

2025 Tax Transparency Report

Aurizon Holdings Limited



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About this report

This Report provides an overview of Aurizon's tax strategy, governance and tax contributions made to Australian Territory, State and Commonwealth governments. The information provided in this Report is released on a voluntary basis in accordance with the recommendations and guidelines contained in the Board of Taxation's Voluntary Tax Transparency Code. The Voluntary Tax Transparency Code is a set of principles and minimum standards developed by the Australian Board of Taxation to guide businesses in relation to the public disclosure of tax information. The disclosures in this report are consistent with those recommended for a 'large' taxpayer under the Voluntary Tax Transparency Code. Amounts disclosed in this report are in Australian dollars, which is the Group's functional currency. Amounts disclosed in the report have either been sourced from the financial statements in Aurizon's 2025 Annual Report, financial records or submitted tax returns.

This report should be read in conjunction with Aurizon's 2025 Annual Report which can be found on our website.

Our business

Aurizon is one of Australia's largest integrated freight businesses with extensive rail, road and ports infrastructure and experience. Across Australia, we are moving commodities safely and reliably.

As an ASX-listed company primarily operating in Australia, and as an industry leader, we understand the importance of tax transparency.

Our business is built on moving a nation. We deliver a range of different commodities right across Australia for a diverse range of customers. This includes retail goods and groceries in containerised freight to cities and towns across our national footprint, future-facing commodities such as grain, phosphate and critical minerals, and high-quality Australian coal and iron ore for export.

We also operate and manage more than 5,100 kilometres of track infrastructure supporting domestic and export industries. This includes the Tarcoola to Darwin railway — a vital supply chain for central Australia that feeds into the nation's closest port to Asia — and the Central Queensland Coal Network, one of the world's largest coal rail networks.

Tax at Aurizon

We continue to have an open and cooperative relationship with the Australian Tax Office (ATO), demonstrating our commitment to paying our fair share of tax.

Our tax strategy focuses on:

- providing accurate and timely tax compliance and reporting
- enhancing shareholder value through a principled approach to tax
- building a positive and transparent relationship with the ATO.

This strategy is implemented through our Board-approved Tax Policy and our broader Enterprise Risk Management Framework. The Tax Team has primary responsibility for implementing our tax strategy, with oversight by the Chief Financial Officer & Group Executive Strategy (CFO), the Audit, Governance and Risk Management Committee (AGRMC) and the Board. The Tax Team is responsible for identifying and complying with our tax obligations, including lodging returns and making tax payments on time. Confirmation of accurate

and timely tax compliance and reporting is provided to the CFO, AGRMC and the Board. Tax compliance risks are managed through our documented tax control framework, which includes a Tax Risk and Controls Matrix (RACM) and Tax Controls Testing Program. These documents and the Tax Policy are periodically reviewed and actively managed by the Tax Team.

Our tax strategy aims to enhance shareholder value through a principled approach to tax which includes:

- ensuring operations, transactions and funding are tax efficient
- ensuring we utilise tax concessions and make appropriate tax elections, where available
- ensuring tax positions adopted by our business are in accordance with parliamentary intention and guidance provided by the revenue authorities.

Our Tax Policy prohibits conducting transactions for the specific purpose of obtaining a tax benefit. The Tax Team collaborates with our business units to identify and mitigate any tax risks.

Tax positions adopted by our business are considered by our Tax Team, with material positions verified by external independent advice. Aurizon does not have any material international related party dealings.

Reconciliation of accounting profit to income tax payable

The reconciliation of accounting profit to tax expense contained in this report was previously published in the Aurizon Group's 2025 Annual Report in Note 4 to the Financial Report. Income tax expense is calculated as the accounting profit before tax, multiplied by the applicable tax rate, and adjusted for non-temporary differences. Income tax payable is calculated as the accounting profit before tax, multiplied by the applicable tax rate, and adjusted for non-temporary and temporary differences.

Table 1 Reconciliation of accounting profit to income tax payable

(\$m)	FY2025	FY2024
Profit before income tax expense from continuing operations	456	584
Profit/(loss) before income tax expense from discontinued operations	—	—
Statutory profit before income tax expense	456	584
Tax at Australian tax rate of 30%	137	175
Tax effect of amounts that are not deductible (taxable) in calculating taxable income:		
Goodwill impairment	17	—
Non-deductible expenses	5	—
Recoupment of unrecognised prior period tax losses	(8)	—
Impact of differences in offshore tax rates	2	—
Other	—	4
Adjustments for tax of prior periods	—	(1)
Income Tax Expense	153	178
Temporary Differences		
Property, Plant and Equipment	(40)	(73)
Other	19	22
Income Tax Payable	132	127

Effective income tax rate

Effective tax rate is calculated as total income tax expense divided by the accounting profit before tax for the year.

Taxes collected and paid

As we primarily operate in Australia, we pay various taxes to federal and state governments and collect various tax payments on behalf of federal and state governments. We also pay taxes in the overseas jurisdictions in which we operate and report our international activities under the country-by-country reporting regime. Table 3 excludes several taxes that are considered immaterial for our business, including (but not limited to) customs duty, withholding taxes and taxes paid by controlled Australian entities that do not form part of the Aurizon income tax consolidated group.

Research and Development Tax Incentive

The Research and Development (R&D) tax incentive offers a tax offset for companies conducting eligible R&D activities and is administered by both the Department of Industry, Science and Resources and the ATO. Our R&D tax offset is calculated at 38.5% of eligible expenditure, reflecting an 8.5% net benefit over the applicable company tax rate of 30%. The FY2024 R&D tax incentive claim included:

- Fleet Decarbonisation projects to deliver zero-emissions capable freight locomotives, including a prototype battery electric locomotive, battery electric tender, and locomotive regenerative braking.
- TrainGuard, a platform utilising ETCS (European Train control System) technology to support driver decision-making, particularly in relation to speed control and signal enforcement.

Outlined in table 4 is a summary of expenditure claimed under the R&D Tax Incentive.

Table 2 Aurizon's effective income tax rate

(\$m)	FY2025	FY2024
Statutory Effective tax rate (%)	33.6	30.5

Table 3 Taxes collected and paid by Aurizon

(\$m)	FY2025	FY2024
PAYG Withholding Taxes	288	282
Goods and Services Tax (GST) Net of Recoveries	196	197
Corporate Income Tax	123	128
Fringe Benefits Tax	1	1
Fuel Excise Paid Net of Recoveries	1	0
Federal Taxes	609	608
Payroll Tax	60	57
Other Miscellaneous Taxes	3	3
State Taxes	63	60

Table 4 Aurizon's R&D Tax Incentive Claims

(\$'000)	FY2024	FY2023
Total R&D expenditure	5,733	7,746
Non-refundable tax offset (38.5%)	2,207	2,982
Less tax deduction forgone (30%)	(1,720)	(2,324)
Net Tax Benefit Received	487	658

Information about International related party dealings

Aurizon is an Australian business and primarily operates in Australia. Our sole international related party dealings are with a non-resident counterparty, Ox Mountain Limited, a UK maintenance software developer and distributor focusing on asset intensive sectors.

The key business dealings between Aurizon and Ox Mountain Limited during FY2025 are summarised below:

- Software licensing
- Software development services
- Software support services

The dealings were conducted in accordance with arm's length principles, and were less than \$1 million in FY2025.

International Tax Reform – Pillar Two model rules

The Base Erosion and Profit Shifting (BEPS) Pillar Two legislation has been enacted in Australia and applies to the Group for the financial year commencing 1 July 2024.

BEPS Pillar Two establishes a global minimum tax rate of 15% for multinational enterprise groups with consolidated global revenues over €750 million. This initiative, part of the OECD/G20 Inclusive Framework, seeks to curb profit-shifting and create uniform tax regulations across

different jurisdictions. As noted in the 2025 Annual Report, Aurizon has applied the mandatory exception for recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes and has qualified for transitional safe harbor relief, therefore there was no Pillar Two current tax expense for the Group in FY2025.

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