



Statement of Corporate Intent 2025/26

Prepared by the Directors and management of CS Energy for
shareholding Ministers

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

Commercial-in-Confidence

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Performance agreement

This Statement of Corporate Intent and all attachments are presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993* (GOC Act).

In accordance with Chapter 1, Part 3, Section 7 of the GOC Act, the Statement of Corporate Intent represents a formal performance agreement between the Board of CS Energy and its shareholding Ministers with respect to the financial and non-financial performance targets, major activities, objectives, policies, investments and borrowings of CS Energy for 2025-26.

This Statement of Corporate Intent is consistent with CS Energy's 2025/30 Corporate Plan, submitted to shareholding Ministers in accordance with Chapter 3, Part 7 of the GOC Act.

The Board of CS Energy undertakes to achieve the targets proposed in the Statement of Corporate Intent for 2025/26.

Major changes to key assumptions that underpin the performance outcomes detailed in this Statement of Corporate Intent, and which come to the Board's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this Statement of Corporate Intent will be dealt with in accordance with the GOC Act.

This Statement of Corporate Intent is signed by the Chair on behalf of all the directors in accordance with a unanimous decision of the Board of CS Energy.



Mr Tony Bellas
Chair
CS Energy Limited

29 January 2026

Date

Strategic context and priorities

In November 2024, in a letter to the CS Energy Board, shareholding Ministers outlined their strategic performance expectations for CS Energy, which are 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; and
- deliver renewable energy and storage projects on time and on budget.

Shareholding Ministers have also implemented an Electricity Maintenance Guarantee – an investment, performance, and accountability framework for asset maintenance on existing publicly-owned power plants, which provides upfront approval of all investment required by CS Energy to implement our five-year asset management plan, as amended from time to time.

The CS Energy Board is committed to delivering on the expectations of shareholding Ministers, including the Electricity Maintenance Guarantee, in order to fulfill the Government's objective of affordable, reliable and sustainable energy for Queenslanders.

For 2025/26, the strategic priorities for CS Energy 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; and
- the safe, timely and on-budget delivery of the Greenbank Battery, Lotus Creek Wind Farm, Boulder Creek Wind Farm, and the Brigalow Peaking Power Plant (subject to final approvals).

Strategic targets

The CS Energy Board has set key performance indicators for maintenance investment, personal safety, process safety and plant performance, designed to drive the right behaviours to achieve the objectives of the Electricity Maintenance Guarantee.

We will continue to review these key performance indicators to ensure they provide shareholding Ministers with the assurance that we are meeting their expectations and delivering affordable, reliable, and sustainable energy to Queenslanders.

The CS Energy Board has also implemented a 'no performance payments' policy for the Chief and Senior Executives if these KPIs are not achieved.

CS Energy Key Performance Indicators 2025/26

Measure	Full year target FY26	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maintenance Investment					
Capital works delivery (#)	5/5	No quarterly target. Completion of key work programs against the full year target of five will be reported quarterly.			
Statutory compliance (%)	100	100	100	100	100
Personal Safety					
Critical Control Verifications (%)	100	No quarterly target. Percentage achievement against the full year target of 1000 CVs will be reported quarterly.			
Significant Injury or Fatality	0	0	0	0	0
Process Safety					
Bowties (%)	100	No quarterly target. Percentage achievement against the full year target of 24 bow ties will be reported quarterly.			
Safety Critical Equipment (%)	100	No quarterly target. Percentage achievement against the full year target of 32 performance standards will be reported quarterly.			
Significant Process Safety Event	0	0	0	0	0
Plant Performance					
Forced outage factor (FOF) (%)	≤6.5	≤6.5	≤6.5	≤6.5	≤6.5
Summer availability (%)	N/A	N/A	N/A	≥90	N/A

Maintenance investment

Capital Works Delivery: Completion of key work programs, as identified in CS Energy's Strategic Asset Management Plan (SAMP). Quarterly reporting of the key programs will indicate completion only (progress tracking of key work programs will not be shown on the EMG dashboard). The target is the completion of all five key work programs by end of financial year (5/5). For FY26, deliverables are:

- LB4 ash cells constructed
- UB6 ash cells constructed
- C3 overhaul completed
- C3 generator rewind completed
- Kogan generator delivered to site

Statutory Work Compliance: Compliance with Statutory work obligations, by either completing (technical completion) statutory work by the nominated 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.

Personal safety

Critical Control Verifications (CCVs): Completion of on-the-job verifications to confirm that key personal safety critical controls are in place to ensure activities can be performed safely. It incorporates all CCVs completed, whether passed or failed. Progress is reported quarterly, with target completion of 1000 CCVs required by the end of the financial year.

Significant Injury or Fatality: An incident classed as an actual Category 4 Health and Safety incident under CS Energy's Incident Category Matrix, which is a fatality or multiple fatalities, or a serious injury or illness as defined by Workplace Health and Safety Queensland (WHSQ), where the reasonable maximum consequence is a fatality. Performance reported each quarter, with target compliance of zero incidents required each quarter.

Process safety

Bowties: This metric measures the number of process safety bowties developed and operationalised. Bowties are a risk assessment method that visually display 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. For FY26, the target is 100 per cent of 24 bowties delivered and operationalised.

Safety Critical Equipment (SCE): This metric measures the development and implementation of a 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. For FY26, 32 performance standards will be developed and operationalised.

Significant Process Safety Event: A process safety event resulting in a fatality or multiple fatalities; irreversible environmental harm; or an unplanned station outage of greater than eight weeks. Performance reported each quarter, with target compliance of zero incidents required each quarter.

Plant performance

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. Target is 90 per cent or more.

Forced outage factor: The percentage of a given period in which a generating unit is not fully available due to a forced outage. A forced outage is an outage that could not have been reasonably delayed by 48 hours

from identification of the problem (aligning to AEMO's definition of forced outages). Forced outages exclude:

- partial derates
- planned outages and planned outage extensions
- maintenance work (work that is planned and could be completed beyond 48 hours, even if it is completed earlier due to favourable market conditions)
- forced outage events of less than 30 minutes duration (consistent with the AEMO definition for forced outages)
- external events outside management's control (i.e. transmission line failures, fuel supply interruptions, extreme acts of nature, plant issues from inherent defects in OEM supplied equipment, etc).

Performance is reported each quarter, with compliance required by the end of the financial year. Target is 6.5 per cent or less by the end of the financial year.

Financial Key Performance Indicators 2025/26

Measure	Full year target
Distribution Yield (%)	0.0
Distribution Cash Coverage (times)	0.0
Funds from Operations on Net Debt (%)	(0.7)
Return on Assets (ROA) ex. WIP (%)	(2.4)
Cost of Energy (\$/MWh at node)	

Key assumptions and risks

The key assumptions underpinning CS Energy's strategic planning and key performance indicators for FY26 are:

Economic indices	FY26
CPI (%)	3.25
Wage growth (%)	EBA
Long-term interest rate (%)	5.30
Dividend payout ratio ¹	-
Electricity revenue	
Average earned price (\$/MWh at Node) ²	100.37
Net on-grid contract revenue (\$M)	20.8
Total operating revenue (\$M)	946.3
Time-weighted average pool price (\$/MWh)	81.6
NEM energy	
Energy sent out (GWh) ³	10,742
Energy at Node (GWh) ³	10,130
NEM operational	
Fuel costs (\$/MWh at Node) ⁴	(30.03)

1. As per the Dividend Policy in accordance with the GOC Act, dividends represent 80 per cent of adjusted net profit after tax (NPAT). CS Energy has forecast no dividend for 2025/26 to support the repayment of debt. This is subject to approval by shareholding Ministers.
2. Excludes wind and solar PPA generation.
3. Includes renewables.
4. Fuel costs have been updated based on the latest negotiations with CS Energy's coal suppliers as at the time of preparing this update.

Sustainability and the ESG Framework

CS Energy acknowledges the importance of sustainability and Environmental, Social, Governance (ESG) considerations, including changing stakeholder expectations. To increase our maturity, deliver on stakeholder expectations and continue to evaluate risks and opportunities as the energy transformation continues, CS Energy has a sustainability and ESG framework development program.

An assessment of material ESG topics is outlined below.

Area	Material Topic
Human capital	Health and Safety
	Human capital development
	Employee engagement, diversity and inclusion
Climate	Opportunities in renewable energy
	Emissions intensity
Natural capital	Toxic emissions and waste
	Water stress
Social welfare	Community relations (including regional development opportunities, and land and site rehabilitation)
Business ethics and governance	Financial risk management
	Governance
	Privacy and data security (balanced against operational transparency)

CS Energy has a range of existing initiatives and actions in place to capture the opportunity or address the risk that may arise from these material topics. In addition, some of these topics have existing Board and/or management committees to monitor CS Energy's exposure.

We will continue to engage with our employees, shareholding Ministers, customers, communities, and other stakeholders as we deliver our roadmap to mature our sustainability and ESG frameworks.

In September 2024, the Australian Government passed legislation introducing a climate-related financial disclosure regime and associated standards. CS Energy is preparing to enhance its sustainability and emissions reporting, with mandatory disclosures commencing in FY26.

Capital expenditure

	Quarter 1 \$M	Quarter 2 \$M	Quarter 3 \$M	Quarter 4 \$M	Total \$M	Total Estimated Cost \$M
Total estimated capital expenditure	207.6	123.3	352.5	133.2	816.6	
Cost	207.6	123.3	351.9	132.0	814.8	
Capitalised Interest	-	-	0.6	1.2	1.8	
New Asset Investments	156.1	77.6	311.5	60.9	606.1	2,197.1
Cost	156.1	77.6	311.0	59.6	604.3	2,183.4
Capitalised Interest	-	-	0.6	1.2	1.8	13.7
Lotus Creek Wind Farm [^]	84.5	47.1	203.9	49.8	385.3	1,285.8
Cost	84.5	47.1	203.9	49.8	385.3	1,283.0
Capitalised Interest	-	-	-	-	-	2.8
Brigalow Gas Peaking Power Plant ^{1 ^}	-	-	33.6	-	33.6	199.7
Cost	-	-	33.6	-	33.6	199.7
Capitalised Interest	-	-	-	-	-	-
Boulder Creek Wind Farm [^]	69.5	30.5	74.1	11.0	185.1	410.2
Cost	69.5	30.5	73.6	9.8	183.4	399.7
Capitalised Interest	-	-	0.6	1.2	1.8	10.5
Greenbank Battery [^]	2.1	-	-	-	2.1	301.4
Cost	2.1	-	-	-	2.1	301.0
Capitalised Interest	-	-	-	-	-	0.4
Sustaining and Overhaul Capital	51.5	45.7	41.0	72.3	210.5	
Callide B Power Station	10.0	10.0	10.0	11.9	41.9	
Callide C Power Station	22.3	17.4	10.2	31.7	81.7	
Kogan Creek Power Station	14.1	14.1	14.1	23.0	65.3	
Aberdare Coal Mine	0.7	0.7	0.7	0.7	2.7	
Corporate	4.4	3.6	6.0	5.1	19.0	

¹ Brigalow Gas Peaking Power Plant is subject to final investment approval by the CS Energy Board and shareholding Ministers, and represents a proposed reduction in total estimated capital expenditure compared to the FY25 SCL.

[^] Includes estimated capitalised interest.

CS Energy will adhere to the following capital expenditure approval thresholds:

Investment thresholds	
Shareholding Minister notification	\$5m
Shareholding Minister approval	\$15m

Borrowings

Borrowings			
Facility	2024/25 \$M	2025/26 \$M	Change \$M
1 Portfolio linked loan	557.4	557.4	-
2 Working capital	53.7	149.0	95.3
3 Variation margin loan	-	1.6	1.6
4 Variable rate loan	684.7	800.9	116.2
5 Renewables projects loan	-	102.0	102.0
Total	1,295.8	1,610.8	315.0

Borrowing limits for 2025/26 are subject to approval through the 2025/26 State Borrowing Program.

CS Energy notes borrowing requirements may change during 2025/26 and interim State Borrowing Program variations may be required periodically to support financing requirements.

Statement of compliance

As part of its performance agreement with shareholding Ministers, the CS Energy Board provides the following additional undertakings.

Prudential financial information

The Board will ensure CS Energy fully assumes accountability for implementing prudent financial practices throughout both the corporation and our subsidiaries. Without limiting the obligations imposed on the Board and the Chief Executive by the GOC Act, and where applicable the *Corporations Act 2001*, this includes a commitment to:

- abide by the *Code of Practice for Government Owned Corporations' Financial Arrangements* (Code of Practice), as issued by the Queensland Government; and
- establish, maintain and implement appropriate financial risk management practices and policies as specified in the Code of Practice.

Capital structure

The Board will prudently manage the financing of the CS Energy group. As an integral part of the financing of the company, overall debt will be managed with Queensland Treasury Corporation (QTC) to ensure that CS Energy maintains the appropriate credit rating or other rating, as determined by shareholding Ministers.

Weighted average cost of capital

The Board will ensure that CS Energy reviews its weighted average cost of capital (WACC) on an annual basis.

Dividend policy and payment

While the dividend process is governed by the GOC Act and the *Corporations Act 2001*, the Board will also ensure that CS Energy's Dividend Policy considers the return its shareholders expect on their investments.

CS Energy's policy is to recommend and pay a dividend of 80 per cent (or the percentage otherwise agreed with shareholding Ministers) of CS Energy's adjusted consolidated profit, subject to the requirements of section 254T of the *Corporations Act 2001*.

Corporate Governance Guidelines for Government Owned Corporations

CS Energy has adopted all the recommendations in the *Corporate Governance Guidelines for Government Owned Corporations* (Corporate Governance Guidelines).

Risk management

The CS Energy Board has ultimate responsibility for ensuring the impacts of all potential internal and external risks of the company are managed. The company's risk appetite and risk tolerance are approved by the Board and the identification and risk management process is monitored by the Finance, Risk and Assurance Committee, which is a subcommittee of the Board.

A Board committee restructure implemented in early FY25 has provided a strengthened focus on safety at the committee level with a Safety and Environment subcommittee supporting the Board in delivering process safety improvements, and in discharging its due diligence obligations in workplace health and safety.

Compliance with government policies

The Board will ensure that the CS Energy group complies with relevant government policies and guidelines, in particular the approval, notification and reporting requirements.

Sponsorship, advertising, corporate entertainment, and donations

Consistent with the shareholders' expectations, the *Corporate Entertainment and Hospitality Guidelines 2008* and CS Energy's Corporate Entertainment and Hospitality Policy, sponsorships, advertising, entertainment and donations are detailed in Appendix A.

Employment and Industrial Relations Plan

An Employment and Industrial Relations Plan meeting the requirements of section 149 of the GOC Act is included as Appendix B.

Community Service Obligations (CSOs)

CS Energy has no Community Service Obligations as defined by section 112 of the GOC Act.

Local participation and procurement

CS Energy's procurement approach is aligned with the Queensland Government's procurement priorities and principles and ensures full, fair and reasonable opportunity for Queensland suppliers, including local suppliers, small and medium enterprises, and indigenous owned suppliers.

Our approach to procurement:

- prioritises Queensland businesses, in particular those nearby to our power stations;
- supports quality, local jobs in regional Queensland; and
- achieves more positive, value-for-money outcomes for Queenslanders.

CS Energy's procurement expenditure is predominantly in Australia. In addition to the fundamental local supplies of coal and water to sustain operations, CS Energy is proud to support local, state and Australian businesses.

In FY24, more than 80 per cent of CS Energy's procurement expenditure was with Queensland companies.

Cyber security

As a provider of essential energy services to Queensland, CS Energy recognises the importance of government confidence in the ICT systems that control the operation of our power stations.

In 2022, Queensland Treasury engaged PricewaterhouseCoopers (PwC) to conduct a cyber security review of all Government Owned Corporations and Statutory Authorities. A key focus was to assess whether cyber security prevention and response measures were commensurate with the critical infrastructure CS Energy owns and manages. PwC's report confirmed CS Energy exhibits all key indicators of cyber security performance.

In December 2024, the Queensland Audit Office (QAO) released its Energy 2024 Report, which summarises the audit results of Queensland’s energy entities, including CS Energy. CS Energy is committed to addressing the QAO’s recommendations and continually improving and strengthening our cyber security systems and practices.

We continue to work through our comprehensive cyber security work program to maintain momentum in protecting CS Energy’s information and technology assets and to sustain best practice approaches to cyber security preparedness and response, as benchmarked against our industry framework, the Australian Energy Sector Cyber Security Framework (AESCSF).

Cyber security	
What cyber security framework does your GOC report against?	The Australian Energy Sector Cyber Security Framework (AESCSF).
What are the key activities planned for your cyber security systems?	CS Energy’s cyber security capability improvement activities will continue to be informed by our threat and risk profile, benchmarked against an evolving AESCSF framework. Key focus areas include governance, training and awareness, key controls uplift including threat and vulnerability monitoring and management, third party risk management, increased identity and access management maturity, information asset management and ongoing refinement and testing of our cyber security incident response processes.

Asset management and security of supply

As outlined in the letter of expectations from shareholding Ministers in November 2024, CS Energy will notify shareholding Ministers of its Strategic Asset Management Plan (SAMP), including outcomes of an independent assurance process in respect of the plan, on an annual basis. This commenced in Q1 2025.

Our SAMP identifies the maintenance investments required to meet statutory obligations and adhere to good industry practices. It also demonstrates the plan’s effectiveness in ensuring safe, reliable asset performance and establishes key performance indicators for maintenance investment, personal safety, process safety and plant performance.

Following the Callide Unit C4 incident in May 2021 and the partial collapse of the Callide Unit C3 cooling tower in October 2022 CS Energy published a response plan to build a safer and better CS Energy. The plan focuses on making improvements in how we manage safety critical systems, management of change, and operational decision making, backed by investment in our knowledge, systems, governance and assurance, and people and culture. The plan sets out how we will improve our capability to assess, mitigate and control the process safety risks inherent in owning and operating power generation assets. Despite our progress to date in delivering on the actions in the response plan, the process safety incident on Callide Unit C3 on 4 April 2025 is evidence that further priority must and will be given to operationalising risk assessments and bowtie analyses and embedding process safety improvements into frontline operations.

In addition to regularly reviewing our response plan, we will report annually on our progress in our annual report and on our website.

Financial statements

Statement of Income Group (Consolidated)

Quarter 2025/26					2023/24	2024/25	2024/25	2025/26
Sep	Dec	Mar	Jun		Actual	Budget	Forecast	Budget
\$M	\$M	\$M	\$M		\$M	\$M	\$M	\$M
249.4	191.6	281.6	223.6	Sales of electricity	671.3	991.6	838.8	947.0
170.9	118.9	202.4	155.0	Gross Margin	308.3	788.2	581.0	647.1
20.8	(16.2)	65.7	30.8	Underlying EBITDA	(26.6)	417.4	168.2	101.0
13.7	13.7	13.7	13.7	Onerous unwind	40.4	38.1	53.5	54.9
-	-	-	(51.7)	Impairment and related accounting adjustments	(205.0)	(93.6)	(110.2)	(51.7)
-	-	-	-	Gain or Loss on Disposals	(2.7)	-	0.3	-
0.3	(19.0)	(10.2)	(8.7)	Mark to Market (including Unrealised FX) ¹	302.0	(50.7)	(49.8)	(37.6)
34.8	(21.5)	69.1	(15.9)	EBITDA	108.1	311.3	62.3	66.6
(38.7)	(39.7)	(41.8)	(19.6)	Depreciation and amortisation	(122.6)	(174.1)	(106.4)	(139.8)
(15.4)	(17.1)	(18.1)	(18.1)	Interest Expense (net)	(48.3)	(52.6)	(46.9)	(68.6)
(4.4)	(4.4)	(4.4)	(4.4)	Finance Cost - Non-Cash ²	(22.4)	(15.0)	(28.2)	(17.6)
7.1	24.8	(1.5)	17.4	Income tax (expense)/benefit	26.6	(20.9)	35.7	47.8
(16.5)	(57.9)	3.4	(40.6)	Profit/(Loss) After Tax	(58.5)	48.7	(83.5)	(111.6)

¹ Mark to Market relates to option and load-following contracts that are not hedge accounted.

² Finance Cost Non-Cash includes Gladstone onerous contract unwind and Rehabilitation provision cost unwind Finance cost.

Statement of Financial Position Group (Consolidated)

Quarter 2025/26				2023/24	2024/25	2024/25	2025/26
Sep	Dec	Mar	Jun	Actual	Budget	Forecast	Budget
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
34.5	38.3	38.4	38.4	Current assets			
-	-	-	-	Cash	227.6	166.1	34.6
243.5	176.2	33.0	114.1	Other assets	-	-	-
181.3	185.0	212.2	192.7	Loans and deposits receivable	157.6	144.8	269.8
49.9	39.0	28.1	17.3	Receivables	320.0	209.4	199.9
-	-	-	-	Prepayments	30.5	-	17.3
175.1	179.3	167.8	171.9	Asset Held for Sale	-	-	-
4.5	-	-	-	Inventories	153.9	168.2	171.0
				Derivative financial instruments – CA	296.6	21.4	-
688.8	617.8	479.5	534.4	Total current assets	1,186.2	688.6	534.4
158.9	140.1	128.5	110.7	Non-current assets			
0.4	0.3	0.3	0.2	Derivative financial instruments	193.4	122.3	158.9
2,201.5	2,285.2	2,595.9	2,658.0	Intangible Assets	0.7	8.8	0.5
0.0	0.0	0.0	0.0	Property, plant & equipment	1,335.6	2,414.0	2,032.6
241.9	261.7	257.7	270.8	Trade and other receivables	0.0	0.0	0.0
170.9	135.7	40.0	40.0	Deferred tax assets	242.4	144.0	235.9
22.6	22.6	22.6	22.6	Prepayments	9.1	-	252.6
				Other Receivables	22.6	27.4	22.6
2,796.3	2,845.6	3,045.1	3,102.3	Total non-current assets	1,803.8	2,716.4	2,703.1
3,485.1	3,463.4	3,524.7	3,636.8	Total Assets	2,990.0	3,405.0	3,417.0
283.5	236.7	223.3	232.0	Current liabilities			
1.9	1.9	1.9	2.0	Payables – CL	462.5	180.6	264.4
-	-	-	-	Leases – CL	1.8	1.9	1.9
32.3	111.2	123.0	159.8	Current tax liability	-	-	-
5.1	-	-	-	Borrowings	163.5	67.0	260.8
102.9	95.1	85.4	128.0	Derivative financial instruments	367.1	-	25.8
				Provisions	113.0	102.7	114.5
425.7	444.9	433.6	521.7	Total current liabilities	1,107.8	352.2	667.5
12.6	12.5	12.4	12.3	Non-current liabilities			
12.1	11.8	11.6	11.2	Payables – NCL	12.4	12.1	12.7
80.7	64.6	55.1	31.7	Leases – NCL	13.5	12.4	12.4
1,358.3	1,378.7	1,451.0	1,451.1	Derivative financial instruments – NCL	139.4	53.2	80.7
390.2	391.3	392.3	345.1	Borrowings – NCL	1,133.7	1,188.0	1,035.0
				Provisions – NCL	422.7	324.9	389.1
1,853.8	1,858.9	1,922.3	1,851.3	Total non-current liabilities	1,721.7	1,590.6	1,529.8
2,279.5	2,303.8	2,355.9	2,372.9	Total Liabilities	2,829.5	1,942.8	2,197.3
1,205.7	1,159.6	1,168.8	1,263.8	NET ASSETS	160.5	1,462.2	1,219.7
2,392.0	2,392.0	2,392.0	2,517.6	Shareholders' equity			
(35.0)	(23.2)	(17.4)	(7.5)	Contributed equity	1,347.6	2,391.6	2,392.0
(1,151.3)	(1,209.2)	(1,205.7)	(1,246.3)	Reserves	(135.8)	(2.8)	(37.5)
				Accumulated Losses	(1,051.2)	(926.6)	(1,134.7)
1,205.7	1,159.6	1,168.8	1,263.8	TOTAL SHAREHOLDERS' EQUITY	160.5	1,462.2	1,263.8

Statement of Cash Flows Group (Consolidated)

Quarter 2025/26				2023/24	2024/25	2024/25	2025/26
Sep	Dec	Mar	Jun	Actual	Budget	Forecast	Budget
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
454.4	369.5	489.5	389.6	Cash flows from operating activities			
(479.0)	(380.1)	(443.2)	(341.0)	Cash receipts in the course of operations	1,827.8	1,784.0	2,211.9
2.1	(0.5)	(4.3)	(0.1)	Cash payments in the course of operations	(1,459.2)	(1,384.4)	(2,030.9)
(16.1)	(15.3)	(17.1)	(18.6)	Investment in futures market	(34.1)	5.4	3.8
-	-	-	-	Net financing costs paid	(59.6)	(50.9)	(39.5)
-	-	-	-	Income tax paid	0.6	-	-
(38.6)	(26.4)	25.0	29.8	Net cash provided by operating activities	275.4	354.0	145.2
-	-	-	-	Cash flows from investing activities			
(82.2)	(136.1)	(251.8)	(110.9)	Proceeds from / (payment for) the disposal of assets	0.1	-	-
-	-	-	-	Payments for Property, Plant & Equipment	(397.0)	(1,136.8)	(1,122.5)
26.3	67.3	143.2	(81.1)	Payments for investment	-	-	-
-	-	-	-	Net Cash Advances to Queensland Treasury	(49.9)	677.5	(275.6)
(55.9)	(68.8)	(108.6)	(192.0)	Net cash provided by/(used in) investing activities	(446.8)	(459.4)	(1,398.1)
94.8	99.4	82.5	36.8	Cash flows from financing activities			
2.1	-	1.5	0.1	Proceeds (Repayments) from borrowings	155.6	56.7	29.9
(2.1)	-	-	-	Trading Facility drawdowns	-	2.1	2.6
(0.3)	(0.3)	(0.3)	(0.3)	Trading Facility repayments	-	(7.4)	(16.6)
-	-	-	125.6	Lease payments	(0.9)	(1.0)	(0.4)
-	-	-	-	Equity contributions	181.5	180.2	1,044.4
-	-	-	-	Dividends paid	-	-	-
94.5	99.1	83.7	162.2	Net cash provided by/(used in) financing activities	336.2	230.5	1,059.9
(0.1)	3.8	0.1	0.1	Net increase/(decrease) in cash held	164.9	125.1	(193.0)
34.6	34.5	38.3	38.4	Cash at the beginning of the period	62.7	41.0	227.6
34.5	38.3	38.4	38.4	Cash at the end of the period	227.6	166.1	34.6

Appendix A: Sponsorship, advertising, donations, corporate entertainment

Activity	Description	2024/25 budget (\$)	2024/25 est. actuals (\$)	2025/26 budget (\$)
SPONSORSHIPS				
Community Sponsorships Program (Callide and Kogan)	Sponsorship of initiatives and events that benefit the communities that host our existing coal-fired assets, and our Kogan and Callide Energy Hubs.	300,000	300,000	300,000
Indigenous Engagement	This benefit fund is dedicated to advancing First Nations' outcomes. In prior years, initiatives have been funded from the Community Sponsorships Program.	150,000	150,000	150,000
Greenbank Community Benefit Fund	Sponsorship of initiatives and events that benefit the community surrounding our Greenbank Battery.	20,000	20,000	20,000
Boulder Creek Community Benefit Fund	Sponsorship of initiatives and events that benefit the communities hosting the Boulder Creek Wind Farm. This is separate to landholder payments.	50,000	50,000	51,250
Lotus Creek Community Benefit Fund	Sponsorship of initiatives and events that benefit the communities hosting the Lotus Creek Wind Farm. This is separate to landholder payments.	100,000	100,000	102,500
Regional Transformation ¹	This fund delivers a strategic long-term benefit to a local community by supporting legacy projects in partnership with local organisations.	300,000	300,000	300,000
Industry Engagement ²	This fund has been established to invest in initiatives and events aligned with CS Energy's core business.	50,000	50,000	50,000
Total Sponsorships		970,000	970,000	973,750
ADVERTISING ³				
Total Advertising	Site-based, non-campaign advertising for sponsorship and grants programs	3,000	3,000	3,000
CORPORATE ENTERTAINMENT				
Total Corporate Entertainment		5,000	0	5,000
DONATIONS				
Total Donations	Discretionary donations to community events and activities at Brisbane, Callide and Kogan Creek.	24,000	24,000	24,000
TOTAL ⁴				1,005,750

1. The Regional Transformation Fund was launched in 2024/25 to assist regional communities with their development priorities, ensuring we have long-lasting positive impacts in the regions in which we operate. This fund serves to support education and training, sustainable development, economic diversification and environmental conservation initiatives.
2. The Industry Engagement Fund was established in 2024/25 to invest in initiatives and events aligned with CS Energy's core business. Intended to drive industry growth and innovation. This fund seeks to advance CS Energy's position as a leader in the energy industry and underscores our commitment to the advancement of the energy industry as a whole.
3. Does not include recruitment advertising.
4. All expenditure is GST exclusive.

Appendix B: Employment and Industrial Relations Plan

CS Energy's Employment and Industrial Relations Plan (EIR Plan) has been developed to support the company in driving business improvement safely, efficiently and responsibly to deliver on our purpose of *delivering energy today, powering your tomorrow*.

Fundamental to the EIR Plan is CS Energy's commitment to build a high-performance and flexible workplace culture.

This EIR Plan provides for an aligned approach to CS Energy's employee relations, which balances shareholder objectives, employee participation and engagement, and the organisation's commitment to:

- safety, driven by genuine care and concern for people and the environment;
- accepting accountability and acting with integrity; and
- creating and sustaining value for our owners through operational excellence, being productive, and exercising sound commercial judgement.

CS Energy employees and enterprise agreements

The vast majority of CS Energy employees are covered by collective enterprise agreements (excluding the Chief Executive Officer and senior executives and several site and corporate leadership roles). The *Fair Work Act 2009 (Cth)* (FW Act) applies to CS Energy employees and the enterprise agreement-making process takes place in accordance with this legislation, including its good faith bargaining requirements.

CS Energy is party to three enterprise agreements, each negotiated at the site level with the relevant union representatives (officials as well as site delegates) and voted on by eligible employees. A total of 698 employees are covered by these enterprise agreements. The unions party to these agreements are the Mining and Energy Union (MEU); Electrical Trades Union Branch (ETU) of the Communications, Electrical and Plumbing Union (CEPU); The Services Union (TSU); Australian Manufacturing Workers Union (AMWU); and Professionals Australia¹. Further details of the current agreements are set out in the following table:

	Scope	Nominal Expiry
CS Energy Ltd Professional Market and Support Services Enterprise Agreement 2024 Covers 295 employees	Employees of CS Energy Ltd at Corporate Office	31 May 2026
Callide Power Station Enterprise Agreement 2024 Covers 277 employees	Employees of CS Energy Ltd at Callide Power Station	29 February 2028
Kogan Creek Energy Facility Enterprise Agreement 2023 Covers 126 employees	Employees of Kogan Creek Power Pty Ltd at Kogan Power Station	31 July 2026

Each enterprise agreement is tailored to the characteristics of the specific site and workforce.

¹ The exception is the CS Energy Ltd Corporate Enterprise Agreement with only three union parties being the ETU, TSU and Professionals Australia.

Remuneration arrangements

Chief Executive Officer and senior executives

Remuneration details for the Chief Executive Officer and senior executives are provided in the following table. These arrangements are reviewed annually in accordance with company procedure and Government policy.

The table below shows the salaries of those employed under Senior Executive Contracts as at 30 April 2025.

	Base salary ¹	Employer superannuation contributions ²	Motor vehicle ³	Car park ⁴	Total fixed remuneration ⁵	Other non-personal benefits	Performance payment made FY24 ⁶
Acting Chief Executive Officer Emma Roberts	470	30		5	500		53
Chief Operating Officer Andrew Buswell	461	59		5	520		
Chief Financial Officer Cameron Collins	430	30		5	460		39
Executive General Manager Stakeholder Relations and Corporate Governance Mark Powell	355	45		5	400		
Executive General Manager People, Safety and Transformation Barry Millar	415	53		5	468		37

¹ Base salary is Total Fixed Remuneration less employer superannuation contribution.

² Employer contributions to superannuation (other than by salary sacrifice).

³ Any motor vehicle is provided in accordance with the Queensland Government's Senior Executive Service Policy.

⁴ A car park is provided, and a nominal allowance is paid and then deducted as a salary sacrifice amount.

⁵ Total Fixed Remuneration is the sum of base salary and employer superannuation contributions.

⁶ Performance payments made in FY24 relate to performance in FY23. Performance payments include superannuation. No performance payments were made in FY25 in respect of FY24 performance.

Chief Executive Officer and senior executive performance incentive payments are capped at 15 per cent of Total Fixed Remuneration comprising enterprise and individual performance incentives (IPIs).

Strategic targets are outlined in the Statement of Corporate Intent for shareholding Ministers. IPIs are set annually in Individual Achievement Plans and are formally reviewed mid-yearly and at year-end. The IPIs describe expectations that require the individual to demonstrate a level of performance above and beyond business as usual, resulting in the achievement of CS Energy objectives.

Consistent with shareholding Ministers' expectations relating to the Electricity Maintenance Guarantee, the CS Energy Board has implemented a policy that performance payments will not be paid to Chief and Senior Executives in instances where the Electricity Maintenance Guarantee performance indicators are not achieved.

Employment conditions

General conditions of employment are provided for in the various enterprise agreements made under the *Fair Work Act 2009 (Cth)* (FW Act) and CS Energy Human Resources policies and procedures. Rates of pay, including productivity payments, are included in enterprise agreements and all-purpose allowances, where applicable (for example, powerhouse allowance, disability allowances, etc) are incorporated in all-up rates within those industrial instruments. The *Electrical Power Industry Award 2020* is the modern award

applying to the power generation industry and enterprise arrangements leave CS Energy employees better-off-overall when compared to this Modern Award. Employment conditions are also governed by the *Government Owned Corporations Act 1993* (GOC Act) and Regulations, the *Electricity Act 1994 (Qld)*, the FW Act and *Fair Work Regulation 2009 (Cth)*.

As required by the FW Act, each enterprise agreement contains a flexibility provision, allowing CS Energy and employees to put in place individual arrangements provided that the employee is not disadvantaged compared to the collective enterprise agreement. These flexibility arrangements include Alternative Individual Agreements (AIAs) and are offered where roles require special skills or employment flexibility, to ensure that CS Energy can attract and retain quality employees to compete effectively in the energy market. An employee is free to move from AIA arrangements back to enterprise agreement conditions simply by giving notice of the change to CS Energy in accordance with the timeframe contained within the relevant enterprise agreement.

Employees are engaged under the following categories (728 FTE):

Category	FTE
(a) All employees	728
(b) CEO and direct reports	7
(c) Employees covered by an award/EA/agreement made under the <i>Fair Work Act 2009 (Cth)</i>	691
(d) Employees under other arrangements (including common law contracts)	30
Total: (a) = (b) + (c) + (d)	728

Workforce planning

CS Energy is focussed on ensuring its workforce is capable, adaptable and diverse as it responds to the rapidly evolving energy market. At the same time, CS Energy remains focused on complying with its various enterprise agreements.

To assist to position its workforce in this manner, current and future capabilities are considered in the development of existing workers and the recruitment of new employees with skills that complement and build on future business activity.

CS Energy's 2025/26 Labour Budget provides for the following workforce numbers but will be continuously reassessed in the coming 12 months as CS Energy works with all relevant stakeholders to implement its strategy and workforce requirements at all CS Energy sites. *Note the below may change post the annual budgeting process as per normal practice.*

Budget workforce plan – 2025/26²

Category	Headcount ¹
Permanent	1019
Temporary	48
CEO and Senior Executive Contract	7
Apprentices (In House)	25
Trainees (In House)	14
Casual	2
Total Directly Employed Workforce	1115
Contractor and Labour Hire (trade/technical)	1174
Contractor and Labour Hire (professional/administrative/technical)	874
Total Indirectly Employed Workforce	2048
Total Workforce	3163

¹ The Budget is based on the numbers in the table above and does not include a vacancy rate assumption.

CS Energy uses contractors and labour hire for a variety of reasons, including the need to address short-term, ad hoc labour requirements or to deliver a short-term, high-intensity project. This will continue as CS Energy seeks to respond to the rapidly changing energy market.

CS Energy complies with its enterprise agreements and any applicable legislation on the responsible and appropriate use of contractors.

CS Energy is required to report on the use of contractors carrying out production work for both the Kogan and Callide sites, which occurs monthly via the relevant site consultative forum.

Callide Station Resource Plan

CS Energy is required, pursuant to the Callide Enterprise Agreement, to present a Station Resource Plan (Plan) to the relevant union consultative forum on an annual basis. The plan is to be based on various supporting information and runs from July to June. Importantly, the level of detail required is as follows; the Plan must include the skills and numbers to fulfil the “known work” requirements for that 12-month period.

CS Energy has embarked on a recruitment campaign to ensure Callide Power Station has the appropriate resources based on work planning for the 12-month period and beyond.

Further considerations are as follows:

- the orderly and responsible engagement of contractors (Clause 8.2 of the Callide EA);
- broader CS Energy transformation activities and future opportunities that include Callide; and
- known work requirements in the context of operational change.

Workplace health and safety

CS Energy complies with all relevant health and safety legislation, including the *Work Health and Safety Act 2011 (Qld)* and related standards, the *Electrical Safety Act 2002 (Qld)*, codes of practice, Australian standards and industry guidelines. This includes the recent codification of psychosocial hazards within the relevant 2022 Code of Practice.

² Preliminary numbers, yet to be approved by CS Energy Board.

Inclusion and Diversity (I&D)

CS Energy's Inclusion and Diversity Policy (I&D Policy) outlines our commitment to create a workplace culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique skills and qualities of all our employees.

A new Inclusion and Diversity Strategy has been developed for FY25-FY28. The strategy focuses on ensuring we have a respectful, psychologically safe and inclusive workplace, regardless of an individual's background or life experiences. Key actions focus on the participation, engagement and development of women and First Nations employees. We also focus on tracking the participation, development and engagement of other demographic groups, including Culturally and Linguistically Diverse and employees with a disability.

CS Energy aims to provide a workplace that is free from unlawful discrimination, sexual harassment, bullying, victimisation and vilification. All employees have access to the CS Energy *Procedure for Equal Employment Opportunity and Appropriate Workplace Behaviour*.

The *Recruitment and Selection Procedure* provides direction for all CS Energy recruitment and selection activities to be based on using fair, open, unbiased and transparent processes to select the best person for the job within an efficient and effective process.

In accordance with Chapter 2 of the *Public Sector Act 2022 (Qld)*, CS Energy reports EEO statistical data to the Public Sector Commission on an annual basis. CS Energy submitted its last report in July 2024.

Existing Joint Venture projects

CS Energy (through its wholly owned subsidiary, Callide Energy Pty Ltd) remains in a joint venture with IG Power (Callide) Ltd (Administrators Appointed) at Callide C Power Station. Operations and maintenance services for Callide C Power Station are provided by CS Energy under a contract with the joint venture manager entity. CS Energy employees, and some contractors, are undertaking work under that contract, and otherwise, for the joint venture. Relevant CS Energy employees are primarily covered by the Callide EA.

CS Energy has a 50/50 retail joint venture with Alinta Energy to provide electricity to residential and small commercial customers in South-East Queensland. Under the JV, CS Energy generates and supplies wholesale electricity and Alinta Energy manages the retail business.

CS Energy co-owns the Boulder Creek Wind Farm which is currently under construction in a 50/50 joint venture with Aul Energy and will hold the rights to 100 per cent of its generation output through a 20-year Power Purchase Agreement.

CS Energy (through its special purpose subsidiaries) may enter into joint ventures with third parties to construct, own and operate new renewable energy and energy transition assets. Operations and maintenance services for these assets may be provided by CS Energy, its subsidiary entities or third parties. CS Energy employees are primarily covered by the relevant site EA.

Redundancy provisions

Consistent with the government's approach to employment security, CS Energy's collective agreements do not provide for any forced redundancies. They do however provide for voluntary redundancies as a last resort, and prioritise redeployment, retraining and relocation in preference to retrenchment³. Severance payments include three weeks' pay for every year of service, to a maximum of 75 weeks, plus an early separation payment of 13 weeks, pro-rata long service leave and a re-training and outplacement support costing \$1,000 to \$2,000 per employee, depending on the site.

³ With the exception of the Kogan Creek Energy Facility Enterprise Agreement which requires the union parties to agree to the need for voluntary redundancies in addition to the process to be utilised in such an event.

All CS Energy enterprise agreements do not contemplate involuntary (forced) redundancies. In addition, the Kogan Creek Enterprise Agreement only recognises the offering of voluntary redundancies as an option if the unions party to the agreement agree. CS Energy's other two enterprise agreements allow for CS Energy to offer voluntary redundancies in accordance with the provisions of the respective EA.

CS Energy also offers transition to retirement planning while complying with the GOC Wages Policy.

Superannuation

In accordance with *Superannuation Guarantee (Administration) Act 1992 (Cth)*, CS Energy offers membership of and contributes to a number of approved superannuation funds, as requested by employees. Under CS Energy policy, Brighter Super is the default fund for new defined contribution fund members.

The Energy Super Defined Benefit Fund, which closed to new employees in 2002, currently has an employer contribution rate of nil. This rate is reviewed every two years by the fund actuary. Presently, 6.76 per cent of the CS Energy workforce remains in this plan. The remainder of the workforce are members of defined contribution funds, being 40.24 per cent of employees in the default Brighter Super fund and 53 per cent of employees in a choice of super fund account.

In November 2022, CS Energy implemented the Queensland Government approved Superannuation Guarantee Contribution increase to 12.75 per cent per annum for all eligible Government Owned Corporation employees⁴ backdated to 1 July 2022.

Consultation

Unions and representatives of Queensland Treasury, and the Office of Industrial Relations have been consulted in the preparation of this plan. CS Energy regularly engages with our employees with respect to aspects of this plan via various consultative forums and regular communications.

⁴ Excluding those employees who are in the Defined Benefit fund.

Appendix C: Glossary of terms and definitions

AIA	Alternative Individual Agreement
Availability Factor	Availability Factor is expressed as a percentage, and is measured by the number of days that a unit is online and generating electricity, compared to total days in the quarter
Bowties	A Bowtie is a diagrammatic representation of risk processes. The diagram is shaped like a bowtie, creating differentiation between proactive and reactive risk management
CPI	Consumer Price Index
Cost of Energy	<u>All operating costs (including depreciation, excluding impairment, other revenue (and costs) and future development projects)</u> Generation at node (MWh)
Distribution Cash Coverage	<u>Net Operating Cashflows – Net Investing Cashflows (excl externally funded, QTC cash allowances)</u> Shareholder Distribution
Distribution Yield	<u>Shareholder Distribution</u> (Property Plant and Equipment (excl WIP) + Specific Inclusions – Net Debt (excl QTC cash advances))
EA	Enterprise Agreement
EBITDA	Earnings before interest expense, tax, depreciation and amortisation.
EBITDAIF	Earnings before interest expense, tax, depreciation, amortisation, impairment losses/loss reversals and net fair value gains/losses on financial instruments, excluding abnormal items.
EEO	Equal Employment Opportunity
EFOF	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.
EIR	Employment and Industrial Relations
EMS	Environmental Management System
FTE	Full Time Equivalent
Funds from Operations on Net Debt	<u>Net Operating Cashflows</u> Net Debt (excl QTC cash advances)
GOC Act	<i>Government Owned Corporations Act 1993 (Qld)</i>
I&D	Inclusion and Diversity

IR	Industrial Relations
LGC	Large-scale Generation Certificate
MW	Megawatt (one MW = one million watts)
NPAT	Net Profit After Tax
Return on Assets ex WIP	<u>Earnings before Interest and Tax</u> Property Plant and Equipment (excl WIP) + Specific Inclusions
SCI	Statement of Corporate Intent
Significant Injury or Fatality (SIF)	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.
Specific Inclusions	Includes Right of Use assets
Underlying EBITDA	Underlying earnings before interest, tax, depreciation and amortisation.
Underlying EBIT	Earnings before interest, tax, and significant items.
WACC	Weighted average cost of capital

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