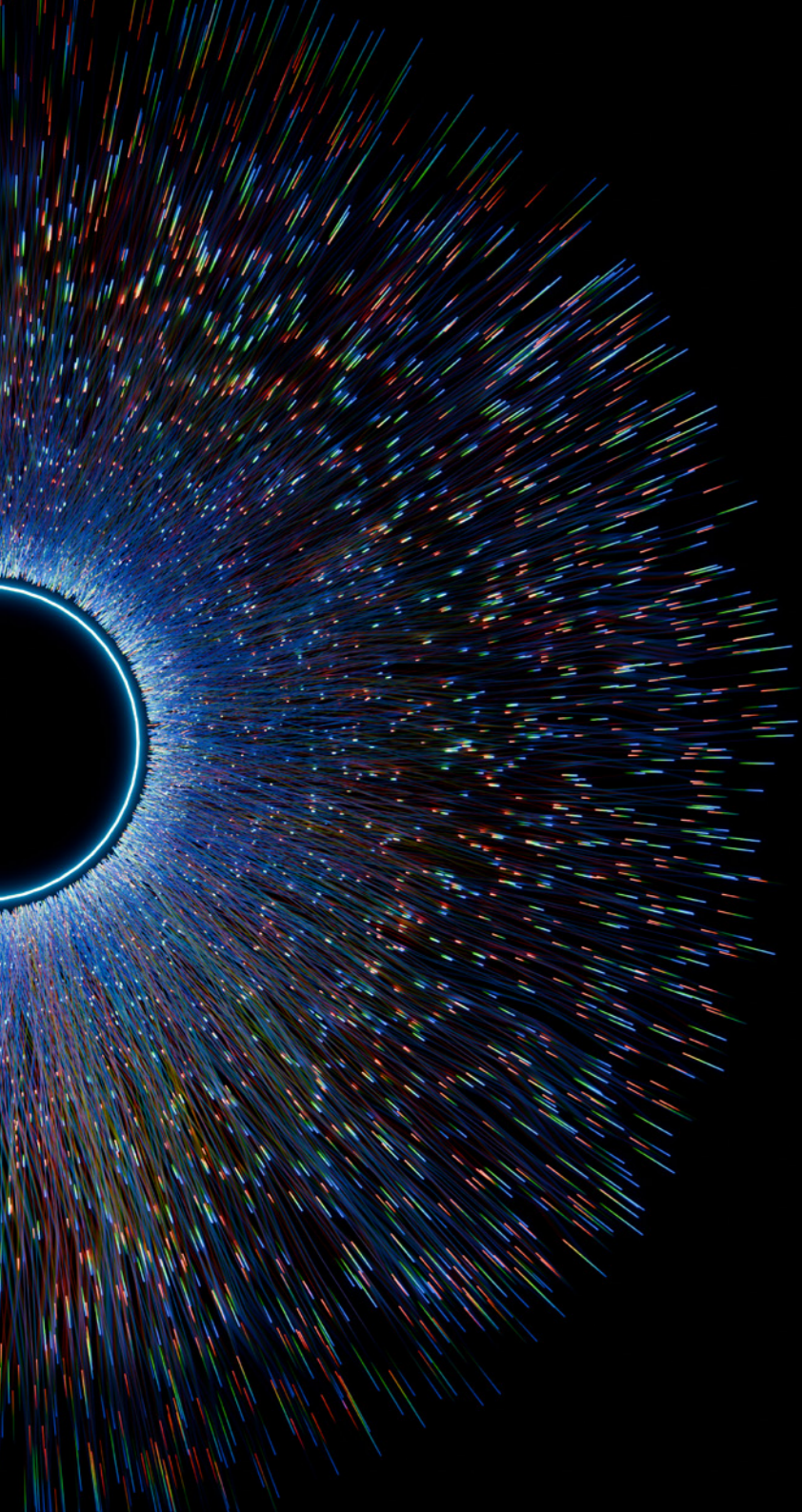
KPMG

Daniel Robinson

Partner

Sydney

9 April 2026



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