

JT (Jersey) Limited
Regulatory Financial Reports 2025
Explanatory Note
Version 1.0



Non-Confidential Version

16 September 2026

Contents

Contents	2
Glossary	3
Introduction.....	4
Principles	5
Products and Markets	5
Cost Model Overview	6
Cost Model Design.....	7
Allocation Methodologies	10
Transfer Charges.....	15
RFR Preparation.....	16
Driver changes	16
Significant Movements by Market	18
Directors Statement	19

Glossary

Abbreviation	Full Name
DC	Data Centre
FAR	Fixed Asset Register
GL	General Ledger
JCRA	Jersey Competition Regulatory Authority
HCA	Historic Cost Accounts
JT	JT (Jersey) Limited
RFR	Regulatory Financial Reports or Template
RFRL	Regulatory Financial Report Line
SDR	Service Distribution Ring
TB	Trial Balance
WBA	Wholesale broadband access
WLL	Wholesale on-island leased
WVA	Wholesale voice access
WVI	Wholesale voice interconnect

Introduction

The Jersey Competition Regulatory Authority (JCRA) issued a statutory Final Decision (Final Decision) on 29th May 2024 for regulatory financial reporting (JCRA 24/27, Case T-080), which applies to JT (Jersey) Limited (JT). This requires JT to supply, for each year, a publishable and full version of the regulatory financial reporting (RFR) template as well as a publishable and full version of this explanatory note. This document is the non-confidential publishable version of the explanatory note.

The form and content of the RFR are based on the template accompanying the Final Decision. In essence, the RFR includes the following:

- Income Statement by market;
- Statement of Mean Capital Employed by market;
- Operating cost breakdown by market (broad categories such as General Management, Network Operations, Electricity etc.);
- Network asset values and Depreciation breakdown by market (broad asset categories such as Buildings, Radio Access Network, Fibre Cable etc.); and
- Reconciliation - for revenues, costs, returns and capital employed to JT (Jersey) Limited's annual financial statements.

The markets included in the published RFR are:

- Wholesale voice access (WVA);
- Wholesale broadband access (WBB);
- Wholesale on-island leased lines (WLL); and
- Wholesale voice interconnect (WVI).

The remainder of the document is set out as follows:

- **Principles** describes the basis on which the RFR have been prepared;
- **Products and Markets** describes which products are mapped to each Market;
- **Model Overview** describes the inputs to and outputs from the cost model used to prepare the RFR;
- **Model Design** sets out the overall design of the cost model;
- **Allocation Methodologies** provides details of how costs are allocated in the cost model;
- **Transfer Charges** describes how transfer charges reported in the RFR are calculated; and
- **RFR Preparation** provides details of how the outputs of the cost model are presented in the RFR.

Principles

The RFR are prepared on a fully allocated historic cost basis (HCA). Allocations are made between products, using the following rules:

- **Causality:** Revenue (including transfer charges), costs (including transfer charges), assets and liabilities are allocated to cost components, products and markets in accordance with the activities which cause the revenues to be earned or costs to be incurred or the assets to be acquired or liabilities to be incurred. Where it is not possible to allocate revenues, costs, assets and liabilities in accordance with the preceding sentence, the allocation is such as to present fairly the revenues, costs, assets and liabilities accounted for in the RFR for each market as a whole.
- **Objectivity:** The allocation is objective and not intended to benefit any service or market.
- **Consistency:** There should be consistency of treatment from year to year. Where there are material changes to allocation methods, the parts of the previous year's RFR affected by the changes shall be restated with appropriate explanatory notes.
- **Transparency:** This Explanatory Note should provide a transparent description of the methods used in the preparation of the RFR.

Products and Markets

The table below sets out how each of the internal and external products included in the cost model are mapped to Markets.

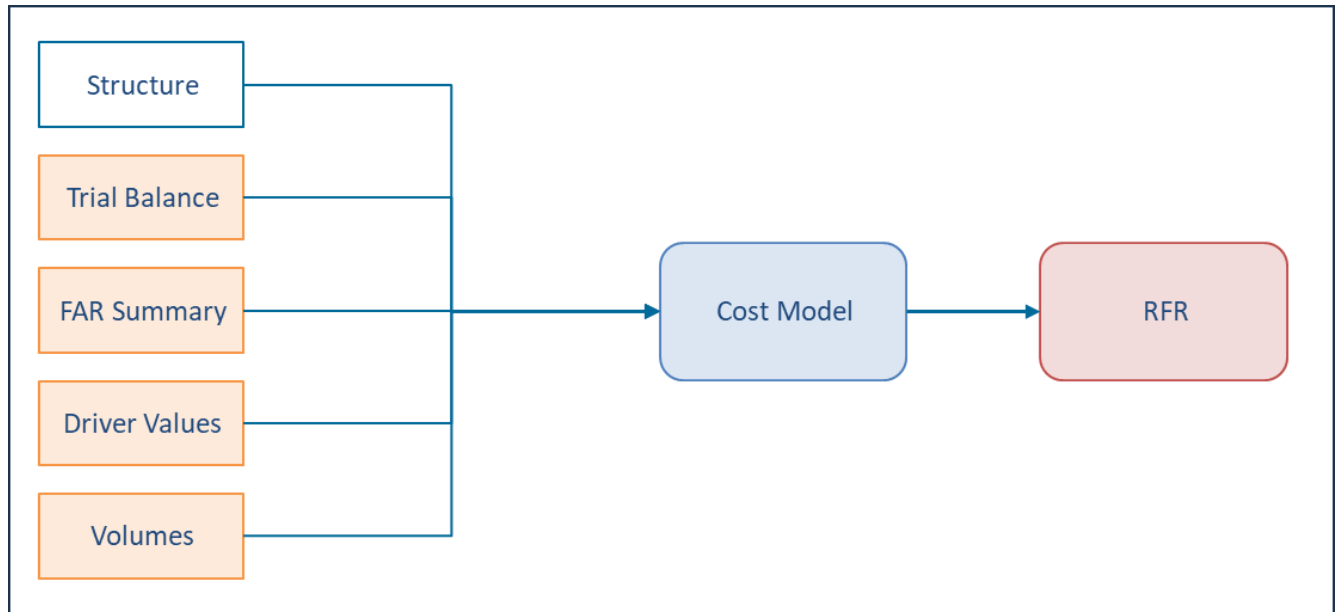
Market	Products
WVA	IWH-P67-INSTALL - Internal WHL Line Rental – Installation IWH-P67-RENTAL - Internal WHL Line Rental - Rental WHL-P67-INSTALL - Wholesale Line Telephony - Installation WHL-P67-RENTAL - Wholesale Line Telephony - Rental
WBB	IWH-P61-INSTALL - Internal WHL Broadband – Installation IWH-P61-RENTAL - Internal WHL Broadband - Rental WHL-P61-INSTALL - Wholesale Broadband - Installation WHL-P61-RENTAL - Wholesale Broadband Rental
WLL	IWH-P70-INSTALL - Internal WHL LL On-Island – Installation IWH-P70-RENTAL - Internal WHL LL On-Island - Rental WHL-P70-INSTALL - Wholesale LL On-Island - Installation WHL-P70-RENTAL - Wholesale LL On-Island - Rental
WVI	IWH-P67-VOICE - Internal WHL Line Rental - Voice WHL-P35-VOICE - Mobile Call Termination and Transit WHL-P67-VOICE - Wholesale Line Telephony – Voice WHL-P63-VOICE - Fixed Call Termination and Transit WHL-P14-VOICE - Fixed Interconnect Voice Links

Internal Products are those which are transfer charged to other Markets.

Cost Model Overview

JT's RFR are prepared using a cost model which uses data from the company's financial and operational systems to calculate revenues and costs for the specified markets. The overall design of the cost model is set out in Figure 1 below.

Figure 1: Cost Model Overview



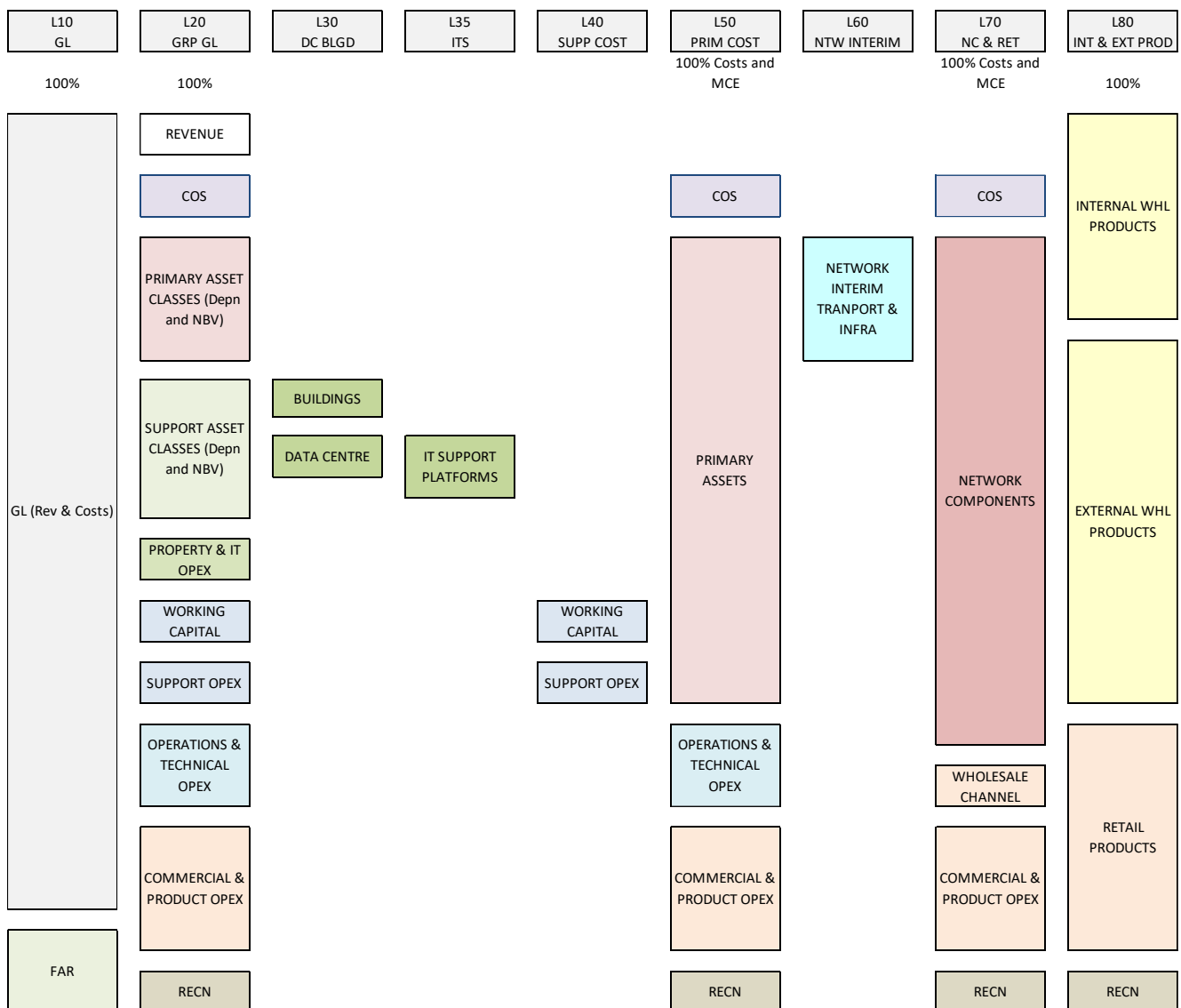
The inputs to the cost model are:

- **Structure:** A list of all objects (GL pools, FAR classes, activities, components, products etc.) together with how they are attributed or allocated in the cost model.
- **Trial Balance:** JT's entire Trial Balance is brought into the model.
- **FAR Summary:** JT's Fixed Asset Register (FAR) is brought into the model by asset class in order to support production of the RFR.
- **Driver Values:** Where costs which are allocated to more than one cost category (activity, component, service etc.), Drivers are used to allocate costs. These are input to the cost model using standardised Driver templates.
- **Volumes:** Service volumes are sourced from JT's billing systems, summarised by service and then input into the cost model. They are used to drive network component costs to products, to calculate transfer charges and to calculate unit costs.

Cost Model Design

The cost model follows the usual layered approach in cost allocation models – revenues, costs and capital employed balances from the general ledger are entered at the first layer (L10) and cascade through various activities and categories to final products at the final layer (L80). The objects allocated within each key layer of the cost model are shown in Figure 2 below.

Figure 2: Cost Model Layers



The following sections describe the high-level contents of each layer and the basis for their onward attribution (costs are attributed directly to an object) or allocation (where costs are allocated to multiple cost categories using a driver).

Layer 10 - GL (General Ledger)

Revenue, cost and capital employed balances revenues are entered at this level from the GL and FAR. All objects are grouped into homogenous objects in Layer 20 – Grouped GL.

Layer 20 - GRP GL (Grouped GL)

This layer aggregates GL objects for the purposes of onward attribution and allocation. The majority of objects are attributed to objects in subsequent layers; however, buildings and electricity costs are allocated between different building types in L30 – Data Centre and Buildings.

Layer 30 - DC BLDG (Data Centre and Buildings)

This layer is used to allocate office buildings to support and primary cost centres, and to allocate Data Centre objects between internally hosted applications and external customers.

Layer 35 - ITS (IT Support)

This layer is used to allocate IT support platforms (ERP platform, Enterprise Applications, End-user etc.) to objects in L40 – Support Costs and L50 – Primary Costs.

Layer 40 - SUPP COST (Support Costs)

This layer is used to allocate Working Capital (a grouping of Inventory, Debtors, Cash at Bank, Short-term creditors) and Support Cost Centres (General Management and Corporate Products) and Support Cost Centres (General Management and Corporate Products) to Primary Cost Centres and Assets in L50 – Primary Costs.

Layer 50 - PRM COST (Primary Costs)

This layer contains Primary Cost Centres (Commercial, Product, Operations, Technology), Cost of Sales, Primary Assets (Network Buildings, Fixed and Mobile Access, CPE, Outside Plant, Site Infrastructure, Switching and Control Platforms, Transport), Primary IT Platforms (CRM, Contact Centre) and Excluded (Excluded Accounts) objects. Each object contains its own directly attributed costs from L20 plus allocated support costs. Objects in this layer are allocated to network interim objects in L60, network components and retail objects in L70 - Network Components and Retail Costs.

Layer 60 - NTW INTERIM (Network Interim)

This layer contains fibre Infrastructure (FTTX, Access Fibre, Core Fibre) and site infrastructure (Fixed Site, Mobile Site) which are allocated to network components.

Layer 70 - NC & RET (Network Components and Retail Costs)

This layer contains Network Components (Installations, CPE, Access, Core, IT Platforms, Wholesale Channel), Cost of Sales, Retail Costs (Product and Commercial costs) and Excluded (Excluded Accounts). It represents 100% of costs and capital employed. Network Components are in general allocated to Products based on subscriber numbers or route-factored volumes.

Layer 80 – INT & EXT PROD (Internal & External Products)

This layer contains Internal Wholesale Products, External Wholesale Products and Retail Products, each of which is mapped to a market. Internal Products are those which are transfer charged to Retail Products (for example JSY-Internal WHL LL On-Island - Rental - 10Mbps represents the wholesale cost of delivering the product. It is “sold” to JSY-Retail LL On-Island - Rental - 10Mbps, whose costs in L80 represent only the retail costs of the product).

Allocation Methodologies

This section sets out the key drivers used to allocate costs in each layer. Where changes have been made between 2024 and 2025 these are marked as either NEW, OLD or CHANGED.

L20 Drivers

Driver Code	Description
ID_Intangible WIP Analysis	This driver allocates Intangible Assets – Other to primary assets, based on an analysis of the account.
ID_AUC JSY Analysis ID_AUC GSY Analysis	These drivers allocate Assets Under Construction to primary assets, based on an analysis of the accounts.
ID_Property Rates Analysis	This driver allocates various property related costs (rates, insurance, repairs and maintenance) between building types (e.g. Offices, Exchange buildings, Data Centres). Rates are recorded by individual site. Insurance is a lump sum and is apportioned on the same basis as rates. Repairs and maintenance are variable and are apportioned on the same basis as rates. Each site is mapped to building types (for example West Exchange is mapped to Exchanges). Where a site has multiple uses, such as Offices and Exchanges, these are further split by area occupied.
ID_Building Service Charge Analysis	This driver allocates service charges (cleaning, etc) between building types (e.g. Offices, Exchange buildings, Data Centres). Service charges are recorded by individual sites. Each site is mapped to building types. Where a site has multiple uses, such as Offices and Exchanges, these are further split by area occupied.
ID_Building Lease Analysis	This driver allocates capitalised building lease costs between building types. It is based on an analysis of annual lease costs by site.
ID_Building Area (Owned, Leased and Total)	This driver allocates buildings between building types based on the area per building (weighted average).
(OLD) ID_Electricity Per Site Costs	This driver allocates electricity costs between building types based on usage.
(NEW) ID_Electricity Per Site & DC Costs	This driver allocates power and related assets between building types based on usage (both general and data centre electricity usage).
(NEW) ID_Ntw Ops IT SW Analysis ID_Ntw Ops NTC SW Analysis ID_Eng Ops SW Analysis ID_Serv Ops SW Analysis ID_Tech C&D SW Analysis ID_Ntw Dev Core Network SW Analysis ID_Ntw Dev Ntw Infra SW Analysis	These drivers allocate software costs between primary and support IT or network platforms. The allocation is determined from detailed invoice records captured within each relevant cost centre–account combination. Costs are assigned based on the annual expenditure per supplier for each platform.
ID_NetworkVolumes ID_AverageUsageTariff*ID_NetworkVolumes ID_AverageUsageTariff*ID_Subscribers	These drivers allocate revenues between more detailed products (for example, mobile postpaid revenues are allocated between voice, SMS and data).

ID_Subscribers	
GBV Total	This driver allocates minor values such as borrowing costs (on assets) between asset classes.

L30 Drivers

Driver Code	Description
ID_Pay Costs	Pay costs per Department. This driver is used to allocate various support costs, such as HR Operations costs.
ID_Data Centre Rack Space	This driver allocates data centre passive costs (e.g. building costs, electricity, etc) between IT and Network applications/platforms, and virtually hosted infrastructure, external customers based on the number of racks per application hosted within the data centres.
ID_FTE	No of Staff per cost centre. This driver is used to allocate various support costs, such as the ERP Platform.
ID_IT SW Analysis ID_IT SW Analysis Base	These drivers allocate IT costs to support and primary IT platforms, based on an analysis of annual spend per software package.
(OLD) FD_No of Apps deployed	This driver allocates IT Hardware and Server costs based on the number of applications or platforms within Exchanges and Data centres.
ID_Exchange Eqpt No	This driver allocates exchange passive costs (e.g. buildings, electricity, etc) between platforms based on the number of platforms within the exchanges.
ID_No of Common Compute VMs	This driver allocates costs to internal virtual network hosted applications based on the number of virtual machines operating within the Exchange environment.
ID_No of Internal Exchange Deployed Apps ID_No of Internal DC Deployed Apps	These drivers allocate costs to internal virtual IT hosted applications based on the number of virtual machines operating within the Exchange or the Data Centre virtual environments.

L35 and L40 Drivers

Driver Code	Description
(NEW) mFD_Opex CoS Depn RoA (No IC)	This driver is used to allocate a number of common costs, such as CEO costs. It includes Opex, Cost of Sales (excluding Interconnect costs), Depreciation and Return on Assets.
ID_Pay Costs	Pay costs per Department. This driver is used to allocate various support costs, such as HR Operations costs.
FD_Software Licence Costs	This driver is used to allocate common network and IT support platforms to primary IT and network platforms. It represents all previously allocated IT and network support and maintenance costs.

L50 Drivers

Driver Code	Description
ID_Fibre Network Portion	This driver allocates fibre assets (e.g. fibre cable) and duct (manholes, poles, joint boxes) between core and access fibre. The allocation is based on an engineering estimate of the total length of core and access fibre in the JT network.
ID_No Of Sites	This driver allocates network site power, security and passive infrastructure costs between mobile and remote fixed access sites. The driver is based on the number of mobile and fixed access sites. The average infrastructure cost per mobile site is more expensive than a remote fixed site. A weighting is therefore applied to the mobile site figure.
ID_FAR GB Router Depn Analysis	This driver allocates CPEFixed-GBRouters between CPE Broadband and In-building cabling based on depreciation post and pre August 2018 (prior to this date a router subsidy was provided to all OLOs).
ID_Eng Ops Enterprise Eng Resource Time ID_Eng Ops Fibre Design Resource Time ID_Eng Ops JSY Field Service Resource Time ID_Eng Ops Managed Serv Resource Time ID_Eng Ops GSY Ops Resource Time	These drivers allocate Engineering Operations cost centres to network components, based on the number of staff in each cost centre assigned to specific technical areas.
ID_Service Operations Interactions	This driver allocates Service Operations cost centres between retail (consumer, enterprise and international) interactions and technical interactions, such as faults (which are allocated to network and engineering operations). It represents the number of tickets recorded through service centres by type (not time-weighted).
(CHANGED) ID_Network Deployment Resource Time ID_Network Infrastructure Resource Time ID_Core Networks Resource Time	These drivers allocate Network Development cost centres to network components based on an estimate of the number of staff working on different network platforms.
(CHANGED) ID_Ntw Oper Centre Resource Time ID_Ntw Tech Centre Resource Time	These drivers allocate Network Operations cost centres to network components based on an estimate of the number of staff working on different network platforms. ID_Ntw Tech Centre Resource Time uses number of network platforms as a proxy for time spent.
ID_NTAN HW Depreciation Analysis ID_NTAN SW Depreciation Analysis ID_NTAN SW Licensing Analysis	These drivers allocate NTAN software and hardware Opex and depreciation costs across the various NTAN network components. The allocation is determined by the supplier licensing structure underlying each component.
FD_No of Enterprise Subscribers	The driver allocates Enterprise engineering operations network costs across enterprise platforms, based on the total number of subscribers supported by each application.

L60 Drivers

Driver Code	Description
ID_Mobile Site Sharing Volumes	This driver allocates mobile site infrastructure costs between internal JT RAN-related mobile services (e.g. data, voice, etc) and the mast site sharing service. It is based on the number of shared versus dedicated owned sites. It assumes costs on a shared site are equally apportioned between JT and the OLO.
ID_IP Core Bandwidth	This driver allocates IP Core and transmission assets between Virtual IP Core networks. It measures the average peak traffic of Fixed voice, Mobile voice, Fixed broadband and Mobile broadband traffic transported across the IP Core network. The traffic is measured at the egress points of the IP Core network. Voice figures are based on the number of concurrent calls which are multiplied by 100 Kbps (average bandwidth per call). The figures are combined with the total Leased line bandwidth to allocate IP Network core to relevant service groups (mobile and fixed calls, mobile and fixed broadband and leased lines).
ID_Ave Fibre Length FD_NoOfFTTxID_Ave Fibre Length FD_NoOfFibresID_Ave Fibre Length	This driver represents the average length of backhaul for Mobile RAN and Fixed remote sites, and FTTX. The backhaul length of both FTTX and Fixed Access fibre links is multiplied by the number of FTTX (FD_NoOfFTTx) and access Fibre links (FD_NoOfFibres) to split FTTX or Active fibre costs between Mobile RAN and Remote Fixed Infrastructure network components. The length is based on an engineering estimate of the average fibre length of backhaul.

L70 Drivers

Driver Code	Description
ID_Volumes	Volume drivers are used to allocate the majority of network components to products. The following volume metrics are included within the drivers: ID_BilledVolumes: Billed product volumes as per the reported Unit of Measure (UoM) ID_Subscribers: Number of subscribers per product (where relevant) ID_BroadbandCPESubs: Number of broadband subscribers ID_Installations: Number of installations for installation-related products ID_NetworkVolumes: Network Volumes for usage-based products e.g. bandwidth for leased line products ID_ChargeableEvents: Number of chargeable events per product. The figure is used to allocate event-based network components (e.g. HLR or STP).
Route factors and conversion factors	These are multiplied by ID_Volumes drivers to allocate network components: - Route factors: A factor which represents the average usage of a network component for specific product routes/paths through the network. Multiple paths/routes can exist for a single product. - Conversion factors: A conversion factor is required if the Unit of measure (UoM) of the network component is different

	than the product UoM.
ID_Voice OutPayments	This driver allocates voice outpayments between wholesale and retail, based on an analysis of the relevant account.
TC IWH to RET (Transfer Charge)	This driver allocates Fixed Interconnect - Voice Usage Costs (cost of sales) to internal wholesale rental products based on the transfer charge to retail (i.e. a proxy for revenue).
FD_Revenue JSY Consumer FD_Revenue JSY Enterprise FD_Revenue JSY International FD_Revenue Consumer FD_Revenue Enterprise FD_Revenue	Revenue drivers are used to allocate the majority of retail costs to retail products.

Transfer Charges

Transfer charges from Internal Wholesale to retail and other markets are based on tariff times volume. The table below sets out the basis of each set of transfer charges:

Market Name	Transfer Charge Basis
Wholesale voice access INSTALLATION	Wholesale Line Rental Agreement - Average of Connection charge without engineer visit and with engineer visit. Mix based on engineering assumption.
Wholesale voice access RENTAL	Wholesale Line Rental Agreement - Wholesale tariff.
Wholesale BB access INSTALLATION	Wholesale Broadband Agreement – Wholesale tariff.
Wholesale BB access RENTAL	Wholesale Broadband Agreement - Wholesale tariff (annualised average based on the annual sliding scale)
Wholesale on-island LL INSTALLATION	Wholesale Private Circuit Agreement - Tariff is speed and technology dependent (Ethernet Fibre Link; Ethernet Private Line; Fibre Channel), so a weighted average is used, based on actual retail usage.
Wholesale on-island LL RENTAL	Wholesale Private Circuit Agreement - Tariff is speed and technology dependent (Ethernet Fibre Link; Ethernet Private Line; Fibre Channel), so a weighted average is used, based on actual retail usage.
Wholesale voice interconnect	Reference Interconnect Offer rates - A blended average is calculated (based on volumes for on-net (fixed to fixed) and off-net (fixed to OLO, mobile, international). The rates used for on-net are effectively origination plus termination; for off-net calls the origination tariff is used.

RFR Preparation

Revenues, costs, assets and liabilities in the cost model are categorised for reporting in the RFR using Regulatory Financial Report Line (RFRL) classifications which are attached to GL and FAR lines, as per in the prior year submission, at layer 10. These are carried through the model to L80, such that the total revenue, cost and capital employed of each product can be analysed by the RFRL dimension. Each product is mapped to a market in L80.

By adding Transfer Charges and summing products by market, the RFR are produced.

Driver changes

During preparation of the 2025 RFR, JT implemented several driver changes as summarised in the table below:

No	Object	Sheet	New Value	Old Value	Rationale
1	SINF (Various)	Network Site Infrastructure	ID_Electricity Per Site & DC Costs	ID_Electricity Per SiteCosts	Power equipment is allocated to both network equipment and Data Centres, based on electricity consumption. This driver did not previously allocate to Data Centres although assets are hosted in Data Centres. As discussed with the JCRA during their Broadband Price Control review it was agreed to change the driver to include Data Centres.
2	Gen Man (Various)	Gen Man	FD_Opex CoS Depn RoA (No IC)	FD_Opex & Capex	Following the review of the 2024 RFR and discussions with the JCRA as part of the Wholesale Broadband Price Control review . JT has changed the driver from Opex plus Capex to Opex, CoS, Depn, RoA (No IC). This is reflective of the driver adopted by BT and Ofcom.
3	GLG-JSY-D131-Labo	Netw Ops	ID_Eng Ops Enterprise Eng	ID_WorkforceManagementStatistics	Following improvements in platforms used to track engineers time, JT has updated the driver for WorkForceManagementFieldServices. In 2024 this driver assumed a portion of each engineer's time and was spread across a group of products. In 2025 JT has better quality data and can now allocate costs based on the specific labour resource used and has amended the driver accordingly.
4	GLG-JSY-D76-Labou	Netw Ops	ID_Eng Ops Fibre Design Resource	ID_WorkforceManagementStatistics	
5	GLG-JSY-D75-Labou	Netw Ops	ID_Eng Ops JSY Field Service Resource Time	ID_WorkforceManagementStatistics	
6	GLG-GSY-D152-Lab	Netw Ops	- (Nil value in 2025)	ID_WorkforceManagementStatistics	
7	GLG-JSY-D88-Labou	Netw Ops	ID_Ntw Oper Centre Resource Time	ID_NtwOperCentreResourceTime	Although the Driver name remains the same, we have used number of platforms managed as a proxy. This allocation method better represents the time spent by NOC staff and will not vary significantly in future years
8	GLG-JSY-D98-Labou	Netw Ops	FD_Opex & Depn	ID_SolutionDesignResourceTime	Previously there were a subset of staff in this Department with specific functions; remaining staff were allocated on the same basis as specific staff. The specific staff have moved to other Departments in 2025 so only general staff remain. We have therefore used Opex & Depn as a method of allocating the costs across all network components
9	GLG-JSY-D89-73000	Netw Ops	ID_Ntw Ops NTC SW	Allocated on same basis	Since support and maintenance costs have increased significantly in 2025, we have performed a detailed analysis of the invoices by supplier for each Department-Account combination. The 2024 RFR (using 2023 drivers) was department based and now we now propose to move to actual allocation. The service now licence cost has increased due to the introduction of the configuration management database which impacts costs in Markets 1-4.
10	GLG-JSY-D89-73010	Netw Ops	ID_Ntw Ops NTC SW Analysis	- (Nil value in 2024)	
11	GLG-JSY-D131-73000	Netw Ops	ID_Eng Ops SW Analysis	Allocated on same basis as Department	
12	GLG-JSY-D95-73000	Netw Ops	ID_Ntw Dev Core Network SW Analysis	Allocated on same basis as Department	
13	GLG-JSY-D78-73000	Netw Ops	ID_Ntw Dev Ntw Infra SW Analysis	Allocated on same basis as Department	
14	GLG-JSY-D98-73010	Netw Ops	ID_Tech C&D SW Analysis	- (Nil value in 2024)	
15	FAR-JSY-Network-IT-Hardware-Servers	IT Equipment	FD_No of Apps Deployed	ID_DC_PlatformInstancesPerSite	More granular data is now available on the number of internal applications hosted in the Data Centres and the driver has been refined to allocate on this basis.

These changes fall into three categories:

- Changes discussed during the review of the 2024 RFR and further discussed, clarified and agreed during the JCRA's Wholesale Broadband Price Control review¹.
- Network Opex changes, driven by more granular data being available which has allowed for more accurate allocation.
- Refinement of the IT network opex allocation.

Significant Movements by Market

As per Direction 3, pursuant to Conditions 33.2 of its Telecommunications Licence ("the Licence") JT has an obligation to explain material year-on-year changes where the variance is 10%. Markets 1, 2, 3 and 4 have seen movements greater than 10% in 2025 compared to 2024. The movements fall into three categories:

- Revenue and volume changes;
- Operating cost increases and driver changes; and
- Depreciation due to capital investment programmes.

a) Market 1 – Wholesale Voice Access

Total Operating Costs increased by 4% driven by Property and Electricity costs. The Electricity driver was changed in 2025 following discussion with the JCRA during the Broadband Price Control. This has resulted in an increased allocation to Market 1, due to higher usage.

b) Market 2 – Wholesale Broadband Access

Total Operating Costs increased by 14% in 2025 driven by Property, Electricity and Network Operations costs. The allocation methodology for Network Operations costs was improved due to more granular cost data and the Software Analysis driver NtwOpsNTCSWAnalysis was reviewed and improved based on a review of support and software licence costs. Licence costs increased and a portion of this cost is allocated to Market 2.

c) Market 3 – Wholesale on-island Leased Lines

Internal and External Revenues reduced in line with a reduction in volumes of services. The General Management driver was changed from Opex plus Capex to Opex, CoS, Depn, RoA (excluding interconnect) following discussions with the JCRA during the Broadband Price Control. This has resulted in a reduction of General Management Opex allocation to Market 3 in 2025. Depreciation reduced due to equipment reaching end of life.

d) Market 4 – Wholesale Voice Interconnect

Operating costs decreased by 19%. The General Management driver was changed from Opex plus Capex to Opex, CoS, Depn, RoA (No IC) following discussions with the JCRA during the Broadband Price Control which resulted in a reduction of General Management Opex allocation in 2025. Traffic volumes have also decreased. A change in driver ID_Ntw Dev Core Network SW which allocates support and software costs reduced the Network Opex allocation. Depreciation increased due to amortisation on intangible assets related to Mobile Termination.

¹ [T-138 - Wholesale Broadband Price Control | JCRA](#)

Directors Statement

JT has been directed under Conditions 33.1 and 34.2 of its Licence to maintain accounting records for each of the markets and/or product groupings currently constituting a specified activity for the purposes of Conditions 33.1 and 34.2 of the Licence. The regulatory financial report for the year ended 31st December 2025 has been prepared in accordance with the framework set out in the Final Notice (JCRA 24/27) dated 29th May 2024.

I confirm that the regulatory financial reports for the year ended 31st December 2025 have been reconciled to the JT (Jersey) Limited Statutory Accounts and to the best of my knowledge have been prepared in accordance with the Final Notice (JCRA 24/27) dated 29th May 2024.

Signed for and on behalf of the Board of JT (Jersey) Limited on 16 September 2026.

Helene Narcy

Helene Narcy
Chief Financial Officer

JT Explanatory Note 2025 Non Confidential FINAL issued 160926

Final Audit Report

2026-09-16

Created:	2026-09-16
By:	Carol Gunasekara (carol.gunasekara@jtglobal.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAfRISbJ5jYNnNqKB7m1w_0D6a8ywfL3TC

"JT Explanatory Note 2025 Non Confidential FINAL issued 1609 26" History

 Document created by Carol Gunasekara (carol.gunasekara@jtglobal.com)

2026-09-16 - 10:12:29 AM GMT

 Document emailed to Helene Narcy (Helene.Narcy@jtglobal.com) for signature

2026-09-16 - 10:19:29 AM GMT

 Email viewed by Helene Narcy (Helene.Narcy@jtglobal.com)

2026-09-16 - 10:45:51 AM GMT

 Document e-signed by Helene Narcy (Helene.Narcy@jtglobal.com)

Signature Date: 2026-09-16 - 10:46:24 AM GMT - Time Source: server - Signature Appearance Selected: TYPE

 Agreement completed.

2026-09-16 - 10:46:24 AM GMT