

Tax Transparency Report

30 June 2025

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Chief Financial Officer's Introduction

It is with a strong commitment to transparency and accountability that we present Snowy Hydro Limited's voluntary tax transparency report for the year ended 30 June 2025.

This document reflects our approach to open and honest communication with our stakeholders and reinforces our belief that a transparent approach to tax is fundamental to good corporate governance and responsible corporate citizenship.

Our low risk tax strategy is a direct extension of our core business purpose and governance principles. It is designed to ensure compliance with all tax laws, manage tax risks effectively, and support the long-term sustainability of our business.

As a Government Business Enterprise, we are committed to meeting all our tax obligations in full, and this report provides a clear and comprehensive account of our approach to tax management and governance, as well as a reconciliation of our tax expense and tax paid with our financial results. It is one of the many ways in which we continue to enhance transparency and voluntarily engage with our stakeholders in a meaningful manner.

The information presented in this report should be read together with the Snowy Hydro Limited 2025 Annual Report.

Kim Josling
Chief Financial Officer



Who We Are

Our Structure

Snowy Hydro Limited was established on 28 June 2002, when the Snowy Mountains Hydroelectric Authority was corporatised under the *Snowy Hydro Corporatisation Act 1997*.

Snowy Hydro is governed by its Constitution, which is subject to and aligned with the *Corporations Act (Cth) 2001*.

As the company's sole shareholder continues to be the Commonwealth of Australia, it is also subject to the Commonwealth Government Business Enterprises - Governance and Oversight Guidelines.

The company is not exempt from any taxes, and is subject to all taxes, levies and government imposts as they would apply to any other Australian company.

What We Do

The Commonwealth Government established the Snowy Mountains Hydroelectric Authority over 75 years ago, laying early foundations for large-scale low-emission power in Australia. Over the years, the Group has evolved into an integrated energy generator and retailer, which services 1.5 million customers and offers price risk management for wholesale customers.

The Snowy 2.0 pumped hydro expansion will support Australia's transition to renewable energy by delivering more large-scale storage and enhancing grid reliability. In addition, Kurri Kurri Power Station will enter full commercial service in 2025 providing 660MW of on-demand electricity capacity to support grid reliability as more wind and solar enter the system.

In addition, over recent years the company has entered into Power Purchase Agreements for 1,700 MW of wind and solar capacity, further supporting the company's commitment to long-term grid stability.

One of the main drivers for establishing the Snowy Mountains Hydroelectric Authority was to combat drought by diverting water for irrigation, while also capturing the potential for hydroelectric power generation. Today, the company's dams and infrastructure continue to provide critical water services to capture, store and divert water for downstream users, including irrigators and towns in NSW and Victoria.

This year also marks a significant milestone, as the company's retail base reached 1.5 million customers through its brands, Red Energy, Lumo Energy and Snowy Energy. This achievement is a direct result of our relentless focus on customer experience, a key driver of growth that has consistently earned our brands recognition, such as the Canstar Blue award for Most Satisfied Customers. This success highlights our strategic ability to leverage award-winning service to expand our market presence.

Basis of Preparation

This Tax Transparency Report satisfies Parts A and B of the Tax Transparency Code. It is based on the income tax disclosures in Snowy Hydro's audited 30 June 2025 Consolidated Financial Report, and reflects the income tax payable in the lodged 30 June 2024 income tax return.

In accordance with Australian Taxation Office timeframes, the 30 June 2025 income tax return is yet to be finalised and lodged. Any reconciling differences between the lodged 30 June 2025 income tax return and the income tax disclosures in the audited 30 June 2025 Consolidated Financial Report, will be disclosed in the 30 June 2026 Consolidated Financial Report and Tax Transparency Report.

Tax Strategy, Governance & Framework

The company maintains a low tax risk profile through its Tax Risk Management Framework, overseen by the Board Audit and Compliance Committee, to whom management regularly reports on tax matters.

The framework also outlines a clearly defined reporting hierarchy on tax issues by which risks are escalated through the organisation.

All company transactions are based on commercial considerations underpinned by genuine economic activity. The company's business model, structure and operations do not carry an inherent high level of tax risk. The company does not adopt tax driven, artificial or contrived positions, nor does it interpret tax legislation beyond its spirit and intent.

The highest standards of tax governance and compliance are applied in meeting our tax obligations. In doing so, we assess and invest appropriately in people, processes and systems, and when required engage external tax advisers to guide and support our positions.

Management and the Board, are committed to full transparency and disclosure in all dealings with the Australian Taxation Office (ATO) and other revenue authorities with which we interact. The ATO is the principal taxation authority with which the company deals, and we maintain a constructive, professional and transparent dialogue and relationship with them.

The company's conservative tax risk profile is reflected in the outcomes of the ATO's assurance reviews over the group, as discussed further below under "ATO Assurance Reviews".



Tax Expense Reconciliation to Tax Payable

	2025 \$m
Profit before income tax expense ("A")	1,172.8
Prima facie tax @ 30% corporate income tax rate	351.8
Prior year adjustments	(2.3)
Amounts not recognised in profit but included in taxable income	
Non tax deductible operating expenses	0.4
Non tax deductible depreciation	0.4
Research and development offset	(0.1)
Income Tax Expense (Consolidated Statement of Profit or Loss) ("B")	350.2
Effective Tax Rate (ETR) = B ÷ A	29.86%

The ETR of 29.86%, is calculated without adjustment to "Total Income Tax Expense on Profit" or "Profit Before Income Tax Expense" in the company's Annual Report. With no overseas operations, the rate covers the Group's entire operations (all Australian based), noting Australia's corporate tax rate is 30%.

	2025 \$m
Income tax expense in the Consolidated Statement of Profit or Loss	350.2
Add/(Subtract):	
Deferred tax assets charged to income	11.9
Deferred tax liabilities (charged) to income	(288.2)
Current tax included in income tax expense (refer to Note 4 of the Annual Report)	73.9
Add/(Subtract):	
Income tax payable as at 1 July 2024	119.4
Income tax payments per Consolidated Statement of Cash Flows	(216.3)
Net current tax asset (as per the annual report)	(23.0)

The income tax expense will differ from the actual tax paid due to timing differences in:

- the net \$216.3 million tax instalments paid; and
- the recognition of transactions for accounting versus tax purposes.

These differences affect the timing of tax payments but do not affect the total tax on profits, and create deferred tax assets and liabilities.

Dividend Payments

While ordinarily dividend payments to shareholders are not a feature of a company's Tax Transparency Report, as Snowy Hydro is wholly owned by the Commonwealth government, the company's dividend payments are in effect payments to governments.

During the 30 June 2025 year, the company paid a total of \$333.5 million in franked dividends to the Commonwealth government.

The balance of the company's franking account as at 30 June 2025 was \$321.7 million.

International Related Parties

The company operates solely in Australia, and has no international related party dealings.

Only one entity within the wholly owned group is not an Australian incorporated entity, Latrobe Valley BV ("LVBV"). LVBV was incorporated in The Netherlands and was acquired by Snowy Hydro as part of a broader transaction

and acquisition of assets in 2005. LVBV is an Australian tax resident and is part of the Snowy Hydro Australian Tax Consolidated Group.

LVBV did not undertake any transactions or dealings with any party either related or unrelated to the Snowy Hydro group.

Australian Taxation Office Assurance Reviews

In prior years, the ATO ran "Streamlined Tax Assurance Review" programs (which included Snowy Hydro), seeking to obtain greater confidence that corporate taxpayers had paid the "right" amount of tax in accordance with taxation laws, and that the relevant reporting and lodgement obligations have been satisfied. Snowy Hydro obtained a "High" overall level of assurance rating for reviews completed in 2018 for Income Tax, and 2020 for GST.

Further, the ATO finalised a Combined Assurance Review ("CAR") during the 30 June 2024 year. A CAR covers both Income tax and GST, and again the Group received a "High" level of assurance from the ATO (the highest assurance rating possible).

Snowy Hydro was not subject to any ATO reviews or audits during the 30 June 2025 year.

Australian Taxation Office Public Information Disclosure

Income Tax

In approximately November each year, the ATO publishes information about the tax affairs of public companies with total income of \$100 million or more, which includes Snowy Hydro. The ATO publishes this information approximately one year in arrears.

We expect in November 2025 the ATO will publish the information in the table for the year ended 30 June 2024 for the Snowy Hydro Group.

	2024 \$m
Total Income	4,200.9
Taxable Income	603.7
Tax Payable	181.1

Research & Development (“R&D”)

In October 2024, the ATO commenced publishing information about companies that claimed R&D tax incentives.

This has now become an annual disclosure by the ATO, where the ATO will publish the information two years after the end of the financial year.

The Snowy Hydro Group makes claims under the R&D tax incentive, and the R&D information to be published by the ATO will be the company's 30 June 2023 total eligible expenditure on R&D as shown in the company's 30 June 2023 income tax return.

The 30 June 2023 amount to be published by the ATO will be \$2.5M.



Tax Contribution: Taxes Paid, Collected & Remitted

The Group operates only in Australia, and has no overseas tax obligations.

All taxes are paid in Australian jurisdictions and to Australian revenue authorities.

Snowy Hydro is proud of the contribution we make to the Australian economy through the taxes we pay.

Our investments in Snowy 2.0 and the Kurri Kurri Power Station will be significant in enabling Australia's

renewable energy transition and boosting reliability across the National Electricity Market. Due to these investments the company can claim GST input tax credits on its capital expenditure.

Amount Paid / (Refund Received) \$M	ATO	State Revenue Offices					Total
		NSW	VIC	ACT	SA	QLD	
Taxes Paid							
Corporate Income Tax - per Consolidated Statement of Cash Flows	216.3						216.3
Fringe Benefits Tax - per 31 March 2025 FBT Returns	2.3						2.3
Payroll Tax - per 30 June 2025 annual returns		9.8	9.4	0.5	0.4	0.4	20.5
Land Tax - per 31 Dec 2024 assessments		2.7	0.2				2.9
Total Taxes Paid	218.6	12.5	9.6	0.5	0.4	0.4	242.0
Taxes Collected							
PAYG tax withheld / remitted from salary & wages	89.7						89.7
Net GST Paid / (Refund Received) *	(197.4)						(197.4)
Total Taxes Collected / (Refunded)	(107.7)	0.0	0.0	0.0	0.0	0.0	(107.7)

* The net GST refunded is the result of the ordinary operation of the GST legislative framework, and reflects the Group's significant capital and project related expenditure during the June 2025 year.

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