CS energy

Annual Report 2025

About this report

This report outlines CS Energy's financial and non-financial performance for the year ended 30 June 2025 (FY2025).

Each year we prepare a Statement of Corporate Intent (SCI), which outlines our strategies, objectives and targets for the year ahead. This annual report provides an overview of CS Energy's performance against our FY2025 SCI and meets CS Energy's reporting requirements under the *Government Owned Corporations Act 1993,* the *Corporations Act 2001* and the Australian Accounting Standards.

Electronic versions of this annual report and our SCI are available on CS Energy's website at **www.csenergy.com.au**

We welcome feedback on our annual report. Please email us at **energyinfo@csenergy.com.au**

Acknowledgement of country

CS Energy acknowledges the Traditional Owners of the land on which we operate, and the land where we are building new energy assets. We pay our respects to their elders past and present, and recognise their continuing connection to the land, waters and community.

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Highlights

CS Energy's portfolio sent out **9,538 GWh** of electricity to the National Electricity Market in FY2025 and achieved a summer availability factor of **97.5 per cent.**

We **returned Callide Unit C4 to service** in August 2024 following a complex rebuild of the unit and its cooling tower following major incidents at Callide C in previous years.

The grid-scale **Chinchilla and Greenbank batteries** commenced commercial operations, providing our portfolio with greater flexibility to respond to the market.

Our commercial and industrial retail business achieved a Queensland market share of **16 per cent,** and an overall customer and broker satisfaction score of **7.91 out of 10.**

We signed a seven-year retail agreement with **Queensland Airports Limited** to supply them with renewable energy to power the Gold Coast and Townsville Airports.

Through our social investment programs we provided more than **$620,000** in funding to community organisations in the regions that host our operations.

Together with elders of the Gaangulu Nation People we signed a Cultural Heritage Management Plan to preserve **Gangulu heritage** at Callide Power Station.

About CS Energy

Our purpose

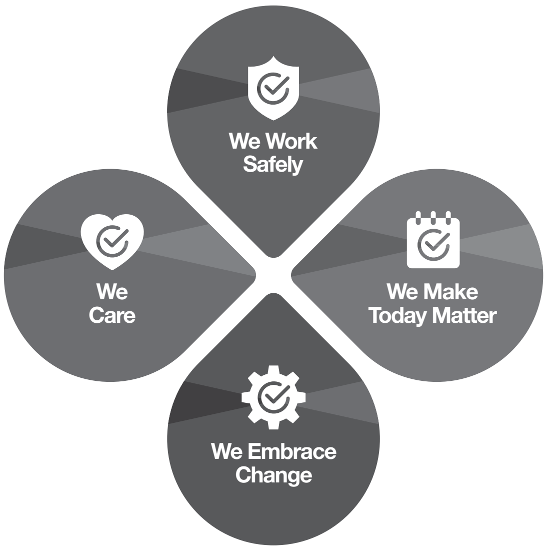
Delivering energy today, powering your tomorrow.

CS Energy is a Queensland Government-owned and based energy company with operations in Central Queensland, the Western Downs, and South East Queensland. We employ 742 people who live and work in the communities in which we operate.

Our core business is generating and selling electricity in the National Electricity Market (NEM) where we have an energy portfolio of more than 3,600 megawatts (MW).

CS Energy's purpose of ***Delivering energy today, powering your tomorrow*** captures the dual nature of what we aim to do – run a successful thermal generation business, and evolve into a diversified energy business exploring new markets, products, and partnerships.

Our values



Our values are what we agree is important to us at CS Energy. They are the blueprint for how our people work together and how we show our customers, communities and stakeholders what kind of workplace we aspire to be.

As we work to build a safer and better CS Energy, we are empowering our people to explore new ways of thinking and working.

We strive to be an inclusive workplace that values the diversity of our people's experience, skills and ideas.

We hold each other accountable to our values, and they guide our decisions.

Our customers

CS Energy provides retail electricity services to large commercial and industrial customers in Queensland including mines, airports, ports and Queensland Government departments and agencies.

Our dedicated Retail Business Team has significant energy market expertise and works directly with our customers to provide bespoke energy solutions, including firmed renewable energy, electric vehicle charging and demand management services.

We also have a 50/50 retail joint venture (JV) with Alinta Energy to provide electricity to residential and small commercial customers in the Energex Distribution Area in South East Queensland. Under the JV, CS Energy generates and supplies wholesale electricity and Alinta Energy manages the retail business.

In the wholesale market, our customers are large businesses that use financial derivatives to manage their exposure to pool price volatility.

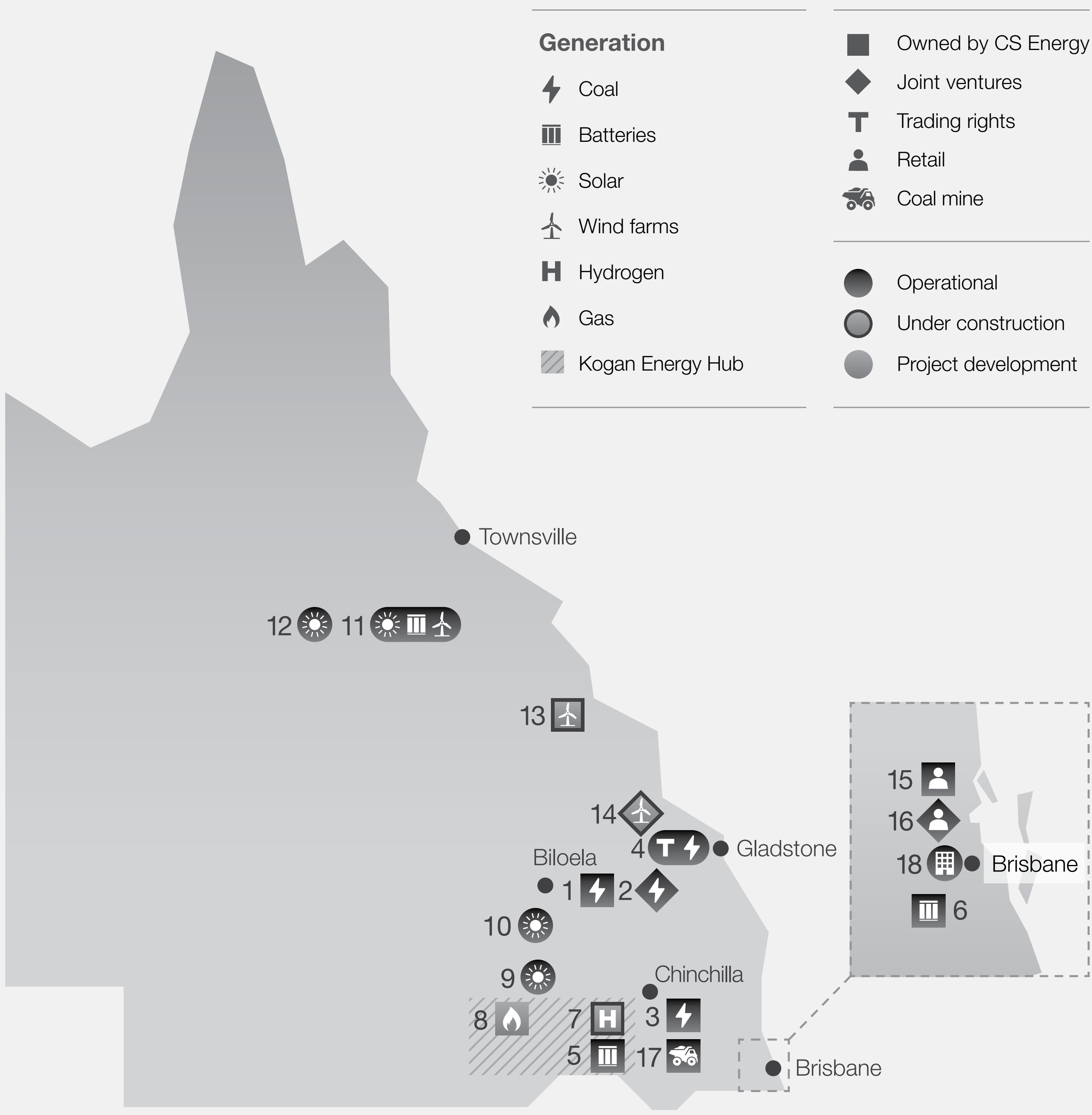
Our communities

CS Energy is proud to call Biloela, Chinchilla, Brisbane and Greenbank home, and we are committed to building lasting and positive relationships in these communities. We work with and listen to our near neighbours to minimise the impact of our operations on their properties.

This year we broadened our footprint to include Mount Morgan and Lotus Creek in Central Queensland where we are building the Boulder Creek and Lotus Creek wind farms.

Through our community sponsorships program and community benefits funds, we provide financial support to projects, events, or initiatives that deliver long-lasting benefits to our local communities.

Portfolio and project pipeline



CS Energy's generation portfolio includes coal-fired power stations, renewable energy and firming assets.

In the Western Downs, we own the Kogan Creek Power Station, which is one of Australia's most efficient and technically advanced coal-fired power stations and the neighbouring Kogan Creek Mine, which supplies black coal to the power station.

Adjacent to our existing operations at Kogan Creek is the Chinchilla Battery, which commenced commercial operations in July 2024.

In Central Queensland we own the Callide B Power Station and have a 50 per cent interest in the Callide C Power Station where we provide operations and maintenance services to the Callide C Joint Venture.

In August 2024 we returned Callide Unit C4 to service, marking the return of the Callide site to its full capacity. Both units C3 and C4 have new cooling towers, and Unit C4 also has a new generator, turbine and other key components, effectively making Callide C Power Station among the newest coal-fired power stations in the NEM.

We trade energy generated by Gladstone Power Station, in excess of the requirements of the Boyne Island aluminium smelter.

We are building two wind farms in Central Queensland – the Boulder Creek Wind Farm (50/50 joint venture with Aula Energy) and the Lotus Creek Wind Farm. We also have a renewable energy offtakes portfolio of almost 300 MW, which we supply to our large commercial and industrial customers.

In South East Queensland, we completed construction of the Greenbank Battery this year and began commercial operations of the asset in June 2025.

We have a retail joint venture with Alinta Energy to supply electricity to residential and small commercial customers in the Energex Distribution Area.

Coal-fired generation

1 **Callide B Power Station** – 700 MW
2 **Callide C Power Station** – 844 MW
(50/50 joint venture with IG Power (Callide) Ltd)
Gangulu country
3 **Kogan Creek Power Station** – 750 MW
Barunggam country
4 **Gladstone Power Station** – 1,680 MW, trading rights
Bailai, Gurang, Gooreng Gooreng and Taribelang Bunda country

Renewables and firming

5 **Chinchilla Battery** – 100 MW/200 MWh
Barunggam country
6 **Greenbank Battery** – 200 MW/400 MWh
Yuggera Ugarapul country
7 **Kogan Renewable Hydrogen Demonstration Plant**
Barunggam country
8 **Brigalow Peaking Power Plant** – 400 MW
Barunggam country
9 **Columboola Solar Farm** – 162 MW, Power Purchase Agreement
Iman 4 country
10 **Moura Solar Farm** – 56 MW, Power Purchase Agreement
Gangulu country
11 **Kennedy Energy Park** – 60 MW, Offtake Agreement
Yirendali country
12 **Hughenden Solar Farm** – 15 MW, Power Purchase Agreement
Yirendali country
13 **Lotus Creek Wind Farm** – 285 MW
Barada Barna and Barada Kabalbara Yetimarala country
14 **Boulder Creek Wind Farm** – 228 MW, 50/50 joint venture with Aula Energy
Darumbal and Gangulu country

Retail

15 **Large commercial and industrial – Queensland**
16 **Alinta Energy 50/50 joint venture – South East Queensland**

Coal assets

17 **Kogan Mine** ML 50074 – 130 Mt, MDL 335 – 400 Mt
Barunggam country

Corporate Office

18 **Brisbane Office**
Jagera and Turrbal country

Strategy

CS Energy's purpose of *Delivering energy today, powering your tomorrow* articulates our goal to provide reliable energy to Queenslanders now and into the future.

Building a safer and better CS Energy

The business has experienced some major challenges in recent years, including the Callide Unit C4 incident in 2021 and the partial collapse of the Unit C3 cooling tower in 2022.

Our key priority in FY2025 was to restore our thermal generation portfolio back to its full capacity and lay the foundation for improving the operational and financial performance of these assets.

The return to service of Callide Unit C4 in August 2024 after a prolonged outage was a significant achievement, but considerable challenges remain for the business, including:

- **Operational performance –** despite excellent availability of our portfolio over the summer peak demand period in FY2025, CS Energy's financial performance was significantly impacted by below target plant availability over the reporting period as a whole. The business is investing in the maintenance and capital improvement of our thermal generation assets to achieve a more consistent performance from these assets.
- **Process safety –** a major operational safety event occurred in the Callide Unit C3 boiler on 4 April 2025. This was the third process safety incident to occur at Callide C in the past four years, highlighting that insufficient progress has been made in addressing the underlying issues from the earlier incidents. This latest incident has served as a catalyst for a renewed focus to achieve the positive change required to build a safer and better CS Energy. The Board has committed to a comprehensive cultural transformation to strengthen safety, governance and risk management at CS Energy.

Responding to our shareholders' expectations

The new Queensland Government has articulated its strategic expectations for the state-owned generators, which are underpinned by the Electricity Maintenance Guarantee. These expectations set a clear focus for CS Energy to:

- focus on the financial and operational performance of existing generation assets
- maximise value from existing generation assets
- apply clear investment parameters to renewable energy and storage projects
- deliver renewable energy and storage projects on time and on budget.

These priorities align with our response to the challenges outlined above and have empowered CS Energy to make the investment needed to achieve the safe and reliable performance of our generation assets.

Our coal-fired power stations help to underpin system reliability, and as the energy market transitions to the goal of net zero by 2050, there will be a requirement for the continuing, reliable operations of these assets.

We will also continue to diversify the generation mix in our portfolio to meet our customers' decarbonisation requirements and deliver affordable, reliable and sustainable energy for Queenslanders.

CS Energy is engaged with the Queensland Government as it develops a five-year Energy Roadmap, which will be delivered by the end of 2025. We have set our strategic priorities for the year ahead and will develop our strategy further following the release of the Energy Roadmap.

CS Energy's strategic priorities for FY2026 are:

- embedding operational excellence by reinforcing our commitment to delivering safer and better outcomes across all aspects of the business
- continuing to invest in our existing thermal assets to maximise their value and performance, with a commitment to running the assets reliably for a longer period of time
- maintaining a strong focus on improving our financial position by leveraging partnerships wherever possible to support existing future energy projects
- collaborating with private sector partners to advance other future energy developments, with a focus on firming and storage assets, including continuing investigative works on the Capricornia Pumped Hydro project in partnership with Copenhagen Infrastructure Partners
- the safe, timely and on-budget delivery of the Lotus Creek Wind Farm, Boulder Creek Wind Farm, and the Brigalow Peaking Power Plant (subject to final approvals).

Performance against SCI targets

CS Energy's FY2025 Statement of Corporate Intent (SCI) sets out our targets, priorities and strategies for the year.

The SCI is CS Energy's formal performance agreement with our shareholding Ministers and is tabled in the Queensland Parliament with this report.

The Queensland Government has introduced an Electricity Maintenance Guarantee – an investment, performance, and accountability framework of asset maintenance on existing publicly-owned power plants.

Under the Guarantee, CS Energy and other state-owned generators are provided with investment certainty to deliver on their five-year asset management plans, as amended from time to time.

In response, the CS Energy Board set new key performance indicators (KPIs) in our SCI for maintenance investment, personal safety, process safety and plant performance.

Our performance against these targets is summarised in the table below. Refer to page 102 for full definitions of each Electricity Maintenance Guarantee metric.

Electricity Maintenance Guarantee performance

KPI	Definition	FY2025 target	FY2025 actual
PERSONAL SAFETY			
Critical control verifications (% of scheduled)	Completion of on-the-job verifications to confirm that key personal safety critical controls are in place to ensure activities can be performed safely. Critical Control Verifications (CCVs) are completed when any identified actions from the CCV have been addressed and closed out. Progress is reported quarterly, with target completion of 1,500 CCVs required by the end of the financial year.	100%	100%
Significant injury or fatality (number)	An incident classed as an actual Category 4 Health and Safety incident under CS Energy's Incident Category Matrix, which is defined as a fatality or multiple fatalities or a serious injury or illness, defined by Workplace Health and Safety Queensland, where the reasonable maximum consequence is a fatality. Performance reported each quarter, with target compliance required each quarter.	0	0
PROCESS SAFETY			
Bowties (%)	This metric measures the number of process safety bowties developed. Bowties are a risk assessment method that visually displays hazards and barriers in a single diagram, helping to identify proactive and reactive risk management and better understand risks and controls. Progress is reported quarterly, with completion of 32 bowties required by the end of the financial year.	100%	100%
Significant process safety event (number)	A process safety event resulting in a fatality or multiple fatalities; irreversible environmental harm; or an unplanned station outage of greater than eight weeks.	0	1
Safety critical equipment (%)	This metric measures the development and implementation of a Safety Critical Equipment (SCE) Management Framework to ensure SCE is clearly designated and managed. This includes the development of SCE performance standards to ensure any change or work on SCE is properly risk assessed and documented. Progress is reported quarterly, with completion required by the end of the financial year.	100%	75%

Electricity Maintenance Guarantee performance (continued)

KPI	Definition	FY2025 target	FY2025 actual
MAINTENANCE			
Statutory maintenance compliance (%)	Compliance with statutory work obligations, by either completing (technical completion) statutory work by the required deadline, undertaking a risk assessment and confirming a unit can safely continue to operate while the statutory work is completed (where the date has been set by CS Energy management rather than legislation), or removing the unit or equipment from service. Compliance with the target is required each quarter.	100%	99%
Capital works delivery (%)	Completion of key work programs, as identified in CS Energy's Strategic Asset Management Plan. Progress is reported quarterly, with target completion required by the end of the financial year.	100%	75%
PLANT PERFORMANCE			
Equivalent forced outage factor (%)	The percentage of a given period in which a generating unit is not available either fully or partially due to a forced outage, where a forced outage is an outage that could not have been reasonably delayed by 48 hours from identification of the problem. Performance is reported each quarter, with compliance required by the end of the financial year. It includes partial derates.	≤10%	10.1%
Summer availability (%)	The combined availability factor across all five of CS Energy's thermal units, for the period 1 January to 31 March (Q3). Availability factor is expressed as a percentage and is measured by the number of days that a unit is online and generating electricity in Q3, compared to total days in the quarter.	≥90%	97.5%

Performance commentary

CS Energy met the KPIs for critical control verifications, significant injury or fatality, bowties and summer availability.

We did not meet the following five KPIs:

- Significant process safety event – the Callide Unit C3 major operational safety event on 4 April 2025 meets the definition of a significant process event.
- Safety critical equipment – the result of 75 per cent reflects that this KPI was achieved in three out of four quarters for the year.
- Statutory maintenance compliance – as part of quarterly reporting to shareholding Ministers in Q3, CS Energy reported three items of statutory maintenance that were non-compliant, meaning that the target of 100 per cent compliance was not achieved. There were no overdue statutory maintenance items on 4 April 2025, and overdue statutory maintenance was not a contributor to the Unit C3 incident on that date.
- Capital works delivery – the result of 75 per cent reflects that this KPI was achieved in three out of four quarters for the year.
- Equivalent forced outage factor – our actual result was 0.1 per cent outside of the target, largely due to the extended outage of Callide Unit C3 following the incident on 4 April 2025.

Assurance process for Electricity Maintenance Guarantee results

To support implementation, CS Energy has taken the following actions:

- established robust quality assurance procedures
- conducted an internal audit of FY2025 KPI metrics, including a governance review of the reporting process and sample testing of the June 2025 quarter results.

In FY2026, CS Energy will:

- conduct quarterly sample-based reviews to validate the accuracy and integrity of reported metrics
- follow up on the governance review findings to ensure agreed-upon controls have been effectively operationalised
- continue investing in systems and processes to strengthen implementation of the Guarantee.

Chair's message

The CS Energy Board is committed to delivering on our shareholders' objective of providing affordable, reliable, and sustainable energy to Queenslanders.

In December 2024 I was honoured to be appointed as Chair of CS Energy, after previously serving the business as Chief Executive Officer in the early 2000s. While the company's portfolio has changed significantly since then, its essential role in powering the state's economy and Queenslanders' way of life remains unchanged.

In recent years, CS Energy has experienced significant safety and plant availability challenges, and our results in FY2025 reflect their ongoing impact on the business. The Board's immediate priority is to improve the operational performance of our existing thermal electricity generation assets and maximise their value. We will also prioritise investment in our people, who are our most important asset, and want to be proud of what they do, and what CS Energy contributes.

Electricity Maintenance Guarantee drives focus on thermal assets

During the year the Queensland Government introduced the Electricity Maintenance Guarantee, an investment, performance and accountability framework for asset maintenance on existing publicly owned power plants.

Under the Guarantee, government-owned generators are subject to strict KPIs for maintenance investment, personal safety, process safety, and plant performance. An audited summary of our performance against our FY2025 KPIs is published in this report.

CS Energy met four of our nine KPIs for the Guarantee in FY2025, including both personal safety KPIs and those for process safety bowties and summer availability. We did not meet our other two KPIs for process safety, and those relating to statutory maintenance and forced outages.

Our focus in FY2026 is to support management to embed operational excellence in the business to drive the performance improvements needed to fully deliver on the Guarantee. We are also benchmarking good industry practice across the government-owned generator sector with a view to harmonising KPIs, and reviewing and upgrading our reporting systems and processes, to support the implementation of the Guarantee.

Addressing challenges at Callide C Power Station

In August 2024, Callide Unit C4 was returned to service three years after the process safety incident in 2021, restoring Callide C to its full capacity. Both Units C3 and C4 have new cooling towers, while Unit C4 also has a new generator, turbine and other key components.

The return of Unit C4 contributed to the portfolio's 97.5 per cent summer availability performance in FY2025.

On 4 April 2025 a major operational safety event took the C3 unit offline. The Board recognises the impact of this incident, and the previous Unit C4 incident, which collectively serve as catalysts for organisational change.

The Board acted decisively to stabilise operations and chart a path towards addressing underlying safety, governance and accountability issues in the business. Following recent senior leadership changes, the Board—alongside executive management—has intensified its oversight, ensuring these priority areas receive the focused attention required to drive meaningful progress.

The appointment of Brian Gillespie as CEO in June 2025 marked a pivotal moment in CS Energy's journey to become a safer and better business. Brian served as Group Executive and President of Latin America for Orica, where he led a significant operational and cultural transformation, delivering outstanding safety, employee engagement, and financial outcomes. His leadership will be instrumental in embedding a culture of operational excellence, integrity and transparency.

Chair's message (continued)

Our focus in FY2026 is working with management to embed operational excellence in the business to drive the performance improvements needed to fully deliver on the Guarantee

Board renewal

My appointment as Chair in December 2024 coincided with Jeff Seeney joining the Board as Deputy Chair. With his extensive background in public administration and policymaking, Jeff is a valuable asset to the Board.

I look forward to working with new directors Wendy Agar and James Versace who were appointed to the Board after the reporting period. I also extend my gratitude to the directors who departed the Board during the year for their contributions to the business.

Outlook

CS Energy will play a critical role in Queensland's energy future—one that is now underpinned by a renewed strategic direction aligned with our shareholders' expectations and the Electricity Maintenance Guarantee.

With the support of the Guarantee, we will continue to invest in the maintenance of our thermal generation assets to ensure that they operate safely and reliably, both now and into the future. This investment will enable these assets to support the energy market transition through to the goal of net zero by 2050.

We will also maintain a strong focus on improving our financial position through the safe, timely and on-budget delivery of the Lotus Creek Wind Farm, Boulder Creek Wind Farm, and the Brigalow Peaking Power Plant (subject to final approvals).

Acknowledgments

Thank you to our shareholding Ministers, the Honourable David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership and the Honourable Ros Bates MP, Minister for Finance, Trade, Employment and Training, for your continued support of CS Energy.

Finally, on behalf of the Board, I would like to thank the employees and management team of CS Energy for their efforts this year.

Tony Bellas
Chair

CEO's review

It was a privilege to step into the CEO role at CS Energy in June 2025 and to be entrusted with guiding the business through its next phase.

CS Energy is operating at a pivotal moment in the transformation of Queensland's and Australia's energy systems. The energy transition is becoming increasingly complex, with ambitious national decarbonisation targets, evolving market structures and the ongoing need for energy security and reliability.

In FY2025, CS Energy continued to make meaningful progress in diversifying our energy portfolio to incorporate renewable energy and firming assets. At the same time, our traditional thermal generation assets remain critical to supporting reliability during the energy transition, and we will continue to invest in them for as long as they are needed.

FY2025 financial and operational performance

CS Energy's number one priority is ensuring that everyone at our sites returns home safely at the end of their workday. Our year-on-year personal safety performance remained consistent in FY2025, with a total recordable injury frequency rate of less than five and zero significant injuries or fatalities.

Our process safety performance fell short of expectations, as highlighted by the Callide Unit C3 major operational safety event in April 2025. The Board took decisive action, initiating a broader cultural and systemic transformation, with a focus on safety leadership, clearer governance, and improved risk management.

The return to service of Callide Unit C4 during the reporting period provided additional capacity to the market over the summer peak demand period and contributed to CS Energy's summer availability performance of 97.5 per cent. However, the Unit C3 outage, along with unplanned outages at other thermal assets in our portfolio, resulted in below target availability for the year.

CS Energy delivered an Underlying EBITDA of $28.0 million in FY2025 (2024: $26.6 million loss). Our net loss after tax of $324.4 million (2024: $58.5 million loss) was largely driven by accounting adjustments, including asset impairments totalling $82.9 million and full impairment of the deferred tax losses associated with the carry forward tax losses of $175.5 million.

CS Energy has not provided for a dividend for the current financial year.

New investments support Queensland's energy needs

One of the strategic priorities of the Board is the delivery of CS Energy's pipeline of renewable energy and firming projects on time and budget. Pleasingly, both the Chinchilla and Greenbank batteries commenced commercial operations in FY2025, providing fast-response energy to the market and greater flexibility for our portfolio.

In addition to our renewable energy offtake portfolio, CS Energy acquired interests in two wind farms in Central Queensland during the reporting period.

On 14 August 2024, CS Energy acquired 100 per cent ownership of the Lotus Creek Wind Farm from Copenhagen Infrastructure Partners and issued a Notice to Proceed to a consortium of Zenviron and Vestas to commence construction.

On 27 September 2024, CS Energy secured a 50 per cent stake in the Boulder Creek Wind Farm after reaching financial close with Aula Energy.

These projects will harness the excellent wind resource in the region and support the decarbonisation requirements of our large commercial and industrial retail customers.

Planning and development work progressed steadily during the year for the proposed Brigalow Peaking Power Plant in the Western Downs. Strategically located next to our existing Kogan Creek Power Station, the gas peaker will enhance Queensland's energy resilience by delivering fast response, dispatchable capacity to the grid.

In FY2025, CS Energy continued to make meaningful progress in **diversifying our energy portfolio** to incorporate renewable energy and firming assets.

CEO's review (continued)

Transforming the business

In the year ahead, we must lift CS Energy's operational performance and begin repairing our balance sheet. This is essential if we are to deliver on the strategic priorities of our Board and the expectations of our shareholders. To achieve this, we will focus on the following areas:

- **Safety leadership** – creating a culture where everyone takes responsibility for safety.
- **Operations and maintenance** – embedding operational excellence and utilising the Electricity Maintenance Guarantee to guide our asset management decisions.
- **Commercial discipline** – refining our trading strategy, strengthening cost control measures, and enhancing the management of key commercial arrangements and joint ventures to achieve sustainable commercial outcomes.
- **Purpose and belonging** – celebrating excellence, supporting technical career pathways, and encouraging participation in industry bodies.
- **Visible and connected leadership** – our executive and extended leadership teams must be aligned across all levels of the organisation to strengthen engagement and performance. We will roll out a new leadership development program in FY2026 to build the skills of our emerging leaders and help drive positive change within the business.

Closing remarks

We are laying the groundwork for CS Energy to re-establish our reputation as a safe and reliable energy provider.

I would like to thank the Board, Executive Leadership Team, and our employees for the support that they have shown me personally since I have joined the business. Together we will build a safer and better CS Energy.

Brian Gillespie
Chief Executive Officer

Callide Unit C3 incident

On 4 April 2025 a major operational safety event occurred at Callide Power Station Unit C3 which brought the unit offline. Importantly, there were no injuries to our people; however, had workers been within the vicinity at the time of the event, the outcome could have been catastrophic.

The occurrence of this incident demonstrated that CS Energy had made insufficient progress in improving operational performance, process safety and cultural change following earlier incidents at Callide C. These areas are now receiving a renewed focus following a range of senior personnel replacements and a heightened level of management intervention and Board focus. After the reporting period, CS Energy released the Unit C3 investigation report. The findings have informed our ongoing response to the incident.

Event summary

At approximately 4.30am on 4 April 2025, a large clinker (hardened ash deposit) became dislodged from the furnace wall of Unit C3 at the Callide Power Station, triggering a dangerous chain of events. The dislodgement triggered an uncontrolled release of steam from the ash conveyor water system. The associated pressure disturbance in the combustion zone disturbed the flames of all four fuel pulverisers (mills), prompting an automatic unit trip.

The flame loss led to furnace pressure fluctuations – a small pressure surge, then negative, as the collapsing flame drew in unburnt fuel and air, followed by a positive pressure surge caused by the uncontrolled re-ignition of the accumulated fuel and the subsequent gas expansion.

Instrument records show a max pressure of 9.7 kilopascals (kPa), which exceeds the boiler design pressure rating of 8.7 kPa, resulting in a significant pressure release at the top of the boiler (via the penthouse). This significant pressure event dislodged insulation and cladding materials from the boiler walls, distorted buckstays and caused damage to adjacent platforms. There was no loss of high-pressure steam or water containment.

Clinker formation is a recognised and routinely managed operational condition at Callide C, attributable to the inherent properties of the coal and the design of the boiler. CS Energy has established clinker management protocols and supporting tools to facilitate the controlled removal of clinkers from furnace tubes, allowing these deposits to fall safely to the boiler floor for subsequent disposal. Callide C undergoes daily programmed clinker dislodgements, while Callide B and Kogan Creek power stations require less frequent interventions due to their different boiler design and associated coal specifications.

CS Energy has classified this incident as a significant process safety event.

Our response

In the immediate aftermath of the incident, CS Energy strengthened our safety controls including:

- restricting access around the boiler, especially when clinkers were deloading
- applying more rigorous metrics on our clinker management tool
- running more frequent clinkering deloads to prevent clinkers from reaching excessive size.

CS Energy, with the support of external technical consultants, has undertaken an investigation into the technical reasons that caused the Unit C3 incident, as well as wider organisational issues. We also worked closely with Workplace Health and Safety Queensland (WHSQ) to support their investigation alongside our own. Additional safety measures identified by the WHSQ investigation have been implemented.

Unit C3 was returned to service on 1 June 2025 following repairs to the damaged plant and additional pre-emptive work that was required in the boiler, which was unrelated to the incident. We worked closely with WHSQ to provide them with reassurance that there were sufficient controls in place to safely bring Unit C3 back online.

On 28 August 2025, CS Energy released the report into the Unit C3 incident. The report set out the key findings of the investigation, which included an internal root cause analysis and an independent external investigation, and CS Energy’s action plan.

Progress against our action plan for a safer, better CS Energy

On 17 July 2024, CS Energy released the Brady Heywood Report[1] into the 2021 Callide Unit C4 incident and the investigation report into the 2022 Callide Unit C3 partial cooling tower collapse, alongside our plan – *A safer, better CS Energy.* The plan outlined how we would apply learnings from these two incidents to bolster the safety, reliability, and resilience of our operations.

The Callide Unit C3 major operational safety event on 4 April 2025 was a clear indicator that insufficient progress had been made in implementing and embedding the plan in our operations.

In response, the CS Energy Board initiated a broader cultural and systemic transformation, with a focus on safety leadership, clearer governance, and improved risk management. Changes at the senior leadership level in the business have resulted in new people directing a renewed focus onto areas where it is has proven challenging to achieve meaningful change in the past.

The Brady Heywood Report flagged major cultural problems at CS Energy and the new Board is determined to fix them.

1 Brady Heywood (July 2024) *Technical and Organisational Investigation of the Callide Unit C4 Incident.* **https://www.csenergy.com.au/who-we-are/reports-and-publications**

We will improve the safety and reliability of our business by focusing on:

Safety critical systems			Management of change		Operational decision making	
Outcome 1			**Outcome 2**		**Outcome 3**	
We understand our hazards and how to manage them			We identify and manage process safety risks arising from change processes		Our process safety decisions are informed and properly documented	
Focus area 1	**Focus area 2**	**Focus area 3**	**Focus area 4**	**Focus area 5**	**Focus area 6**	**Focus area 7**
Bowties for our assets are built and owned by site teams which clearly visualise our risks and controls	Bowties are widely used to better understand our risks and controls	Safety Critical Equipment (SCE) is clearly designated and managed	Management of change processes are integrated with permit to work system, ensuring process safety risks are known and managed	We risk assess changes to resourcing, processes, and procedures	We use standardised and thorough processes for process safety decision-making and document our decisions	We learn and improve from incidents and peer reviews

Knowledge and systems integration

We capture, organise and store knowledge so that it is accessible and helps our employees make informed decisions. Our systems facilitate the seamless exchange and sharing of knowledge and information.

Governance and assurance

We monitor and check work and prioritise improvement opportunities to be safer. We test the robustness of our systems, procedures, and controls against good industry practice. We are accountable.

People and culture

We use our systems and processes to identify potential failures before they occur. We foster a culture of learning from mistakes and encourage people at all levels to speak up, share knowledge and contribute to decision making processes.

Progress against actions due in FY2025:

When releasing the plan, CS Energy committed to reporting on our progress in our annual reports. The table below summarises our progress against actions due in FY2025.

SAFETY CRITICAL SYSTEMS: We understand our hazards and how to manage them.		
Focus areas	Actions	Status
Bowties[2] for our assets are built and owned by site teams that clearly visualise our risks and controls.	• Build a library of bowties and Hazard and Operability Studies (HAZOPs) in a format that makes them easy to use.	Completed 53 bowties for major incident scenarios across our thermal power stations.
	• Build tranches of bowties prioritised on risk. These will be built as new assets are delivered and regularly reviewed for our existing assets.	6 Bowties have been completed for the battery assets, with lessons from the Greenbank project retrofitted to Chinchilla
	• Roll out training on how to create and use a bowtie.	In progress (70% complete)
	• Integrate into risk management plans at our sites, including for new assets	In progress (50% complete)
Safety critical equipment is clearly designated and managed.	• Ensure any change or work on safety critical equipment is properly risk assessed and documented.	In progress (66% complete)
	• Better define our safety critical equipment based on the output from our bowties.	In progress (90% complete)

MANAGEMENT OF CHANGE: When changing our plant, equipment, or our process safety resourcing, we identify and manage process safety risks.		
Focus areas	Actions	Status
Management of change processes are integrated with permit to work system, ensuring process safety risks are known and managed.	• The current procedure to return plant to service has been changed. There are now additional checks in the commissioning process when there has been a modification or change.	Plant Modification Procedure in final technical review stage.
	• Create definitions and communicate on what is a complex, simple or temporary change to assist risk assessment, workflow and procurement.	Complete
	• Build in procurement check points to confirm documented risk assessment processes within management of change	Complete
We risk assess changes to resourcing, processes and procedures.	• Develop and implement a process for risk assessing the changes to the way we work that might arise as a result of a plant upgrade or modification or changes to resourcing.	Procedures for plant modification Procedure and organisational structure changes for safety critical roles in final technical review stage.

2 A bowtie is a risk assessment method that visually displays hazards and barriers in a single diagram, helping to identify proactive and reactive risk management and better understand risks and controls.

Progress against our action plan for a safer, better CS Energy (continued)

OPERATIONAL DECISION MAKING: Our process safety decisions are informed and documented.		
Focus areas	**Actions**	**Status**
We use standardised and thorough processes for process safety decision-making and document our decisions.	• Review switching processes to include risk assessment update on the day of switching inclusive of plant status change on the day of the switching.	Complete
	• Using our suite of bowties and HAZOPs to assist in documented risk assessment.	Complete. Ongoing embedment.
	• Develop and make available to everyone a Process Safety dashboard that makes risks and issues visible.	Complete
We learn and improve from incidents and peer reviews.	• Update process for reviewing all process safety incidents and demonstrate how learning is captured and used.	Complete. Process safety incidents are discussed at our sites in site-led process safety forums. Learnings and initiatives out of the investigations are shared amongst the operation, maintenance and engineering teams.
	• Create standardised learning summaries that can be shared with all teams.	Complete
	• Create a risk-based system for seeking peer review of safety critical decisions and process safety residual risk.	Complete

We have underpinned these actions by investing in:

	Actions under way	Status
Knowledge and systems integration	• Establish our Transformation Office to better prioritise, integrate and ensure our strategy to execution processes deliver the transformation.	Complete. In FY2026 we will transition from a dedicated Transformation Office to embedding its capabilities across the business.
	• Implement controls and training so all users of our risk and audit system understand how to effectively manage risk and close out corrective actions.	Complete
	• Invest in upgrading CS Energy's digital infrastructure, how data is governed and used, and how systems integrate.	Ongoing
Governance and assurance	• As part of re-defining the Internal Audit function we are recruiting a new Head of Internal Audit who will have a direct reporting line to an Executive, and regular interaction with the CEO and Board and Audit Committee Chair outside Committee meetings.	Complete
	• In addition, we are recruiting additional in-house specialists while continuing to work with external experts. Once onboarded, the team will maintain clarity of roles across the three lines of defence (operational management, risk compliance, and internal audit) to provide assurance at every level.	Complete
	• Internal Audit will have a focus on uplifting the capability across the business including implementing a new process that will require management to take action to address the root cause of issues and eliminate repeat audit findings.	Complete
	• This will include management sign off on risk mitigation actions and priorities, and independent verification reports to the Board.	Complete
	• To achieve cultural change, roll out a risk and resilience education and training plan, focusing on education, sharing learnings and testing risk control effectiveness.	Complete
	• Enhance the Enterprise Risk Management system to improve data governance and reporting capability, in line with the risk management framework uplift.	Complete
People and culture	• Establish a Board endorsed multi-year roadmap to transform to a Safer, Better CS Energy that includes a Culture Improvement Plan.	Complete

Portfolio

Thermal plant performance

Plant performance	FY2025 target	FY2025 actual
Summer availability	≥90%	97.5%
Equivalent forced outage factor	≤10%	10.1%

In FY2025 we restored our thermal generation portfolio back to its full capacity and laid the foundations for improving the operational and financial performance of these assets in the future. We undertook significant investment in our thermal assets including:

- The return to service of Callide Unit C4 in August 2024 – this included commissioning of the replacement turbine and generator, and construction of a new cooling tower.
- The completion of a $85 million overhaul and capital works program of Callide B in December 2024 – this included a major overhaul of Unit B1 and a shorter outage of Unit B2 to enable maintenance to be carried out on shared plant such as the chimney and cooling tower.

Our plant performance KPIs under the Electricity Maintenance Guarantee have increased our focus on the performance of our thermal assets, measuring summer availability factor for the months of January, February and March, and the equivalent forced outage factor for the full year.

Summer availability exceeded the target of 90 per cent, with our thermal plants being online for 97.5 per cent of the summer period. Our equivalent forced outage factor of 10.1 per cent did not meet the target of 10 per cent, predominantly due to the Callide Unit C3 major operational safety event in April 2025, which resulted in the unit being offline from 4 April to 1 June 2025.

Maintenance investment

Maintenance performance	FY2025 target	FY2025 actual
Statutory maintenance compliance	100%	99%
Capital works delivery	100%	75%

Our coal-fired power stations help underpin system reliability and, as the energy market transitions to renewables at a slower pace than originally anticipated, there will be a requirement for the continuing, reliable operation of these assets. The Electricity Maintenance Guarantee has driven a change in our capital investment priorities to ensure that our thermal generating electricity assets will operate safely and reliably for as long as they are needed.

Our maintenance KPIs under the Guarantee are statutory maintenance compliance and capital works delivery.

CS Energy achieved 99 percent of our statutory maintenance KPI. As part of quarterly reporting to shareholding Ministers in Q3, CS Energy reported three items of statutory maintenance that were non-compliant, meaning that the target of 100 per cent compliance was not achieved. There were no overdue statutory maintenance items on 4 April 2025, and overdue statutory maintenance was not a contributor to the Unit C3 incident.

Our result of 75 per cent for the capital works delivery metric reflects that this KPI was achieved in three out of four quarters for the year.

We have continued to develop our asset management system in alignment with the ISO55000 Asset Management Standard. The business is in year two of a three-year asset management improvement project that includes:

- improvement of CS Energy's Strategic Asset Management Plan and site asset management plans, including third party assessment
- asset management competence system – tailored training to achieve an uplift in asset management performance.
- improvement of procedures that support the business' asset management framework.

Process safety

Process safety performance	FY2025 target	FY2025 actual
Bowties	100%	100%
Significant process safety event	0	1
Safety critical equipment	100%	75%

Process safety is about understanding and managing the operational plant hazards that could lead to a catastrophic failure.

CS Energy has three Electricity Maintenance Guarantee KPIs relating to process safety – significant process safety event, bowties and safety critical equipment.

A significant process safety event is an event resulting in a fatality or multiple fatalities; irreversible environmental harm; or an unplanned station outage of greater than eight weeks. The Callide Unit C3 major operational safety event in April 2025 was a significant process safety event. The unit was offline for just over eight weeks, returning to service on 1 June 2025.

We met our KPI for bowties, establishing 53 bowties for major incidents where multiple fatalities could occur, exceeding our target of 32 bowties. Bowties are a risk assessment method that display hazards and barriers in a single diagram, helping to identify proactive and reactive risk management and better understand risks and controls.

Our suite of bowties was a key outcome of a process safety improvement program that began in July 2024. The program was co-developed with Worley as part of our response to the Brady Heywood Report into the Callide Unit C4 incident in May 2021.

The three-year program is operations-led, with the workforce playing a significant role in each workstream. In the first year we have focussed on getting the foundations in place for process safety. This included:

- bowties that clearly visualise the risks and controls for our assets
- ranking major incident risks and assigning ownership of those risks
- ensuring safety critical equipment is clearly designated and managed.

Our third process safety KPI under the Guarantee was to develop and implement a framework to ensure safety critical equipment is clearly designated and managed. Our result of 75 per cent against this KPI reflects that was achieved in three out of four quarters for the year.

The root causes and contributory factors of the Callide Unit C3 event have informed our process safety priorities for FY2026. We will focus on operationalising our bowties through:

- ensuring critical protection systems procedures and standards are reviewed, risks assessed, updated and embedded into operational systems
- uplifting operations capability through succession planning and training
- improving process safety risk evaluation and reporting.

Portfolio (continued)

Securing our future

The Queensland Government's expectations are that CS Energy will:

- apply clear investment parameters to renewable energy and storage projects
- deliver renewable energy and storage projects on time and on budget.

CS Energy has a significant pipeline of new generation projects at differing stages of construction, approval and early development aimed at diversifying our generation mix to provide a reliable, affordable and sustainable electricity supply.

In line with shareholding Ministers' expectations, CS Energy will seek to proceed with new generation projects in conjunction with equity partners to minimise risk and reduce the impact on our balance sheet. Investments must be economically viable and represent value for money.

Firming and storage

The 100 MW/200 MWh Chinchilla Battery commenced commercial operations early in July 2024. The battery provides fast-response, flexible energy to the market and has become an important part of our portfolio, supporting our coal-fired power stations.

Construction of the $300 million Greenbank Battery was completed this year, and it commenced commercial operations 13 June 2025, following a through commissioning program. This asset was delivered on budget and has provided an additional 200 MW/ 400 MWh of firming capacity to our portfolio.

Planning and development work is well advanced for CS Energy's proposed Brigalow Peaking Power Plant at our Kogan Creek site in the Western Downs. The 400 MW gas peaker, which remains subject to CS Energy and relevant government approvals, will have fast start capability and operate in high demand periods to support power system reliability and complement variable renewable energy.

Natural gas for the Brigalow Peaking Power Plant will be transported to site via a proposed 23-kilometre APA pipeline that will connect to the existing Roma Brisbane Pipeline.

Longer duration, firming capacity such as pumped hydro will be required to underpin Queensland's energy security over the coming decade. CS Energy is considering a range of options for participating in the Capricornia Pumped Hydro project. The project is owned by global fund manager Copenhagen Infrastructure Partners and will be located on Widi Country, west of Mackay.

Renewable energy

CS Energy added the Lotus Creek and Boulder Creek wind farm projects to our portfolio this year to support the continued demand for renewable energy from our large commercial and industrial retail customers.

In August 2024, CS Energy acquired 100 per cent of the Lotus Creek Wind Farm, which will be situated near Lotus Creek in Central Queensland. Vestas and Zenviron were appointed to lead equipment supply and construction, and work started on site in November 2024.

Key activities at the Lotus Creek project in FY2025 included the construction of a 400-person workers accommodation camp, establishment of site offices, commencement of substation construction, and work on internal access tracks and wind turbine hardstands. The site workforce will ramp up in FY2026 with a primary focus on civil construction activities for the remainder of the year prior to the start of turbine component deliveries in the first half of 2026.

In September 2024, CS Energy secured a 50 per cent stake in the Boulder Creek Wind Farm near Mount Morgan. CS Energy co-owns the project in a joint venture with Aula Energy and will hold the rights to 100 per cent of its generation output through a 20-year Power Purchase Agreement.

Construction of the Boulder Creek Wind Farm commenced in late 2024. RES is the construction management partner, GE Vernova will supply and install the wind turbines and DTI will deliver the critical infrastructure for the site.

As of 30 June 2025, the project had commenced civil works at the main wind farm site as well as the Powerlink Queensland switching station bench. Road upgrades to facilitate delivery of oversized componentry to site are scheduled to begin in early FY2026.

CS Energy has approximately 300 MW of contracted renewables in our portfolio to support the requirements of our large commercial and industrial customers. Our offtake portfolio comprises the Columboola Solar Farm, Moura Solar Farm, Kennedy Energy Park and Hughenden Solar Farm.

Commissioning of CS Energy's Kogan Renewable Hydrogen Demonstration Plant is nearing completion. The project includes the co-location of a solar farm, battery, hydrogen electrolyser, hydrogen fuel cell, hydrogen storage and outloading facility. The aim of the project is to produce renewable hydrogen and provide energy while gaining expertise from an operational hydrogen project from production, storage, transport and handling.

Sustainability

CS Energy has focused on building the foundations for a structured and transparent approach to sustainability. We have appointed a dedicated Sustainability Manager to lead environmental, social and governance (ESG) coordination, initiated the development of an ESG Strategy, and begun uplifting our capability in preparation for new climate-related financial reporting requirements under Australian Accounting Standards Board (AASB) S2 – Climate-related disclosures.

Progress to date has included an ESG maturity assessment, development of boundary setting and data governance policies, and mapping of our greenhouse gas emissions. We also began a refreshed materiality assessment to identify the sustainability topics most relevant to our operations and stakeholders.

Looking ahead, our priorities are to finalise the ESG Strategy, complete the materiality assessment, and further strengthen our internal systems and governance to support high-quality ESG disclosures.

People

Workforce profile

CS Energy employs 742 people (2024: 689) across four sites, representing a broad range of technical and professional roles.

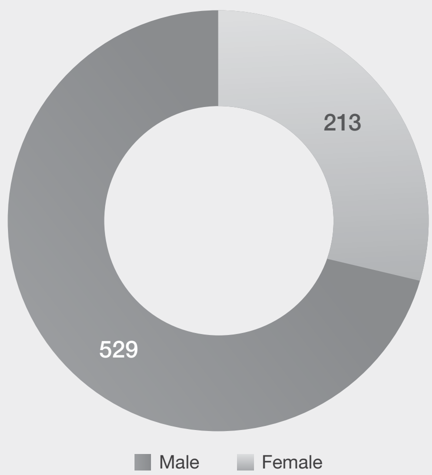
Our people are based in Biloela, Chinchilla and the greater Brisbane region. Their knowledge, experience and dedication underpin the safe and reliable operation of our energy assets.

In line with our commitment to becoming safer and better, we continue to invest in the capability of our workforce. This includes ongoing improvements to leadership development, people systems and training to ensure our people are empowered to perform their roles safely and effectively.

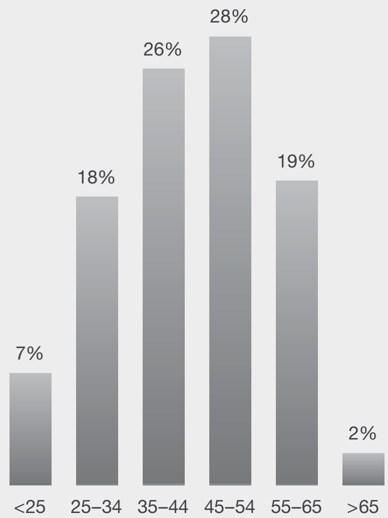
CS Energy maintains separate enterprise agreements for each of our power stations and the Brisbane Office. More than half of our employees are employed under enterprise agreements and the remainder are employed under Alternative Individual Agreements, which are underpinned by an enterprise agreement. A small number of senior roles are covered by non-enterprise agreement arrangements.

Employees by location

Workforce by gender



Age profile of workforce



32%

Women in leadership

(2024: 29%)

15%

Employees from a culturally or linguistically diverse background

(2024: 15%)

1.75%

Employees who identify as First Nations peoples

(2024: 2%)

People (continued)

Providing a safe and supportive workplace

Personal safety	FY2025 target	FY2025 actual
Critical control verifications	100%	100%
Significant injury or fatality	0	0

CS Energy's number one priority is ensuring that everyone at our sites returns home safely at the end of their workday.

This year we strengthened our scrutiny of the critical controls that safeguard worker safety. Critical Control Verifications (CCV) are the process of checking that these safety measures, designed to prevent or mitigate serious incidents, are not only in place but also functioning as intended. We completed 1,590 CCVs, exceeding our target of 1,500.

Our total recordable injury frequency rate (TRIFR) of 4.8 was slightly above the previous year (FY2024: 4.19). Most importantly, we maintained zero significant injury or fatality incidents.

Callide Power Station received multiple notices across various operational areas. CS Energy responded proactively, implementing timely remediation and maintaining open engagement with regulators.

Dust and noise monitoring was carried out at Callide and Kogan Creek power stations, with no non-conformances identified.

CS Energy has continued the project to upgrade the systems that support our Permit to Work (PTW) process to the ePAS PTW software system. The ePAS PTW system is a specialist PTW system used in the power generation industry and heavy industry in Australia and globally.

ePAS has been implemented at the Chinchilla and Greenbank battery sites, and is being deployed at Kogan Creek Power Station. ePAS implementation at Callide Power Station was postponed until March 2026 to allow the site team the time needed to focus on immediate priorities related to the Unit C3 clinker incident.

Our health and wellbeing program has remained a cornerstone of our commitment to employee welfare. We offer our people free flu vaccinations and skin cancer checks, and moulded hearing protection.

This year we held our second annual 10,000 Steps challenge to encourage employees to take time for physical activity to support their health and wellbeing. Employee participation increased by 28 people this year compared to FY2024 and 15,418,464 more steps were walked.

Bunyarra Wellbeing Co provided regular onsite counselling and support services at Callide and Kogan Creek power stations, and expanded its coverage to our Brisbane corporate office in FY2025. Bunyarra share de-identified reports with CS Energy that provide valuable insights.

Work is underway on a new five-year Health and Safety Strategy for implementation in FY2026, which will be aligned to annual health and safety improvement plans. These plans are drafted considering the current incident performance and learning, regulatory changes, and feedback received from various sources, such as the Brady Heywood Report, to deliver continual improvement in health and safety.

Improving culture and engagement

The Unit C3 major operational safety event demonstrated the need for a broader cultural transformation across the business. We have developed a Culture Improvement Plan to embed desired behaviours, such as improving accountability, whilst enhancing the capability of our workforce in areas such as process safety, safety systems, risk appreciation, change management, compliance and operational discipline.

Our Employee Engagement Score of 60 per cent in FY2025 informs ongoing actions at an organisational level. While our overall Employee Engagement score remained the same from a February 2024 Pulse Survey, this is considered a steady outcome given the level of change and transition experienced across the organisation over the past year. A Pulse Survey will be deployed in the second quarter of FY2026, to further guide the progress of our Culture Improvement Plan.

Our newly approved Inclusion and Diversity Strategy and annual Equity and Diversity Report and subsequent plan focus on strengthening workplace respect and progressing gender pay equity, supporting an environment where everyone can thrive – regardless of their background.

This year CS Energy doubled the number of participants in our leadership development programs, Powering Tomorrow's Leaders and the Enterprise Leadership Program, to 50 employees, constituting our top talent. The programs seek to enhance leadership capabilities within the business in line with our Safer, Better objectives.

This year CS Energy **doubled the number of participants in our leadership development programs,** Powering Tomorrow's Leaders and the Enterprise Leadership Program

Providing development pathways

Apprentices and trainees are a vital part of CS Energy's future workforce capability, particularly in critical operational and trade-based roles.

As of 30 June 2025, CS Energy employed 22 apprentices and eight trainees including six business administration trainees and two warehouse trainees. In addition, five employees are completing the Operations Technician Traineeship which is the pathway to the role of Shift Operator Technician.

These development pathway programs are essential in ensuring a strong pipeline of skilled talent to meet current and future business needs. Recruitment commenced for the 2026 apprentice intake with two apprenticeships available in both the mechanical trade and the electrical/instrumentation trade.

CS Energy is fortunate to have eight recent university graduates working across the business. We will expand our graduate intake to five positions in January 2026 across the disciplines of electrical engineering, mechanical engineering, trading and analytics, and process safety. This expansion will strengthen our talent pipeline for the roles central to delivering reliable energy to the community in the future.

In recognition of the contribution of our apprentices and trainees CS Energy conducted the inaugural Apprentice and Trainee Forum and Awards. The forum was designed to provide a range of development opportunities to the group covering topics such as cultural recognition, career progression, financial literacy, mental health and team development.

Pleasingly, many of our apprentices and trainees participated in WorldSkills competitions in different disciplines including business administration and electrical and fitting, receiving strong results including medals and progression to the national WorldSkills competition.

Customers and community

Powering large energy users

CS Energy's retail business is purpose-built to serve large commercial and industrial customers with tailored energy solutions that combine traditional thermal generation with the flexibility of renewable sources. Our structured energy products are designed to align with each customer's operational needs and risk profile, enabling them to manage energy costs while advancing their sustainability goals.

During FY2025, we continued to expand our customer base, marked by an increase in the number of large commercial and industrial clients, from 29 to 33, reflecting strong market confidence in our offerings. Our total market share[3] in Queensland increased to approximately 16 per cent, reinforcing CS Energy's position as a trusted energy partner for Queensland businesses.

This year we worked with an independent market research firm to conduct our third survey of customer and broker perceptions of CS Energy's retail business. CS Energy rated 7.91 out of 10 for overall satisfaction compared to 7.6 in the previous survey in 2022.

A standout example of this progress is our agreement with Queensland Airports Limited (QAL). Under the seven-year deal, which commenced on 1 January 2025, CS Energy is supplying 100 per cent renewable energy to the QAL-owned Gold Coast and Townsville airports. This agreement will deliver approximately 30 GWh of clean energy annually, powering airport operations such as lighting, air conditioning, escalators, and charging stations.

The partnership with QAL supports their Net Zero 2030 target of offsetting nearly 90 per cent of their Scope 1 and 2 emissions and aligns with QAL's long-term sustainability and expansion plans ahead of anticipated passenger growth in the lead up to the 2032 Olympic and Paralympic Games.

3 Based on a Queensland commercial and industrial market volume of 25 TW.

CS Energy has strengthened our commitment to customer experience by investing in digital tools and service enhancements. We launched an upgraded customer portal and implemented a new customer relationship management system. These improvements have enabled more personalised account management and provided customers with greater visibility, control, and insights into their energy usage and billing.

Our demand response initiatives enable customers to reduce or shift their electricity use during peak periods, contributing to grid stability while delivering financial benefits back to customers. Our emerging virtual power plant capabilities further enhance flexibility by aggregating distributed energy resources — such as rooftop solar, battery storage, and controllable loads — into a coordinated, dispatchable portfolio.

CS Energy has contributed to the growth of Queensland's electric vehicle (EV) ecosystem through its partnership with the Queensland Government, installing 400 EV chargers during FY2025 as part of a broader rollout that has now delivered over 1,400 chargers across more than 285 government sites, including TAFE Queensland campuses, Queensland Health facilities, emergency services, and departmental offices.

As a preferred supplier under QFleet's EV Charging Infrastructure Arrangement, CS Energy delivers tailored, cost-effective solutions that incorporate smart technology, remote monitoring, load management, and flexible access options.

In parallel, we are exploring the integration of EVs into the broader energy system through emerging technologies such as vehicle-to-grid, which have the potential to enhance grid resilience, support demand management, and improve energy efficiency across the state.

Alinta Energy retail joint venture

CS Energy has a 50/50 retail joint venture (JV) partnership with Alinta Energy to supply electricity to household and small business customers in South East Queensland.

CS Energy and Alinta Energy formed the JV in 2017 to improve competition in the South East Queensland retail market. Under the agreement CS Energy generates and supplies wholesale electricity, and Alinta Energy manages the JV operations.

In FY2025, the customer book of the JV grew from 216,192 to 229,080 (includes both electricity and gas customers). The JV generated above target EBITDA of $43 million this year (2024: $41.6 million).

Our demand response initiatives enable customers **to reduce or shift their electricity use during peak periods,** contributing to grid stability while delivering financial benefits back to customers.

Through our social investment programs, we provided **more than $620,000 in funding in FY2025** to community organisations in the regions in which we operate.

Building relationships and investing in our regions

This year we continued to engage with our customers and stakeholders who form our Stakeholder Advisory Council. The council includes a diverse range of members from organisations such as the Queensland Farmers Federation, Clean Energy Council, Energy Users Association, Toowoomba and Surat Basin Enterprise, St Vincent de Paul, Queensland Government customers and the Callide community.

The council plays an important role in our commitment to take accountability and be transparent about our operations. We ask the council for input on issues from our First Nations engagement through to how we can better support customers and our progress against our plan to be a safer, better business.

Through our social investment programs, we provided more than $620,000 in funding in FY2025 to community organisations in the regions in which we operate. We expanded our Community Sponsorship Program (for communities surrounding our Kogan Creek and Callide power stations) from two rounds to three, and invested approximately $300,000 in projects, events and initiatives in the Banana Shire and Western Downs local government areas.

We launched new community benefit funds to support the communities surrounding our Lotus Creek and Boulder Creek wind farm developments in Central Queensland. We awarded $100,000 to community organisations in Clarke Creek and St Lawrence, near the Lotus Creek Wind Farm development, and co-funded $100,000 with our Boulder Creek Wind Farm joint venture partner, Aula Energy, to go towards community organisations in Mount Morgan, Westwood, Bouldercombe and Dululu.

In South East Queensland, the Greenbank Battery Community Benefit Fund entered its second year, providing $20,000 towards projects, events and initiatives by not-for-profit groups in the suburbs surrounding the battery.

We also provided almost $200,000 towards projects and initiatives that will have a long-lasting, positive impact on regional communities. This included funding for:

- Chinchilla Country University Centre, as a foundation partner
- Dolly Parton Imagination Library on the Western Downs
- Regional Benefits Sharing Framework on the Western Downs
- Skills development for school students in the Banana Shire and Western Downs through STEM awards and participation in the Hydrogen Grand Prix
- Major community and industry events in Dalby, Chinchilla, Moranbah, St Lawrence and Nebo.

CS Energy was honoured to be awarded 'Gold Great Neighbour' status by Western Downs Regional Council in March 2025. The accolade, which was awarded in line with Council's Communities Partnering Framework, underscores CS Energy's dedication and commitment to supporting strong economic, social and environmental outcomes whilst doing business in the Western Downs region.

Supporting reconciliation

CS Energy has advanced our commitment to reconciliation by deepening engagement with Traditional Owners, strengthening First Nations participation across our business, and building cultural capability in our workforce. These actions support our Reconciliation Action Plan (RAP) and help deliver more inclusive and respectful energy operations.

CS Energy marked NAIDOC Week 2025 with a series of site-based events that increased cultural awareness and participation across the business. These activities provided employees with opportunities to connect with local Traditional Owners and learn about Country, culture and history.

During Reconciliation Week, we hosted internal education sessions including You Can't Ask That and Living Under the Act training, which fostered respectful dialogue and helped deepen understanding of the lived experiences of First Nations peoples.

CS Energy completed the Managing Cultural Load: An Indigenous Worker Retention Program, deepening capability in supporting First Nations staff through better understanding of cultural safety and workplace wellbeing.

We contributed to national reconciliation and industry conversations through active participation in the National RAP Conference, First Nations and The Energy Transition Forum, Women in Sustainable Energy and Resources (WISER) events, and Queensland Renewable Energy Council forums, positioning CS Energy as a values-aligned partner in the clean energy sector. We also participated in the TAFE Centre of Excellence Cultural Practices Subcommittee to contribute to the ongoing improvement of education and training pathways that include First Nations knowledge and perspectives.

CS Energy has collaborated closely with Traditional Owners at our existing and new build energy assets to ensure cultural values are reflected in our decision-making and project planning. Regular involvement in Black Coffee networking events across regional and urban areas has enabled us to strengthen relationships with Indigenous businesses and Traditional Owner groups, creating new connection points for procurement and partnerships.

Customers and community (continued)

Preserving cultural heritage

CS Energy and elders of the Gaangalu Nation People (GNP) signed a Cultural Heritage Management Plan (CHMP) in February 2025 to ensure the protection of irreplaceable cultural sites, artefacts, traditions, and practices within the boundaries of the Callide Power Station.

Our Cultural Heritage team worked with the Gangulu People and their representative body, the GNP, to develop the CHMP through proper consultation and collaboration, ensuring it reflects the knowledge, priorities, and cultural protocols of the Gangulu People.

The CHMP includes a financial commitment to the Gangulu People which will contribute to community development programs and a Keeping Place network, in which cultural artefacts can be relocated for further study, preservation and teaching of new generations of Indigenous people.

At Kogan Creek Mine, CS Energy worked closely with the Barunggam People to improve engagement and support delivery of critical mine activities, as well develop long-term planning actions for the next 10-15 years of mining activity. This included several field surveys by the Barunggam People. In addition, the Barunggam People have supported the final cultural heritage clearances for the nearby Brigalow Peaking Power Plant project over the past 12 months.

CS Energy is building relationships with the traditional owners for the land on which the Lotus Creek and Boulder Creek wind farms are being built. In November 2024, representatives from CS Energy and Aula Energy gathered near the Boulder Creek Wind Farm site for an On Country Signing Ceremony with the traditional owners of the land, the Gaangalu people. Cultural Heritage Investigation Management Agreements are in place with both traditional owners for the project, the Gaangalu Nation and Darumbal Peoples.

Since construction began, Boulder Creek Wind Farm has collaborated closely with the traditional owners. Early works have included the clearing of access tracks and the relocation of high value cycads to recipient sites. Gangulu and Darumbal Traditional Owner Field Officers have been integral to these early works through survey and monitoring activities to ensure that clearing and relocation does not harm cultural heritage.

Boulder Creek Wind Farm has adopted an avoidance principle for all identified cultural heritage, which can range from stone tool artefacts to culturally modified trees. These sites are buffered, marked and inspected to ensure no harm is done to these culturally important finds.

At Lotus Creek Wind Farm we supported the development of tailored cultural induction resources, including videos co-created with the Barada Barna people and Two Birds Creative, which were embedded into onboarding and site-based cultural briefings. CS Energy re-engaged with the Barada Kabalbara Yetimarala (BKY) Board to reset relationships with the new Board of Directors.

Senior project staff from the Lotus Creek Wind Farm construction consortium, Blue Power Partners and CS Energy attended onsite cultural inductions conducted by the BKY and Barada Barna Peoples to better understand the cultural identities of the parties, their goals and aspirations, and how the project can best support the protection and preservation of cultural heritage during its development.

Responsible procurement

At CS Energy, we aim to uphold the highest standards of integrity and accountability in our procurement practices.

CS Energy strives to work with local suppliers wherever possible, and those that are aligned with the values of our business. In FY2025, more than 80 per cent of CS Energy's procurement expenditure was with Queensland companies.

We have initiated a program to empower Indigenous businesses through procurement, aligned with our RAP. Through our presence at the Indigenous Business Expo, Business Connector Series, and Black Coffee events, CS Energy connected with First Nations businesses aligned to our project pipeline. We also attended the First Nations Women in Business event, providing a platform to explore partnerships, promote Indigenous suppliers, and support women-led enterprises in the energy and infrastructure sectors.

We engaged four new Indigenous suppliers in FY2025. These partnerships enabled Indigenous businesses to actively contribute to our operations, while also strengthening project outcomes through culturally informed service delivery.

CS Energy is a reporting entity under the Australian Government's *Modern Slavery Act 2018,* and we take a proactive stance against modern slavery in our supply chain, implementing rigorous due diligence processes to mitigate risks and uphold human rights. The assessed risk of modern slavery in our supply chain has continued to be low.

Additionally, we prioritise the security of critical infrastructure, safeguarding our assets and services through robust risk management and compliance measures throughout our supply chain and contract lifecycle.

Environment

Managing our environmental impact

CS Energy is committed to operating with genuine care for the environment, actively engaging with our stakeholders and innovating as we transition to a cleaner energy future.

We use an environmental management system (EMS) that meets the international environmental standard ISO 14001:2015. The EMS is a framework that allows us to assess our environmental performance against corporate responsibilities, environmental licenses and other legal requirements.

In 2025, our EMS was assessed by an external auditor and recertified to the ISO 14001: 2015 standard through to May 2028. CS Energy will assess incorporating our new non-thermal assets into our certified EMS system on a case-by-case basis as they become operational.

Water and seepage management at the Kogan Creek and Callide facilities was a priority this year. Consecutive wet seasons with above average rainfall totals resulted in elevated water levels in Ash Dam B at the Callide Power Station and mine voids at the Kogan Creek Mine. We monitored and managed water levels in our site ash dams and they remained below the trigger levels for reporting to the Department of the Environment, Tourism, Science and Innovation (DETSI).

At Callide Power Station, elevated water levels in the primary ash dam were proactively managed through deployment of additional evaporation fans, reclamation of ash to increase storage capacity, and treatment and beneficial reuse of water onsite. A project is underway to increase the storage capacity of this ash dam.

At the Kogan Creek Mine, CS Energy collaborated with the mine operator Golding Contractors and DETSI to manage excess water stored in mine voids. Several methods were used to reduce water volumes, including irrigating rehabilitated areas with mine affected water and using the water in dust suppression. To complement these uses, infrastructure to transfer water from mine voids for use as process water at Kogan Creek Power Station was commissioned. This is part of our strategy to increase water reuse options at the Kogan site and manage water levels in the voids.

Regular groundwater monitoring is conducted near Kogan Creek Mine in accordance with the conditions of our environmental authority. Recent monitoring results indicate a potential connection between mine affected water stored in certain mine voids and underlying groundwater aquifers. This has caused changes to groundwater levels and chemistry in some nearby groundwater monitoring bores. Upon receipt of these monitoring results, water management activities at the mine were changed and DETSI was notified.

With the initial monitoring results indicating the movement of mine affected water to groundwater aquifers, DETSI determined that improved management of our mine operator was required to ensure their compliance with our Environmental Authority. Under the provisions of the *Environmental Protection Act 1994,* DETSI issued CS Energy subsidiary Aberdare Collieries with a Penalty Infringement Notice (PIN).

Additional assessments are underway to confirm the contributing factors and identify the actions required to prevent environmental harm. These proposed actions were discussed with DETSI during a site visit in June 2025 and we expect the actions and delivery timeframes to be formalised in an Environmental Enforcement Order (EEO). The actions required to manage the potential environmental harm are expected to include installation of additional monitoring and groundwater recovery bores, and the establishment of additional water storage capacity at the mine.

Data collection is ongoing in collaboration with specialist hydrogeologists, Golding Contractors and DETSI to understand the potential for environmental harm. Currently, the changes observed in groundwater are contained to aquifers approximately 40 to 80 metres below the ground surface. The groundwater in these aquifers is high in salt content and is not used for drinking purposes. The depth of the groundwater in these aquifers means it is not supporting plants and animals and therefore ecosystems are not impacted by the changes in groundwater levels and chemical properties.

Management of water within the initial ash disposal area (IADA) at Kogan Creek Power Station was another focus area this year. Groundwater monitoring data collected from bores near the IADA since September 2022 indicated seepage of water from the IADA to the underlying groundwater aquifer. We shared this monitoring data with DETSI as it became available and have agreed with them on actions to manage the seepage. This will involve a series of steps to ultimately close and rehabilitate the IADA. In April 2025, DETSI formalised these agreed actions in an EEO.

Final rehabilitation and land use planning activities at the Callide and Kogan Creek sites continued this year. A final land use and rehabilitation framework for Callide is well developed.

At the Kogan Creek Mine, rehabilitation activities need to occur in alignment with a schedule approved by DETSI in a Progressive Rehabilitation and Closure Plan (PRCP) for the site. DETSI reviewed information related to our progress against the PRCP schedule and completed a site inspection in April 2025. No non-conformities were identified and rehabilitation efforts at the mine will continue in accordance with the PRCP schedule and any future amendments.

Our primary environment target is zero Significant Environmental Incidents, which are incidents that have a significant impact on the environment or result in enforcement action by a regulator. The PIN in relation to the Kogan Creek Mine and the EEO for the Kogan Creek IADA meet the threshold of Significant Environmental Incidents.
We continue to apply our environmental management framework to understand these water-related issues and complete actions as agreed with DETSI.

Environment (continued)

Monitoring and reporting our emissions

CS Energy operates and maintains our power stations to ensure they remain within their emissions limits and support reliability of electricity supply for consumers.

We use continuous emissions monitoring systems to monitor air emissions such as sulphur dioxide and nitrogen oxide at Callide C and Kogan Creek power stations. Both sites are two of the newest and most efficient coal-fired power stations in the NEM and feature modern fabric filter bag technology.

Callide B power station, built in the late 1980s, uses electrostatic precipitator technology for controlling fly ash emissions, which is a commonly used technology around the world today, and continuously monitors its fly ash emissions. We report these and other air emissions annually to the National Pollutant Inventory and it is published on their website.

CS Energy reports greenhouse emissions, energy consumption, and energy production data to the Clean Energy Regulator annually as part of the National Greenhouse and Energy Reporting (NGER) Scheme. CS Energy provides data for the facilities over which we have operational control – Kogan Creek, Callide B and Callide C power stations, and the Chinchilla Battery.

Our greenhouse gas emissions vary each year depending on factors such as the mix of generation fleet in service, volume of coal consumed and coal quality. In FY2025, CS Energy's greenhouse gas emissions decreased by 3.3 per cent, in line with the decrease in thermal generation.

The table below shows CS Energy's preliminary NGER data for FY2025. We will submit our finalised NGER electricity production and emissions data to the Clean Energy Regulator in October 2025 and it will be published on their website at the end of February 2026.

FY2025 un-audited greenhouse gas emissions and energy data[1]

Site	Electricity production (MWh)[2]	Scope 1 emissions (tCO_2-e)[3]	Greenhouse gas emissions intensity per energy produced (tCO_2-e/MWh)[4]
Kogan Creek Power Station	4,665,984	3,814,334	0.817
Callide B Power Station	3,116,873	2,906,770	0.933
Callide C Power Station[5]	2,097,542	1,849,538	0.882

1 Owned thermal generation assets.
2 Electricity production is based on total generation, including electricity used by the facility.
3 National Greenhouse and Energy Reporting (NGER) Scope 1 emissions only.
4 Emissions intensity is defined as reported scope 1 emissions divided by reported electricity production.
5 CS Energy owns Callide C in a 50/50 joint venture with IG Power. Emissions data shown is 50 per cent of Callide C emissions. Both CS Energy's and IG Power's final NGER reported data will include 100 per cent of Callide C Power Station generation.

Remediating PFAS at Callide

CS Energy has been working since 2021 to manage impacts of the historical use of per-and poly-fluoroalkyl substances (PFAS) at Callide Power Station. PFAS are a group of manufactured chemicals present in firefighting foams that were historically used at various Australian sites including civil airports, defence bases, ports and large industrial sites.

Callide's use of PFAS was infrequent and in small quantities for training, testing and emergency response purposes. We removed firefighting foams containing non-compliant levels of PFAS in 2019 as part of a Queensland Government policy to phase out their use.

Over the past two years, CS Energy has been working under an Environmental Evaluation framework issued by DETSI. This framework required us to finalise a report summarising the sampling and monitoring work we have completed to identify PFAS source areas, pathways and affected areas, and remediation undertaken at source areas on site.

As a next step, DETSI issued an EEO to put a timeframe and structure around the work we continue to do. This includes the requirement to prepare a Remediation Action Plan and a PFAS Monitoring Plan.

As part of the Remediation Action Plan, CS Energy is expected to review the remediation work already completed at source areas on site (fire training ground and fuel oil tanks). We will also assess options to further remediate, remove, or manage PFAS at Callide Power Station. In preparation for this CS Energy is:

- Installing recovery bores to minimise seepage from site. CS Energy has five new bores installed, which now need to be equipped with seepage recovery pumps. This is expected to be completed by the end of 2025.
- Removing sediment from the northern stormwater pond at Callide A (in final planning).

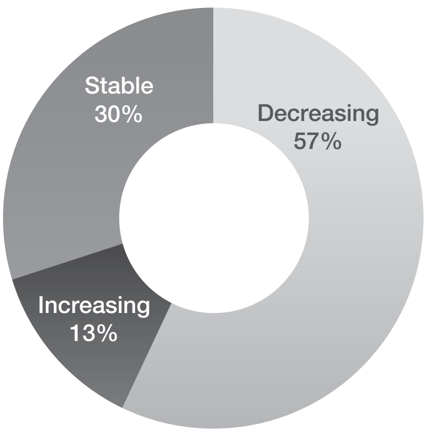
We use **continuous emissions monitoring systems** to monitor air emissions such as sulphur dioxide and nitrogen oxide at Callide C and Kogan Creek power stations.

- Trialling a water treatment plant so any PFAS in surface water collected on site via our drainage and dam systems and groundwater seepage can be removed. Work to set this up on site will soon commence.

The PFAS Monitoring Plan will recommend an update to our existing quarterly technical monitoring program to include additional monitoring locations determined to be needed by the Remediation Action Plan. The current quarterly technical monitoring program will continue until the PFAS Monitoring Plan is completed and approved by DETSI.

To support our understanding of how PFAS moves in the area, we have installed equipment to monitor the flow of water containing PFAS entering the site from the north of Callide Power Station.

In June 2025 the National Health and Medical Research Council published updated guidelines for PFAS in drinking water. The updated guidelines included significantly lower values for PFOS and PFHxS. Each State and Territory will have the responsibility for implementing the new national guidelines.



PFAS levels in testing area surrounding Callide Power Station

Sum of PFOS and PFHxS Trend in Wells (2020–2025)

CS Energy is working with Queensland Government agencies to understand how these changes will be applied in Queensland and what they mean for landholders in the Callide area. We will continue to support landholders in the Callide PFAS investigation zone whose drinking water source has PFAS levels above the existing guidelines, and this support will extend to landholders affected by the new guidelines.

Minimising impacts on biodiversity at wind farm projects

CS Energy has worked closely with our construction contractors for the Lotus Creek and Boulder Creek wind farms to ensure that the projects comply with their environmental management plans and approval conditions. Both projects are being constructed on privately owned land used for cattle grazing and this is expected to continue during their construction and operational phases.

The wind farms have each received state and federal government approvals and are subject to a range of conditions to mitigate their impact on the environment, including environmental offset areas, cycad translocation management plans and the requirement for qualified wildlife handlers to be on-site during vegetation clearing.

The majority of the disturbance footprint for the Boulder Creek Wind Farm is associated with cut and fill batters to form the 6.5m wide site access road to wind turbine pads. Once the road is formed, the cut and fill batters are stabilised and rehabilitated leaving a smaller operational footprint of less than one per cent of the total land area. The project has secured an environmental offset area of 1,215 hectares.

The Lotus Creek Wind Farm must abide by strict best practice control measures to minimise impacts to biodiversity, including setting aside an environmental offset area of approximately 4,500 hectares, which equates to more than 10 times the project's clearing footprint.

The clearing required for the Lotus Creek Wind Farm comprises less than one per cent of the property that the project is located on. The project is using controls such as on-site surveys, GPS tracking on machinery, physical and GPS flagging of protected areas, and satellite imagery to monitor construction and ensure that it stays within the approved clearing footprint.

Financial and market performance

Financial performance

CS Energy invested in our thermal generation fleet in FY2025 to improve portfolio availability and support the final stages of returning Callide Unit C4 to service.

Unit C4 returned to service in August 2024 following the completion of its new cooling tower, as well as an earlier rebuild of major plant components that were damaged in the process safety event that occurred on the unit in May 2021.

An extensive overhaul and capital works program was carried out at Callide B, including a major overhaul of Unit B1, and a shorter outage of Unit B2 to enable maintenance to be carried out on shared infrastructure for the two units.

CS Energy has continued to make significant investments in new build renewable and firming projects to diversify our portfolio. The reporting period was bookended with the commercial operation of two grid-scale batteries – the Chinchilla Battery on 12 July 2024 and the Greenbank Battery on 13 June 2025.

We also added two large-scale wind generation projects to our portfolio during the year, acquiring 100 per cent of the Lotus Creek Wind Farm and securing a 50 per cent stake in the Boulder Creek Wind Farm.

Despite below target availability from our thermal generation fleet this year, Underlying EBITDA for FY2025 was $28.0 million (2024: $26.6 million loss). CS Energy recorded a net loss after tax of $324.4 million (2024: $58.5 million net loss after tax). This outcome was largely driven by accounting adjustments relating to asset impairments of $80.8 million for the Callide B cash generating unit with the asset being fully impaired (2024: $99.8 million asset impairment), $2.1 million for the work in progress balance for the Kogan Renewable Hydrogen Demonstration Plant (2024: $10.5 million) and full impairment of the deferred tax losses associated with the carry forward tax losses of $175.5 million, with the Group not forecasting sufficient taxable profits to utilise the deferred tax asset over the next five years.

These accounting adjustments were partially offset by a remeasurement of the Gladstone Interconnection and Power Pooling Agreement (IPPA) onerous contract by a $109.8 million provision decrease (2024: $84.0 million provision increase) due to delays in renewable energy construction and extension of coal-fired generation in the NEM.

Cash generated from operations for the year was a net outflow of $124.4 million (2024: net inflow of $275.4 million). This outcome was primarily a result of the unwind of government grants received in FY2024 for residential retail customers as part of the Queensland Government's cost of living relief and increased investment across the generating fleet.

CS Energy has not provided for a dividend for FY2025.

Key financial performance measures

	2021 $'000	2022 $'000	2023 $'000	2024 $'000	2025 $'000
Underlying EBITDA[1]	88,649	117,565	26,310	(26,614)	27,988
Underlying EBIT[1]	(18,866)	34,693	(95,392)	(151,871)	(119,613)
NPAT	(26,960)	95,482	(14,573)	(58,493)	(324,383)
Net cashflow from operating activities	(50,883)	(298,677)	22,482	275,391	(124,395)
Net cashflow for payments for property, plant and equipment	(85,749)	(95,763)	(277,332)	(396,973)	(845,742)
Net cashflow	(19,192)	(21,341)	43,830	164,841	(172,201)
Underlying interest cover[2] (times)	(0.59)	1.17	(2.13)	(7.38)	(1.55)

1 Underlying EBITDA and Underlying EBIT are non-IFRS measures used to provide greater understanding of the underlying business performance of the consolidated group.

2 Measure calculated using Underlying EBIT.

Capital Investment

Cash payments for property, plant and equipment were $845.7 million for FY2025 (2024: $397.0 million).

A total of $146.1 million was spent on the existing generation fleet and an additional $43.0 million spent on the reinstatement works for Callide Unit C4 and the Callide C cooling towers rebuild. An investment of $618.6 million was invested in portfolio renewal including the Greenbank Battery, Brigalow Peaking Power Plant and the acquisition of the Lotus Creek and Boulder Creek wind farms.

Market report

CS Energy sells electricity in the NEM from the power stations we own and operate, and we have the trading rights for the Gladstone Power Station (in excess of what is supplied to the Boyne Island aluminium smelter). We manage plant and financial risk by balancing our presence in the wholesale spot and contract markets and provide a range of ancillary services to help maintain the stability of the grid.

CS Energy operates in strict accordance with our obligations under the comprehensive rules and regulations associated with the NEM. We are committed to complying with all market, corporation and competition laws and regulations.

Queensland's average spot market price in FY2025 was $109.54/MWh, which was higher than the prior year by $21.74/MWh. Energy prices were strong through large parts of the year when wind energy was low and gas generation set the spot market price. In addition, there were several periods where price volatility above $300/MWh occurred across the entire NEM outside of the summer peak periods.

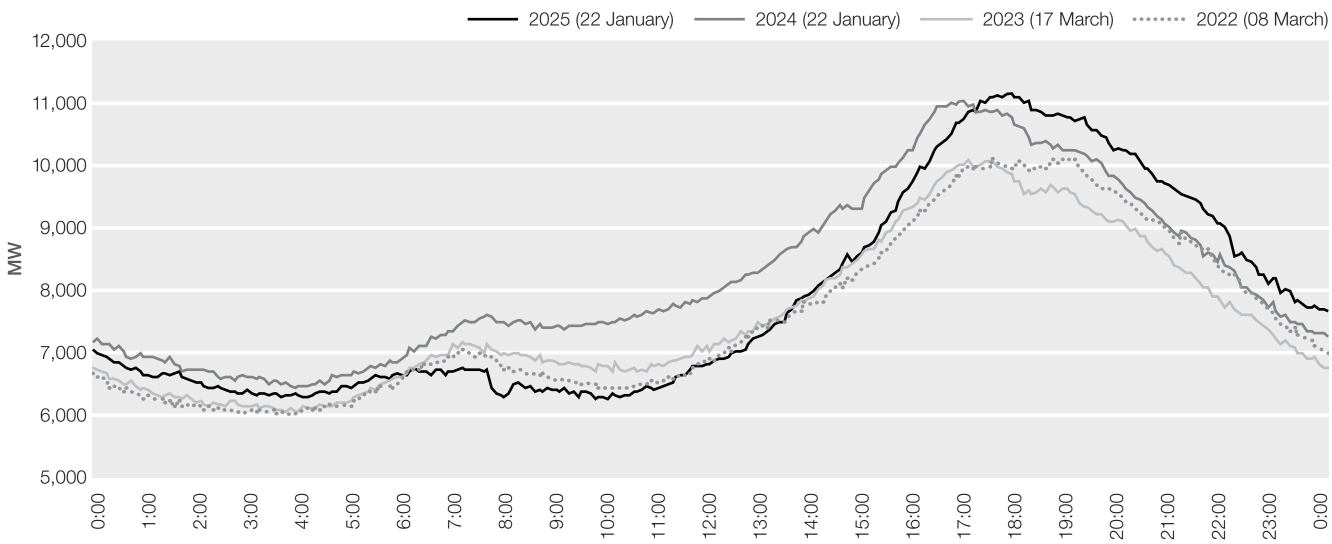
Poor conditions for wind and solar energy in the fourth quarter of FY2024 persisted until August 2024, bringing strong electricity prices. Prices were driven by the market being highly reliant on gas-fired generation to fill the supply gap and highlights the need for diversified fuel sources for electricity generation in the NEM.

Lower demand saw prices settle in September and October 2024 before a highly volatile period in November and December 2024. This was due to overlapping plant and transmission outages coinciding with periods of low wind generation, resulting in high material price events above $300/MWh in what are typically more benign months of the year.

Queensland set a new demand record of 11,159 MW on 22 January 2025 during a week of intense heat, in what was otherwise a relatively mild summer across the NEM. This was the second consecutive annual demand record, highlighting the population growth in South East Queensland, a trend that is expected to continue.

The weather pattern was dominated by La Nina conditions, which resulted in lower demand and heavy rainfall that continued into Autumn 2025. Cyclone Alfred crossed the South East Queensland coast in early March 2025, bringing heavy rain to the region for several days.

Queensland maximum demand



Financial and market performance (continued)

NEM wind versus gas generation June 2025

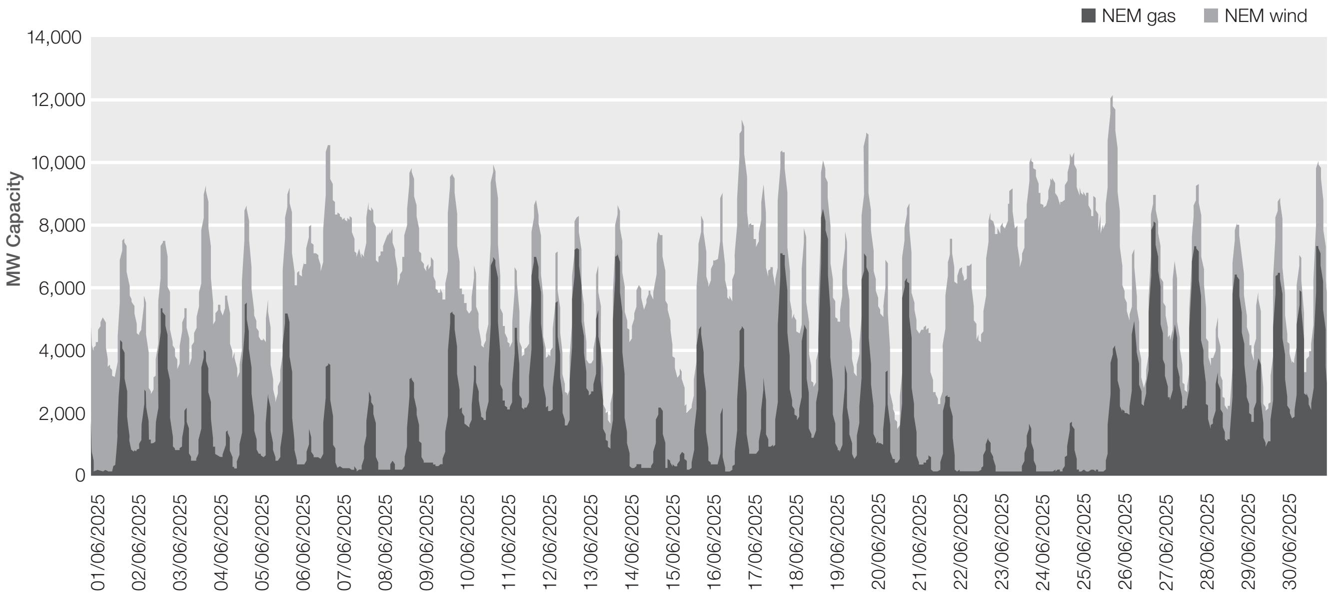


Chart: NEM wind versus gas generation in June 2025. Gas was the key firming fuel during periods of low wind.

Prices were higher in April and May 2025 as market participants again brought units offline for planned maintenance before the financial year closed with another period of extreme volatility in June 2025, driven by high demand in New South Wales and Victoria, combined with extremely low periods of wind, creating a tight supply demand balance.

The reduction of reserve power during periods of low wind output highlights the challenges to supply that may be ahead when the large interstate generators Eraring Power Station and Yallourn Power Station are forecast to close later this decade.

CS Energy began commercial operations of the Chinchilla Battery on 12 July 2024 and the Greenbank Battery on 13 June 2025, adding greater flexibility to our portfolio. These new assets strengthen CS Energy's ability to generate revenue through energy arbitrage and quickly respond to market requirements, including ancillary services.

Our portfolio sent out a total of 9,538 GWh of electricity in FY2025 (2024: 9,671[4]) with CS Energy owned assets supplying 9,030 GWh including the 50 per cent owned Callide C, which regained full capacity on 31 August 2024 when Callide Unit C4 was returned to service after a prolonged outage.

4 The FY2024 generation total of 9,221 GWh in CS Energy's FY2024 Annual Report was 'at node'. For FY2025 CS Energy has switched to publishing generation on a 'sent out' basis. Sent out is the amount of electricity actually sent into the grid after allowing for internal consumption. At node is a central location within each state which is used as the main point for pricing decisions.

Queensland Electricity Class Action

In FY2025 CS Energy successfully defended a class action in relation to electricity prices. The outcome has been appealed, with the appeal to be heard in March 2026. As at 30 June 2025, the appeal remained on foot.

CS Energy is committed to complying with all market rules and regulations and has dedicated substantial resources to ensuring we meet our obligations. Our bidding activity is regulated under the National Electricity Law and the National Electricity Rules by the Australian Energy Regulator.

Corporate governance report

CS Energy reports against the Corporate Governance Guidelines for Government-Owned Corporations and the eight Principles of Corporate Governance issued by the ASX.

CS Energy was established in 1997 under the *Government Owned Corporations Act 1993* (Qld) (GOC Act). CS Energy is also a registered public company incorporated under, and subject to, the *Corporations Act 2001* (Cth).

Two Queensland Government Ministers (shareholding Ministers) hold shares in CS Energy on behalf of the people of Queensland. For the FY2025 reporting period, CS Energy shareholding Ministers were:

From 1 July 2024 to 31 October 2024

- The Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment
- The Honourable Mick de Brenni MP, Minister for Energy and Clean Economy Jobs.

From 1 November 2024

- The Honourable David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership
- The Honourable Ros Bates MP, Minister for Finance, Trade, Employment and Training.

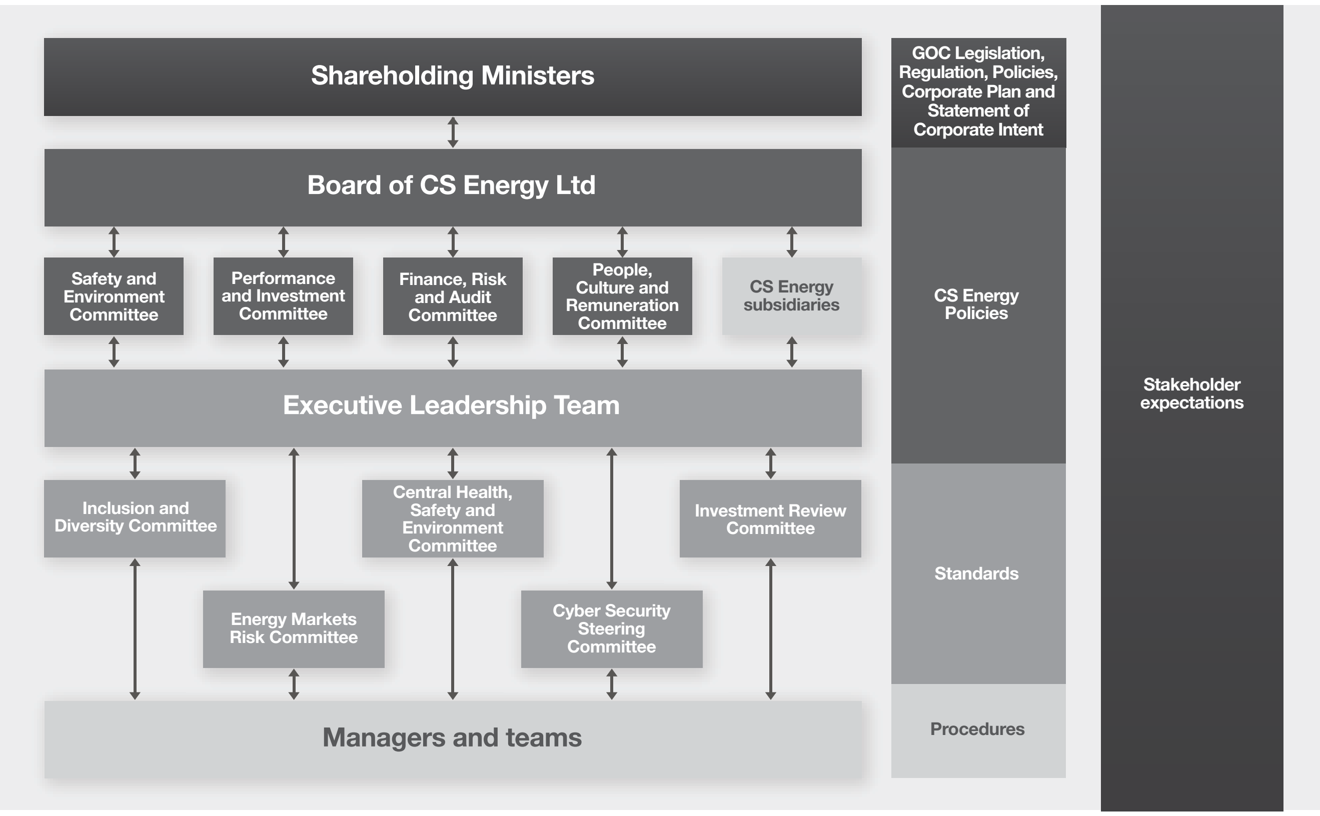
Our approach to corporate governance

The CS Energy Board is accountable to our shareholding Ministers for CS Energy's performance and corporate governance. The Board has delegated specific power and authority to Board Committees and the Chief Executive Officer. The Chief Executive Officer is responsible for the day-to-day management of CS Energy.

Our Governance Framework Standard sets out how we comply with the Corporate Governance Guidelines for *Government Owned Corporations, Version 2.0, February 2009,* and the eight principles outlined in those guidelines and *The ASX Corporate Governance Principles and Recommendations, 4th Edition, February 2019.*

More information about CS Energy's corporate governance practices, including policies and copies of the Board Charter and Board committee charters, can be found on CS Energy's website at **www.csenergy.com.au/who-we-are/corporate-governance.**

CS Energy's corporate governance structure



Corporate governance report (continued)

Key focus areas in FY2025

As part of being a safer, better business, CS Energy undertook a proactive review of its compliance and governance frameworks this year to ensure we continue to meet the expectations of our customers and stakeholders.

The Board, with assistance from its committees, focussed on a range of governance and oversight activities in FY2025. This included:

- conducting two Board strategy sessions to discuss the long-term success of the company
- rationalising the corporate structure to better support efficient, transparent and sound governance of business activities
- approving a set of guiding principles to guide corporate structuring in the future
- approving a common board being established across the parent entity and the majority of subsidiaries, subject to shareholding Ministers' approval
- overseeing CS Energy's employee engagement survey, and the Inclusion and Diversity Strategy
- monitoring the implementation of enhancement opportunities identified by an independent governance consultant during a board evaluation in mid-2024, in particular the Board committee restructure that commenced from 1 July 2024.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The CS Energy Board is accountable for establishing the respective roles and responsibilities of the Board and management, and for ensuring we act with integrity in all of our corporate governance practices.

The Board's role and accountabilities are set out in the Board Charter and include:

- setting CS Energy's strategic direction (with the agreement of shareholding Ministers)
- monitoring corporate performance and progress towards achievement of strategic objectives
- risk management oversight
- establishing appropriate standards of behaviour as expressed in CS Energy's Code of Conduct
- stakeholder reporting and communication.

The Board Charter can be accessed on CS Energy's website at **www.csenergy.com.au/who-we-are/corporate-governance.**

CS Energy Directors have the relevant skills and qualifications required to discharge their duties as supported by the appointment process and are appointed by the Governor in Council in accordance with the GOC Act.

The Board delegates day-to-day management of CS Energy's business and implementation of the corporate strategy to the Chief Executive Officer and senior management, as set out in approved Authorities and Delegations Policy. These delegations are reviewed as considered necessary. In addition, the Authorities and Delegations Policy provides the framework for decision-making and identifies the matters reserved to the CS Energy Board as well as the Chief Executive Officer and Executive Leadership Team.

As of 30 June 2025, the Board comprised eight independent, non-executive Directors. Please refer to the Directors' report for biographies of CS Energy's directors.

Board committees

A new committee restructure commenced from 1 July 2024, which resulted in changes being made to the scope of the former Safety, People and Environment Committee so that the 'People' component was transferred to a separate, new fourth committee, the People, Culture and Remuneration Committee.

The committee restructure aimed to strengthen the focus on safety at the committee level to support the Board in delivering process safety improvements, the cultural shift to a high reliability organisation, and to support the Board in discharging its due diligence obligations in workplace health and safety.

The Board had four committees in FY2025 to assist it in the execution of its duties and to consider key business issues:

- Performance and Investment Committee
- Safety and Environment Committee
- Finance, Risk and Audit Committee
- People, Culture and Remuneration Committee

The role, accountabilities and authority of each committee is set out in their respective charters, which are available on CS Energy's website at **www.csenergy.com.au/who-we-are/corporate-governance.**

The Board committees regularly review their performance in conjunction with formal Board evaluation.

Composition of Board committees FY2025

Director	Performance and Investment Committee	Safety and Environment Committee	Finance, Risk and Audit Committee	People, Culture and Remuneration Committee
Tony Bellas	✓			✓
Maurice Brennan	✓		✓(Chair)	
Adam Aspinall		✓(Chair)	✓	
Stephen Harty	✓(Chair)	✓	✓(Chair)	
Jacqueline King		✓		✓ (Chair)
Mark Carkeet			✓	✓ (Chair)
Kellie Charlesworth	✓		✓	
Jeff Seeney	✓(Chair)			✓
Alison Smith		✓		✓
Kimberley Swords	✓	✓		

Notes:

- Adam Aspinall was Chair of the Board until 18 December 2024 and is Chair of the Safety and Environment Committee (formerly the Safety, People and Environment Committee).
- Tony Bellas was appointed as Chair of the Board on 19 December 2024.
- Maurie Brennan was Chair of the Finance, Risk and Audit Committee until his term expired on 18 December 2024.
- Mark Carkeet was appointed as Chair of the People, Culture and Remuneration Committee on 27 February 2025.
- Stephen Harty was appointed as Chair of the Performance and Investment Committee until 27 February 2025 when he was appointed as Chair of the Finance, Risk and Audit Committee.
- Jacqueline King was Chair of the People, Culture and Remuneration Committee until her term expired on 18 December 2024.
- Jeff Seeney was appointed as Chair of the Performance and Investment Committee on 27 February 2025.
- Alison Smith was appointed to the Board on 1 June 2024.
- Kimberley Swords was appointed to the Board on 1 June 2024.

New directors

On appointment, new directors receive access to information through a Board handbook, online resource centre and a personal induction to enhance their operational and industry knowledge and ensure they are fully aware of their governance responsibilities.

Executive remuneration and performance review

CS Energy’s Executive Leadership Team comprises the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Executive General Managers. The Board approves the appointment of the Executive Leadership Team in consultation with shareholding Ministers.

The Chief Executive Officer is accountable to the Board and is responsible for managing the performance of CS Energy’s business and the Executive Leadership Team.

The People, Culture and Remuneration Committee and the Board review the performance of the Chief Executive Officer and executives on an annual basis in accordance with the Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements and in accordance with CS Energy processes.

Further details about the CEO and senior executive remuneration are disclosed in the key management personnel note in the Directors’ report.

Corporate governance report (continued)

Principle 2: Structure the Board to be effective and add value

Board of Directors

The Board of Directors, including the Chair, are all non-executive directors, appointed by the Governor in Council in accordance with the GOC Act. The term of appointment for directors is determined by the Governor in Council.

The CS Energy Board Charter outlines the Board's responsibilities and functions. The conduct of the Board is also governed by the Corporations Act and the GOC Act.

The Board regularly reviews and assesses the independence of directors and the relationship each director and the director's associates have with CS Energy. The Board considers that each director is, and was throughout the financial year, independent.

Given the process for selection of directors under the GOC Act, CS Energy is not required to establish a Board Nominations Committee.

Directors may seek independent professional advice on matters before the Board, after receiving approval from the Chair. CS Energy bears the cost of this external advice.

Each director has access to the Chief Executive Officer and Executive General Managers if the director requires additional information.

Each director is encouraged to contact the Chief Executive Officer or Company Secretary prior to Board meetings to discuss any matters that require clarification.

The Board evaluates its performance, the performance of individual directors, the Chair and the Board committees at regular periods, not exceeding two years. The most recent external Board evaluation was conducted in May 2024.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

CS Energy is committed to instilling a culture that conducts all business activities with integrity and in compliance with relevant laws and standards.

Our key governance policies to promote ethical and responsible decision-making include a Code of Conduct and Equal Employment Opportunity (EEO) Standard, as well as various policies to ensure compliance with the Corporations Act and to manage conflicts of interest.

Code of Conduct

Our Code of Conduct applies to CS Energy's Board of Directors, management and employees as well as contractors, consultants and visitors to CS Energy sites.

The Code of Conduct is the overarching document for all CS Energy policies and procedures and covers eight areas including safety; respecting others; ethical decision-making; fraud prevention and detection; protecting personal, confidential and commercially sensitive information; and managing conflicts of interest. The Code of Conduct is available on CS Energy's website at **www.csenergy.com.au/who-we-are/corporate-governance.**

The Board has also adopted its own Directors' Code of Conduct. Declaration of interests by Board members is a standing agenda item at Board meetings. All employees are required to declare actual, potential or perceived conflicts of interest as they arise.

Directors, members of the Executive Leadership Team and select other employees are also required to provide annual declarations of interests. An audit of these declarations against publicly available databases is carried out periodically.

Our EEO Standard provides guidance to protect our workforce from unlawful discrimination, workplace harassment, bullying and vilification. The CS Energy Board, Chief Executive Officer and Executive Leadership Team are responsible for ensuring that our EEO objectives are met and the standard is implemented.

Our Share Trading Procedure provides guidance to directors, officers and employees in relation to their trading in securities. The procedure informs directors, officers and employees of the prohibitions on insider trading under the Corporations Act and requires them to not engage in share trading when in the possession of price-sensitive information or where they have an actual or perceived conflict of interest.

Directors, employees and contractors must report suspected corrupt conduct and other activity that is illegal, unethical, or that breaches the Code of Conduct or CS Energy's other standards.

Whistleblower protection

Reporting mechanisms include direct reporting to CS Energy's Legal Team or via the intranet Whistleblower Form and Whistleblower Hotline. Directors may report such activity through those channels or directly to the Company Secretary or the Chair of the Board.

CS Energy values and fosters a constructive culture approach to all business activity and has established a People, Culture and Remuneration Committee to assist the Board in discharging and monitoring these responsibilities.

Principle 4: Safeguard integrity in financial reporting

Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee assists the Board to discharge its duties in relation to CS Energy's finance risk management, and management of internal control systems to provide reasonable assurance that the Company's financial and non-financial objectives are delivered and accurately reported, and the management of the external and internal audit functions. In performing its audit and finance reporting function, the committee:

- provides, for Board approval, financial reporting and other disclosures that are 'true and fair' and comply with legislation and accounting standards
- supports an independent and effective internal audit (Assurance) function, to provide reasonable assurance on the effectiveness of CS Energy's internal control framework to the Board
- addresses recommendations arising from external and internal audits.

The committee is also the primary point of reference for CS Energy's external auditor, the Auditor-General of Queensland. The Committee accepts reports from representatives and oversees progress on implementing recommendations from those reports, on behalf of the Board.

CS Energy's assurance function provides independent, objective assurance to the Board and brings a systematic and disciplined approach to reviewing, evaluating and continuously improving the effectiveness of the company's governance, risk management, and internal controls. It has an independent reporting line to the Finance, Risk and Audit Committee.

When presenting financial statements for approval, the Chief Executive Officer and the Chief Financial Officer provide a representation letter to the Board that, among other things, confirms:

- CS Energy's financial report is prepared in accordance with applicable accounting standards and other statutory requirements and gives a true and fair view at the reporting date
- information relevant to the financial report is disclosed to the Queensland Audit Office
- the Company's risk management system and adequate internal controls have been maintained during the reporting period.

Principle 5: Make timely and balanced disclosure

CS Energy aims to be open, transparent and accountable, while protecting information that is commercially sensitive.

Consistent with continuous disclosure obligations, our shareholding Ministers have access to information concerning our operations, performance, governance and financial position. In addition to the formal reports outlined in Principle 6, we provide submissions, including regular briefing notes, to ensure our shareholding Ministers are informed of important matters on a timely basis.

Release of information

To ensure compliance with the openness measures in the *Right to Information Act 2009* (Qld), a publication scheme is available on CS Energy's website that shows the classes of information available, links to the information and contact details for further information. The publication scheme can be accessed at **www.csenergy.com.au/right-to-information.**

Principle 6: Respect the rights of shareholders

Shareholder reporting

CS Energy produces four key documents to ensure that our shareholding Ministers are regularly and appropriately informed about our performance:

- A Corporate Plan that outlines key strategies and objectives for the next five years with performance indicators. The plan also provides an industry and economic outlook and potential impact on CS Energy.
- An SCI that outlines objectives, initiatives and targets for the next financial year.
- Quarterly Reports on progress against the performance targets and measures in the SCI.
- An Annual Report on performance for each financial year, which meets the requirements of section 120 of the GOC Act and the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.*

CS Energy's website provides extensive information about the Company and its current operations and projects. Briefings to shareholding Ministers and their representatives are also conducted on a regular basis.

Statement of Corporate Intent

Under the GOC Act, CS Energy is required to prepare an SCI each financial year. The SCI is a performance agreement between CS Energy and its shareholding Ministers and complements the five-year Corporate Plan.

Corporate governance report (continued)

The SCI, which includes details of the vision, objectives, activities, capital structure and dividend policies, is tabled annually in the Queensland Legislative Assembly with CS Energy's Annual Report, in accordance with the GOC Act.

Following the Queensland state election in October 2024, CS Energy's new shareholding Ministers wrote to the CS Energy Board outlining their performance expectations of the business. CS Energy subsequently updated the FY2025 SCI to incorporate revised targets and priorities to meet these performance expectations.

CS Energy's performance against its FY2025 SCI targets is summarised on page 7 of this report.

CS Energy's SCI for FY2025 is available online, along with this report, on CS Energy's website at **www.csenergy.com.au/who-we-are/reports-and-publications/all-reports-and-publications.**

Dividend policy

CS Energy's annual dividend recommendation is based on the current forecast of the net profit after tax for the CS Energy Limited consolidated group, adjusted for the net after tax impact of any material non-cash transactions, resulting in the adjusted net profit after tax.

The timeframe for a dividend payment is governed by Section 131 of the GOC Act. Dividends must be paid within six months after the end of the financial year or any further period that the shareholding Ministers allow.

Directions and notifications from shareholding Ministers that relate to FY2025

On 1 July 2024, shareholding Ministers provided CS Energy with a direction under section 257 of the *Electricity Act 1994* (Qld), directing CS Energy to cooperate with and assist the Special Advisors to provide their report in relation to CS Energy's organisational performance and legal and commercial matters arising from or impacted by Callide C.

Principle 7: Recognise and manage risk

Recognising and managing risk is a crucial part of the role of the Board and management, underpinned by a strong governance, risk and compliance framework. Ultimate responsibility for risk management resides with the Board, supported by the Finance, Risk and Audit Committee. In line with the Finance, Risk and Audit Committee Charter, the committee monitors governance, risk and compliance at CS Energy.

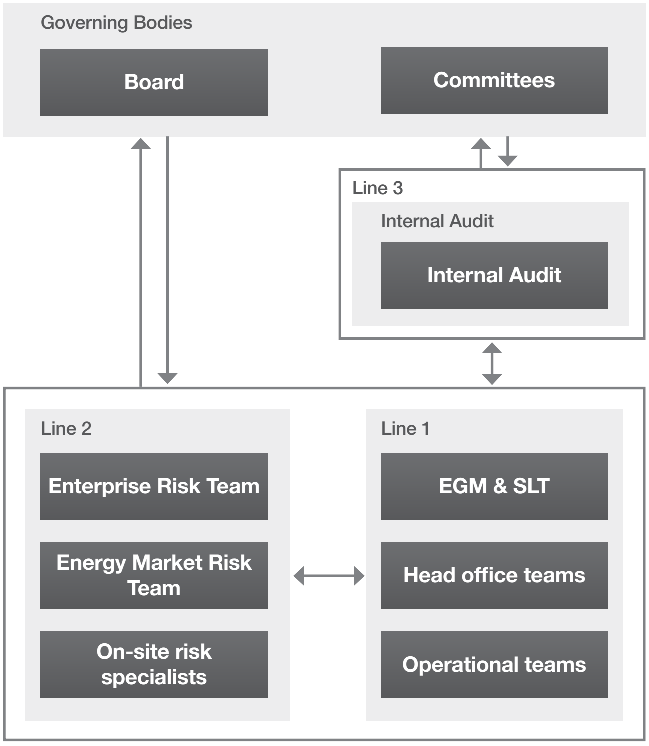
In FY2025 the Board approved an updated Governance, Risk and Compliance Policy and a Business Resilience Policy encompassing a standalone Enterprise Risk Management Framework and Enterprise Compliance Management Framework.

These changes strengthen risk and compliance management at CS Energy and support strong operational and financial performance (in alignment with *ISO 31000:2018 Risk Management – Principles and Guidelines, ISO 37301:2023 Compliance Management Systems – Principles and Guidelines and Committee of Sponsoring Organizations' Enterprise Risk Management – Integrated Framework (COSO II).*

As part of the enterprise risk framework review, the Board endorsed an updated risk matrix, identified new risk categories, and validated material risks and associated risk appetite statements to ensure they were sound.

Strategy	Environment and heritage
Organisational transition	People and culture
Brand, customer and stakeholders	Asset operations
Shareholder	Legal, compliance and conduct
Health and safety	Information technology and cyber
Process safety	Financial and commercial

The Enterprise Risk and Compliance function implements the risk and compliance framework set by the Board to ensure risk and compliance management is embedded across the organisation and delivers organisational objectives including uplifting CS Energy's risk and compliance culture and maturity, and being a safer and better CS Energy. To ensure robust risk management, CS Energy has adopted the Institute of Internal Auditors' Three Lines Model.



CS Energy's risk management approach is based on the Institute of Internal Auditors' 'Three Lines Model'

In FY2025, CS Energy matured its Internal Audit capability to ensure a robust and clear third line, structured to report directly to the Finance, Risk and Audit Committee to ensure the independence and objectivity of the function is maintained. This function ensures a systematic, disciplined approach to evaluating and continually improving the effectiveness of risk management and internal control processes.

CS Energy's Board has approved an updated risk management program for its critical infrastructure assets as per the requirement of the *Security of Critical Infrastructure Act 2018.* This risk management program is intended to ensure appropriate risk management practices are applied to the security and management of CS Energy's critical infrastructure assets.

CS Energy is committed to a culture of integrity and compliance in conducting its business activities and this includes the prevention of fraud.

Management reports to the Board, through the Finance, Risk and Audit Committee, on the effectiveness of CS Energy's management of its material business risks. Financial and compliance risks related to electricity trading and sales, such as credit and market risk, are overseen by a management committee, the Energy Markets Risk Committee, comprised of senior management and the Chief Executive Officer. This committee ensures the effective alignment of market and operational risk management in alignment with CS Energy's Board risk appetite.

Cyber risk

As a provider of essential energy services to Queensland, CS Energy recognises the importance of confidence in the systems that control the operation of our power stations. We collaborate with a range of external parties to effectively monitor and respond to emerging cyber security threats.

Our cyber security risk reduction program continued in FY2025 in alignment with strengthened energy sector cyber security capability frameworks (the Australian Energy Sector Cyber Security Framework – AESCSF) and legislative instruments (including the *Security of Critical Infrastructure Act 2018*).

As required under the AESCSF and consistent with good business practice, our cyber security maturity uplift continued to be delivered through a structured, dedicated Cyber Security Program with an Executive Steering Committee guided by a formal Charter.

CS Energy achieved an independently verified AESCSF Security Profile maturity consistent with our criticality in the NEM on 6 June 2025 and we continue our improvement journey towards Security Profile 2.

Principle 8: Remunerate fairly and responsibly

Remuneration policy

CS Energy is committed to attracting, retaining and developing high calibre employees at all levels by balancing a competitive remuneration package with employee benefits and leave options. This includes providing maternity and parental leave, study assistance, remote area allowances and relocation assistance.

Director fees are paid to Directors for serving on the Board and Board committees. Fees are determined by the Governor in Council and advised to CS Energy. The Board, in consultation with shareholding Ministers, approves the remuneration levels for the Chief Executive Officer and other senior executives. Details of remuneration paid to directors and Executive Leadership Team members during the year appear in the Financial Report.

Assessing performance

CS Energy's Performance Framework ensures employees are supported to achieve optimal performance and career outcomes.

Performance of individual employees, including the Executive Leadership Team, is managed in an annual cycle which sets performance expectations through Role Purpose Statements and annual Individual Achievement Plans, and provides feedback on performance through mid-year and end-of-year Achievement Reviews.

Corporate entertainment and hospitality

There was no corporate entertainment over the $5,000 reporting threshold.

Financial report

for the year ended 30 June 2025

General information

CS Energy Limited is a company domiciled in Australia.

Its registered office and principal place of business is Level 12, 31 Duncan Street, Fortitude Valley, Queensland 4006.

The directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of CS Energy Limited and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were directors of CS Energy Limited during the financial year and up to the date of this report, unless otherwise noted:

Tony Bellas

B Econ, Dip Ed, MBA, FCPA, FAICD, FGS (London)

Non-Executive Chair since 19 December 2024
Director since 19 December 2024

Tony Bellas is a company director on a number of listed and unlisted companies and has more than 30 years of experience across the public, private, and not-for-profit sectors. He currently serves as a director of two ASX-listed companies: NOVONIX Ltd, a battery materials company with operations in Queensland and overseas, and State Gas Ltd, a gas exploration and development company with operations in Central Queensland.

Tony is currently Chairman of a Queensland-based gold and rare earth minerals exploration company, Green and Gold Minerals Pty Ltd. He is also a non-executive director of Healthcare Logic Ltd, a hospital management SaaS technology company, and Axon Graphite Pty Ltd, a natural graphite exploration and development company with exploration interests in North West Queensland.

He has previously served as Chairman of four other ASX-listed companies: ERM Power Limited, Corporate Travel Management Pty Ltd, Shine Justice Limited and intelliHR.

In his executive career, Tony served as Chief Executive Officer (CEO) of CS Energy Limited, Ergon Energy, and Seymour Group. Prior to entering the electricity industry, he had a long career in the Queensland Treasury, rising to the rank of Deputy Under Treasurer. In 2012 he was appointed as Chair of the Independent Review Panel on Network Costs in Queensland, which provided a report to the Queensland Government on options to address the impact of network costs on electricity prices.

In 2020, Tony retired as a director of Endeavour Foundation, one of Australia's largest not-for-profit organisations supporting people with a disability. His 10 year service on the Board included four years as Chairman (2015 to 2019). Since 2001, Tony has served as a director of the Brisbane State High School Foundation.

Tony was awarded the Centenary Medal in 2001 in recognition of his distinguished career in the public service. He is a member of the Performance and Investment Committee and the People, Culture and Remuneration Committee.

Adam Aspinall

B.ENG (Mech), MIEAust (Retired), GAICD

Non-Executive Chair until 18 December 2024
Director since 15 December 2022

Adam Aspinall is a mechanical engineer with more than 40 years' experience in the electricity and energy industries and is a leading advisor in the power industry, having consulted globally to the private and government sectors on power generation projects and issues. His expertise includes electricity and gas infrastructure development, generation and transmission procurement, electricity trading and regulatory compliance.

Adam has been regularly engaged to assist in international merger and acquisition activities, as well as international arbitrations in the role of Independent Expert.

He began his career working for the Queensland Electricity Commission in 1981 and was employed by the generation sector in Queensland for over 24 years, prior to becoming a consultant.

He has previously been the Business Development Manager and Chief Operating Officer (COO) at CS Energy Limited, National Advisory Lead for the Power Sector at Evans & Peck and later Advisian and most recently was Acting Chief Executive Officer at Stanwell Corporation Limited. Adam has also been a non-executive director on the boards of Ergon Energy, Stanwell Corporation Limited and Chairman of SPARQ Solutions. Adam is a Graduate of the Australian Institute of Company Directors.

Adam served as Chair of the CS Energy Board from June 2023 to December 2024. He chairs the Safety and Environment Committee and is a member of the Finance, Risk and Audit Committee.

Jeff Seeney

MBA, GAICD

Deputy Chair
Director since 19 December 2024

Jeff Seeney is a former Queensland Deputy Premier and Minister for State Development, Infrastructure and Planning (2012–2015). He represented the seat of Callide in the Queensland Parliament for almost 20 years and understands the importance of CS Energy and the Callide power stations to the Biloela community and the wider Central Queensland region.

Jeff held many other positions in the Queensland Parliament including Opposition Leader (2006–2008 and 2011–2012), Shadow Minister for Energy (1999–2006 and 2008–2011) and Shadow Treasurer (2004–2005).

He was responsible for the planning and delivery of many major development projects through the Office of the Coordinator-General and was the Chair of Cabinet Committees involving infrastructure and resources. He was also a member of the Cabinet Budget Review Committee and the Parliamentary Crime and Corruption Committee among many others.

Throughout his Parliamentary career he played a central role in enabling the development of the coal seam gas export industry and was the architect of a significant part of the legislative and regulatory framework that has allowed the industry to attain the social licence to operate successfully in Queensland.

Jeff has a Masters Degree in Business Administration from the University of New England and is a Graduate of the Australian Institute of Company Directors. He is the Chairman of the Performance and Investment Committee and is a member of the People, Culture and Remuneration Committee.

Kimberley Swords

BVSc(Hons), MBA, GAICD

Non-Executive Director
Director since 1 June 2024

Kimberley Swords is an independent advisor with more than 25 years of experience as a senior executive in government and management consulting. Kimberley has worked in a variety of advisory roles to major global companies and governments, and as the head of environmental approvals for the Australian Government from 2010 to 2015. She brings a global perspective on decarbonisation and the energy transition from her five years with McKinsey & Company.

Kimberley is the Chair of Southern Queensland Landscapes, and a Non-Executive Director of Natural Resource Management Regions Queensland.

She is Industry Professor and Program Director of the UQ-Oxford Transformative Project Leadership Program. Kimberley also coaches and advises clients on leadership and strategic technical topics within the energy, environment and infrastructure sectors in Australia and globally.

Kimberley holds a Bachelor of Veterinary Science (Hons) from the University of Queensland, and a Master of Business Administration from RMIT University. Kimberley is also a Graduate of the Australian Institute of Company Directors.

Kimberley is a member of the Safety and Environment Committee and the Performance and Investment Committee. Kimberley was appointed as of the 12 August 2025 as the Chair of the People, Culture and Remuneration Committee.

Mark Carkeet

B.A., LLB (Hons)

Non-Executive Director
Director from 1 June 2024 to 7 August 2025

Mark Carkeet is a company director and former commercial and regulatory lawyer with more than 40 years' experience.

He has worked almost exclusively in the utilities sector since reforms began in the early 1990s. In the electricity sector he has worked with generators, network owners, retailers and customers, as well as governments, regulators, and market rule makers. His experience extends to all Australian states and territories and many parts of the Asia-Pacific.

He is currently serving a three-year term as a member of the Queensland Energy System Advisory Board, and is a member of Energy Queensland's Network Pricing Working Group.

Mark began his legal career as a graduate at MinterEllison in 1983 and gained broad commercial experience in Australia and overseas, before moving to the utilities sector. He led MinterEllison's state, national and international energy and resources teams for many years and has advised on many Australian and State government initiatives. Mark served two terms on Minter Ellison's board and has a long history of community service.

In FY2025 Mark was the Chairman of the People, Culture and Remuneration Committee and was a member of the Finance, Risk and Audit Committee.

Stephen Harty

B. Eng (Mech), MBA, GAICD

Non-Executive Director
Director since 1 October 2023

Stephen Harty is an energy executive with more than 25 years of experience. Stephen has worked in a variety of operations, project development and marketing roles across Europe, Asia, Middle East, North America and Australia. With this global perspective Stephen has a keen interest in the development of the Australian east coast energy markets and has been heavily involved in the development of domestic gas policy.

Stephen currently serves as Chief Executive Officer at Gladstone LNG, where he has responsibility for the overall management, safety and operation of the GLNG project. Stephen holds a Bachelor of Engineering (Mechanical) from the University of Ballarat, a Master of Business Administration from Deakin University and is a Graduate member of the Australian Institute of Company Directors.

Stephen served as the Chairman of the Performance and Investment Committee from March 2024 until 27 February 2025 when he was appointed the Chairman of the Finance, Risk and Audit Committee. Stephen is also a member of the Safety and Environment Committee.

Alison Smith

MBA, GAICD

Non-Executive Director
Director from 1 June 2024 to 7 July 2025

Alison Smith is the CEO of Local Government Association of Queensland (LGAQ). Alison is responsible for leading a diverse team of professionals at the organisation, which is the peak body for local government across Queensland. The LGAQ has been advising, supporting and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities.

Between 2007-2020, Alison worked with ASX-100 companies, heading their corporate affairs functions. Alison was Group Executive External Affairs at The Star Entertainment Group and previously held media and corporate affairs roles at Rio Tinto's coal and uranium businesses in Australia, Africa, and Canada. Alison has worked in the public and private sectors in ICT, transport, energy, police, and corrective services. She also spent 14 years as a journalist, working in newspapers, radio, and television, before working as a senior media advisor in the Queensland Government for two terms.

Alison is a member of Chief Executive Women. She is currently a director on boards including Peak Services, the Queensland Tourism Industry Council and Local Government Mutual Services. Her past board roles have included Chair of the Brisbane Festival (2019–2022). Alison is also a Graduate of the Australian Institute of Company Directors.

In FY2025, Alison was a member of the People, Culture and Remuneration Committee and the Safety and Environment Committee.

Kellie Charlesworth

BAppSc(Env)(Hon), MEngSc, PGCert (Energy Futures & Transition)

Non-Executive Director
Director from 1 June 2024 to 7 August 2025

Kellie Charlesworth has more than 25 years' experience in the planning and delivery of strategic energy and transport infrastructure for both the public and private sectors. She brings governance expertise in the areas of environment and sustainability, and in recent years has focussed on the transition to clean energy.

In her current role as Australasian Energy Transition Leader for multinational advisory and engineering firm Arup, Kellie has supported governments at the state and federal level to deliver energy and decarbonisation strategies, often for hard-to-abate sectors of the economy. She has led coal-fired power station repurposing and clean energy hub development initiatives to support a just transition. Kellie is also Arup's Energy Skills Leader, a role focussed on developing the technical skills and expertise to support the clean energy transition.

Earlier in her career Kellie carried out research on environmental toxicology and water quality and was a CSIRO student scholarship recipient. Kellie regularly engages in industry forums promoting open discourse and collaboration across industry, government, R&D and community toward a sustainable future.

In FY2025 Kellie was a member of the Finance, Risk and Audit Committee and the Performance and Investment Committee.

James Versace

B Com, CA, GAICD

Non-Executive Director
Director since 7 August 2025

James Versace is an experienced board-level executive with more than 30 years' experience spanning the retail, hospitality, gaming, investment banking, energy and public sectors. He has held senior leadership roles across ASX-listed companies, large-scale private enterprises and public organisations, with a proven track record in strategic governance, financial stewardship and operational transformation.

With a career foundation in investment banking and chartered accounting, James has served as CFO and Company Secretary for organisations with turnovers exceeding $300 million, leading teams of over 1,800 staff and managing complex multi-stakeholder environments. His expertise includes financial risk management, commercial contract negotiation, property development, mergers and acquisitions, capital works and profit-maximisation strategies, underpinned by a deep commitment to corporate governance and compliance. His leadership style is strategic, transparent and outcomes-focused, with a track record of guiding organisations through major change while safeguarding long-term value creation.

James currently serves as Chief Financial Officer and Company Secretary of KWB Group, which owns and operates Kitchen Connection.

James holds a Bachelor of Commerce (Accounting, Finance & Law), is a Chartered Accountant and a Graduate of the Australian Institute of Company Directors.

James was appointed on 12 August 2025 as a member of the Finance, Risk and Audit Committee.

Wendy Agar

Dip. Teaching (primary), Grad. Dip Human Resources Management, GAICD

Non-Executive Director
Director since 7 August 2025

The Managing Director of Engaged Outcomes and host of the emPOWER podcast, Wendy Agar is a rural engagement expert with more than 20 years' experience securing industry, organisational, and community buy-in for a range of projects that create opportunities for rural, regional and remote Australians. Through her current client engagement and collaboration work, Wendy brings a national perspective on social licence and the energy transition.

Raised on a Central Queensland beef and grain farm, and later a partner in a cattle and sheep enterprise in Western Queensland, Wendy has first-hand knowledge of the challenges and opportunities facing rural communities. She is passionate about building stronger regions where economic and social benefits are shared.

Drawing on her experience as a multi-sector CEO and senior leader across rural, regional, and remote Queensland, Wendy has developed a deep understanding of how people and organisations work. A skilled facilitator and leadership consultant, she unites diverse interests to deliver meaningful outcomes.

She holds qualifications in education and human resources, and accreditations in stakeholder engagement, change management, coaching, and behavioural profiling. Wendy is a Graduate of the Australian Institute of Company Directors.

Wendy was appointed on 12 August 2025 as a member of the People, Culture and Remuneration Committee.

Officers of the Group

The following persons were officers of the Group at the date of this report:

- Brian Gillespie, Chief Executive Officer.
- Andrew Buswell, Chief Operating Officer.
- Cameron Collins, Chief Financial Officer.
- Barry Millar, Executive General Manager People, Safety and Transformation.
- Mark Powell, Executive General Manager Stakeholder Relations and Corporate Governance.
- Michael Lynch, Acting Chief Energy Transition Officer.
- Sophie Sangster, Acting Chief Commercial Officer.
- Peta Perring, Company Secretary.
- Darren Busine, Chief Executive Officer, to 23 June 2025.
- Andrew Varvari, Executive General Manager Transformation, to 19 October 2024.
- Leigh Amos, Executive General Manager Plant Operations, to 31 January 2025.
- Emma Roberts, Executive General Manager Customer and Growth, to 29 August 2025.

Brian Gillespie

Chief Executive Officer

MBA, BSc (Hons), Mathematical Sciences

Brian Gillespie was appointed as CS Energy's Chief Executive Officer in June 2025, bringing executive and non-executive leadership experience from a diverse, international career spanning the mining, transport, logistics, technology, oil and gas, and health sectors. Brian holds the degrees of MBA, Bachelor of Science (Hons) and is a Fellow and Chartered Electrical Engineer with the IET.

Brian has led large organisations in Australia, Latin America and Europe with a track record of improving safety, operational efficiency and organisational culture. Brian's leadership in safety, complex assets and mining operations aligns with CS Energy's focus on modernising its asset portfolio and delivering on the Queensland Government's Electricity Maintenance Guarantee.

Andrew Buswell

Chief Operating Officer

BSc (Hon), MBA

Andrew Buswell joined CS Energy as Chief Operating Officer on 31 March 2025 to lead our operations across the company's generation fleet, aligning asset management and operational responsibilities with process safety. He leads CS Energy's key plant operations functions including operations and maintenance, engineering services and governance, overhauls, process safety, performance reliability and analytics, and health, safety and environment.

With more than 30 years' of global experience in the resources and mining sectors, Andrew has consistently delivered results in operational excellence, capital projects, and asset management through leadership roles at organisations including Rio Tinto, BHP, Orica, and Xenco Mining Services.

Andrew's ability to drive innovation and operational improvements across complex industries makes him a key contributor in maximising CS Energy's assets.

Cameron Collins

Chief Financial Officer

B Bus, CA, GAICD

Cameron Collins was appointed as Chief Financial Officer in April 2024 after acting in the role for 12 months. He leads CS Energy's CFO division, and is responsible for functions such as finance, energy and financial risk, digital and technology, procurement, business planning, performance reporting, and insurance.

Prior to this, Cameron was CS Energy's Head of Finance, where he was responsible for financial reporting and management accounting, budgeting and forecasting, treasury, taxation, investment governance, and finance shared services. Cameron joined CS Energy in 2009, during which time he has developed a thorough knowledge of the energy sector and demonstrated strong commercial and financial acumen and leadership capability, which has resulted in Cameron also holding other senior leadership and executive leadership roles including Head of Risk and Compliance and Acting Chief Financial Officer.

Prior to joining CS Energy, Cameron held several senior finance roles working in industry across both business advisory, and audit and assurance disciplines.

Mark Powell

Executive General Manager Stakeholder Relations and Corporate Governance

B Bus, LLB, MCPRA, MAICD

Mark Powell joined CS Energy as EGM Stakeholder Relations and Corporate Governance on 14 April 2025, providing strategic oversight across a range of critical functions, including corporate affairs, legal, company secretariat, internal audit, risk and compliance, and data governance functions.

He has more than 20 years' experience in corporate and regulatory affairs, public policy, risk management and strategy, including senior executive roles leading multidisciplinary teams to develop and implement governance and sustainability strategies that enhance reputation and build stakeholder trust.

Mark is a management consultant and lawyer who has held leadership positions in companies across a number of highly regulated sectors in Australia and overseas, including energy, financial services and consumer goods. Prior to joining CS Energy, he served as General Manager Sustainability and Corporate Affairs at MLC Life Insurance.

Mark's unique blend of experience will help ensure CS Energy remains at the forefront of the evolving energy landscape.

Michael Lynch

Acting Chief Energy Transition Officer

BAppSc (Maths), BAppSc (Hons), GradDipAppFin, MAppFin

Michael commenced as the Acting Chief Energy Transition Officer in August 2025 and is responsible for the development of CS Energy's future energy asset portfolio, including firming and renewable development, infrastructure delivery and sustainability.

Prior to this appointment, Michael was the Head of Energy and Financial Risk from November 2023, where he was responsible for financial, operational and compliance risk oversight across CS Energy's commercial functions, including trading, retail and future energy development activities.

Michael has over 20 years' experience across the energy, mining and financial services industries in financial and non-financial risk management, compliance and trade finance. He has led diverse international teams for large multinational companies including BHP and South32.

Sophie Sangster

Acting Chief Commercial Officer

LLB, Grad Dip Legal Practice, LLM

Sophie commenced as the Acting Chief Commercial Officer in August 2025. Sophie is responsible for CS Energy's trading team, retail business, commercial partnerships, joint ventures and resources.

Prior to her appointment, Sophie was CS Energy's General Counsel. Sophie has had close to 20 years' experience in both private practice and in-house legal teams. Prior to joining CS Energy, Sophie was Head of Commercial at an ASX listed infrastructure contractor and has extensive experience across sectors such as government, energy, facilities services, defence, utilities, roads, transport and major infrastructure projects.

Peta Perring

Company Secretary

BA, LLB, MBA, Grad Dip Applied Corporate Governance, FAICD, FGIA

Peta Perring was appointed to the position of Company Secretary in June 2024. Peta has over 20 years' senior leadership experience in energy government owned corporations. Peta holds a Bachelor of Arts, Bachelor of Laws, Master of Business Administration and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Australian Institute of Company Directors and Fellow of the Governance Institute of Australia.

Jane Fitzpatrick (Special Counsel) is appointed as alternate Company Secretary for the Group.

Principal activities

During the year, the principal activity of the Group was the generation and sale of electricity to wholesale and retail customers.

Dividends

There were no dividends paid or declared in respect of the current financial year (2024: $ nil).

Review of operations

Health and safety

The Group maintained its commitment to safety throughout FY2025, with a continued focus on ensuring all employees return home safely each day. The Group strengthened its oversight of critical safety measures, conducting 1,590 Critical Control Verifications (CCVs), against the Electricity Maintenance Guarantee (EMG) target of 1,500, and upheld its record of zero significant injuries or fatalities, despite a slight rise in the Total Recordable Injury Frequency Rate (TRIFR) from 4.19 to 4.80.

On 4 April 2025 a major operational safety event occurred at Callide Power Station Unit C3 which brought the unit offline. The Group classified the incident as an Actual Category 3 and Potential Category 4 event, prompting dual investigations into technical and systemic causes.

Looking ahead, the Group is developing a new five-year Health and Safety Strategy for FY2026, driven by performance analysis, regulatory changes, and industry learnings to foster continuous improvement in workplace health and safety.

Callide C full recovery

In August 2024, Callide Unit C4 was returned to service, marking the return of the Callide site to its full capacity. Both Units C3 and C4 have new cooling towers, while Unit C4 also has a new generator, turbine and other key components

Consolidated results

	2025 $'000	2024 $'000
Loss after income tax	(324,383)	(58,493)

Performance

The Group recorded an underlying earnings gain (profit or loss before income tax, provision remeasurement, impairment, depreciation and amortisation and unrealised fair value through profit or loss) of $17.4 million (2024: $68.8 million loss). During the year the Group recorded sales (including wholesale, retail and realised fair value through profit or loss) of $1,829.0 million which were higher compared to the prior year (2024: $1,492 million) with the principle driver being a higher earned price of $191.76/MWh (2024: $154.27/MWh). The Group's trading portfolio generated 9,538 GWh (2024: 9,671 GWh), a decrease of 134 GWh. This result is largely due the Callide Unit B1 outage where the unit was offline for 95 days and the Callide Unit B2 dual outage where the unit was offline for 34 days, offset partially by the return of both Callide C3 and C4 units. Despite sales being higher than previous years, the Group incurred additional costs during the year relating to coal purchases, electricity and energy services relating to energy purchases for retail customers and operating costs across all sites as we invest in the reliability of our generation assets.

The Group's loss after income tax was $324.4 million for the year (2024: $58.5 million loss after income tax). The primary drivers of this result were the asset impairments of $80.8 million for the Callide B cash generating unit with the asset being fully impaired (2024: $99.8 million asset impairment), $2.1 million for the impairment of the work in progress balance for the Kogan Renewable Hydrogen Demonstration Plant (2024: $10.5 million) and full impairment of the deferred tax losses associated with the carry forward tax losses of $175.5 million with the Group not forecasting sufficient taxable profits to utilise the deferred tax asset over the next five years. It also included a remeasurement of the Gladstone Interconnection and Power Pooling Agreement (IPPA) onerous contract as a $109.8 million provision decrease (2024: $84.0 million provision increase) due to a delay in renewable energy construction and extension of coal fired generation.

The Group progressed its insurance claim to receive the Business Interruption and material damage proceeds relating to the Callide Unit C4 Incident. Subsequent to 30 June 2025 the Group reached a settlement with its insurers in relation to the matter. The details relating to the settlement remain confidential.

Cash flows from operating activities during the year was a net outflow of $124.4 million (2024: $275.4 million inflow). Operating cash flows are lower compared to the prior year primarily due to higher cash payments to suppliers and employees of $2,154.9 million (2024: $1,459.2 million). The increase in cash payments to suppliers and employees includes $278.3 million relating to the net unwind of cash margining contributions and the recognition of Government Cost of Living rebates received in FY2024 and paid in FY2025 resulting in a movement of $194 million. The remaining drivers of net cash flows from operating activities are higher sales described above which were partially offset by higher operating expenditure.

Throughout FY2025 the Group continued to invest both in the existing generation fleet as well as investment in renewable energy projects. During the year the Group added Lotus Creek and Boulder Creek wind farm projects to the portfolio. As a result, cash payments for property, plant and equipment was $845.7 million for FY2025 (2024: $397.0 million). An investment of $618.6 million was made in renewable energy projects relating to the finalisation of the Greenbank Battery, Brigalow Peaking Power Plant and the acquisition of Lotus Creek and Boulder Creek wind farms. During the year a total of $146.1 million was spent on the existing generation fleet and an additional $43.0 million spent on the reinstatement works for Callide Unit C4 and the Callide C cooling towers rebuild.

The Group's financial position is a net asset of $970.4 million (2024: net asset position $160.5 million). This improvement in the Group's net asset position was primarily driven by equity contributions of $1,044.4 million relating to the investment in renewable energy projects.

New business

The Group's retail business provides tailored solutions for large commercial and industrial (C&I) customers throughout Queensland including mines, ports, universities, and, through our whole-of-government contract, Queensland Government agencies and departments. In FY2025 the Group signed a seven-year retail agreement with Queensland Airports Limited to supply renewable energy to power the Gold Coast and Townsville Airports.

FY2025 has seen growth in the C&I Market in Queensland where the Group has achieved a Queensland market share of 16 per cent, and an overall customer and broker satisfaction score of 7.91 out of 10.

In the South East Queensland (SEQ) retail mass market, the financial performance of the Alinta Joint Venture was strong with the consolidated electricity and gas books delivering above target earnings. There was also a return to growth in the retail electricity customer book throughout the period.

In FY2025, the Group expanded its portfolio with the acquisition of two new assets: a 50 per cent stake in the 228 MW Boulder Creek Wind Farm near Rockhampton, and full ownership of the 285 MW Lotus Creek Wind Farm, located near St Lawrence. These investments support the Group's transition to a lower-emissions portfolio and strengthens its position in Queensland's renewable energy market. In addition, the Group is developing the 400 MW Brigalow Peaking Power Plant which will provide crucial firming capacity to support Queensland's transition to renewable energy.

The Chinchilla Battery reached commercial operations on 12 July 2024 and has a capacity of 100 MW/200 MWh. The Greenbank Battery has a capacity of 200 MW/400 MWh reached commercial operations on 13 June 2025.

Policy and regulatory developments

Policy and regulatory reform in the Australian electricity and gas markets continued at pace in FY2025 with governments maintaining a strong role through actions at the national and jurisdictional levels.

At the national level, the Federal Government reiterated its commitment to achieving 82 per cent renewable energy generation by 2030 and net zero emissions reduction by 2050. The former is to be facilitated by its cornerstone policy, the Capacity Investment Scheme, a revenue underwriting mechanism to unlock investment in renewable energy and dispatchable power. The Federal Government also appointed an Expert Panel to undertake a review of the National Electricity Market wholesale settings to ensure the market is fit-for-purpose in providing the necessary investment signals once the Capacity Investment Scheme ceases. The Group is proactive in these reform processes, maintaining a voice in policy and regulatory developments by participating in relevant consultation processes and working groups, and through its membership of various industry bodies including the Australian Energy Council, the Clean Energy Council and the Australian Financial Markets Association.

At the jurisdictional level, governments have continued support for the energy transformation through state-based schemes. In Queensland, the Government is supportive of a transformation that delivers affordable, reliable and sustainable energy and is in the process of developing its five-year Energy Roadmap. The Group is engaged in this process.

Throughout the year, significant market design issues were also brought forward for consultation and implementation as part of the reform agenda including a range of measures to ensure the security of the power system. This included the Australian Energy Market Operator's inaugural 'Transition Plan for System Security' and its implementation of a new transitional mechanism to deliver system security throughout the energy transition while facilitating the trial of new capabilities to deliver these services. The Reliability Panel also explored whether the System Restart Standard is fit for purpose given the changing system, and reforms were made to facilitate the visibility and participation of Consumer Energy Resources into the market. Each of these reforms has the potential to significantly change the markets in which the Group operates and accordingly, the Group has been, and will remain, involved in all consultations and industry forums relevant to those design issues.

Other matters

In FY2025 CS Energy Limited successfully defended a class action in relation to electricity prices. The outcome has been appealed, with the appeal to be heard in March 2026.

As at 30 June 2025, the appeal remained on foot.

Sustainability

As an energy provider and major regional employer, the Group remains committed to embedding sustainability and Environmental, Social and Governance (ESG) principles across its operations. In FY2025, the Group focused on strengthening the foundations for a more structured and transparent approach to ESG, aligned with the Company's broader strategic objectives and emerging regulatory requirements.

To support this work the Group appointed a dedicated Sustainability Manager to lead ESG coordination, advanced the development of an ESG Strategy to guide future direction, and began uplifting internal capability in preparation for climate-related financial disclosures under *AASB S2 – Climate-related Disclosures.*

Key progress during the year included completing an ESG maturity assessment, establishing boundary-setting and data governance policies, and initiating the mapping of greenhouse gas emissions. The Company also commenced a refreshed materiality assessment to prioritise sustainability topics most relevant to operations and stakeholders.

In the year ahead, the focus will be on continuing to strengthen internal systems, governance, and data capabilities to support high-quality and compliant ESG disclosures, including preparation for mandatory climate-related reporting under *AASB S2.* The Group remains committed to engaging with its employees, customers, communities, and stakeholders to advance its ESG roadmap and embed sustainability.

Indemnity and insurance of officers

In accordance with its constitution, CS Energy indemnifies all officers of the Company and its controlled entities, including directors and officers of each of the Group entities, against certain liabilities. The Company has entered into Deeds of Indemnity, Access and Insurance with current directors, senior executives and certain other officers indemnifying them to the maximum extent permitted by law against liabilities that may arise from their position as directors and officers of the Company and its controlled entities, or acting as an authorised representative of the Company and its controlled entities including as a director of a company in which a Group entity holds shares or a company associated with a Group entity, except where the liability arises out of conduct attributable to a lack of good faith or is a liability owed to the Company or a related body corporate. The senior executives and officers are the Chief Executive Officer, Chief Financial Officer, Executive General Managers and Company Secretaries of each of the Group entities. The indemnity includes legal costs and expenses incurred in connection with certain claims or proceedings, excluding criminal proceedings where the director or officer is found guilty or proceedings for liabilities not covered by the indemnity.

The Company maintains Directors and Officers liability insurance to insure all officers of the Company and its controlled entities, including directors and officers of each of the Group entities. The indemnity, access and insurance cover continues for seven years following cessation of the role.

During the year, certain current officers and certain former directors and officers were examined by the administrators of IG Power (Callide) Ltd as part of a public examination conducted under the *Corporations Act 2001.* The legal fees to represent those directors and officers were met by CS Energy in accordance with the obligations in the Deeds of Indemnity and Access, and a claim was made for those payments by CS Energy under its Directors and Officers liability insurance.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001.*

Directors' meetings

The number of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

Board and Committee meeting attendance

	Board		Performance and Investment Committee		Safety, People and Environment Committee(1)		Finance Risk and Audit Committee(2)		People, Culture and Remuneration Committee(3)	
Director	H	A	H	A	H	A	H	A	H	A
Adam Aspinall (4)	24	23	1	1	3	3	4	4	N/A	N/A
Tony Bellas (5)	17	17	3	3	N/A	N/A	N/A	N/A	2	2
Jeff Seeney (6)	17	17	3	3	N/A	N/A	N/A	N/A	2	2
Maurie Brennan (7)	7	6	3	2	N/A	N/A	3	3	N/A	N/A
Mark Carkeet (8)	24	23	N/A	N/A	N/A	N/A	4	4	4	4
Kellie Charlesworth (9)	24	21	5	5	N/A	N/A	4	3	N/A	N/A
Stephen Harty (10)	24	22	3	3	3	3	1	1	N/A	N/A
Jacqueline King (11)	7	5	1	1	2	2	N/A	N/A	2	2
Alison Smith (12)	24	17	N/A	N/A	1	1	N/A	N/A	4	4
Kimberley Swords (13)	24	23	5	5	3	3	N/A	N/A	N/A	N/A

H – number of meetings held during the time the director was a member of the Board or Committee during the year.
A – number of meetings attended as a member.
N/A – not a member of the Committee during the year.

Notes:

(1) Safety, People and Environment Committee renamed to Safety and Environment Committee from 12 July 2024.
(2) Finance, Risk and Assurance Committee renamed to Finance, Risk and Audit Committee from 28 November 2024.
(3) People, Culture and Remuneration Committee was established on 12 July 2024.
(4) Adam Aspinall was Chair of the Board until 18 December 2024 and was appointed Chair of the Safety and Environment Committee (formerly the Safety, People and Environment Committee) on 12 July 2024.
(5) Tony Bellas was appointed as Chair of the Board on 19 December 2024.
(6) Jeff Seeney was appointed to the Board on 19 December 2024, as Deputy Chair from 27 February 2025, and as Chair of the Performance and Investment Committee on 27 February 2025.
(7) Maurie Brennan's term expired on 18 December 2024.
(8) Mark Carkeet was appointed to the Board on 1 June 2024 and as Chair of the People, Culture and Remuneration Committee on 27 February 2025.
(9) Kellie Charlesworth was appointed to the Board on 1 June 2024.
(10) Stephen Harty was appointed as Chair of the Performance and Investment Committee until 27 February 2025 when he was appointed as Chair of the Finance, Risk and Audit Committee.
(11) Jacqueline King's term expired on 18 December 2024.
(12) Alison Smith was appointed to the Board on 1 June 2024.
(13) Kimberley Swords was appointed to the Board on 1 June 2024.

Auditor

The Queensland Audit Office continues in office in accordance with section 327 of the *Corporations Act 2001.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51.

Rounding of amounts to the nearest thousand dollars

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors') Instrument 2016/191,* issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and financial report.

Matters subsequent to the end of the financial year

Insurance Settlement

Following the end of the reporting period, the Group finalised negotiations with its insurers in relation to the Callide Unit C4 incident that occurred in May 2021. Due to the terms of the agreement, specific details of the settlement, including the amount and conditions, are subject to confidentiality and are not disclosed. However, the settlement is expected to have a material positive impact on the Group's financial position.

In accordance with *AASB 110 Events after the Reporting Period,* this settlement is classified as a non-adjusting subsequent event and has not been recognised in the financial statements as at 30 June 2025. The Group will assess and disclose the impact of this settlement in future reporting periods once applicable.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the directors

Tony Bellas
Chair

Stephen Harty
Director

28 August 2025
Brisbane

Auditor’s independence declaration

To the Directors of CS Energy Limited

This auditor’s independence declaration has been provided pursuant to s. 307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of CS Energy Limited for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CS Energy Limited and the entities it controlled during the period.

IAsim

28 August 2025

Irshaad Asim
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Revenue	2	1,904,008	1,991,587
Loss on disposed assets		(260)	(2,691)
Interest income		37,466	11,990
Other income		4,858	8,577
Expenses			
Fuel		(172,456)	(131,391)
Electricity and energy services expense		(875,361)	(761,569)
Services and consultants		(337,736)	(290,061)
Finance costs	3	(99,336)	(82,641)
Employee benefit expense		(202,071)	(165,405)
Raw materials and consumables		(61,976)	(65,016)
Capacity payments and operating leases		(49,973)	(48,551)
Other expenses	3	(115,080)	(123,733)
Fair value through profit/(loss)	6	(123,781)	(107,903)
Depreciation and amortisation		(147,341)	(122,567)
Impairment (losses)	14	(82,906)	(110,272)
Provision remeasurements		109,861	(85,432)
Loss before income tax (expense)/benefit		**(212,084)**	**(85,078)**
Income tax (expense)/benefit	16	(112,299)	26,585
Loss after income tax (expense)/benefit for the year		**(324,383)**	**(58,493)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Actuarial (loss) on defined benefit plan, net of tax		(3,086)	(3,413)
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges, net of tax	19	92,983	(514)
Other comprehensive income/(loss) for the year, net of tax		**89,897**	**(3,927)**
Total comprehensive loss for the year		**(234,486)**	**(62,420)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

As at 30 June 2025

	Note	2025 $'000	2024[1] $'000
Assets			
Current assets			
Cash and cash equivalents	4	55,405	227,603
Trade and other receivables	5	662,264	477,629
Prepayments	28,13	220,337	6,448
Inventories	11	169,268	153,892
Derivative financial instruments	6	98,919	318,973
Total current assets		**1,206,193**	**1,184,545**
Non-current assets			
Property, plant and equipment	14,13	1,999,296	1,335,584
Intangible assets		472	728
Net deferred tax assets	16	91,534	242,360
Retirement benefit net assets	12	18,026	22,624
Prepayments	28	61,338	9,091
Derivative financial instruments	6	91,169	195,111
Total non-current assets		**2,261,835**	**1,805,498**
Total assets		**3,468,028**	**2,990,043**
Liabilities			
Current liabilities			
Trade and other payables	7,13	349,355	434,176
Provisions	15	87,872	112,977
Borrowings	8	242,053	165,281
Derivative financial instruments	6	125,031	392,012
Total current liabilities		**804,311**	**1,104,446**
Non-current liabilities			
Trade and other payables	7,13	14,071	12,373
Provisions	15,13	354,217	422,702
Borrowings	8	1,269,491	1,147,208
Derivative financial instruments	6	55,517	142,807
Total non-current liabilities		**1,693,296**	**1,725,090**
Total liabilities		**2,497,607**	**2,829,536**
Net assets		**970,421**	**160,507**
Equity			
Share capital	17,13	2,391,970	1,347,570
Cash flow hedge reserves	19	(42,864)	(135,847)
Accumulated losses		(1,378,685)	(1,051,216)
Total equity		**970,421**	**160,507**

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

For the year ended 30 June 2025

	Issued capital	Cash flow hedge reserve	Accumulated losses	Total equity
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2024	1,347,570	(135,847)	(1,051,216)	160,507
Loss after income tax expense for the year	-	-	(324,383)	(324,383)
Other comprehensive income/(loss) for the year, net of tax (note 19)	-	92,983	(3,086)	89,897
Total comprehensive income/(loss) for the year	-	92,983	(327,469)	(234,486)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 17)	1,044,400	-	-	1,044,400
Balance at 30 June 2025	**2,391,970**	**(42,864)**	**(1,378,685)**	**970,421**

	Issued capital	Cash flow hedge reserve	Accumulated losses	Total equity
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2023	1,166,070	(135,333)	(989,310)	41,427
Loss after income tax benefit for the year	-	-	(58,493)	(58,493)
Other comprehensive loss for the year, net of tax (note 19)	-	(514)	(3,413)	(3,927)
Total comprehensive loss for the year	-	(514)	(61,906)	(62,420)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 17)	181,500	-	-	181,500
Balance at 30 June 2024	**1,347,570**	**(135,847)**	**(1,051,216)**	**160,507**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

For the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Cash receipts from customers		2,101,139	1,827,765
Cash payments to suppliers and employees(1)		(2,154,962)	(1,459,213)
Cash margining contributions		(12,503)	(34,119)
Interest received		19,910	719
Operating borrowing costs paid		(77,979)	(60,369)
Tax equivalent received		-	608
Net cash (outflow)/inflow from operating activities	4	**(124,395)**	**275,391**
Cash flows from investing activities			
Payments for property, plant and equipment		(845,742)	(396,973)
Proceeds from sale of property, plant and equipment		294	123
Payments for other financial assets		(271,401)	-
Payments for deposits and loan receivables		(1,024,711)	(291,047)
Proceeds from deposits and loan receivables		889,183	241,138
Net cash outflow from investing activities		**(1,252,377)**	**(446,759)**
Cash flows from financing activities			
Proceeds from equity contributions		1,044,400	181,500
Proceeds from borrowings	4	111,411	643,113
Repayment of borrowings	4	(162,385)	(277,118)
Net proceeds from short-terms borrowings	4	212,906	(210,391)
Principal payment of lease liabilities	4	(1,761)	(895)
Net cash inflow from financing activities		**1,204,571**	**336,209**
Net (decrease)/increase in cash and cash equivalents		(172,201)	164,841
Cash and cash equivalents at the beginning of the financial year		227,603	62,727
Effects of exchange rate changes on cash and cash equivalents		3	35
Cash and cash equivalents at the end of the financial year	**4**	**55,405**	**227,603**

(1) Cash payments to suppliers and employees includes the net unwind of cash margining contributions and the net impact of Government Cost of Living rebates on behalf of residential retail customers.

Note 1. Basis of preparation

These consolidated financial statements are general purpose financial statements for the year ended 30 June 2025 and were authorised for issue by the Board of Directors on 28 August 2025. The Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared using the nature of the revenues and expenses.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group's consolidated financial statements:

- Has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the *Government Owned Corporations Act 1993* and related regulations and the *Corporations Act 2001*. CS Energy Limited is a for-profit entity for the purpose of preparing the consolidated financial statements.
- Has been prepared using the historical cost convention with the exception of derivative financial instruments measured at fair value and the superannuation defined benefit plan.
- Are presented in Australian dollars. The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 216/191*, issued by the Australian Securities and Investments Commission, relating to the 'round off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements has been rounded off in accordance with that Instrument to the nearest thousand dollars, except as otherwise stated.
- Adopt all new Accounting Standards and Interpretations issued by the AASB that are effective for reporting periods ending on 30 June 2025.
- Do not early adopt any new Accounting Standards or Interpretations.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of CS Energy Limited ('Company' or 'Parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. CS Energy Limited and its subsidiaries together are referred to in these consolidated financial statements as the Group.

All intra-group transactions and balances are eliminated in full on consolidation.

Investment and interests in subsidiaries are set out in note 25.

Critical accounting estimates and judgements

The preparation of consolidated 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. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The accounting policy and key judgements and estimates are presented in their respective note disclosures.

Judgements and estimates that are material to the consolidated financial statements are disclosed in the relevant notes as follows:

Area	Note Number
Derivative financial instruments	note 6
Impairment of property, plant and equipment	note 14
Provision for onerous contracts	note 15
Provision for rehabilitation and site closure	note 15
Deferred tax	note 16

Note 1. Basis of preparation (continued)

Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2025, the consolidated entity incurred a net loss after tax of $324.5 million (2024: $58.5 million) and generated negative operating cash flows of $124.4 million (2024: positive operating cash flows of $275.4 million). As at 30 June 2025, the Group was in breach of 2 out of 3 lending covenants with the gearing ratio the only metric achieved. The covenants in breach were EBITDA Interest Cover and Total Debt to EBITDA.

The net loss after tax, cash outflows and breach of loan covenants for the year ended 30 June 2025 are attributable to a combination of:

- Plant availability during the year with a major outage at Callide B1 which included a dual outage with Callide B2 to perform maintenance work on shared infrastructure and the delayed return to service of Callide C4 and associated commissioning activities.
- Asset impairments relating to cash generating units Callide B and the Hydrogen Demonstration Plant.
- Impairment of the deferred tax asset relating to carry forward tax losses. The Group has no sufficient forecasted taxable profits over the next five years to utilise the carry forward losses.
- Significant capital expenditure on existing plant relating to major overhauls at Callide B and rebuild of Callide C4 and Callide C cooling towers.

The lost earnings and capital rebuild investment resulting from the incidents that occurred at Callide C including the Callide C4 generator failure and the partial collapse of the Callide C cooling tower coupled with prolongation of the insurance settlement relating to the Callide C4 incident has significantly increased in the Group's borrowings since 2021. In response to these challenges the Group is actively pursuing initiatives to restructure its balance sheet with a focus on reducing borrowings and developing a pathway to comply with debt covenants.

In assessing the appropriateness of preparing the consolidated financial statements on a going concern basis, the Directors have considered the following:

- A waiver letter received by the Group from Queensland Treasury Corporation dated 27 June 2025, relating to the breach of loan covenants, which remains effective until 1 October 2026.
- A letter from Queensland Treasury Corporation dated 27 June 2025 confirming that there are currently no amounts repayable on demand, nor any circumstances that would give rise to amounts becoming payable by the Group other than on a specified dates.
- Cash flow forecasts and revenue projections covering a period of at least thirteen months from the date of this report.

In addition to the considerations above, the Group's ability to continue as a going concern is dependent upon:

- Continued access to debt facilities with Queensland Treasury Corporation. This includes the establishment of medium- and long-term debt facilities to reduce the Group's reliance on short-term funding facilities.
- Continued access to approved equity funding from Queensland Treasury to support the construction costs associated with renewable projects.
- The ability to generate the forecast revenues and deliver cash flows as outlined in the cash flow forecast.
- The continued support of the Queensland Government.

Based on the information available, the Directors believe there are reasonable grounds to conclude that the Group will be able to pay its debts as and when they fall due. The Directors remain confident in the Group's ability to generate operating cash flows and secure sufficient funding to meet its obligations. Accordingly, they do not consider the current tightening of liquidity to represent a material uncertainty regarding the Group's ability to continue as a going concern.

New and amended accounting standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Revenue

Accounting Policy

The Group derives its revenue through the selling of energy into the National Electricity Market (NEM). To reduce the volatility of cash flow earnings, a portion of the Group's physical energy is hedged through the use of various financial contracts such as swaps and options. The value of open positions as at the reporting date can be found in note 6.

Sale of electricity - wholesale

The majority of the Group's revenue is earned from the sale of electricity into the NEM. Revenue from the sale of electricity is recognised at the point in time when the electrons are dispatched into the NEM. The settlement amount for effective cash flow hedges are recognised in electricity revenue in the period to which the contract settlement relates.

Sale of electricity - retail

Revenue is recognised separately for retail contracts. Retail contract revenue is calculated based on the terms of the individual contracts. Revenue from the sale of electricity to customers is recognised at the point in time the performance obligation is satisfied, and the energy has been dispatched to the customer.

Revenue from operation and maintenance services

Revenue is earned for the provision of operation and maintenance services directly attributable to the delivery of electricity to customers and services performed for other entities. The Group has assessed this arrangement to represent a series of goods and services which recognises the revenue over time using the input method. These obligations are generally aligned with the maintenance work performed during the month or when the energy services are delivered.

	2025	2024
	$'000	$'000
Sale of electricity to the NEM	**1,163,664**	969,594
Net realised (losses)/gains on electricity contracts designated as cashflow hedges	**(107,107)**	176,024
Total sales of electricity - wholesale	**1,056,557**	**1,145,618**
Sales of electricity - retail	**787,156**	756,357
Total sales of electricity - retail	**787,156**	**756,357**
Operation and maintenance services	**60,295**	89,612
Revenue from operation and maintenance services	**60,295**	**89,612**
Total revenue	**1,904,008**	**1,991,587**

Note 3. Expenses

	2025	2024
Finance Costs	$'000	$'000
Interest on borrowings (1)	**74,904**	58,087
Interest expense on lease liabilities (2)	**2,314**	850
Unwinding of discount on provisions and liabilities (3)	**21,253**	22,382
Other finance costs	**865**	1,322
Total finance costs	**99,336**	**82,641**

(1) This includes a competitive neutrality fee which is paid to remove any competitive advantage that may be obtained from borrowing at a lower interest rate than the private sector by virtue of the Group’s government ownership.

(2) Refer to note 8 for the Group’s accounting policy for the unwinding of discount on lease liabilities.

(3) Refer to note 15 for the Group's accounting policy for the unwinding of discount on provisions.

Note 3. Expenses (continued)

Other expenses	2025 $'000	2024 $'000
Insurance	**32,992**	30,219
Retail services	**15,015**	14,213
Technology	**23,549**	26,346
General and administration expenses	**34,671**	43,438
Loss allowance on trade receivables	**8,853**	9,517
Total other expenses	**115,080**	**123,733**

Note 4. Cash and cash equivalents

	2025 $'000	2024 $'000
Cash at bank (1)	**55,405**	227,603
Total cash and cash equivalents	**55,405**	**227,603**

(1) Cash and cash equivalents comprise of Australian dollars and American dollars amounting to $54.4 million and $1.0 million (2024: $158.8 million and $68.8 million) respectively.

Reconciliation of Profit before Income Tax to Net Cashflow from Operating Activities	2025 $'000	2024 $'000
Loss before income tax	**(212,084)**	(85,078)
Income tax benefit (expense)	**(112,299)**	26,585
Depreciation and amortisation	**147,341**	122,567
Impairment losses/(reversal)	**82,906**	110,272
Fair value adjustment to derivatives	**109,091**	(302,025)
Provisions change in value	**(163,324)**	45,020
Interest expense	**23,566**	22,823
Interest and other income	**(16,815)**	(11,118)
Net (gain)/loss on sale of non-current assets	**260**	2,691
Retirement benefits adjustment	**190**	(114)
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	**(8,049)**	155,832
(Increase)/decrease in inventories	**(15,376)**	9,726
(Decrease)/increase in trade and other payables	**(72,101)**	204,795
(Increase)/decrease in deferred tax assets	**112,299**	(26,585)
Net cash inflow/(outflow) from operating activities	**(124,395)**	**275,391**

Reconciliation of changes in Liabilities arising from Financing Activities	2025 $'000	2024 $'000
Opening balance	**1,312,489**	1,157,780
Proceeds from borrowings	**324,317**	643,113
Repayment of borrowings	**(162,385)**	(487,509)
Payment of lease liabilities	**(1,761)**	(895)
New leases	**38,884**	-
Closing Balance	**1,511,544**	**1,312,489**

Note 5. Trade and other receivables

Current Assets	2025 $'000	2024 $'000
Trade Receivables	**293,922**	272,065
Collateral (1)	**21,450**	4,356
Deposits and Loans Receivable (2)	**309,930**	157,585
Other Receivables	**46,592**	51,732
Allowance for expected credit losses	**(9,630)**	(8,109)
Total current trade and receivables	**662,264**	**477,629**

(1) The Group has entered into derivative contracts on the Australian Securities Exchange (ASX). Collateral is provided to support the margin requirements to cover these positions.

(2) Includes equity funding received in advance for the construction of renewable energy projects.

Accounting policy

Trade receivables are generally due for settlement within 30 days.

Trade and other receivables are initially measured at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method, less impairment allowance using the simplified approach.

Due to the nature of over-the-counter electricity contracts (OTC), the settlement is performed on a net basis with the respective counterparty.

In considering lifetime expected credit losses the Group has segmented trade receivables into the following categories:

Wholesale operations

Wholesale operations includes net electricity settlements with the Australian Energy Market Operator (AEMO) and wholesale derivative settlements with OTC counterparties. As at the reporting date, 84 per cent of the wholesale receivables are held with highly rated counterparties and AEMO. For the financial assets held with non-rated counterparties, CS Energy Limited generally requires credit support via a bank guarantee or cash deposits which are considered when assessing the lifetime expected credit loss.

The lifetime expected credit loss on wholesale receivables is $ nil as at 30 June 2025 (2024: $ nil).

Commercial and industrial (C&I) retail

The Group has entered into retail contracts with large commercial and industrial customers. These customers have ongoing credit reviews on their financial conditions to ensure credit exposures remain within approved levels. As at the reporting date, 67 per cent of the C&I retail receivables were either held with Queensland Government entities or highly rated counterparties. The Group does not recognise an impairment loss on balances owed by Queensland Government entities.

The lifetime expected credit loss on wholesale receivables is $ nil as at 30 June 2025 (2024: $ nil).

Residential and small to medium enterprise retail

Through joint operations, the Group has credit exposure to the residential retail market. For trade receivables, accrued and unbilled revenue, the joint operation applies the simplified approach. This is assessed based on customer segment, credit risk characteristics and days past due. The joint operations uses an allowance matrix to measure expected credit losses of trade receivables and unbilled revenue from customers. This considers historic experience, analysis of trends and underlying macro-economic conditions.

The lifetime expected credit loss on trade and other receivables has decreased to $5.6 million as at 30 June 2025 (2024: $7.2 million).

Note 5. Trade and other receivables (continued)

Other receivables

The Group has other receivables primarily relating to construction retention, GST receivables and liquidated damages. Other receivables were assessed for impairment using the simplified approach based on their credit risk characteristics and days past due.

The lifetime expected credit loss on other receivables is $4.0 million as at 30 June 2025 (2024: $0.9 million).

Queensland Treasury Corporation advances facility

Credit risk of the advances facility is considered low due to low risk of default and the counterparty's strong capacity to meet contractual cash flow obligations. The funds are deposited with Queensland Treasury Corporation and held on behalf of Queensland Treasury. The funds are 100 per cent guaranteed by Queensland Treasury Corporation.

Refer to note 9 for further details of the Group's credit risk management strategy.

Note 6. Derivative financial instruments

	2025	2024(1)
Derivative financial instrument assets	**$'000**	**$'000**
Current assets		
Electricity derivative contracts - cash flow hedges	**1,406**	3,945
Electricity derivative contracts - fair value through profit or (loss)	**97,513**	315,028
Total current derivative financial instrument assets	**98,919**	318,973
Non-current assets		
Electricity derivative contracts - cash flow hedges	**2,927**	716
Electricity derivative contracts - fair value through profit or (loss)	**88,242**	194,395
Total non-current derivative financial instrument assets	**91,169**	195,111

	2025	2024(1)
Derivative financial instrument liabilities	**$'000**	**$'000**
Current liabilities		
Electricity derivative contracts - cash flow hedges	**53,638**	155,502
Electricity derivative contracts - fair value through profit or (loss)	**70,378**	236,127
Foreign exchange contracts - fair value through profit or (loss)	**1,015**	383
Total current derivative financial instrument liabilities	**125,031**	392,012
Non-current liabilities		
Electricity derivative contracts - cash flow hedges	**10,187**	57,772
Electricity derivative contracts - fair value through profit or (loss)	**45,330**	85,035
Total non-current derivative financial instrument liabilities	**55,517**	142,807

(1) Premiums paid/received in relation to derivative financial instruments have been presented within derivative financial instruments (previously prepayments and/or trade and other payables). The change in presentation is to align with industry practice and does not impact any financial statements other than the Statement of Financial Position where comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Comparatives have been reclassified as follows:

- $24.1 million from Prepayments reclassified to derivative financial instruments current assets and non-current assets as $22.4 million and $1.7 million respectively.
- $28.3 million from Trade and Other Payables reclassified to derivative financial instruments current liabilities and non-current liabilities as $24.9 million and $3.4m million respectively.

Critical accounting estimates and assumptions

The Group enters into financial derivative transactions including swaps and options to manage exposure to commodity and financial market risk. The fair value of these transactions is generally determined using observable market prices. The above valuations were influenced by assumptions made in the following areas:

Note 6. Derivative financial instruments (continued)

- Forward prices and generation output.
- Financial deltas to account for option volatility.
- Discount rates.

Refer note 10 for additional detail in relation to fair value techniques and assumptions.

Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Derivatives are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

The Group applies hedge accounting on eligible electricity OTC swaps and futures contracts and performs ongoing assessment of effectiveness. The economic relationship is determined by matching the critical terms, such as volume, time period and region, between the hedging instrument and the hedged item. The hedge ratio is 100 per cent which reflects the economic relationship. Potential sources of ineffectiveness include the following:

- The volume of the hedging instruments in excess of the forecast volume of electricity sales to the NEM.
- Changes in counterparty credit risk.

The following table summarises the derivative financial instruments that have been designated in cash flow hedge relationships:

	Asset carrying value (1)		Liabilities carrying value (1)		Nominal hedge volume (2)	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 GWh	2024 GWh
Derivatives designated as hedging instruments						
12 months or less	**1,406**	3,945	**53,638**	155,502	**4,489**	6,069
1 – 5 years	**2,927**	716	**10,187**	57,772	**2,616**	4,637
Total	**4,333**	**4,661**	**63,825**	**213,274**	**7,105**	**10,706**

(1) This amount is included in the Derivative Financial Instruments line items in the Consolidated Statement of Financial Position.

(2) Nominal hedge volume excludes volumes for other instruments that are economic hedges but not eligible for hedge accounting such as load following hedges.

The average strike rates for these instruments varies by product type and time period and ranges from $73 to $139 per MWh (2024: $39 to $142 per MWh).

	2025 $'000	2024 $'000
Hedging instrument		
Changes in fair value (used for calculating hedge ineffectiveness)	**(125,162)**	34,624
Hedged item		
Changes in value (used for calculating hedge ineffectiveness)	**(125,113)**	33,632
Hedge ineffectiveness		
Hedge ineffectiveness recognised in profit/(loss) (1)	**3,778**	(4,985)
Cash flow hedge reserve (before tax)		
Balance in cash flow hedge reserve related to continuing hedges	**57,265**	178,650
Balance in cash flow reserve for which hedge accounting is no longer applied	**3,969**	15,417
Cash flow hedge reserve (before tax)	**61,234**	**194,067**

(1) Ineffectiveness is included in the fair value gain/(loss) through profit/(loss) line in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Note 6. Derivative financial instruments (continued)

Derivatives which do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. The main categories of non-qualifying instruments for the Group are options, load following hedges and instruments which were not designated as hedges. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

		2025	2024
		$'000	$'000
Net realised (losses)/gains	Fair value through profit/(loss)	**(14,690)**	(409,928)
Net unrealised (losses)/gains	Fair value through profit/(loss)	**(109,091)**	302,025
Total changes in fair value of non-hedged accounted derivatives recognised in profit/(loss)		**(123,781)**	**(107,903)**

Master netting arrangement

Agreements with derivative counterparties are based on the International Swap and Derivative Association (ISDA) Master Agreement. Under the terms of these arrangements, where certain credit events occur (such as default), the net position owing or receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Consolidated Statement of Financial Position.

Note 7. Trade and other payables

	2025	2024 (1)
	$'000	$'000
Current liabilities		
Trade payables	**253,307**	337,302
Other payables (2)	**79,126**	68,730
Environmental surrender obligation	**16,922**	26,153
Unearned revenue	**-**	1,991
Total current trade and other payables	**349,355**	**434,176**
Non-current liabilities		
Trade and other payables	**14,071**	12,373
Total non-current trade and other payables	**14,071**	**12,373**

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

(2) Balance includes $29.5 million (2024: $11.9 million) payable to counterparties relating to contract for difference settlements.

Note 8. Borrowings

	2025	2024
Current borrowings	$'000	$'000
Queensland Treasury Corporation Loans – Unsecured	**237,611**	163,451
Lease liabilities	**4,442**	1,830
Total current borrowings	**242,053**	**165,281**

Note 8. Borrowings (continued)

The fair value of Queensland Treasury Corporation loans as at 30 June 2025 was $239.2 million (2024: $165.0 million).

The fair value is the price that the notional underlying debt instruments funding the loan could be realised at balance date as advised by Queensland Treasury Corporation.

Debt repayments for commissioned battery assets to commence within 12 months.

Non-current borrowings	2025 $'000	2024 $'000
Queensland Treasury Corporation Loans - Unsecured	**1,221,434**	1,133,662
Lease liabilities	**48,057**	13,546
Total non-current borrowings	**1,269,491**	**1,147,208**

The fair value of Queensland Treasury Corporation loans as at 30 June 2025 was $1,214.5 million (2024: $1,108.4 million).

The fair value is the price that the notional underlying debt instruments funding the loan could be realised at balance date as advised by Queensland Treasury Corporation.

Queensland Treasury Corporation must provide at least 24 months' notice to terminate the portfolio linked loan facility. Upon termination the fair value of the loans becomes immediately due and payable.

Queensland Treasury Corporation has structured the debt in accordance with directions specified by the Group and manages the portfolio linked loan facility such that the target duration can facilitate the proposed debt management strategy that was agreed with Queensland Treasury Corporation and Queensland Treasury.

Variable rate loan facilities to fund the construction of renewable assets will be repaid over a 15-year term post commissioning of the assets. All other variable rate loan facilities are to be repaid upon expiry.

Lease Payments	2025 $'000	2024 $'000
Principal	**1,761**	895
Interest	**2,314**	850
Other lease payments	**8,754**	4,111
Total cash outflow for leases	**12,829**	**5,856**

Accounting Policy

Interest bearing liabilities are stated at amortised cost.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group. The lease payments are discounted using the Group’s incremental borrowing rate. Lease liabilities are subsequently measured using the effective interest method. Information on right-of-use asset is presented in note 14.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets, including computers, tablets, mobile phones, printers and small items of office furniture.

Note 9. Financial risk management

Financial risk management objective

The Group’s overall risk management program focuses mainly on the unpredictability of the electricity and financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Note 9. Financial risk management (continued)

1. Liquidity risk

The Group is exposed to liquidity risk through the volatility of its operating cash flows. The Group manages its exposure to liquidity risk by maintaining sufficient committed credit facilities to cater for unexpected volatility in cash flows. Funding approval is sought in advance for expenditure commitments that extend beyond the current financial year, pursuant to the Queensland Government's State Borrowing Program.

The tables below summarise:

- Available lines of funding.
- Contractual maturities of financial liabilities, including estimated interest payments, excluding the impact of netting agreements.
- Maturity profiles for derivative financial liabilities. The anticipated time at which cash flows from hedges are expected to impact profit or loss is consistent with maturity profiles.

	Carrying amount $'000	Total contractual cash flows $'000	Less than one year $'000	1-5 years $'000	More than 5 years $'000
30 June 2025					
Non-derivative financial liabilities					
Loans from Queensland Treasury Corporation	**1,459,045**	**1,625,751**	**76,526**	**746,021**	**803,204**
Trade and other payables	**363,426**	**369,707**	**354,490**	**3,152**	**12,065**
Lease liabilities	**52,499**	**79,089**	**3,493**	**19,547**	**56,049**
Derivative financial liabilities					
Electricity contracts	**179,533**	**182,948**	**125,219**	**56,428**	**1,301**
Foreign exchange contracts	**1,015**	**1,015**	**1,015**	**-**	**-**
Total	**2,055,518**	**2,258,510**	**560,743**	**825,148**	**872,619**
30 June 2024 [1]					
Non-derivative financial liabilities					
Loans from Queensland Treasury Corporation	1,297,113	1,651,632	213,958	498,059	939,615
Trade and other payables	446,549	482,693	462,471	3,925	16,297
Lease liabilities	15,376	19,630	1,830	8,222	9,578
Derivative financial liabilities					
Electricity contracts	534,819	541,600	395,285	146,315	-
Foreign exchange contracts	384	384	384	-	-
Total	**2,294,241**	**2,695,939**	**1,073,928**	**656,521**	**965,490**

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

Queensland Treasury Corporation Facilities	2025 $'000	2024 $'000
Facilities used at balance date		
Queensland Treasury Corporation Facilities	**1,459,045**	1,297,113
Total	**1,459,045**	**1,297,113**
Queensland Treasury Corporation facility unused at balance date		
Working Capital Facility [1]	**162,094**	375,000
Eligible Undertaking [2]	**5,000**	5,000
Variable Rate Loan Facility [3]	**226,118**	631,340
Total	**393,212**	**1,011,340**
Total facilities available	**1,852,257**	**2,308,453**

Note 9. Financial risk management (continued)

(1) The Group has access to working capital facility to manage day to day cash flow requirements.

(2) The Eligible Undertaking is utilised to manage compliance with CS Energy Financial Services Pty Ltd's Australian Financial Services Licence and is not available as cash.

(3) The Group has access to multiple variable rate loan facilities with Queensland Treasury Corporation ranging in term from 27 months to 15 years for the construction of various renewable energy assets.

2. Credit risk exposures

A material exposure arises from OTC swap contracts and the Group is exposed to loss in the event that counterparties fail to settle the contracted amounts. The Group also has a concentration of credit exposure to the NEM, operated by the AEMO.

To manage credit risk appropriately, the Group has policies in place to ensure transactions, which may result in credit risk, either involve counterparties of appropriate credit quality, or that sufficient security is obtained. Overall credit risk is maintained within parameters specified by the Board so that a material loss on account of credit risk is relatively low. Financial derivative counterparties are limited to those that are at least investment grade (as determined by recognised providers of credit rating information) or alternatively provide credit enhancement. The Group also uses ISDA agreements with all derivative counterparties in order to limit exposure to credit risk through the netting of amounts payable to and receivable from individual counterparties. Cash investments are limited to high quality counterparties.

The carrying amount of the Group's financial assets (as disclosed in notes 4, 5, and 6) represents the maximum exposure to credit risk at reporting date.

A summary of the credit quality of financial asset is assessed by reference to publicly available external credit ratings as reflected in the following table:

	2025	2024[1]
	$'000	$'000
Cash and cash equivalents		
A+ to A-	**55,405**	227,603
Total	**55,405**	**227,603**
Trade and other receivables and prepayments		
AAA+ to AA-	**15,183**	19,020
AA+ to AA-	**329,382**	23,439
A+ to A-	**48,203**	27,513
BBB+ to BBB-	**218,041**	5,920
BB to BB-	**-**	232
B to B-	**-**	1,425
AEMO [2]	**130,600**	79,254
Other non-rated [3]	**202,530**	336,371
Total	**943,939**	**493,174**
Derivative financial assets		
AA+ to AA- [1]	**9,041**	50,611
A+ to A-	**91,391**	283,667
BBB+ to BBB- [1]	**29,546**	51,683
Non-rated	**60,110**	128,123
Total	**190,088**	**514,084**

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

(2) Transactions' with AEMO are settled on a net consolidated basis.

(3) The other non-rated receivables relate to amounts provided for but not invoiced as at 30 June 2025. Balances primarily represent receivables due from Gladstone Power Station participants in relation to the Interconnection and Power Pooling Agreement (IPPA) and the Power Purchase Agreement (Boyne Smelter Additional Load); receivables from non-rated retail customers including the Alinta joint operation and other deposits and loan receivables.

3. Interest rate risk

The Group is exposed to changes in interest rates via its borrowings, cash and cash equivalents and the General Government Sector Advances Facility.

Note 9. Financial risk management (continued)

The Group's borrowings with Queensland Treasury Corporation have been classified as loans with a fixed and floating interest rate exposure whilst cash and cash equivalents and the Advances Facility exposes the Group to floating interest rate exposures. The Group borrows exclusively from Queensland Treasury Corporation and has access to funds via portfolio linked loan facilities, which have an interest only in perpetuity repayment profile.

Debt funding for the construction of renewable assets is provided via dedicated variable rate loan facilities, which have an interest only repayment profile during the period of construction. Post commissioning of the assets the facilities convert to a principal and interest basis with repayments to be made over a 15-year term.

The Group also has access to a variable rate loan facility to fund its collateral requirements for futures trades executed on the ASX, with amounts repaid able to be withdrawn up to the approved facility limit. The facility has an interest only repayment profile, however the group makes voluntary repayments to closely align the debt facility balance with the variation margin receivable asset balance.

The duration of debt is set to reduce exposures to adverse interest rate movements, match underlying business cash flows and reduce the overall cost of funding. The Group's cost of debt comprises of a book interest rate, administration fee and a competitive neutrality fee.

Sensitivity analysis

A change of 1 per cent in interest rates at the reporting date would have increased/(decreased) profit or loss for the year by the amounts shown in the following table. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis as 2024.

	1% increase $'000	1% decrease $'000
Cash and cash equivalents	554	(554)
Deposits and Loans Receivable	3,099	(3,099)
Borrowings	(7,296)	7,346

	2025 Floating Interest Rate (1) $'000	2025 Fixed Interest Rate (1) $'000	2025 Weighted average Interest Rate %	2024 Floating Interest Rate (1) $'000	2024 Fixed Interest Rate (1) $'000	2024 Weighted average Interest Rate %
Financial assets						
Cash and cash equivalents	**55,405**	**-**	**3.91%**	227,603	-	1.96%
Deposits and Loans Receivable	**309,930**	**-**	**6.50%**	157,585	-	5.44%
Total financial assets	**365,335**	**-**	**6.21%**	**385,188**	**-**	**5.04%**
Financial liabilities						
Queensland Treasury Corporation loans - Non-current	**664,081**	**557,353**	**5.41%**	576,309	557,353	4.97%
Queensland Treasury Corporation loans - Current	**237,611**	**-**	**4.84%**	163,451	-	5.11%
Total financial liabilities	**901,692**	**557,353**	**5.31%**	**739,760**	**557,353**	**5.01%**

(1) Values represent closing balances of the facilities.

4. Foreign currency risk

The Group is exposed to foreign currency risk on the procurement of certain equipment from offshore suppliers. The Group manages its exposure to changes in foreign exchange rates through forward foreign exchange contracts. Significant foreign-denominated transactions undertaken in the normal course of operations are managed on a case-by-case basis.

Note 9. Financial risk management (continued)

5. Commodity price risk

The Group has policies and procedures in place to manage the financial risks associated with its operating activities. Derivative financial instruments are used to manage certain exposures to fluctuations in electricity prices.

The Group is exposed to commodity price risk on electricity and coal arising from the purchase and/or sale of these commodities. The Group does not use derivative financial instruments for risk management in relation to purchases of coal, but rather enters into long term fixed price supply agreements.

The Group is exposed to commodity price risk on electricity sales via the NEM. This risk arises from fluctuations in the wholesale price of electricity. Electricity swaps and futures contracts are used to manage this electricity price risk. The majority of these types of financial instruments have a time to maturity of between three months and three years.

The Group's risk management policy is to hedge a proportion of the production that is highly likely to occur. The policy prescribes a maximum hedge level for discrete time periods based on a number of operational, technical and market parameters.

Over-the-counter electricity contracts

The Group has entered into a number of OTC electricity contracts, which are mostly swap contracts. The majority of these swap contracts are such that the Group receives a fixed rate per megawatt hour from counterparties (predominantly retailers) in exchange for payment of the pool price per megawatt hour for the contract period.

Exchange traded electricity futures contracts

The Group has entered into a number of exchange traded electricity futures contracts. The majority of these contracts are such that the Group receives a fixed rate per megawatt hour in exchange for payment of the average pool price for the contract period. The contracts are settled on a daily basis by margin payments and receipts prior to and throughout the course of the contract period, based on the market price of the contract at the time.

Sensitivity analysis on the electricity derivative portfolio

The following table summarises the increase/(decrease) on the Group’s profit or loss for the year and on equity, that would result from a 10 per cent increase/(decrease) in electricity forward prices on the electricity derivatives portfolio. The sensitivity analysis is based on reasonably possible changes, over a financial year, in the electricity price applicable to each financial instrument. All variables other than electricity prices are held constant in the analysis.

	Equity $’000	Impact on pre-tax profit or (loss) $’000
30 June 2025		
Electricity price - increase 10%	**(48,981)**	**8,129**
Electricity price - decrease 10%	**83,204**	**(43,552)**
30 June 2024		
Electricity price - increase 10%	(112,683)	31,145
Electricity price - decrease 10%	102,131	(20,555)

6. Capital management

The Group borrows exclusively from Queensland Treasury Corporation, with portfolio linked loan facilities provided reflecting an interest only in perpetuity repayment profile. Variable rate loan facilities provided are interest only, however will convert to a principal and interest basis with repayment once the facility is fully drawn and post commissioning of the renewable assets. All other variable rate loan facilities will be repaid upon expiry.

In order to maintain or adjust the capital structure, the Group may seek approval from the shareholding Ministers for additional equity, or divest itself of some or all of its assets in order to reduce debt or pursue new investment opportunities.

Note 9. Financial risk management (continued)

Funding for renewable assets is being managed through a combination of debt and equity funding, from the Queensland Treasury Corporation and Queensland Treasury.

The Group monitors capital with reference to the agreed financial covenants (EBITDA interest cover, total debt to EBITDA and total debt to total capital ratio). As at 30 June 2025, the Group was in breach of the EBIDTA interest cover and total debt to EBITDA covenants. Queensland Treasury Corporation has extended the limited waiver for these financial covenants until 1 October 2026. The Group has agreed to new financial covenants with the Queensland Treasury Corporation which will commence from 1 July 2026.

Note 10. Fair values

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

30 June 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial assets				
Electricity contracts	**89,378**	**12,814**	**87,896**	**190,088**
Total	**89,378**	**12,814**	**87,896**	**190,088**
Derivative financial liabilities				
Electricity contracts	**(104,008)**	**(70,489)**	**(5,044)**	**(179,541)**
Foreign exchange contracts	**-**	**(1,015)**	**-**	**(1,015)**
Total	**(104,008)**	**(71,504)**	**(5,044)**	**(180,556)**

30 June 2024[1]	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial assets				
Electricity contracts	283,667	86,323	144,094	514,084
Total	**283,667**	**86,323**	**144,094**	**514,084**
Derivative financial liabilities				
Electricity contracts	(287,891)	(243,869)	(2,675)	(534,435)
Foreign exchange contracts	-	(384)	-	(384)
Total	**(287,891)**	**(244,253)**	**(2,675)**	**(534,819)**

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Recurring fair value measurement $'000
Balance at 1 July 2023	143,214
Change in fair value through profit or loss [1]	53,071
Transfer from level 2 to level 3	2,188
Settlement	(57,054)
Balance at 30 June 2024	**141,419**

Note 10. Fair values (continued)

Balance at 1 July 2024	**141,419**
Change in fair value through profit or loss (1)	**(24,082)**
Transfer from level 2 to level 3	**-**
Settlement	**(34,485)**
Balance at 30 June 2025	**82,852**

(1) Change in fair value is included in the fair value (loss)/gain through profit/(loss) line in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Valuation techniques used to determine fair values

The Group uses internal valuation models to value electricity financial instruments that are not traded in an active market. These models use inputs that are sourced, wherever possible, from observable market data. However, there are elements of estimation involved where market data is not available for certain time periods, certain instruments are not actively traded or instruments embody unusual conditions.

Quoted market price is used for similar financial instruments. These instruments are included in level 1.

The fair value of over-the-counter derivatives is calculated as the present value of the estimated cash flows based on observable forward curves. If all significant inputs required to fair value an instrument are observable, the instruments are included in level 2. The following inputs are used in level 2 valuations:

- Published forward prices for over the counter transactions.
- Historic settled prices are used to construct the forward curve to value non-standard transactions.
- Sydney Futures Exchange trade prices.
- Credit risks factors.
- Historic market volatilities.
- Extrapolation rates.

The fair value of the remaining instruments is determined using discounted cash flow analysis. These instruments are included in level 3.

During the year the Group entered into transactions that are valued using level 3 valuation techniques. These transactions are classified as level 3 as management inputs are required to determine the fair value. These include estimation of forward market prices and forecast volumes for load following arrangements.

For long term renewable power purchasing agreements, the Group has determined a market price based on publicly available information, internal expertise and external advisors. Specific assumptions incorporated in market modelling include:

- Long term market assumptions determined with reference to publicly available information from AEMO and other industry sources.
- Emerging technologies and their impacts on demand projections.
- Queensland Government's energy policy direction including the long-term investment and maintenance of government owned assets.

For load following transactions the Group derived forecast volumes based on meter estimates provided by the counterparty which are validated internally.

The below table shows the pre-tax sensitivities relating to key management inputs for level 3 valuations.

	Electricity price 2025 $'000	Electricity price 2024 $'000	Forecast volume 2025 $'000	Forecast volume 2024 $'000
10% increase	**482**	7,285	**1,612**	14,142
10% decrease	**(521)**	(7,285)	**(13,745)**	(14,142)

Note 10. Fair values (continued)

The fair value of loans from Queensland Treasury Corporation together with the carrying amount shown in the Consolidated Statement of Financial Position of the Group, are as follows:

	2025 $'000	2024 $'000
Carrying amount	1,459,045	1,297,113
Fair Value (level 2)	1,453,697	1,273,461

The fair value of loans from Queensland Treasury Corporation is inclusive of costs which would be incurred on settlement of the liability. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt.

For all other financial assets and financial liabilities not measured at fair value, the carrying amount is a reasonable approximation of fair value.

Note 11. Inventories

	2025 $'000	2024 $'000
Stores	**106,495**	98,563
Fuel at weighted average cost (finished goods)	**34,527**	18,618
Fuel at weighted average cost (work in progress)	**40,878**	41,236
Environmental certificates (1)	**4,277**	10,922
Provision for obsolescence	**(16,909)**	(15,447)
Total	**169,268**	**153,892**

(1) Includes Large-Scale Generation Certificates and Small-Scale Technology certificates held for surrender in accordance with the Clean Energy Legislation (Carbon Tax Repeal) Act 2014.

Inventories expensed relating to the generation of electricity during the year ended 30 June 2025 were $278.6 million (2024: $233.8 million).

Accounting policy

Inventories comprise stores, fuel and environmental certificates, which are stated at the lower of cost and net realisable value.

Fuel inventory is recognised as finished goods once coal has been extracted and delivered to the coal stockpile at the power stations. Overburden that is removed in advance at the Aberdare coal mine is recognised as work in progress and unwound once the coal is extracted.

Note 12. Retirement benefit net assets

Defined benefit obligation

Some employees of the Group are entitled to benefits from the industry multiple employer superannuation plans, the Brighter Super Fund, on retirement, disability or death. The Group has a defined benefit plan and a defined contribution plan. The defined benefit plan provides lump sum benefits based on years of service and final average salary. The defined contribution plan receives fixed contributions from Group companies, on behalf of employees and the Group's legal or constructive obligation is limited to these contributions. If Brighter Super Fund were wound up, there would be no legal obligation on the Company to make good any shortfall.

The plan typically exposes the Company to actuarial risks such as:

Note 12. Retirement benefit net assets (continued)

Investment risk	The risk that investment returns will be lower than assumed and the Company will need to increase contributions to offset this shortfall. The assets are diversified within the Defined Benefit investment option and therefore has no significant concentration of investment risk.
Salary growth risk	The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
Legislative risk	The risk that legislative changes could be made which increase the cost of providing the defined benefit.

The total fair value of the plan assets were greater than the present value of the future obligations in FY2025 resulting in a defined benefit asset being recognised at 30 June 2025 (30 June 2024: Defined benefit asset recognised).

The amounts recognised in the Consolidated Statement of Financial Position are determined as follows:

Reconciliation of the Net Defined Benefit Asset/(Liability)	2025 $'000	2024 $'000
Defined benefit obligation	**(52,527)**	(52,105)
Fair value fund assets	**67,849**	71,335
Surplus/(Deficit)	**15,322**	**19,230**
Provision for contributions tax	**2,704**	3,394
Net Defined Benefit Asset/(Liability)	**18,026**	**22,624**

	2025 $'000	2024 $'000
Reconciliation of defined benefit obligation:		
Reconciliation of the defined benefit obligations at the beginning of the year	**48,711**	47,636
Current service cost	**1,199**	1,129
Interest cost	**2,323**	2,289
Actuarial losses	**5,026**	3,965
Benefits paid	**(8,013)**	(6,787)
Contributions by Fund participants	**577**	479
Present value of defined benefit obligations at the end of the year	**49,823**	**48,711**
Reconciliation of the fair value of plan assets:		
Fair value of Fund assets at beginning of the year	**71,335**	75,022
Interest income	**3,332**	3,532
Actual return on Fund assets less interest income	**618**	(911)
Benefits paid including taxes, premiums & expenses	**(8,013)**	(6,787)
Contributions by Fund participants	**577**	479
Fair value of Fund assets at the end of the year	**67,849**	**71,335**

Actuarial Assumptions and Sensitivity

The main assumptions for the valuations of the plans under AASB 119 *Employee Benefits* are set out below:

Significant Actuarial Assumptions at reporting date	2025 %	2024 %
Discount rate	**4.4%**	5.2%
Future salary increases - 1st year	**3.5%**	4.5%
Future salary increases - long term	**3.5%**	3.5%

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increases. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Note 12. Retirement benefit net assets (continued)

Impact on defined benefit obligation	Change in assumption %	Increase in assumption $'000	Decrease in assumption $'000
Discount rate	0.5%	48	51
Salary growth rate	0.5%	51	48

Accounting policy

Employee retirements benefits

The Group's defined benefit plan provides lump sum benefits based on years of service and final average salary. The present value of the defined benefit obligation is based on expected future payments that arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using rates based on high quality corporate bond yields with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Future taxes, such as taxes on investment income and employer contributions, are taken into account in the actuarial assumptions used to determine the relevant components of the employer’s defined benefit liability or asset.

Note 13. Acquisition of assets

The Group secured a 50 per cent stake in the Boulder Creek Wind Farm in Central Queensland on 26 September 2024. Construction on the project commenced in November 2024 for the 228 MW project, which will be located 40 km south-west of Rockhampton.

The Group will co-own the Boulder Creek Wind Farm in a joint venture with Aula Energy and will hold the rights to 100 per cent of its generation output through a 20-year Power Purchase Agreement. The wind farm will consist of 38 GE Vernova wind turbines and will produce enough electricity to power the equivalent of more than 85,000 homes when it becomes operational.

In addition, the Group has acquired 100 per cent of the Lotus Creek Wind Farm near St Lawrence from Copenhagen Infrastructure Partners (CIP). CIP will help deliver the 285 MW project, and Vestas and Zenviron have been appointed to lead equipment supply and construction, which commenced in FY2025.

Details of the acquisition are as follows:

At 30 June 2025	Boulder Creek Wind Farm 2025 $'000	Lotus Creek Wind Farm 2025 $'000	Total 2025 $'000
Current and non current assets			
Prepayments	-	217,063	**217,063**
Property, plant and equipment (including right of use assets)	141,460	345,639	**487,099**
	141,460	562,702	**704,162**
Current and non current liabilities			
Current lease liabilities	1,016	816	**1,832**
Non current lease liabilities	13,784	20,512	**34,296**
Rehabilitation Provision	8,807	23,267	**32,074**
	23,607	44,595	**68,202**
Equity			
Equity	239,200	624,000	**863,200**

Note 13. Acquisition of assets (continued)

Accounting Policy

Asset acquisitions are accounted for in accordance with the *AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets & AASB 138 Intangible Assets* based on the nature of the assets acquired. The value of the purchase consideration was allocated to individual identifiable assets acquired and liabilities assumed, on a relative fair value basis.

Note 14. Property, plant and equipment

At cost	Infrastructure $'000	Other property, plant and equipment $'000	Capital work in progress $'000	Mining assets $'000	Land & buildings $'000	Right-of-use asset $'000	Total $'000
Movements for the year ended 30 June 2025							
Opening net book amount	**639,516**	**19,076**	**615,429**	**14,729**	**32,512**	**14,321**	**1,335,583**
Additions	**163,899**	**349**	**688,623**	**-**	**2,505**	**38,884**	**894,260**
Transfers	**637,989**	**1,641**	**(639,672)**	**-**	**42**	**-**	**-**
Disposals	**(536)**	**-**	**-**	**-**	**(17)**	**-**	**(553)**
Impairment (loss)	**(64,392)**	**(319)**	**(17,904)**	**-**	**(291)**	**-**	**(82,906)**
Depreciation (1)	**(135,956)**	**(2,956)**	**-**	**(2,977)**	**(2,048)**	**(3,151)**	**(147,088)**
Closing net book value	**1,240,520**	**17,791**	**646,476**	**11,752**	**32,703**	**50,054**	**1,999,296**
At 30 June 2025							
Cost	**2,889,520**	**58,018**	**646,476**	**47,425**	**71,383**	**55,080**	**3,767,902**
Accumulated depreciation	**(1,649,000)**	**(40,227)**	**-**	**(35,673)**	**(38,680)**	**(5,026)**	**(1,768,606)**
Net book value	**1,240,520**	**17,791**	**646,476**	**11,752**	**32,703**	**50,054**	**1,999,296**

At cost	Infrastructure $'000	Other property, plant and equipment $'000	Capital work in progress $'000	Mining assets $'000	Land & buildings $'000	Right-of-use asset $'000	Total $'000
Movements for the year ended 30 June 2024							
Opening net book amount	776,051	22,990	227,692	18,352	39,129	15,926	1,100,140
Additions	45,607	760	424,287	-	-	-	470,654
Transfers	2,506	150	(2,656)	-	-	-	-
Disposals	(225)	(559)	(1,210)	(592)	(281)	-	(2,867)
Impairment (loss)	(72,659)	(1,111)	(32,684)	-	(3,818)	-	(110,272)
Depreciation (1)	(111,764)	(3,154)	-	(3,031)	(2,518)	(1,605)	(122,072)
Closing net book value	**639,516**	**19,076**	**615,429**	**14,729**	**32,512**	**14,321**	**1,335,583**
At 30 June 2024							
Cost	2,208,303	59,230	615,429	47,425	69,170	20,920	3,020,477
Accumulated depreciation	(1,568,787)	(40,154)	-	(32,696)	(36,658)	(6,599)	(1,684,894)
Net book value	**639,516**	**19,076**	**615,429**	**14,729**	**32,512**	**14,321**	**1,335,583**

(1) Depreciation excludes amortisation of intangible assets of $0.3 million (2024: $0.5 million).

Note 14. Property, plant and equipment (continued)

Accounting policy

All property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

In general, non-current physical assets with a value greater than $5,000 are capitalised. Land is not depreciated. Depreciation on other assets is recognised in profit or loss on a straight- line method to allocate their net book amount, net of their residual values, over their estimated effective useful lives, as follows:

Asset Category	Useful Life (Years)
Infrastructure	2 – 39 years
Mining assets	9 – 35 years
Buildings	1 – 40 years
Other property plant and equipment	1 – 5 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted if appropriate.

In accordance with *AASB 116 Property, Plant and Equipment*, the Group reviews the useful lives of its assets at least annually, and adjusts them when there is evidence of changes in expected consumption of economic benefits. During the year the Group reassessed the useful lives of its thermal assets following the State Government's revised policy direction.

Changes in useful lives are treated as changes in accounting estimates under *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and are applied prospectively to current and future periods only.

Estimated depreciation impact based on the reassessed useful lives for the Power Stations for the remaining useful lives

	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 Onwards $'000
Increase/(decrease) in depreciation expense	(25,370)	(25,699)	(25,316)	(25,486)	101,872

Note 14. Property, plant and equipment (continued)

Mining assets

Mining assets costs include mining development licences and mining leases, are carried in property, plant and equipment. The mining leases are depreciated over the life of the mine.

Right-of-use asset

The Group may lease assets including buildings for office space and land for the development of renewable assets The lease term is a non-cancellable period of a lease.

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

Critical estimates and judgments

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money, the industry risk profile adjusted for risks specific to the asset, which have not been included in cash flow.

The Group assesses impairment annually by evaluating conditions that might indicate an impairment of assets exists. The recoverable amounts of assets, or Cash Generating Unit (CGU), have been determined on a value in use or fair value less cost of disposal basis.

The thermal CGUs are assessed on a value in use basis. The value used is based on financial forecasts covering the remaining asset lives of the assets up to 17 years.

The Group has relied on external fundamental electricity market modelling to simulate the operating environment considering the outlook for market drivers, including those summarised below.

Discount rate

Determination of the weighted average cost of capital (WACC) is based on separate analysis of debt and equity costs, utilising publicly available information.

A change in discount rate would have the following impact on the value in use valuation of thermal CGUs.

		+1%	-1%
Pre-tax Nominal Discount rate sensitivity (+/-1%)	$ million	(232)	262

Market factors

The fundamental electricity market modelling considers market factors including the following:

- Demand projections are based on publicly available information from AEMO and other sources.
- Supply projections and the forecast generation mix are primarily determined with reference to publicly available information from AEMO and other industry sources. This includes emerging technologies and their impacts on demand projections.
- Fuel price assumptions (coal, gas and foreign currency) are based on publicly available commodity price forecasts where available and internally modelled values reflective of broader market consensus are used beyond the observable period.

The modelling considers the Queensland Government's energy policy direction including the long-term investment and maintenance of Government-owned thermal generation and investment in long-duration storage through the Borumba Pumped Hydro project in the 2030s.

Valuation approach

The table below outlines the interaction of these key drivers and value in use cash flows that extend beyond the next 3-year period.

Note 14. Property, plant and equipment (continued)

Key driver	Impact on value-in-use cash flows
Variable renewable energy capacity	Higher amounts of variable renewable capacity will (all else equal) displace coal-fired generation (including reducing the utilisation of available coal capacity), reducing value in use cash flows from our existing cash generating units.
Firming and System	Thermal units currently provide firming and system security services into the market on a competitive basis, as more diversified generation sources begin to provide these services through technology advances, the interchangeability of these sources will increase. This has the potential to reduce reliance on thermal units therefore reducing the capacity factor of these assets.
Revenue cash flows	The cash flow projections are based on a range of input assumptions into fundamental market modelling. A higher electricity generation or an increase in the electricity prices through increased demand or decreased supply of electricity would increase the value in use.
Operating expenditure	Operating expenditures for the electricity generation have been determined based on the most recent management forecasts available at the time of the valuation. A lower operating expenditure increases the value in use.
Capital expenditure	Future capital expenditure required to ensure the security and reliability of electricity generation has been determined based on the most recent management forecasts available at the time of the valuation. As thermal assets age, in addition to the statutory inspections and overhaul requirements, sustaining expenditure to maintain an operable state increase. A lower future capital expenditure increases the value in use.
Weighted average cost of capital (WACC) discount rate	A nominal pre-tax WACC rate of 7.6%-12.6% (2024: 12.84%) has been employed in the valuation depending on the remaining useful life of each thermal asset. The WACC is based on a long-term view of the market costs of capital. The higher the nominal WACC, the lower the value in use.

A change in electricity price outcomes would result in the following adjustment to the value in use valuation of the thermal CGUs.

		+10%	-10%
Electricity price sensitivity (+/-10% pre-tax)	$million	702	(702)

A positive value in this table represents an improvement in value to the Group.

Forecast fuel and water pricing and supply

The fuel price forecasts are based on current contractual arrangements for either the supply of coal and, where applicable, the cost of extraction and processing from owned coal resources.

The supply of fuel may be negatively impacted by the performance of suppliers/contractors or the impacts of extreme weather events including floods (mine impacts) and drought (water supply). These result in generation constraints and accelerated wear of equipment which may impair performance over the life of the asset.

Plant reliability and forecast operating and capital expenditure

The projected reliability is based on current known plant performance and estimated future operating and capital cash flows to maintain the plant within a determined operational capacity and performance range. These estimations are reliant upon specification provided by the original manufacturer adjusted for known or expected wear rates or operational constraints which have a reasonable probability of occurring.

Future regulatory environment

Future cash flows are based on current enacted regulatory and legislative frameworks. Significant amendments to the legislation may have a material impact on the fair value of the Groups assets. During the reporting period, Governments at both the Federal and State levels have provided further certainty in transitioning to renewable energy.

The Federal Government reiterated its commitment to achieving 82 per cent renewable energy generation by 2030 and net zero emissions reduction by 2050. Its cornerstone policy, the Capacity Investment Scheme was significantly expanded, providing a revenue underwriting mechanism to unlock investment in renewable energy and dispatchable power.

Note 14. Property, plant and equipment (continued)

In Queensland, the Government introduced the Electricity Maintenance Guarantee to guarantee maintenance expenditure for the thermal fleet owned by Government-owned Corporations. The Government supports Australia's net-zero goal by 2050 and has stated that the Government will prioritise a balanced approach in which renewables will play a role, but not as the primary driver of the energy mix. The Government is supportive of a transformation that delivers affordable, reliable, and sustainable energy and is in the process of developing its five-year Energy Roadmap.

Fair value less cost of disposal basis

The Battery CGU assets are assessed on a fair value less cost of disposal basis. The Group undertook a market transaction analysis exercise to compare battery transactions both in the National Electricity Market and internationally. The transactions demonstrated the purchase consideration that market participants are willing to pay to enter the market.

The Group's market transaction analysis considered battery assets of various capacities for a 2-hour and 4-hour duration at various stages of construction, commissioning and operations (to have regard to the level of risk premium expected at each stage).

Impairment

During the financial year, the Group recognised an impairment of $82.9 million (2024: $110.3 million impairment) for CGU's Callide B ($80.8 million) and Kogan Hydrogen Demonstration plant work in progress ($2.1 million).

Note 15. Provisions

	2025 $'000	2024 $'000
Current liabilities		
Employee benefits	**56,204**	47,048
Rehabilitation and site closure costs	**2,865**	8,979
Onerous contracts	**28,803**	52,450
Other provisions	**-**	4,500
Total current provisions	**87,872**	**112,977**
Non-current liabilities		
Employee benefits	**2,235**	2,368
Rehabilitation and site closure costs	**292,040**	229,231
Onerous contracts	**59,942**	191,103
Total non-current provisions	**354,217**	**422,702**

Key provision movements **2025**	**Rehabilitation and site closure costs** **$'000**	**Onerous contracts** **$'000**	**Total** **$'000**
Carrying amount at the start of the year	**238,210**	**243,553**	**481,763**
Additional provision (1)	**57,635**	**-**	**57,635**
Provision used during the year (2)	**(43)**	**(53,463)**	**(53,506)**
Changes to estimated provision (2)	**(10,830)**	**(109,811)**	**(120,641)**
Unwinding of discount on provisions	**9,933**	**8,466**	**18,399**
Carrying amount at the end of the year	**294,905**	**88,745**	**383,650**

(1) Additional provisions were recognised during the year in accordance with AASB 137 *Provisions,* Contingent Liabilities and Contingent Assets, relating to asset acquisitions.

(2) Total onerous contract remeasurement including provision used during the year is a decrease of $163.3 million (2024 increase of $43.6 million).

Note 15. Provisions (continued)

Accounting policy and critical estimates

Provisions are recognised by the Group in accordance with the requirements of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Employee benefits

Employee benefits includes annual leave, vesting sick leave, long service leave and employee performance payments.

The current portion of employees benefits provisions for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances.

The non-current portion of employees benefits includes liabilities for long service leave that are not expected to be settled wholly within twelve months of the reporting date.

The obligation is calculated using expected future increases in wage and salary rates, experience of employee departures and periods of service. Expected future payments are discounted using rates based on risk free government bond rates yields with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Onerous contracts

The provision 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. Before a provision is established, the Group recognises any impairment loss on any assets associated with that contract.

An onerous contract provision is recognised for unavoidable costs related to the Group obligations under the Gladstone IPPA. Significant estimates that are made include:

- Future wholesale prices, generation, supply of electricity and unavoidable costs related to the contract.
- Determination of an appropriate discount rate.

A re-measurement of the Gladstone IPPA onerous contract has been completed to establish an appropriate value for inclusion in the financial statements at 30 June 2025, resulting in a decrease in the provision to $88.7 million. The decrease in the onerous contract provision is due to a change in market price and generation dispatch outcomes associated with the market forecasts discussed in the critical estimates and market factors sections of note 14 and the impact these outcomes have on specific terms within the contract.

Rehabilitation and site closure costs

Provision is made for the estimated site rehabilitation and closure costs at the end of the producing life of each power station and renewable asset on a present value basis. Provision is also made, for the estimated cost of rehabilitation and closure costs relating to areas disturbed during mining operations up to reporting date but not yet rehabilitated.

External and internal consultants with industry specific experience are used to evaluate and update rehabilitation assumptions.

Significant estimates made with respect to this provision are the costs to fulfil the Group's obligation, including assumptions in relation to technology and techniques applied, determination of an appropriate CPI and discount rate including timing of rehabilitation.

Note 16. Taxation

	2025	2024
	$'000	$'000
Current tax on (loss) for the year	-	(46,634)
Deferred tax	**112,026**	20,236
Adjustments for current tax of prior periods	**272**	(187)
Income tax benefit	**112,298**	**(26,585)**

Note 16. Taxation (continued)

	2025 $'000	2024 $'000
Deferred income tax (benefit)/expense included in income tax expense comprises:		
Decrease in deferred tax assets	**66,527**	64,214
(Decrease)/increase in deferred tax liabilities	**45,499**	(43,978)
Deferred Income tax benefit attributable to profit from continuing operations	**112,026**	**20,236**

Reconciliation of income tax expense to prima facie tax calculated at Australian statutory rate	2025 $'000	2024 $'000
Loss from operations before income tax expense	**(212,084)**	(85,078)
Tax at the Australian tax rate of 30.0% (2024: 30.0%)	**(63,625)**	(25,523)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible provided expenditure	**1,226**	138
Derecognition of deferred tax balances (1)	**175,545**	-
Non taxable income	**(1,120)**	(1,013)
	112,026	**(26,398)**
Adjustments for current tax of prior periods	**272**	(187)
Income tax (benefit)/expense	**112,298**	**(26,585)**

(1) The Group continues to assess and recognise unused tax losses only if it is probably that future taxable amounts will be available to utilise those losses.

Amounts recognised in other comprehensive income	2025 $'000	2024 $'000
Aggregate current and deferred tax expense/(benefit) arising in the reporting period and not recognised in net profit or loss but directly recognised in other comprehensive income:		
Changes in fair value of cash flow hedges	**39,850**	(220)
Actuarial (loss)/gain on defined benefit plan	**(1,322)**	(1,463)
Total	**38,528**	**(1,683)**

Tax losses	2025 $'000	2024 $'000
Unused tax losses and offsets for which no deferred tax asset has been recognised	585,150	-
Unused capital losses for which no deferred tax asset has been recognised	70,491	70,491
Potential tax benefit @ 30%	**196,692**	**21,147**

Accounting policy

CS Energy Limited and its wholly owned subsidiaries are exempt from Commonwealth Government income tax but are subject to the National Tax Equivalents Regime. Under this regime, CS Energy Limited and its 100 per cent owned Australian subsidiaries must ascertain their income tax liability each year in a manner substantially similar to Commonwealth income tax laws, and any tax resulting is to be paid to Queensland Treasury.

Tax consolidation legislation

CS Energy Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation as at 1 July 2002, forming a single tax Group.

CS Energy Limited has adopted the stand-alone taxpayer method for measuring the current and deferred tax amounts.

In addition to its own current and deferred tax amounts, the head entity, CS Energy Limited, also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the members of the tax Group.

Note 16. Taxation (continued)

Assets or liabilities arising under tax funding agreements with the tax Group are recognised as amounts receivable from or payable to other members of the Group.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of the financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as inter-company receivables or payables.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) group members.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by CS Energy Limited only.

Net deferred tax assets/(liabilities)	Balance at 30 June 2024 $'000	Credited/ (charged) to profit or loss $'000	Under provision prior year $'000	(Charged) directly to equity $'000	Recognition/ (Utilisation) of losses $'000	Balance at 30 June 2025 $'000
Temporary differences						
Derivative financial instruments	**4,840**	**31,845**	**-**	**(39,849)**	**-**	**(3,164)**
Provisions	**96,307**	**(44,190)**	**-**	**-**	**-**	**52,117**
Provision for rehabilitation	**71,463**	**17,008**	**-**	**-**	**-**	**88,471**
Defined benefit asset	**(6,787)**	**57**	**-**	**1,322**	**-**	**(5,408)**
Property, plant and equipment	**(36,978)**	**17,063**	**(5,663)**	**-**	**-**	**(25,578)**
Other	**(9,886)**	**(10,971)**	**5,953**	**-**	**-**	**(14,904)**
Tax losses	**123,401**	**-**	**(562)**	**-**	**(122,839)**	**-**
Net deferred tax asset/(liability)	**242,360**	**10,812**	**(272)**	**(38,527)**	**(122,839)**	**91,534**

Net deferred tax assets/(liabilities)	Balance at 30 June 2023 $'000	Credited/ (charged) to profit or loss $'000	Under provision prior year $'000	(Charged) directly to equity $'000	Recognition/ (Utilisation) of losses $'000	Balance at 30 June 2024 $'000
Temporary differences						
Derivative financial instruments	95,642	(91,022)	-	220	-	**4,840**
Provisions	81,064	15,243	-	-	-	**96,307**
Provision for rehabilitation	69,073	2,390	-	-	-	**71,463**
Defined benefit asset	(8,216)	(34)	-	1,463	-	**(6,787)**
Property, plant and equipment	(66,900)	40,006	(10,084)	-	-	**(36,978)**
Other	(17,942)	13,180	(5,124)	-	-	**(9,886)**
Tax losses	61,371	-	15,395	-	46,635	**123,401**
Net deferred tax asset/(liability)	**214,092**	**(20,237)**	**187**	**1,683**	**46,635**	**242,360**

	Deferred tax asset $'000	Deferred tax liability $'000	Net deferred tax asset $'000
At 30 June 2023	311,525	(97,433)	214,092
Movement during the year	(7,090)	35,358	28,268
At 30 June 2024	**304,435**	**(62,075)**	**242,360**
At 30 June 2024	**304,435**	**(62,075)**	**242,360**
Movement during the year	**(155,113)**	**4,287**	**(150,826)**
At 30 June 2025	**149,322**	**(57,788)**	**91,534**

Note 16. Taxation (continued)

Accounting policy and critical estimates

During the current financial year, the Group reviewed the recoverability of its deferred tax assets (DTA) relating to carried forward tax losses. As a result of this review, the Group determined that it is not probable that it will have sufficient taxable profits to utilise the deferred tax asset over the next five years. Consequently, the Group has derecognised the DTA previously recognised in respect of these carried forward tax losses and not recognised any DTA on tax losses incurred in the current year, resulting in an increase in income tax expense for the year of $175.5 million.

The Group will continue to assess the recoverability of these unrecognised deferred tax assets at each reporting date.

Should the Group cease to be a Government Owned Corporation (GOC) and hence an exempt entity, in accordance with the *Income Tax Assessment Act 1936*, the carried forward tax losses from the exempt period will not be available under the federal tax regime.

Note 17. Share capital

	2025 No. of shares	2024 No. of shares	2025 $'000	2024 $'000
Ordinary shares-fully paid				
A Class (voting)	**291,910,252**	291,910,252	**291,910**	291,910
B Class (non-voting)	**822,503,917**	822,503,917	**2,100,060**	1,055,660
Total	**1,114,414,169**	**1,114,414,169**	**2,391,970**	**1,347,570**

	Shares	Shares	$’000	$’000
Movements in ordinary share capital				
Opening balance	**1,114,414,169**	1,114,414,169	**1,347,570**	1,166,070
Contributed equity	-	-	**1,044,400**	181,500
Closing balance	**1,114,414,169**	**1,114,414,169**	**2,391,970**	**1,347,570**

Ordinary shares A and B class entitles the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The Group does not have authorised capital or par value in respect of its issued shares.

Note 18. Dividends

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period. Recommendation on the dividend to be paid is determined after consultation with the shareholding Ministers in accordance with the *Government Owned Corporations Act 1993.* The dividends are not franked.

No dividends were declared in FY2025 (2024: $ nil).

Note 19. Cash flow hedge reserves

	2025 $'000	2024 $'000
Opening balance at 1 July	**(135,847)**	(135,333)
Effective portion of gains/(losses) on electricity derivatives designated as cash flow hedges	**14,278**	146,385
Losses/(gains) on electricity hedges transferred to revenue	**107,107**	(176,024)
Gains reclassified from cash flow hedge reserve to profit and loss on discontinued hedges	**11,448**	27,604
Net deferred tax	**(39,850)**	220
Amount transferred from the hedging reserve to property plant and equipment	**-**	1,301
Changes in fair value of cash flow hedges net of tax	**92,983**	(514)
Closing balance at 30 June	**(42,864)**	**(135,847)**

Note 20. Key management personnel disclosures

Shareholding Ministers

CS Energy was established in 1997 under the *Government Owned Corporations Act 1993* (Qld) (GOC Act). CS Energy is also a registered public company incorporated under, and subject to, the *Corporations Act 2001* (Cth).

Two Queensland Government Ministers (shareholding Ministers) hold shares in CS Energy on behalf of the people of Queensland. For the FY2025 reporting period, CS Energy shareholding Ministers were:

From 1 July 2024 to 31 October 2024

- The Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment,
- The Honourable Mick de Brenni MP, Minister for Energy and Clean Economy Jobs.

From 1 November 2024

- The Honourable David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership
- The Honourable Ros Bates MP, Minister for Finance, Trade, Employment and Training.

Note 20. Key management personnel disclosures (continued)

Current Executive employment contract details

Executives

The following executive management positions (which constitute “key management personnel”) had the authority and responsibility for planning, directing and controlling the activities of the Group during the financial year, all of whom, unless indicated, were employed by CS Energy Limited during the financial year. All remuneration is reviewed annually.

Executive (vi)	Position	Contract Start	Contract Term	Contract Termination Notice	Contract Termination benefit
Brian Gillespie	Chief Executive Officer	24/06/2025	Open tenure	not less than 3 months written notice (iv)	yes (v)
Emma Roberts	Chief Executive Officer (acting)	14/04/2025	04/07/2025	not less than 1 months written notice (ii)	yes (iii)
Darren Busine	Chief Executive Officer	1/07/2023	23/06/2025	not less than 3 months written notice (iv)	yes (v)
Andrew Varvari	Executive General Manager Transformation	18/03/2024	19/10/2024	not less than 3 months written notice (i)	yes (iii)
Cameron Collins	Chief Financial Officer	15/04/2024	Open tenure	not less than 1 months written notice (ii)	yes (iii)
Emma Roberts	Executive General Manager Customer and Growth	27/09/2021	29/08/2025	not less than 1 months written notice (ii)	yes (iii)
Pauline Elliott	Executive General Manager Customer and Growth (acting)	14/04/2025	04/07/2025	N/A - Acting	N/A - Acting
Leigh Amos	Executive General Manager Plant Operations	23/09/2019	31/01/2025	not less than 1 months written notice (ii)	yes (iii)
Phillip Matha	Executive General Manager Plant Operations (acting)	30/09/2024	18/10/2024	N/A - Acting	N/A - Acting
Barry Millar	Executive General Manager Asset Management	30/09/2022	30/03/2025	not less than 1 months written notice (ii)	yes (iii)
Barry Miller	Executive General Manager People, Safety and Transformation	31/03/2025	08/08/2025	not less than 1 months written notice (ii)	yes (iii)
Andrew Buswell	Chief Operating Officer	31/03/2025	Open tenure	not less than 1 months written notice (ii)	yes (iii)
Mark Powell	Executive General Manager Stakeholder Relations and Corporate Governance	31/03/2025	Open tenure	not less than 1 months written notice (ii)	yes (iii)

(i) Termination notice of not less than three months written notice by either party (other than for disciplinary or incapacity reasons) with an additional one week provided by CS Energy if at the time of the termination the Executive is aged over 45 years and has completed at least two years continuous service with CS Energy.

(ii) Termination notice (without cause) of not less than one month's written notice by either party, with an additional one week provided by CS Energy if at the time of the termination the Executive is aged over 45 years and has completed at least 2 years continuous service with CS Energy.

(iii) Payment of a termination benefit on termination without cause by CS Energy, equivalent to 3 months of base salary.

(iv) Termination notice of not less than three months' written notice by either party (other than for disciplinary or capacity reasons).

(v) Payment of a termination payment equal to six months of base salary.

(vi) During the reporting period, certain individuals served as KMP for more than one entity within the consolidated group. The overlapping tenure has been considered in the aggregate KMP compensation disclosures. Where applicable, transactions and balances with these individuals have been disclosed in accordance with *AASB 124 Related Party Disclosures*. The entities involved have assessed that the overlapping tenure did not result in any material related party transactions outside the ordinary course of business.

Note 20. Key management personnel disclosures (continued)

Details of the remuneration of each executive of CS Energy Limited, including their executive-related entities, are set out in the following table:

2025 Executive	Salary and fees (1) $'000	Cashbonus (2) $'000	Non-monetary benefits (3) $'000	Post-employment benefits (4) $'000	Other long-term benefits (5) $'000	Termination benefits (6) $'000	Total $'000
Brian Gillespie	**25**	-	-	**3**	-	-	**28**
Darren Busine (9)	**892**	-	**5**	**30**	**167**	**267**	**1,361**
Andrew Varvari (10)	**339**	-	**1**	**9**	-	**492**	**841**
Cameron Collins	**430**	-	**5**	**30**	**65**	-	**530**
Leigh Amos	**274**	-	**3**	**17**	-	**137**	**431**
Barry Millar	**415**	-	**5**	**53**	**8**	-	**481**
Emma Roberts	**516**	-	**5**	**30**	**32**	-	**583**
Andrew Buswell	**124**	-	**1**	**16**	-	-	**141**
Mark Powell	**82**	-	**1**	**10**	-	-	**93**
Pauline Elliott (7)	**79**	-	**1**	**10**	-	-	**90**
Phil Matha (8)	**23**	-	-	**2**	-	-	**25**
Total	**3,199**	-	**27**	**210**	**272**	**896**	**4,604**

2024 Executive	Salary and fees (1) $'000	Cash bonus (2) $'000	Non-monetary benefits (3) $'000	Post-employment benefits (4) $'000	Other long-term benefits (5) $'000	Termination benefits (6) $'000	Total $'000
Darren Busine	803	68	5	27	88	-	991
Andrew Varvari	540	74	5	27	13	-	659
Cameron Collins	404	39	5	27	9	-	484
Leigh Amos	420	49	5	27	7	-	508
Barry Millar	415	37	5	53	2	-	512
Emma Roberts	415	53	5	27	44	-	544
Total	**2,997**	**320**	**30**	**188**	**163**	**-**	**3,698**

(1) Salary and fees represent all payments made to the executive (total fixed remuneration excluding superannuation), including annual leave paid on termination.

(2) Cash bonus represents individual at-risk performance payments made to the executive September each year.

(3) Non-monetary benefits represent the value of car parking provided and relocation costs to the executive and the associated fringe benefits tax.

(4) Post-employment benefits represent superannuation contributions made by the employer to the superannuation fund at the rates prescribed in the executives' employment contracts.

(5) Other long-term benefits represent long service leave benefits accrued during the year and paid out on termination.

(6) Termination benefits represent all payments made to the executive on termination of employment excluding any entitlements relating to annual leave or long service leave (as these are included in short-term benefits or other long-term benefits where applicable).

(7) Acting Executive General Manager for Customer and Growth from 14 April 2025 to 30 June 2025.

(8) Acting Executive General Manager Plant Operations from 30 September 2024 to 18 October 2024.

(9) Darren Busine discontinued office in the role of Chief Executive Officer effective 23 June 2025. The termination benefits disclosed include the entitlements under the senior executive employment contract and an additional ex gratia amount as approved by the Board.

(10) Andrew Varvari discontinued office in the role of Executive General Manager Transformation effective 19 October 2024. The termination benefits disclosed include the entitlements under the senior executive employment contract and an additional ex gratia amount as approved by the Board.

Note 20. Key management personnel disclosures (continued)

Principles used to determine the nature and amount of remuneration

Executives receive a base salary (incorporating cash, allowances and non-monetary benefits), superannuation, other benefits and a performance payment. Executive remuneration is established by using external independent quantitative benchmarks to compare the position requirements with similar positions across a broad cross section of the labour market. The performance payment is up to a maximum of 15 per cent of total fixed remuneration for executives and up to a maximum of 15 per cent of base salary for non-executive positions.

Executive remuneration (and any change to executive remuneration) requires approval of the Board of Directors, in accordance with the policy for Government Owned Corporations Chief and Senior Executives Employment Arrangements. For non-executive positions remuneration is in accordance with the CS Energy Limited procedure.

Relationship between remuneration and entity's performance

The remuneration for executives is designed to attract and retain executives with the calibre necessary to ensure the organisation's success. The performance payment is conditional upon attainment of specified and measurable performance outcomes outlined in Individual Achievement Plans (IAPs). The IAPs are directly related to measures the Board of Directors considers to be indicators of good corporate performance.

Service Contracts

All executive appointments are approved by the CS Energy Limited Board of Directors in accordance with the Policy for Government Owned Corporations Chief and Senior Executives Employment Arrangements.

The remuneration and other terms of employment for each executive is specified in individual employment agreements. Annual adjustments to the remuneration are made in accordance with the Policy for Government Owned Corporations Chief and Senior Executives Employment Arrangements. The agreement provides a total remuneration package that enables each executive to receive a range of benefits.

Impact of remuneration contracts on future periods

No specific contract terms of any executive affect remuneration of future periods, other than as disclosed in this report and the right to receive annual adjustments based on labour market escalation in the Industry and Services market.

Directors

Principles used to determine the nature and amount of remuneration

Director remuneration is determined periodically by the Governor in Council under the *Government Owned Corporations Act 1993.*

Superannuation

Directors receiving personal payments are also entitled to superannuation contributions.

Note 20. Key management personnel disclosures (continued)

Relationship between remuneration and entity's performance

Directors receive Director fees and committee fees only. No performance payments are made to Directors.

KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's *Members' Remuneration Handbook.* CS Energy does not bear any cost of remuneration of Ministers.

The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements which are published as part of Queensland Treasury's Report on State Finances.

Remuneration

Details of the remuneration of each Director of CS Energy Limited are set out in the following table:

Name 2025	Position	Salary &Fees (1) $'000	Post Employment Benefits (2) $'000	Total $'000
Tony Bellas[1]	Chair	**63**	**8**	**71**
Adam Aspinall[2]	Chair/Non-Executive Director	**91**	**12**	**103**
Maurie Brennan	Non-Executive Director	**30**	**4**	**34**
Stephen Harty	Non-Executive Director	**66**	**8**	**74**
Jacqueline King	Non-Executive Director	**33**	**4**	**37**
Kellie Charlesworth	Non-Executive Director	**64**	**8**	**72**
Alison Smith	Non-Executive Director	**61**	**8**	**69**
Kimberley Swords	Non-Executive Director	**64**	**8**	**72**
Jeff Seeney	Non-Executive Director	**34**	**4**	**38**
Mark Carkeet	Non-Executive Director	**70**	**9**	**79**
Total		**576**	**73**	**649**

(1) Tony Bellas appointed Chair since 19 December 2024.

(2) Adam Aspinall served as Chair until 18 December 2024.

Name 2024	Position	Salary & Fees (1) $'000	Post Employment Benefits (2) $'000	Total $'000
Adam Aspinall	Chair/Non-Executive Director	112	15	127
Brian Green	Non-Executive Director	10	1	11
Toni Thornton	Non-Executive Director	54	7	61
Christina Sutherland	Non-Executive Director	55	7	62
Maurie Brennan	Non-Executive Director	49	7	56
Stephen Harty	Non-Executive Director	50	6	56
Jacqueline King	Non-Executive Director	48	7	55
Kellie Charlesworth	Non-Executive Director	5	1	6
Alison Smith	Non-Executive Director	5	1	6
Kimberley Swords	Non-Executive Director	5	1	6
Mark Carkeet	Non-Executive Director	-	-	-
Total		**393**	**53**	**446**

Note 20. Key management personnel disclosures (continued)

(1) Salary and fees represent all payments made to the director (total fixed remuneration excluding superannuation). Payments are based on positions held and the number of Committees each Director is appointed to.

(2) Post-employment benefits represent superannuation contributions made by the Group to a superannuation fund.

Note 21. Remuneration of auditors

	2025 $'000	2024 $'000
Auditor-General of Queensland (1)		
Audit and review of financial reports		
Group	**714**	590
Other Auditors		
Audit and review of controlled entities and joint operations financial reports		
Crowe (2) (4)	**10**	10
PwC (3) (4)	**46**	42
KPMG (5) (6)	**23**	22
Total audit and other assurance service fees	**793**	**664**

The amounts above are goods and services tax (GST) exclusive.

(1) The audit of the 2025 consolidated financial statements of the Consolidated Group was conducted by the Auditor-General of Queensland.

(2) Crowe Horwath audits Callide Power Trading.

(3) PricewaterhouseCoopers audits Callide Power Management.

(4) Callide Power Trading and Callide Power Management fees represent 50 per cent of CS Energy's share in the joint operations.

(5) Figure is representative of CS Energy's share of audit fees for the Alinta joint venture as advised.

(6) KPMG completed the 2025 Alinta joint venture financial statements audit.

Note 22. Commitments

Capital commitments

Commitments are for the acquisition of plant and equipment contracted for at the reporting date.

	2025 $'000	2024 $'000
Within one year	**754,915**	211,444
Later than one year, but no later than five years	**552,457**	2,178
Total capital commitments	**1,307,372**	**213,622**

Joint venture commitments

Commitments relating to joint venture arrangement contracted for at the reporting date but not recognised as liabilities.

	2025 $'000	2024 $'000
Within one year	**208,088**	89,869
Later than one year, but no later than five years	**61,158**	94,013
Total joint venture commitments	**269,246**	**183,882**

Note 23. Related party transactions

Directors and executives

A number of Directors, or their related parties, hold or have held positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-related entities on arm's length basis. These directors were also at no stage involved in the engagement of the relevant entities.

	2025 $'000	2024 $'000
University of Queensland	**1,010**	-
Total	**1,010**	**-**

Investments in controlled entities

Details of investments in controlled entities are set out in note 25.

Joint operations

Interests in joint operations are set out in note 29.

Transactions with related parties & State controlled entities

Transactions between the Group and other state-controlled entities during the financial year and balances at year-end are classified in the following categories:

	2025 $'000	2024 $'000
Revenue		
Revenue from State of Queensland controlled entities for the sale of electricity	**564,961**	830,227
Operations and maintenance received from Joint operations	**59,449**	89,612
Interest received on deposits from Queensland Treasury Corporation	**17,230**	5,247
Total	**641,640**	**925,086**
Expenses		
Competitive neutrality fee paid to Queensland Treasury	**(13,207)**	(11,649)
Interest on Queensland Treasury Corporation borrowings	**(63,191)**	(52,284)
Costs paid to State of Queensland controlled entities	**(307,717)**	(225,744)
NTER PAYG Instalments received from/paid to Queensland Treasury	**-**	608
Total	**(384,115)**	**(289,069)**
Assets		
Trade receivables due from subsidiaries and IGPC	**-**	155,226
Trade receivables due from State of Queensland controlled entities	**26,105**	26,794
Advances facility held with Queensland Treasury	**309,930**	2,359
Total	**336,035**	**184,379**
Liabilities		
Trade payables to State of Queensland controlled entities	**52,981**	20,753
Borrowings from Queensland Treasury Corporation	**1,459,045**	1,297,113
Total	**1,512,026**	**1,317,866**

CS Energy Limited enters into transactions with parties who are ultimately controlled by the State of Queensland as part of its normal operations on terms equivalent to those that prevail in arms length transactions.

Note 23. Related party transactions (continued)

All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of the loans between the CS Energy and its subsidiaries. There was no interest charged on loans during FY2025 (2024: $ nil).

The terms and conditions of the tax funding agreement are set out in note 16.

Outstanding balances are unsecured and are repayable in cash.

Note 24. Contingencies

The Group had contingent liabilities at 30 June 2025 in respect of:

Guarantees

Guarantees are issued to third parties to support trading, environmental financial assurance obligations, infrastructure construction and maintenance works. All guarantees are provided in the form of unconditional undertakings provided by QTC. The total value of guarantees issued to third parties was $199.2 million (2024: $158.3 million). The fair value of these guarantees is $ nil (2024: $ nil).

IG Power (Callide) Pty Ltd (IGPC)

On 12 May 2025, Callide Energy Pty Ltd (CEPL) (CS Energy's wholly owned subsidiary) received a letter of demand from Sev.en Gamma a.s (Cz) for payment of the loss and damage it allegedly suffered as a result of the interim injunction which was granted to prevent the completion of Sev.en Gamma a.s (Cz) share purchase agreement for the acquisition of all the shares in IG Power Holdings Limited in November 2024. CEPL is reviewing the supporting documents provided by Sev.en Gamma a.s (Cz) lawyers and is considering its position in respect of any liability for reimbursement of these costs as claimed.

Note 25. Investment and interests in subsidiaries

The Group has an interest in the following entities:

Name of Entity	Country of incorporation	Class of Shares	2025 Interest %(1)	2024 Interest %(1)
Callide Energy Pty Ltd	Australia	Ordinary	**100**	100
Kogan Creek Power Station Pty Ltd	Australia	Ordinary	**100**	100
Aberdare Collieries Pty Ltd	Australia	Ordinary	**100**	100
CS Energy Kogan Creek Pty Ltd	Australia	Ordinary	**100**	100
Kogan Creek Power Pty Ltd	Australia	Ordinary	**100**	100
CS Kogan (Australia) Pty Ltd	Australia	Ordinary	**100**	100
T75 Segregated Cell	Bermuda	Non-voting, redeemable preference	**100**	100
CSE BESS Pty Ltd Australia	Australia	Ordinary	**100**	100
CS Energy Financial Services Pty Ltd	Australia	Ordinary	**100**	100
CSE H2 Operations Pty Ltd	Australia	Ordinary	**100**	100
CSE H2 Pty Ltd	Australia	Ordinary	**100**	100
CS Energy Group Holdings Pty Ltd	Australia	Ordinary	**100**	100
Queensland Wind 2 Holdings Pty Ltd	Australia	Ordinary	**100**	-
Lotus Creek Wind Farm Pty Ltd	Australia	Ordinary	**100**	-
BCWF 2 Pty Ltd	Australia	Ordinary	**100**	-

(1) The proportion of ownership interest is equal to the proportion of voting power held.

CS Energy has entered into an arrangement to self-insure risks in relation to certain property damages and business interruptions to CS Energy and its subsidiaries. The self-insurance arrangement was entered into between CS Energy and White Rock Insurance (SAC) Limited for itself and acting in respect of its segregated account designation as T75 CS Energy (T75 Segregated Cell), to cover the costs, up to $133.1 million, of certain property damages and business interruptions.

Note 25. Investment and interests in subsidiaries (continued)

White Rock Insurance (SAC) Ltd (WRI) is a company incorporated in Bermuda.

The T75 Segregated Cell is not a separate legal entity from White Rock Insurance (SAC), however it has been assessed to be a deemed separate entity controlled by CS Energy under the contractual arrangement entered into between CS Energy and WRI. CS Energy has funded the initial set-up of the T75 Segregated Cell.

To support initial and ongoing self-insurance activities, CS Energy has provided a parent company guarantee totalling $133.1 million as at 30 June 2025 (2024: $100.1 million).

In addition, Callide Energy Pty Ltd had 50 per cent (2024: 50 per cent) ordinary equity holding in Callide Power Management Pty Ltd and Callide Power Trading Pty Ltd, respectively. Both these companies were incorporated in Australia.

Note 26. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except for the investments in subsidiaries which are accounted for at cost.

	2025	2024[1]
	$'000	$'000
Financial position		
Assets		
Current assets	**697,807**	700,034
Non-current assets [2]	**1,896,690**	1,480,000
Total assets	**2,594,497**	**2,180,034**
Liabilities		
Current liabilities	**(671,560)**	(868,017)
Non-current liabilities	**(1,501,675)**	(1,565,662)
Total liabilities	**(2,173,235)**	**(2,433,679)**
Net Asset/(liability)	**421,262**	**(253,645)**
Equity		
Share capital	**2,391,970**	1,347,570
Cash flow hedge reserve	**(42,864)**	(135,847)
Accumulated losses	**(1,468,454)**	(1,465,368)
Total equity	**880,652**	**(253,645)**
(Loss)/profit for the financial year	**(459,390)**	**(89,585)**
Total comprehensive (loss)/income for the financial year	**(369,493)**	**(93,512)**

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

(2) Loans to subsidiaries amounting to $977.2 million (2024: $894.6 million).

Guarantees entered into by Parent entity

The parent entity has entered into a Deed of Cross Guarantee with its subsidiaries under which each company guarantees the debts of the other.

Information regarding the Deed of Cross Guarantee is set out in note 27.

Contingent liabilities of the Parent entity

Guarantees

Guarantees are issued to third parties to support trading, environmental financial assurance obligations and infrastructure

Note 26. Parent entity information (continued)

construction and maintenance works. All guarantees are provided in the form of unconditional undertakings provided by QTC. The total value of guarantees issued to third parties was $199.2 million (2024: $158.3 million). The fair value of these guarantees is $ nil (2024: $ nil).

Capital commitments

Capital commitments are for the acquisition of plant and equipment contracted for at the reporting date.
These are not recognised as liabilities, payable as follows:

	2025 $'000	2024 $'000
Within one year	**3,636**	72,187

Note 27. Deed of cross guarantee

Pursuant to ASIC Instrument 2016/785 dated 17 December 2016, the wholly owned subsidiaries listed in note 25, except for T75 Segregated Cell, are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' report.

It is a condition of the Class Order that CS Energy Limited and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001.* If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The financial position of the Group as at 30 June 2025, is equal to the financial position of the entities subject to the Deed of Cross Guarantee. It should be noted that the closed group is covered under the deed except for T75 Segregated Cell.

Note 28. Prepayments

	2025 $'000	2024 (1) $'000
Current assets		
Prepayments (2)	**220,337**	6,448
Non-current assets		
Prepayments	**61,338**	9,091

(1) Certain comparative figures have been reclassified to conform with the presentation adopted for the current financial year. Refer to note 6 for detail.

(2) Prepayments include a payment related to the Lotus Creek Wind Farm amounting to $217.1 million.

Accounting policy

Prepayments are recognised when payments are made in advance of the receipts of goods and services. These amounts are recorded as assets in the reporting period in which the payment is made and expensed when economic benefits are realised in subsequent periods.

Note 29. Interests in joint operations

The Group holds interests in joint arrangements classified as joint operations under *AASB 11 Joint arrangements*. The Group has rights to the assets and obligations for the liabilities relating to its share of the joint operations.

Under the relevant joint operating agreements, decisions regarding relevant activities require unanimous consent from all joint operators.

Information relating to joint operations that are material to the Group are set out below:

Name	Principal place of business	2025 Joint Venture interest %	2024 Joint Venture interest %
Callide Power Management Pty Ltd	Australia	50.00%	50.00%
Callide Power Trading Pty Ltd	Australia	50.00%	50.00%
Boulder Creek Wind Farm (Unincorporated Joint Venture)	Australia	50.00%	-
Alinta Energy Queensland Mass Market (Unincorporated Joint Venture)	Australia	50.00%	50.00%

Note 30. Subsequent events

The Group has restructured its debt facilities with Queensland Treasury Corporation.

During July 2025, the Group refinanced $230 million from the working capital facility to the Temporary Variable Rate Loan Facility.

The working capital facility limit reverted to $225 million on 1 July 2025 from $375 million, refer to note 1.

During July 2025, the Temporary Variable Rate Loan Facility limit increased from $500 million to $730 million.

Insurance Settlement

Following the end of the reporting period, the Group finalised negotiations with its insurers in relation to the Callide Unit C4 incident that occurred in May 2021. Due to the terms of the agreement, specific details of the settlement, including the amount and conditions, are subject to confidentiality and are not disclosed. However, the settlement is expected to have a material positive impact on the Group’s financial position.

In accordance with *AASB 110 Events after the Reporting Period,* this settlement is classified as a non-adjusting subsequent event and has not been recognised in the financial statements as at 30 June 2025. The Group will assess and disclose the impact of this settlement in future reporting periods once applicable.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement

30 June 2025

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3)(a) of the *Corporations Act 2001*. The entities listed in the statement are CS Energy Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The ownership interest percentage disclosed for bodies corporate in the statement represents the voting interest controlled by CS Energy Limited either directly or indirectly.

In developing the disclosures in the statement, the directors have applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR2018/5.

Entity name (1)	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Callide Energy Pty Ltd	Body corporate	Australia	100.00%	Australia
Kogan Creek Power Station Pty Ltd	Body corporate	Australia	100.00%	Australia
Aberdare Collieries Pty Ltd	Body corporate	Australia	100.00%	Australia
CS Energy Kogan Creek Pt Ltd	Body corporate	Australia	100.00%	Australia
Kogan Creek Power Pty Ltd	Body corporate	Australia	100.00%	Australia
CS Kogan (Australia) Pty Ltd	Body corporate	Australia	100.00%	Australia
CSE BESS Pty Ltd	Body corporate	Australia	100.00%	Australia
CS Energy Financial Services Pty Ltd	Body corporate	Australia	100.00%	Australia
CSE H2 Operations Pty Ltd	Body corporate	Australia	100.00%	Australia
CSE H2 Pty Ltd	Body corporate	Australia	100.00%	Australia
Callide Power Management Pty Ltd (2)	Body corporate	Australia	50.00%	Australia
Callide Power Trading Pty Ltd (2)	Body corporate	Australia	50.00%	Australia
CS Energy Group Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Queensland Wind 2 Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Lotus Creek Wind Farm Pty Ltd	Body corporate	Australia	100.00%	Australia
Boulder Creek Wind Farm 2 Pty Ltd	Body corporate	Australia	100.00%	Australia

(1) CS Energy Limited entered into an arrangement to self-insure risks in relation to certain property damages and business interruptions to CS Energy and its subsidiaries. The self-insurance arrangement was entered into between CS Energy and White Rock Insurance (SAC) Limited (WRI) for itself and acting in respect of its segregated account designation as T75 CS Energy (T75 Segregated Cell). WRI is a company incorporated in Bermuda. The T75 Segregated Cell is not a separate legal entity from WRI, however it has been assessed to be a deemed separate entity controlled by CS Energy under the contractual arrangement entered into between CS Energy and WRI.

(2) CS Energy Limited, through its subsidiary, Callide Energy Pty Ltd, had 50 per cent (2024: 50 per cent) ordinary equity holding in Callide Power Management Pty Ltd and Callide Power Trading Pty Ltd, respectively. Both these entities are consolidated in the consolidated financial statements.

Directors' declaration

30 June 2025

In the directors' opinion:

- The consolidated financial statements and notes set out on pages 52 to 93 are in accordance with the *Corporations Act 2001,* including:
  - (i) Complying with Australian Accounting Standards including the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) Giving a true and fair view of the Company's and Group entity's financial position as at 30 June 2025 and of their performance the year ended on that date.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 27.
- The information disclosed in the consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the directors.

Tony Bellas
Chair

Stephen Harty
Director

28 August 2025
Brisbane

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INDEPENDENT AUDITOR'S REPORT

To the Members of CS Energy Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of CS Energy Limited and its controlled entities (the group).

The financial report comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In my opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the group's financial position as at 30 June 2025, and its financial performance for the year then ended; and

b) complying with the Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Impairment of Property, Plant and Equipment

Refer to note 14 in the financial report.

Key audit matter	How my audit addressed the key audit matter
The group held property, plant and equipment totalling $1,999.3 million which includes generation assets. Total impairment for the year was $82.9 million. As disclosed in Note 14, the recoverable amount of these assets is estimated using a discounted cash flow model that required management to exercise significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilisation of the relevant assets. These assumptions include: • selection of the scenario for forecasting future cash flows and determining it is the most appropriate in comparison to other possible scenarios • estimating future cashflows based on: o forecasted electricity demand and available generation o wholesale electricity prices o renewable energy targets o fuel costs o timing of overhaul and sustaining capital expenditure o planned plant retirements o discount rate.	My procedures included, but were not limited to: • assessing the reasonableness of the cash flow forecast relative to corporate plans, revised useful lives and in comparison, to AEMO published data and other relevant supporting information • assessing the design, integrity and appropriateness of the discounted cash flow model used to assess the recoverable amount of the group's power station assets • evaluating the scope, competency, and objectivity of management's internal experts used to provide the key assumption adopted by management. These assumptions included forecast electricity prices, demand and generation • testing the mathematical accuracy of the discounted cash flow model • assessing the scenario selected by the group in estimating the recoverable amount of each CGU • assessing the competence, capability and objectivity of management's internal and external experts to provide assumptions adopted by the group for forecast wholesale electricity prices • assessing the reasonableness of management's adopted methodology and assumptions in constructing the forward electricity price curve and discount rate and inflation rates applied with the assistance of the valuation and derivative valuation specialists • evaluating whether forecasted generation was reasonable, with reference to available market data • performing a retrospective review of the accuracy of estimates made by management in the discounted cash flow models used in the previous year • reviewing the appropriateness of the impairment to the group assets • assessing the appropriateness of the disclosures included in Note 14 of the financial statements. My procedures to assess the work of the auditor's expert included: • evaluating their qualifications, competence, capabilities, and objectivity • considering the nature, scope and objectives of the work completed for appropriateness • evaluating the findings and conclusions for relevance, reasonableness and consistency with other audit evidence obtained.

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Estimation of the onerous contract provision relating to the Gladstone Interconnection and Power Pooling Agreement (IPPA) and rehabilitation and site closure provisions

Refer to note 15 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Onerous contract provision The Gladstone IPPA contract is an onerous contract in the company and the group's financial statements. The provision of $88.7 million is estimated using a discounted cash flow model, which required the exercise of significant judgement in determining the key assumptions supporting the model, including: • forecasted electricity demand • wholesale electricity prices • generation • unavoidable costs related to the contract • discount rate.	My procedures related to the provision for the Gladstone IPPA onerous contract included, but were not limited to: • assessing the design, integrity and appropriateness of the discounted cash flow model used to measure the provision • testing the consistency of assumptions used in the discounted cash flow model to the assumptions used in the model for the carrying value of generation assets (above) • assessing the competence, capability and objectivity of management's internal and external experts used in measuring the provisions • assessing the reasonableness of management's adopted methodology and assumptions in constructing the forward electricity price curve and discount rate applied with the assistance of the valuation and derivative valuation specialists. My procedures to assess the work of the auditor's expert included: • evaluating their qualifications, competence, capabilities, and objectivity • considering the nature, scope and objectives of the work completed for appropriateness • evaluating the findings and conclusions for relevance, reasonableness and consistency with other audit evidence obtained.

Rehabilitation and site closure provisions
The $294.9 million provision for rehabilitation and site closures relates to the group's power station sites, mine sites, ash dams and renewable assets.
The measurement required significant judgements for:
• identifying locations where a present obligation for future restoration, rehabilitation, and decommissioning exists as a result of past events
• forecasting the cost of the required restoration, rehabilitation, and decommissioning in today's dollars
• estimating the timing of the required restoration, rehabilitation, and decommissioning activities
• inflation rate used to escalate the cash flows
• discount rate applied.
	My procedures related to the provision for rehabilitation and site closures included, but were not limited to:
	• assessing the design, integrity and appropriateness of the discounted cash flow model used to measure the provision
	• evaluating the scope, competency and objectivity of the group's external expert used to provide the estimated costs of rehabilitation
	• evaluating the timing used in the calculations of the provision for consistency with the proposed site closures disclosed in:
	  o the annual assessment of estimated useful lives
	  o management reports and board reports
	  o correspondence between CS Energy Limited and its external stakeholders

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Key audit matter	How my audit addressed the key audit matter
	• assessing the completeness of the provision by reviewing relevant environmental and regulatory requirements • assessing the reasonableness of discount rate applied and evaluating whether the inflation rate applied was within a reasonable range, with reference to market data and industry research with the assistance of the valuation specialists. My procedures to assess the work of the auditor's expert included: • evaluating their qualifications, competence, capabilities, and objectivity • considering the nature, scope and objectives of the work completed for appropriateness • evaluating the findings and conclusions for relevance, reasonableness and consistency with other audit evidence obtained.

Measurement of derivative financial instruments and designation of hedging instruments

Refer to note 6 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Derivative financial instruments CS Energy Limited measured some of its derivative financial instruments at fair value using complex valuation models. The models include the following key inputs that involved significant judgement due to an absence of observable market data: • market risk and option volatilities • scaling factors • credit default probabilities	My procedures included engaging a derivative valuation specialist to assist me in: • obtaining an understanding of the valuation methodologies and assessing their appropriateness with reference to accounting standards and common industry practices • challenging management assumptions used in the valuation process and assessing the reasonableness of the key inputs by comparison to independently sourced external market data, market conditions at year end, CS Energy's generation activities and energy trading policy • for a sample of derivatives, testing the reasonableness of the valuation calculations by agreeing key terms to supporting documents (including contracts) and counter-party confirmations and recalculating the fair values for comparison to those calculated by the group based on our understanding of generally accepted derivative valuation practices. My procedures to assess the work of the auditor's expert included: • evaluating their qualifications, competence, capabilities, and objectivity • considering the nature, scope and objectives of the work completed for appropriateness • evaluating the findings and conclusions for relevance, reasonableness.

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Key audit matter	How my audit addressed the key audit matter
Designation of hedging instruments The accounting standards for hedge accounting are complex, and their application involved significant judgements about CS Energy Limited's forecast generation profile to determine whether each derivative financial instrument fulfilled the conditions for classification as an effective hedge. Hedge accounting involves recording unrealized gains or losses on derivatives against equity if the derivatives are designated as effective hedges, or otherwise against profit or loss.	With the assistance of a derivative valuation specialist, my procedures included, but were not limited to: • assessing the group's hedge accounting process for compliance with accounting standards. This included reviewing hedge accounting documentation and testing the methodology for calculating hedge effectiveness • assessing the appropriateness of the designation for a sample of derivatives by inspecting the hedge documentation, key terms of the hedging instrument and nature of the hedge relationship • for cash flow hedges, assessing the reasonableness of forecast information used to support that hedged transactions are considered highly probable of occurring • testing reconciliations of the cash flow hedge reserve and assessing the appropriateness of the presentation of gains and losses in the income statement. My procedures to assess the work of the auditor's expert included: • evaluating their qualifications, competence, capabilities, and objectivity • considering the nature, scope and objectives of the work completed for appropriateness • evaluating the findings and conclusions for relevance, reasonableness

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's director's report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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Responsibilities of the Directors for the financial report

The directors of the company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and,

for such internal controls as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.

IAsim

29 August 2025

Irshaad Asim
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Electricity Maintenance Guarantee full definitions

Personal safety

Critical control verifications:

- Definition – Completion of on-the-job verifications to confirm that key personal safety critical controls are in place to ensure activities can be performed safely. CCVs are completed when any identified actions from the CCV have been addressed and closed out. Progress is reported quarterly, with target completion required by the end of the financial year.
- FY2025 target – 100 per cent completion of 1500 CCVs required by the end of the financial year.

Significant Injury or fatality:

- Definition – An incident classed as an actual Category 4 Health and Safety incident under CS Energy's Incident Category Matrix, which is defined as a fatality or multiple fatalities or a serious injury or illness, defined by Workplace Health and Safety Queensland (WHSQ), where the reasonable maximum consequence is a fatality. Performance reported each quarter, with target compliance required each quarter.
- FY2025 target – zero.

Process safety

Bowties:

- Definition – This metric measures the number of process safety bowties developed. Bowties are a risk assessment method that visually displays hazards and barriers in a single diagram, helping to identify proactive and reactive risk management and better understand risks and controls. Progress is reported quarterly, with completion required by the end of the financial year.
- FY2025 target – 100 per cent completion of 32 bowties required by the end of the financial year.

Safety critical equipment:

- Definition – This metrics measures the development and implementation of a Safety Critical Equipment (SCE) management framework to ensure SCE is clearly designated and managed. This includes the development of SCE performance standards to ensure any change or work on SCE is properly risk assessed and documented. Progress is reported quarterly, with completion required by the end of the financial year.
- FY2025 target – 100 per cent completion of key work program by the end of financial year.

Significant process safety event:

- Definition – A process safety event resulting in a fatality or multiple fatalities; irreversible environmental harm; or an unplanned station outage of greater than eight weeks.
- FY2025 target – zero.

Maintenance investment

Capital Works Delivery:

- Definition – Completion of key work programs, as identified in CS Energy's Strategic Asset Management Plan (SAMP).
- Compliance with the target is required each quarter.
- FY2025 targets:
  - Q1 – Return to service of Callide Unit C4.
  - Q2 – Callide C generator parts delivered, Callide B1 major outage and B station dual unit outage.
  - Q3 – Hazardous areas instrumentation upgrade at Callide – lighting and power works for Callide B.
  - Q4 – Hazardous Areas Instrumentation Upgrade – All remaining planned devices on Callide B.

Statutory maintenance compliance:

- Definition – Compliance with statutory work obligations, by either completing (technical completion) statutory work by the required date, undertaking a risk assessment and confirming a unit can safely continue to operate while the statutory work is completed (where the date has been set by CS Energy Management rather than legislation), or removing the unit or equipment from service. Compliance with the target is required each quarter.
- FY2025 target – 100 per cent compliance.

Plant performance

Summer availability:

- Definition – The combined Availability Factor across all five of CS Energy's thermal units, for the period 1 January to 31 March (Q3). Availability Factor is expressed as a percentage, and is measured by the number of days that a unit is online and generating electricity in Q3, compared to total days in the quarter.
- FY2025 target – 90 per cent availability in Q3.

Equivalent forced outage factor:

- Definition – The percentage of a given period in which a generating unit is not available either fully or partially due to a forced outage, where a forced outage is an outage that could not have been reasonably delayed by 48 hours from identification of the problem. Performance is reported each quarter, with compliance required by the end of the financial year. It includes partial derates.
- FY2025 target – less than or equal to 10 per cent.

Acronyms

AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
CCV	Critical Control Verification
DETSI	Department of the Environment, Tourism, Science and Innovation
EMG	Electricity Maintenance Guarantee
ESG	Environmental, social and governance
GOC	Government Owned Corporation
GW	Gigawatt
GWh	Gigawatt hour
HAZOP	Hazard and operability study
IPPA	Interconnection and Power Pooling Agreement
JV	Joint Venture
kPa	Kilopascal
KPI	Key performance indicator
MP	Member of Parliament
MW	Megawatt
MWh	Megawatt hour
NEM	National Electricity Market
NER	National Electricity Rules
NGER	National Greenhouse and Energy Reporting
NPAT	Net Profit After Tax
PFAS	Per-and poly-fluoroalkyl substances
PPA	Power Purchase Agreement
Q1	Quarter 1 (1 July to 30 September)
Q2	Quarter 2 (1 October to 31 December)
Q3	Quarter 3 (1 January to 31 March)
Q4	Quarter 4 (1 April to 30 June)
SCI	Statement of Corporate Intent
SAMP	Strategic Asset Management Plan
TRIFR	Total Recordable Injury Frequency Rate
TW	Terawatt
WHSQ	Workplace Health and Safety Queensland

CS energy

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