Independent Assurance Report

To the Directors of Enable Networks Limited and to the Commerce Commission on the disclosure information for the disclosure year ended 30 June 2024 as required by the Fibre Information Disclosure Determination 2021 (Consolidated 1 May 2024)

Enable Networks Limited ("the Company") is required to disclose certain information under the Fibre Information Disclosure Determination 2021 (consolidated 1 May 2024) ("the ID Determination") and to procure an assurance report by an independent auditor.

The Auditor-General is the auditor of the Company.

The Auditor-General has appointed me, Nathan Wylie, using the staff and resources of PricewaterhouseCoopers, to undertake a reasonable assurance engagement, on his behalf, on whether the information prepared by the Company for the disclosure year ended 30 June 2024 (the Disclosure Information) complies, in all material respects, with the Determination.

We have completed the reasonable assurance engagement in respect of the compliance of Enable Networks Limited (the "Company") with the Fibre Information Disclosure Determination 2021 (Consolidated 1 May 2024) (the "ID Determination") for the disclosure year (the "year") ended 30 June 2024 where we are required to opine on whether, in all material respects:

- the Company has complied with the ID Determination in preparing the information required to be disclosed under clauses 2.4.4(1), 2.4.4(4)(b), 2.4.2(1) to 2.4.2(11), comprising Schedules 1 to 9, and 20; the related party transaction provisions in clauses 2.5.4 and 2.5.6; the mandatory explanatory notes disclosed in boxes 1 to 14 of Schedule 14a under clause 2.6 of the ID Determination; and attachment A and B to the Notice to supply information to the Commerce Commission under section 187(1)(c) of the Telecommunications Act 2001 (together the "assured disclosure information"); and
- the Company's basis for valuing related party transactions ("valuation of related party transactions") has complied with clause 2.5.2 of the ID Determination and clauses 2.2.13(3)(g) and 2.2.15 of the Fibre Input Methodologies Determination 2020 (consolidated 6 March 2024) (the "IM Determination");

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion section of our report, in all material respects:

- the assured disclosure information complies with the ID Determination;
- the basis for valuation of related party transactions complies with the ID Determination and the IM Determination;
- as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the assured disclosure information have been kept by the Company; and
- as far as appears from an examination, the information used in the preparation of the assured disclosure information has been properly extracted from the Company's accounting and other records and has been sourced, where appropriate, from the Company's financial and non-financial systems.

Basis for Qualified Opinion

The Commerce Commission issued a conditional exemption to providers of fibre fixed line access services on 2 August 2024 (the "Exemption") to amend the definition of an outage. An outage means a cessation of supply of fixed fibre line access services that is either identified by the provider based on its systems indicating a cessation of supply, or where the provider has received a notification from a retail service provider that confirms a cessation in the supply of fixed fibre line access services to an end user and includes sufficient information for the provider to identify and address the cessation in supply. The

amended definition is now in line with the Company's current and historic practices, which are linked to contractual obligations and industry protocols. However, the data collected and retained, and controls to review the completeness and accuracy of the occurrence and duration of the cessation of supply, were limited throughout the reporting period. Consequently, there is insufficient evidence available to support the completeness and accuracy of fault information in Schedule 20(ii) and availability information in Schedule 20(iii) in the manner required by the IM Determination and the Exemption.

Schedule 20(iv) performance information is reported based on the assumption that all reference probes are active and recording samples at every possible five-minute interval. There are inherent limitations in the Company's ability to confirm the completeness and accuracy of this information independently and controls in place to ensure the completeness and accuracy of information received from probes were limited throughout the reporting period. Consequently, there is no independent evidence available to support the completeness and accuracy of performance information.

There were no alternative assurance procedures that we could apply to independently confirm the completeness or accuracy of the data used to report the quality metrics in Schedules 20(ii) to 20(iv).

Because of the potential effect of the limitations described above, we are unable to obtain sufficient appropriate evidence to conclude on the compliance of Schedule 20(ii) and 20(iii) with the IM Determination and the Exemption, and/or the completeness and accuracy of the data that forms the basis of the compilation of information reported in Schedules 20(ii) to 20(iv).

We have conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3100 (Revised) Compliance Engagements ("SAE 3100 (Revised)"), issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE 3100 (Revised) requires that we comply with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Our Assurance Approach

Overview

Our assurance engagement is designed to obtain reasonable assurance about the Company's compliance, in all material respects, with the ID Determination and IM Determination.

Quantitative materiality levels are determined for testing purposes within individual schedules included in the assured disclosure information based on the nature of the information set out in the schedules. These thresholds are determined based on our assessment of errors that could have a material impact on key measures within the assured disclosure information:

- Financial information – any impact resulting in +/-100 basis points of the Return of Investment ('ROI')
- Performance based schedules – 5% of non-financial measures
- Related party transactions – 2% of total related party transactions.

When assessing overall material compliance with the ID Determination, qualitative factors are considered such as the combined impact on ROI and other key measures as well as assessing the arm's length valuation rules on related party transactions, which may impact on users' assessment on whether the purpose of Part 4 of the *Commerce Act 1986* has been met.

We have determined that there is one key assurance matter: Regulatory Asset Base

Materiality
The scope of our assurance engagement was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our assurance engagement, the nature, timing and extent of our assurance procedures and to evaluate the effect of misstatements, both individually and in aggregate on the assured disclosure information as a whole.

Scope
Our procedures included analytical procedures, evaluating the appropriateness of assumptions used and whether they have been consistently applied, agreement of the assured disclosure information to, or reconciling with, source systems and underlying records, an assessment of the significant judgements made by the Company in the preparation of the assured disclosure information and valuing the related party transactions, and evaluation of the overall adequacy of the presentation of supporting information and explanations.

These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the ID Determination in the preparation of the assured disclosure information for the year ended 30 June 2024, and whether the basis for valuation of related party transactions complies, in all material respects, with the ID Determination and the IM Determination.

Key Assurance Matters
Key assurance matters are those matters that, in our professional judgement, were of most significance in carrying out the assurance engagement during the current period. These matters were addressed in the context of our assurance engagement as a whole, and in forming our opinion. We do not provide a separate opinion on these matters. In addition to the matter described in the Basis of Qualified Opinion section of our report, we have determined the matter described below to be a Key Assurance Matter.

Key Assurance Matter	How our procedures addressed the key assurance matter
Regulatory Asset Base The Regulatory Asset Base (RAB), as set out in Schedule 4, reflects the value of the Company's fibre distribution assets. These are valued using an indexed historic cost methodology prescribed by the IM Determination. It is a measure which is used widely and is key to measuring the Company's return on investment and therefore important when monitoring financial performance. The RAB inputs, as set out in the IM Determination, are similar to those used in the measurement of fixed assets in the financial statements, however, there are a number of different requirements and complexities	We have obtained an understanding of the compliance requirements relevant to the RAB as set out in the ID Determination and the IM Determination. Our procedures included the following: Assets commissioned. We reconciled the assets commissioned, as per the regulatory fixed asset register, to the asset additions disclosed in the audited annual financial statements and investigated material reconciling items. We considered the nature of the assets commissioned during the period as per the regulatory fixed asset register, to identify any specific cost or asset type exclusions, as set out

Key Assurance Matter	How our procedures addressed the key assurance matter
(including the Financial Loss Asset ("FLA")) which require careful consideration. Judgement is required in determining the depreciation rate of the Financial Loss Asset. The IM Determination requires depreciation over either the period equivalent to the weighted average life of the UFB-related core fibre assets or a period adopted under an alternative method. The Company has applied a tilted annuity method of depreciation to the FLA, consistent with the prior period. Due to the importance of the RAB within the regulatory regime, the incentives to overstate the RAB value, and complexities within the regulations, we have considered it to be a key area of focus.	in the ID Determination, which are required to be removed from the RAB. We tested a sample of assets commissioned during the disclosure year for appropriate capitalisation and asset category classification. Depreciation We compared the asset lives by asset category to those used by management for the audited annual financial statements to ensure the depreciation methods are consistent.. We agreed the FLA depreciation rate applied is consistent with the rate determined in the prior period and continues to be appropriate. We tested the reasonableness of the depreciation calculation by performing analytical procedures, including ensuring the formula applied is appropriate. Revaluation We recalculated the revaluation rate set out in the IM Determination using the relevant Consumer Price Index indices taken from the Statistics New Zealand website. We tested the mathematical accuracy of the revaluation calculation performed by management. Disposals We reconciled the disposals, as per the regulatory fixed asset register, to the asset disposals disclosed in the audited annual financial statements and investigated material reconciling items.

Directors' Responsibilities
The Directors are responsible on behalf of the Company for compliance with the ID Determination and IM Determination and the valuation of related party transactions in accordance with the ID Determination and IM Determination, for the identification of risks that may threaten compliance with the IM Determination, controls that would mitigate those risks, and monitoring the Company's ongoing compliance.

Our Independence and Quality Control
We have complied with the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* or other professional requirements, or requirements in law or regulation, that are at least as demanding, which include independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with the Professional and Ethical Standard 3 (Amended) *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* or other professional requirements, or requirements in law or regulation, that are at least as demanding, our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

The Auditor-General, and his employees, and PricewaterhouseCoopers and its partners and employees may deal with the Company on normal terms within the ordinary course of trading activities of the Company. We are independent of the Company. Our firm carries out other services for the Company in the areas of audit of the parents' financial statements, assurance on disclosure information, and information disclosure agreed upon procedures. The provision of these other services has not impaired our independence.

Assurance Practitioner's responsibilities
Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the ID Determination in the preparation of the assured disclosure information for the year ended 30 June 2024 and on whether the basis for valuation of related party transactions complies, in all material respects with the ID Determination and the IM Determination.

Our engagement has been conducted in accordance with ISAE (NZ) 3000 (Revised) and SAE 3100 (Revised) which requires that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the ID Determination in the preparation of the assured disclosure information for the year ended 30 June 2024 and on whether the basis for valuation of related party transactions complies, in all material respects with the ID Determination and the IM Determination

An assurance engagement to report on the Company's compliance with the ID Determination and IM Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance.

Inherent Limitations
Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement for the disclosure year ended 30 June 2024 does not provide assurance on whether compliance with ID Determination and IM Determination will continue in the future.

Use of Report
This report has been prepared for the Directors and the Commerce Commission in accordance with clause 2.7.1(1) of the ID Determination and is provided solely to assist you in establishing that compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors of the Company, as a body, or for any purpose other than that for which it was prepared.

The engagement partner on the assurance engagement resulting in this independent auditor's report is Nathan Wylie.

Nathan Wylie
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand
23 October 2024