AGL Energy Limited
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ASX & Media Release

AGL – Results for Announcement to the Market

12 August 2026

Attached are the following documents relating to AGL Energy Limited's results for the year ended 30 June 2026:

- Appendix 4E
- AGL Energy Limited 2026 Annual Report.

Authorised for release by AGL's Board of Directors.

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About AGL Energy

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move and work. Proudly Australian for more than 185 years, AGL supplies around 4.6 million[1] customer services. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in renewable energy to be a leader in the transition to a lower emissions and smart energy future in line with the goals of our Climate Transition Action Plan.

For more information visit agl.com.au

[1] Services to customers number is as at 30 June 2026.

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Appendix 4E
Preliminary Final Report

Results for announcement to the market for the year ended 30 June 2026.

				30 June 2026 $A million	30 June 2025 $A million[1]
Revenue	Down	5.2%	to	**13,590**	14,339
Statutory Profit after tax attributable to shareholders	Up	575.0%	to	**756**	112
Underlying Profit after tax attributable to shareholders	Down	1.7%	to	**631**	642

				30 June 2026 cents	30 June 2025 cents[1]
Statutory Earnings per share	Up	573.1%	to	**112.4**	16.7
Underlying Earnings per share	Down	1.9%	to	**93.8**	95.6

				30 June 2026 $A	30 June 2025 $A[1]
Net tangible asset backing per share	Up	40.5%	to	**2.95**	2.10

1. Balances have been restated to reflect the accounting adjustments as described in Note 38.e of the Financial Report.

	Amount cents	Franked amount cents
Final dividend per ordinary share	26.0	26.0
Interim dividend per ordinary share	24.0	24.0

Record date for determining entitlements to the final dividend:
26 August 2026 and payable 24 September 2026.

Brief explanation of Underlying Profit after tax and Underlying Earnings per share:
Statutory Profit after tax and Statutory Earnings per share are prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards.

Statutory profit after tax of $756 million included a loss of $54 million after tax treated as significant items and a gain of $179 million after tax from the changes in the fair value of financial instruments. Excluding these items, the Underlying Profit after tax was $631 million, 1.7% down on the prior corresponding period.

Underlying Profit after tax is reported to give information to shareholders that provides a greater understanding of the performance of AGL Energy Limited's (AGL's) operations. AGL believes Underlying Profit after tax is useful as it removes significant items and timing mismatches between the fair value of derivatives and the underlying asset being hedged thereby facilitating a more representative comparison of financial performance between financial periods.

This report should be read in conjunction with the 2026 Annual Report incorporating AGL Directors' Report (including the Operating & Financial Review) and the Financial Report released to the market on 12 August 2026.

The consolidated financial statements contained within the 2026 Annual Report, of which this report is based upon, have been audited by PricewaterhouseCoopers Australia.

Annual Report
2026

agl Join the change

Report structure

This report is designed to be read in its entirety. The required elements of the Directors' Report, including the Operating and Financial Review (OFR) as required by ASIC Regulatory Guide 247, are covered on pages 10 - 104. Commentary on AGL's financial performance is contained on pages 14-67 and references information reported in the Financial Report (pages 159-250). The required elements of the Sustainability Report are covered on pages 105-151.

The Financial Report and the Sustainability Report include AGL Energy Limited (the Company or Parent Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2026. Throughout the report, the consolidated entity is referred to as AGL or the Group. The Directors' Declarations on pages 243 and 151 form part of the Financial Report and Sustainability Report (respectively) under the Corporations Act 2001 (Cth) (Corporations Act).

Voluntary reporting frameworks

This report has been prepared with consideration of the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework to demonstrate how sustainable value is created for our shareholders and other stakeholders over time, applying a lens that is broader than financial performance alone.

The disclosures in this report and the ESG Data Centre are made with consideration of the Sustainability Accounting Standards Board (SASB) standards for 'Electrical Utilities and Power Generators' and 'Gas Utilities and Distributors' version 2023-12. A SASB index is included in the ESG Data Centre, which identifies the extent to which each SASB disclosure requirement has been applied.

Assurance

AGL has obtained independent assurance over the Remuneration Report (pages 80-102) and the Financial Report (pages 159-250) in accordance with Australian Auditing Standards. AGL has also obtained independent assurance over selected disclosures in the Sustainability Report (pages 105-151) to meet the requirements specified in the Auditing and Assurance Standards Board (AUASB) standard ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

AGL has also voluntarily obtained independent assurance over additional selected elements of the Sustainability Report, as well as selected key performance indicators included in the Business Value Driver scorecards (pages 28-44), in accordance with the Australian Standard on Assurance Engagements (ASSA) 5000 *General Requirements for Sustainability Assurance Engagements*.

Full details of the assurance scope, process and outcomes for the Financial Report, Sustainability Report and voluntary disclosures are included in the assurance statements on pages 245, 152 and 251 respectively.

Important information

This Annual Report ("the Report") is our primary report to stakeholders, providing a consolidated summary of AGL's performance for the financial year ended 30 June 2026. It should be read together with the Company's other announcements and reports lodged with the Australian Securities Exchange, which are available at asx.com.au.

In this Report, references to 'AGL', 'Company', 'Group', 'we', 'us', and 'our' are to AGL and/or, except where the context otherwise requires, its subsidiaries. All currency referred to in the report is in Australian dollars, unless otherwise stated.

Forward-looking information

This Report includes information about AGL's performance for the period 1 July 2025 to 30 June 2026. Any forward-looking statements are based on AGL's current expectations, reasonable estimates and the judgements, estimates and assumptions as at the date of preparation. These statements are subject to significant risks, uncertainties and contingencies that could cause actual results or outcomes to differ materially, many of which are beyond AGL's control.

Factors that could cause actual results of performance to materially differ from forward-looking statements, opinions and estimates include, without limitation, energy demand and supply dynamics, changes in laws, regulation and policy, the development of technology, changes in economic and energy market conditions and the manifestation of climate-related risks, whether individually or in combination.

Except as required by applicable laws or regulations, AGL does not undertake any obligation to update or revise any forward-looking statement (or the assumptions on which they are based) to reflect any change in expectations, contingencies or assumptions, whether as a result of new information or future events.

Third-party information

Certain market and industry data used in this report has been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Except where otherwise indicated, AGL has not sought to independently verify market or industry data obtained from public and third-party sources.

Acknowledgment of Country

AGL recognises the First Nations people as the Traditional Custodians of the lands on which we work, and acknowledges those communities' continuing connections to their lands, waters and cultures. We pay our respects to their Elders, past and present.

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Business Value Drivers

We are focused on creating sustainable, long-term value for our shareholders and other stakeholders through the delivery of our strategy in a manner that is consistent with our values and delivers on our purpose of 'Powering Australian life'. As well as financial value, we consider value through six additional lenses as outlined in our ESG framework below.

Customers

Connecting every customer to a sustainable future

How we are creating value:

- Solutions to meet customer needs
- Energy affordability and support for customers experiencing vulnerability
- Decarbonised energy supply

+ Read more on pages 28-30

Assets

Responsible management of and investment in the assets of today and tomorrow

How we are creating value:

- Transitioning our energy portfolio
- Reliable and efficient plant operations
- Repurposed infrastructure (energy hubs)

+ Read more on pages 31-34

People

Investing in and protecting our people, delivering optimal outcomes by living our values

How we are creating value:

- Safe and healthy workforce
- Future fit people and culture
- Workforce transition

+ Read more on pages 34-36

Relationships

Supporting communities and maintaining strong partnerships

How we are creating value:

- Engaged and supported communities
- Collaboration for Australia's energy future
- Strong business relationships

+ Read more on pages 36-39

Environment

Managing environmental outcomes and resource efficiency

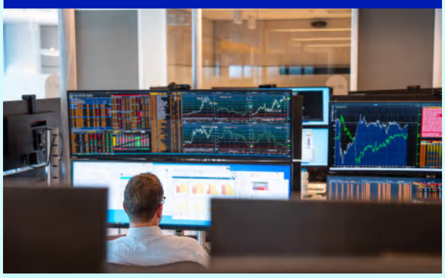
How we are creating value:

- Climate transition and decarbonisation
- Environmental stewardship
- Responsible rehabilitation

+ Read more on pages 39-42

Business Intelligence

Unlocking growth through technology and insights



How we are creating value:

- Enhancing customer experience
- Trading, operation and risk management capabilities
- Secure assets and data

+ Read more on pages 42-44

Underpinned by effective governance and ethical behaviour

+ Read more on pages 68-72

Driving financial value

+ Read more on pages 24-44

Chair and MD & CEO's Message

Dear Shareholders

We are pleased to present our 2026 Annual Report. This year we delivered strong business performance and financial results for our shareholders. This is a product of the delivery and execution of our strategy over the last four years to generate long-term value and to create asset and market optionality in an evolving energy market.

Delivering value for shareholders

AGL's excellent business performance, asset breadth and flexibility, and disciplined capital management has provided consistent value for our shareholders since the reset of our strategy in 2022.

In FY26, our Underlying EBITDA was $2,100 million and we delivered Underlying Net Profit after tax of $631 million, both of which were in line with our FY26 guidance. The Board declared an FY26 total dividend of 50 cents per share (fully franked), which equates to a payout ratio of 53.3% of Underlying Net Profit after tax.

AGL has been operating for 189 years and has remained a successful energy business while continually evolving to respond to technological and regulatory change, energy market evolution, and changing customer expectations. Our company will continue to evolve as we progress through the energy transition, with our strategic focus on building and retaining asset flexibility and optionality, and making growth and investment decisions that provide the most benefit to our shareholders, customers and our stakeholders over the long-term.

> Our FY26 results demonstrate the quality, value and flexibility of our integrated portfolio across our generation and customer business to respond and deliver against various market conditions.

A year of excellent business performance

FY26 was a strong year for AGL operationally, and we were pleased that AGL delivered excellent results across our business, as set out below. These results, delivered amid challenging and evolving market conditions, are a credit to our people, whose efforts underpin AGL's performance.

Safety remains our highest priority and we are committed to providing a safe and supportive work environment for our people. AGL's FY26 Total Injury Frequency Rate was 2.2, which is a 0.2 increase from FY25, but remains well below FY23 and FY24 levels and is a strong outcome given the significant volume of operational and maintenance activity undertaken across our sites during the year. We continue to implement initiatives to promote a strong safety culture and to enhance controls for our highest risks.

Our total customer services grew to 4.6 million as at 30 June. We're always looking for ways to develop new products and services and improve customer experience and we were particularly pleased to grow our customer numbers during FY26, while at the same time achieving some of our highest ever customer advocacy scores.

Customer Satisfaction (or CSAT) increased to 84.1% from 81.6% in FY25, and our Net Promoter Score was +10, an improvement of 2 points from FY25. Furthermore, AGL's RepTrak score increased to 72.4, up 4.7 points compared to FY25.

This score places AGL in the 'Strong Reputation' category, reflecting broader stakeholder trust in AGL.

The Equivalent Availability Factor (EAF) for our generation fleet was 83.4%, which was 4.3 percentage points higher than FY25. This reflects the investment we continue to make to improve the reliability and flexibility of our fleet, and allows AGL to generate when market conditions are most favourable.

Our company-wide employee engagement score decreased three percentage points to 70% in FY26, but it remains broadly in line with industry benchmarks. While this result highlights the challenges that can accompany periods of business and energy markets transformation, we remain focused on fostering an inclusive workplace where our people feel supported, connected and empowered to succeed.

We continue to invest in the skills of our people to enhance their professional development. This year we launched our Leadership Compass framework to encourage our people to contribute fully and perform at their best. As AI continues to transform the way we work, we're also equipping our people for the future through our Data & AI Academy and by providing access to the latest generative AI tools, including the rollout of Microsoft 365 Copilot licences to all employees.

As we transform for the future, technology is playing a critical role in how AGL creates value and supports the energy transition. We are highly focused on opportunities for improved efficiency and are investing in AI and other technology to support our customers and mitigate costs of doing business.

Our Retail Transformation Program is an example of such an investment whereby we are transforming our customer business to deliver a modern, scalable retail platform that will underpin long-term customer and shareholder value. We remain focused on delivering the program successfully, and following a detailed review of the next phase of implementation, we expect the program costs to increase by an additional $100 million to $150 million. This reflects the scale, complexity and regulatory environment that the program is delivering within, and our approach to de-risk implementation for our customers. Importantly, the anticipated strategic and operational benefits of the program remain unchanged.

Execution of our strategy

This year, we achieved significant milestones to progress our strategy to transition our energy portfolio and connect every customer to a sustainable future. This includes:

- completing construction of the 500 MW Liddell Battery in New South Wales, which is now operational.
- reaching final investment decision and commencing construction on the Kwinana Swift Gas 2 (K2) project in Western Australia, which is a 220 MW open-cycle, dual-fuel gas turbine power station to be co-located with our existing Kwinana Swift Power Station.
- reaching final investment decision and advancing the construction of the 500 MW Tomago Battery in New South Wales, while also securing a Long-Term Services and Energy Agreement for the project.
- executing two long-term power purchase agreements with Tilt Renewables in relation to the Waddi Wind Farm in Western Australia, and Palmer Wind Farm in South Australia.
- executing a Capacity Investment Scheme Agreement for the proposed 600 MW Hexham Wind Farm, which is being progressed in partnership with Wind Prospect.

These milestones strengthen the breadth, quality and flexibility of our asset fleet. Additionally, our significant and diversified development pipeline provides important optionality value, allowing us to prioritise and execute projects that deliver the best value for AGL and our shareholders.

> As customer uptake of home batteries and electric vehicles accelerated in FY26, we expanded our products and services to meet growing demand, helping customers electrify their homes and businesses, and receive greater value from their energy use to participate more directly in the energy transition.

This includes:

- launching the Three For Free energy usage plan in South Australia, providing free electricity from 10am to 1pm daily for eligible customers to help them shift their usage to save on their energy bills.
- launching the AGL Battery Rewards Plan to support the growing number of customers investing in home batteries.
- our AGL Community Power initiative, which is designed to expand access to the benefits of renewable energy and electrification for customers who may otherwise face barriers to participation. We are building 18 community batteries in partnership with the South Australian Government's empowered SA Community program. We are also undertaking pilots in New South Wales to support the expansion of the model.

We continue to focus on the strategic growth of our commercial and industrial customer business, recognising the significant role of these customers in future large-scale electrification, development and growth of our overall portfolio. We recently announced, in partnership with RRG Capital Management, that we will deliver a microgrid renewable system for Koompartu Farms in South Australia, which is expected to be one of the largest privately owned non-mining microgrids in Australia.

Strategic divestments and opportunities

During the year, we completed two divestments and progressed opportunities and partnerships evidencing our disciplined approach to capital allocation.

In November 2025, we announced the divestment of our 19.9% interest in Tilt Renewables to existing shareholders and other entities led by the Queensland Investment Corporation and the Future Fund for $750 million.

This transaction is a strong example of the disciplined use of our balance sheet and recycling capital to support the future growth of the business.

We have also commenced engagement with a range of potential capital partners regarding the development of more than 2 GW of renewable projects from our pipeline. This process is focused on identifying structures that improve capital efficiency while maintaining strategic and operational flexibility.

During FY26, we also completed the sale of our telecommunications business to Aussie Broadband Limited (ABB) in exchange for $115 million worth of shares in ABB. We also entered into a long-term, strategic partnership with ABB. These transactions allowed us to simplify our customer portfolio, reduce operational costs and to focus on our core energy business, while allowing AGL to maintain a bundled customer proposition through the AGL brand.

Embracing ESG

This year, AGL reported for the first time under Australia's mandatory climate-related financial disclosure framework – refer to our Sustainability Report in this Annual Report. While we have incorporated climate-related disclosures in our annual reporting suite since 2016, we have enhanced our reporting, governance and risk management processes over the past year to support meaningful, high-quality disclosures on our climate-related financial risks and opportunities. Our climate-related disclosures are located within our Sustainability Report on pages 105-151.

AGL plays an important role in the communities in which we operate. In FY26, we continued to strengthen our partnerships with First Nations peoples and communities, and we are preparing to launch the third iteration of AGL's Reconciliation Action Plan later this year, building on the progress made to date.

As Australia's energy system changes, First Nations communities should share in the practical benefits, including lower energy bills, more reliable power and access to new energy technology. During the year, we completed the Point Pearce Solar and Battery Project on Narungga country in South Australia, installing rooftop solar and batteries on more than 40 homes at no installation cost to residents.

Board and Leadership

During the year, it's been pleasing to have strong internal leadership talent assume important Executive roles and to have Betsy Donaghey join the Board from the 2025 Annual General Meeting in October.

During FY26, the Board continued to focus on ensuring it has the right skills and experience to oversee our strategy and the relevant risks and opportunities facing AGL throughout the energy transition. Our Board Skills Matrix was updated during FY26, as set out in the Governance Summary.

The Board also agreed, as part of an orderly Board succession process, to revise the Chairs of the Board Committees. With effect from the conclusion of the 2026 Annual General Meeting on 1 October 2026, Graham Cockroft will commence as Chair of the Audit & Risk Management Committee, Vanessa Sullivan will become Chair of the People & Performance Committee and Betsy Donaghey will be Chair of the Safety & Sustainability Committee.

With significant depth and diversity of skills and perspectives, we're confident the Board is well-placed to guide us to deliver our strategy and create long term value for shareholders.

The year ahead

Heading into FY27, we remain future focused and are well positioned to build on the momentum of the past 12 months. We recognise that our share price performance over recent periods may not have met the expectations of shareholders. However, we believe we have the right strategy in place to continue to deliver long term value for our shareholders. The breadth and flexibility of our portfolio, the strategic optionality within our development pipeline and our operating assets, our significant customer base and our disciplined approach to capital allocation provide a solid foundation to navigate the evolving and complex energy landscape and market conditions.

On behalf of the Board, we thank our people for their commitment, our customers for trusting us to power their homes and businesses, and our shareholders for their continued support.

Together, we are building a stronger, more resilient AGL for the years ahead.

Miles George
Chair

Damien Nicks
Managing Director & CEO

Five Year Summary

Key financial metrics

		FY26	FY25[1]	FY24	FY23	FY22
Income						
Revenue	$m	**13,590**	14,339	13,583	14,157	13,221
Underlying EBITDA	$m	**2,100**	2,055	2,216	1,361	1,218
Underlying EBIT	$m	**1,263**	1,237	1,469	633	501
Statutory Profit/(Loss) after tax	$m	**756**	112	711	(1,264)	860
Underlying Profit after tax	$m	**631**	642	812	281	225
Financial position						
Total assets	$m	**15,983**	16,550	16,134[2]	15,238	19,270
Net debt	$m	**2,863**	2,820	1,769	2,711	2,662
Gearing (net debt/net debt + equity)	%	**33.6**	34.9	24.7	34.9	29.2
Cash flow						
Sustaining capital expenditure	$m	**683**	660	588	508	460
Growth capital expenditure	$m	**674**	508	259	121	186
Operating cash flow before significant items, interest and tax	$m	**1,693**	1,583	2,429	1,013	1,498
Operating free cash flow	$m	**850**	531	1,736	504	763
Cash conversion excluding margin calls and rehabilitation	%	**95**	85	115	86	112
Shareholder value						
Statutory earnings per share	cents	**112.4**	16.7	105.7	(187.9)	131.6
Underlying earnings per share	cents	**93.8**	95.6	120.7	41.8	34.4
Dividends declared	cents	**50.0**	48.0	61.0	31.0	26.0
Payout ratio	%	**53.3**	50.0	50.5	75.0	75.0
Return on capital invested	%	**10.7**	11.1	13.5	5.7	4.8
Return on equity	%	**12.9**	12.9	14.9	4.9	3.7

1. Restated to reflect the accounting adjustment as described in Section 7, with the exception of return on capital invested.
2. Restated to reflect the accounting adjustment as described in Consolidated Statement of Financial Position.

Key operating metrics

		FY26	FY25	FY24	FY23	FY22
Total services to customers[1]	million	**4.569**	4.477	4.482	4.271	4.215
Customer churn	%	**16.7**	15.7	15.8	14.2	15.6
Pool generation volume	TWh	**31.8**	32.9	34.1	36.9	40.8
Customer demand: Electricity	TWh	**36.4**	36.1	37.3	38.2	39.0
Customer demand: Gas	PJ	**95.9**	100.8	101.8	131.4	153.1
Wholesale electricity prices (realised spot generation)[2]	$/MWh	**81.8**	125.6	94.0	134.0	115.0
Fuel costs[3]	$/MWh	**(24.9)**	(22.7)	(21.3)	(23.3)	(20.2)
Operating costs and capital expenditure	$m	**(3,159)**	(2,964)	(2,634)	(2,233)	(2,142)

1. Excludes Netflix services.
2. Refer to Operating & Financial Review - Section 6.2 Electricity Portfolio - Net Portfolio Management for further information.
3. Refer to Operating & Financial Review - Section 3.1.5 Fuel costs for further information.

Business Value Driver key performance indicators

For more information about each key performance indicator, refer to the scorecards in Section 3.2. The key performance indicators should be read in conjunction with the Glossary on pages 261-266.

		FY26	FY25	FY24	FY23	FY22
Customers						
Strategic Net Promoter Score (NPS)		**+10**	+8	+4	+5	+6
Customer Satisfaction (CSAT)	%	**84.1**	81.6	80.1	80.5	79.8
Ombudsman complaints		**6,597**	6,651	8,111	5,012	4,873
Number of customers on Staying Connected		**40,839**	34,328	27,471	18,889	15,964
Average level of debt of customers on Staying Connected	$	**2,488**	2,343	2,025	2,578	2,973
Total average debt across mass market customer portfolio	$	**463**	420	414	386	241
Green revenue as a % of total revenue	%	**22.9**	19.7	19.3	17.5	15.3
Increase in green revenue from FY19	%	**117**	98	83	73	41
Cumulative customer assets installed (behind the meter)	MW	**196**	147	70	NR	NR
Decentralised assets under orchestration (including smelters)	MW	**1,739**	1,487	1,249	1,139	NR
Assets						
New renewable and firming capacity	MW	**2,126**	1,178	978	478	NA
Operated and contracted renewable generation and storage capacity	%	**39.5**	34.5	32.8	30.5	NR
Grid-scale batteries installed and managed	MW	**930**	430	380	130	30
Total grid-scale batteries operated, contracted or in delivery	MW	**1,700**	1,200	1,000	430	NR
Equivalent Availability Factor - all fleet	%	**83.4**	79.1	85.8	76.8	74.5
Equivalent Availability Factor - thermal and gas generation fleet	%	**82.8**	79.5	86.6	74.6	NR
Major industrial clients located on or connected to a hub		**0**	0	0	NR	NR
People						
TIFR employees		**0.8**	1.2	2.7	2.4	1.5
TIFR (employees + contractors)		**2.2**	2.0	3.5	2.8	2.1
Fatalities (employees + contractors)		**0**	0	0	0	0
Employee engagement	%	**70**	73	72	67	57
Attrition (total workforce)	%	**10**	10	11	13	20
Key talent retention	%	**96**	96	92	83	76
Gender mix in senior leadership pipeline	% female	**38**	36	36	33	35
Material breaches of Code of Conduct		**0**	0	0	0	0
Relationships						
Community contribution	$m	**6.1**	6.0	6.0	4.8	3.8
RepTrak score		**72.4**	67.7	66.9	65.6	65.8
Underlying effective tax rate	%	**29.0**	27.9	30.5	26.7	23.2
Environment						
Scope 1 & 2 emissions	$MtCO_2e$	**29.4**[1]	30.7	33.2	35.2	40.1
Reduction in Scope 1 & 2 emissions compared to FY19 baseline	%	**31.9**[1]	29.1	23.3	18.5	NR
Operated and contracted generation intensity	tCO_2e/MWh	**0.888**[1]	0.908	0.936	0.916	NR
Scope 3 emissions[2]	$MtCO_2e$	**23.8**	24.5	25.0	24.6	25.1
Emissions intensity of electricity supplied[1]	tCO_2e/MWh	**0.819**	0.834	0.841	0.879	NR
Environmental Regulatory Reportable incidents		**15**	14	17	30	13
Environment SIF Actual		**0**	0	1	2	NR
Business Intelligence						
Speed to market[3]	%	**+52**	+30	+30	NA	NA
Digital only customers	%	**61.3**	59.0	55.8	52.7	NR
Major IT incidents		**56**	46	44	34	50
Reportable privacy incidents		**0**	2	5	3	1

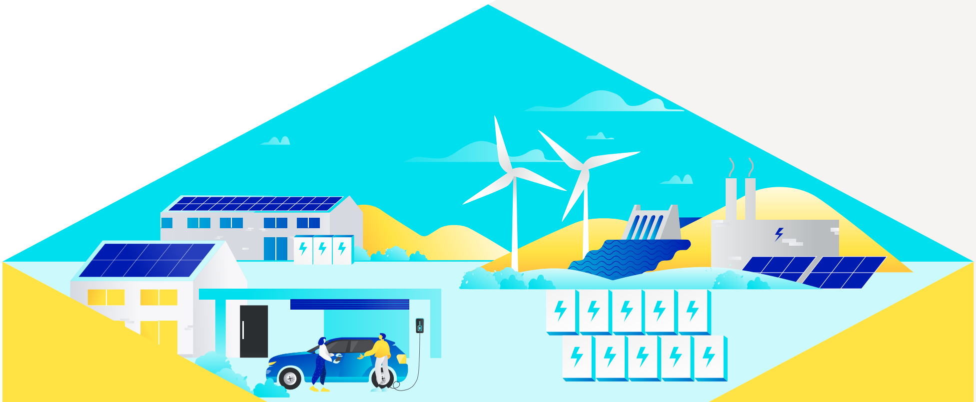
1. Data for FY26 is estimated and based on actuals for material emissions sources and estimates for non-material sources; any changes will be updated in the ESG Data Centre later in the year and may change.
2. Comparatives have been restated to align with AGL's updated Scope 3 calculation methodology. Data for FY26 is estimated, based on actuals for material emissions sources and estimates for non-material sources. Any revisions will be updated the following year.
3. Improvement compared to May 2023 baseline.

Strategy and Performance

AGL's strategic pillars are connecting every customer to a sustainable future and transitioning our energy portfolio.

Our purpose
Why we exist

Powering Australian Life



Our strategic focus
What we're focusing on for success

Connecting every customer to a sustainable future

Helping our customers decarbonise the way they live, move and work

Transitioning our energy portfolio

Ambition to add 12 GW of new renewable and firming capacity by the end of 2035, and seek options to accelerate where possible

We will enable this transformation by ensuring a strong foundation:

Our foundation
Underpins everything we do

Embracing ESG

We factor ESG considerations into the work we do and the decisions we make

Future-fit, people and culture

Our people are empowered as the driving force of a safe, future focused, purpose driven business

Technology at the core

Growth and customer experience unlocked through technology, digitisation and AI

Delivering for Shareholders

Shareholder Value

Providing financial stewardship, effective capital allocation, and strong returns to shareholders

We are making strong progress towards achieving our FY27 strategic targets

Customer NPS leadership

FY27: +20
(Strategic NPS)

FY26: +10
FY25: +8

Operational performance

FY27: 88%
Equivalent Availability Factor (EAF)[4]

FY26: 82.8%
FY25: 79.5%

Digital only customers

FY27: 60%

FY26: 61.3%
FY25: 59.0%

New renewable and firming capacity in construction, delivery or contracted

FY27: 2.1 GW[5]

FY26: 2,126 MW
FY25: 1,178 MW

Speed to market improvement

FY27: By 80%[1]

FY26: +52%
FY25: +30%

Total grid-scale batteries operated, contracted or in delivery

FY27: 1.5 GW

FY26: 1,700 MW
FY25: 1,200 MW

Green revenue expanded

FY27: 85%
Increase in green revenue from FY19[2]

FY26: 117%
FY25: 98%

Decentralised assets under orchestration

FY27: 1.6 GW[6]

FY26: 1,739 MW
FY25: 1,487 MW

Cumulative customer assets installed

FY27: 300 MW[3]
Behind the meter

FY26: 196 MW
FY25: 147 MW

Energy hubs established

FY27: 6 - 8
Major industrial clients located on or connected to a hub

FY26: 0
7 MOUs in progress.
FY25: 0

1. Improvement compared to May 2023 baseline.
2. Increase in AGL's revenue from green energy and carbon neutral products and services compared to FY19 baseline.
3. Installations completed from FY24 – FY27 inclusive.
4. EAF - thermal and gas generation fleet comprises Bayswater and Loy Yang A coal-fired power stations, and Torrens Island B, Somerton, Barker Inlet and Kwinana Swift gas-fired power stations.
5. From FY23 onwards. Excludes projects that were operational at 30 June 2022.
6. Includes smelters.

Embracing ESG

Embracing ESG means thinking about the responsibilities we have to our people, customers, investors, communities and the environment in which we operate.

Decarbonisation and portfolio transition

Focus

Progressing our renewable and firming pipeline and connecting every customer to a sustainable future to drive the energy transition, including by supporting our customers to decarbonise through business and home electrification products and services.

Progress

- We published our second Climate Transition Action Plan (CTAP) in August 2026, which was approved by the majority of our shareholders at our Annual General Meeting in October 2025.
- We reduced our annual Scope 1 and 2 emissions by 31.9% compared to the FY19 baseline, exceeding our FY26 target of a 17% reduction.
- We expanded our development pipeline of renewable and firming assets to over 10 GW, with project options that enable AGL to respond to the policy and economic environment as well as portfolio and customer needs.
- We commenced operating the Liddell Battery (500 MW / 1,000 MWh), commenced construction of the Tomago Battery (500 MW / 2,000 MWh) and Kwinana Swift Gas 2 project (220 MW), and executed PPAs for Waddi (105 MW) and Palmer (123 MW) wind farms.
- We are helping our customers electrify, decarbonise, and unlock value through the energy transition, with products and services including electric vehicles, batteries and demand-side flexibility.
- We expanded AGL Community Power to help more customers participate in the energy transition by reducing barriers to electrification, including integrating South Australia's Virtual Power Plant, extending the program into New South Wales community housing, and delivering a community battery at Port Pirie as part of the emPowering SA Community Battery Program.

Safety and environment

Focus

Driving a culture of safety performance and environmental compliance through proactive risk management, reporting and training, we're empowering every employee to prioritise safety and environmental protection in all aspects of our operations.

Progress

- We have continued to strengthen AGL's safety culture, with a focus on building HSE capability, increasing frontline and contractor ownership of risk, and improving risk visibility through enhanced systems, data and assurance processes.
- We maintained a strong focus on managing risk and preventing incidents through targeted risk controls for critical risks, including working at heights, falling objects, suspended loads and contact with electricity. Health and Safety potential Significant Impact or Fatality (SIFp) events decreased by 31% compared with FY25.
- We delivered expanded programs of work supporting workforce wellbeing and psychosocial safety, including leader capability development, enhanced mental health support and specialist programs for employees exposed to occupational violence and aggression.
- We strengthened cultural heritage management by commencing development of an enterprise-wide governance framework, establishing a consistent, risk-based approach to protecting cultural heritage.
- We enhanced environmental compliance through an evolving systematic approach to managing regulatory obligations, strengthened oversight and proactive engagement with regulators, which support responsible operations and environmental risk management across the business.

Gender equality and representation

Focus

Achieving gender diversity and equality at all levels of our organisation to deliver our 40:40:20 vision for gender equality.

Progress

- Achieving gender balance remains challenging in the energy sector, where women continue to be underrepresented across many technical and operational roles.
- We continued our focus on strengthening gender balance through targeted leadership development, succession planning and talent initiatives, with the female hiring rate increasing to 47% and representation in the Senior Leadership Pipeline increasing to 38%, while a female succession nominee has been identified for 82% of ELT-critical roles.
- We delivered continued improvement in pay equity, reducing the gender pay gap by 1.3 percentage points between 2024 and 2025 reporting, marking a fourth consecutive year of improvement.
- We continued to foster an inclusive workplace through initiatives focused on inclusion, belonging and employee participation, supporting a culture where employees feel respected, comfortable being themselves and safe to speak up, reflected in an Inclusion Index score of 74%.
- We maintained external recognition for inclusion and workplace culture, including Family Inclusive Workplace certification, recognition as a Gold winner in the AFR BOSS Best Places to Work awards, Platinum Employer status for LGBTQ+ inclusion, and a leading ranking in the Australian Disability Network's Access and Inclusion Index.

Reconciliation (procurement and recruitment)

Focus

Creating employment and supplier participation opportunities for First Nations people to advance our reconciliation commitments.

Progress

- We increased procurement from First Nations-owned businesses by 41% to $18.73 million in FY26, and supported economic participation and capability-building through partnerships with First Nations enterprises across the regions in which we operate.
- First Nations representation across AGL's workforce was 0.9% in FY26.
- We strengthened cultural capability across the workforce with targeted initiatives including allyship training for employees engaging with First Nations stakeholders, and participation in on-Country learning experiences designed to deepen cultural understanding and connection.
- We continued to create pathways for First Nations employment and skills development through targeted traineeship and apprenticeship opportunities, as well as tertiary scholarship programs, including the Loy Yang Jungarra Wannik Scholarship for First Nations students in partnership with Federation University, and the Bayswater Scholarship for First Nations students in partnership with the Wollotuka Institute at University of Newcastle.
- We commenced a collaborative seed bank project with Gunaikurnai Land and Waters Aboriginal Corporation, creating opportunities for First Nations employment, accredited training and formal qualifications while supporting rehabilitation and revegetation activities.

Community acceptance and social value

Focus

Maximising the social impact of our community investment with clear site-specific community investment plans to better align to our social licence priorities, and developing regional strategic partnerships to improve community acceptance of our projects, reputation and social licence.

Progress

- We invested around $6.1 million in community initiatives during FY26, including through partnerships focused on economic development and education, energy affordability, climate and environmental initiatives and empowering First Nations communities.
- We supported regional education, skills and employment pathways through partnerships including the Dolly Parton Imagination Library, Muswellbrook High School's Big Picture Program and TAFE Gippsland's Clean Energy Centre, helping strengthen community capability and future workforce readiness.
- Through AGL's Powering our Community program, we funded electrification, renewable energy and battery projects for community organisations that may otherwise be unable to access the benefits of the energy transition.
- We partnered with Point Pearce Aboriginal Corporation to co-design and deliver the Point Pearce Solar and Battery Project, funding the installation of rooftop solar and battery systems on 47 homes, and we are continuing to develop a First Nations benefit-sharing model that reflects community priorities and aspirations.
- We continued to focus on building stakeholder trust. In FY26 our RepTrak score increased to 72.4, reflecting growing confidence in our company and our strategy.

Affordability

Focus

Improving the way we identify and support customers experiencing vulnerability, including delivering on our commitments made through the Customer Support Program to help our customers who need it most.

Progress

- We provided $27 million in direct financial support to more than 20,000 eligible customers experiencing vulnerability through the Staying Connected program, including targeted assistance for concession holders and customers impacted by family and domestic violence, and payment matching for eligible government hardship grants.
- We proactively engaged with more than 53,000 customers with medium- to long-term payment arrangements to help them manage energy costs through payment support, plan reviews, concession checks and assistance accessing government rebates and grants.
- We embedded initiatives from the FY24-FY25 Customer Support Package into business-as-usual operations, strengthening AGL's ability to provide sustainable and ongoing support to customers facing cost-of-living pressures.
- We enhanced customer service processes to make it easier for customers to establish payment arrangements and access support.
- We expanded initiatives such as AGL Community Power and the 'Three for Free' energy plan, helping more households, including renters and social housing residents, access the benefits of the energy transition.

Operating & Financial Review
For the year ended 30 June 2026

1. About AGL

Proudly Australian for more than 189 years, AGL supplies energy and other essential services to residential, small and large businesses and wholesale customers. AGL is committed to providing our customers with simple and accessible essential services as they decarbonise and electrify the way they live, move and work.

AGL operates Australia's largest private electricity generation portfolio, comprising coal and gas-fired generation, renewable energy sources such as wind and hydro, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in the construction of renewable energy projects, to be a leader in the transition to a lower-emissions and smart energy future in line with the goals of our Climate Transition Action Plan.

Our purpose and values

The world is changing and at AGL we're looking to the future. AGL's purpose, **Powering Australian life**, and company values (**Bring on tomorrow**; **Can do. Will do**; and **Be safe. Be supportive**) reflect our commitment to provide reliable, sustainable and affordable energy solutions for millions of homes and businesses as we play our role in Australia's energy transition. At an enterprise level, AGL's purpose provides our company, our Directors and our employees and contractors with the foundations for actions and, together with our values, guides our thinking and decision-making so that we continue to perform and deliver for our customers, communities and other stakeholders.

Principal activities

The principal activities of AGL as of the reporting date comprised the operation of energy businesses and investments, including electricity generation, energy storage, the sale of electricity and gas to residential, business and wholesale customers, and the retailing of broadband and mobile services.

Operating segments

AGL manages its business in three key operating segments:

- **Customer Markets** comprises the Consumer and Business customer portfolios responsible for the retailing of electricity, gas and energy-related products and services to residential, small and large business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with other energy costs such as those arising from environmental schemes. Customer Markets also provides sales, marketing, brand, and AGL's customer contact and call centre operations.
- **Integrated Energy** operates AGL's power generation portfolio and other key assets, including coal, gas and renewable generation facilities, grid-scale batteries, natural gas storage infrastructure, and development projects. Integrated Energy runs a large trading operation to manage price risk associated with procuring electricity and gas for AGL's customers, manages AGL's obligations in relation to renewable energy schemes, and controls the dispatch of AGL's owned and contracted generation assets, gas offtake agreements and associated portfolio of energy hedging products.
- **Investments** comprises AGL's interests in the ActewAGL Retail Partnership, Energy Impact Partners Europe[1], Aussie Broadband and other investments. AGL completed the divestment of 19.9% of its 20% equity interest in Tilt Renewables to existing shareholders in May 2026. AGL also has a strategic partnership and an investment in Kaluza, which provides the technology platform supporting AGL's Retail Transformation program.

Refer to Section 5 for further details and financial performance information for each operating segment, and for centrally managed expenses.

Our purpose is centred on

Powering Australian Life

At AGL, we believe energy makes life better. That's why we're passionate about powering the way Australians live, move and work

Bring on tomorrow.

Seize the opportunity. The work we do today impacts the Australia we leave for future generations. We don't have all the answers. But through continuous improvement and working together, we'll uncover opportunities that make history. For all of us. Bring it on.

Can do. Will do.

Make things happen. We show up with a positive attitude. We're resilient, confident, and flexible in the way we work. Combine this with our expertise and insight, we always deliver. For ourselves, each other, and our customers.

Be safe. Be supportive.

Be a good human. Upholding a safe environment at work is on all of us. So we back ourselves and we back each other. Creating a culture where everyone feels included, heard and safe, every day.

1. AGL holds a small equity interest in Energy Impact Partners Europe, an investment platform that funds technology startups focused on enabling the energy transition.

Operating & Financial Review

For the year ended 30 June 2026

1.1 Our energy portfolio

The map below shows the energy assets which we operate and contract from as at 30 June 2026.

Δ Assets funded/owned by other parties. This includes assets owned by Tilt Renewables which AGL contracts from, noting AGL has a 0.1% interest in Tilt Renewables.
* AGL contracts ~30% of Iona Gas Storage Facility capacity. Other minor gas storage arrangements embedded within other contracts are not shown on this map.
† AGL contracts 45% of generation from Rye Park Wind Farm, and 50% of generation from Sunraysia Solar Plant.
Map reflects assets as at 30 June 2026. Generation assets operated or contracted by AGL which have an installed capacity of less than 50 MW are not shown on this map.
Map does not include active virtual battery agreements which AGL holds with the Western Downs and Capital batteries.

AGL recognises First Nations people as the Traditional Custodians of the lands on which we work and live, and acknowledges those communities' continuing connections to their lands, waters and cultures. We acknowledge the Traditional Custodians who have cared for Country for thousands of years, and we pay our respects to their elders past and present. The Traditional Custodians of the lands on which we work are identified on the map in our Reconciliation Action Plan, available on our website.

2. Strategy

Australia's energy system is undergoing a significant structural transformation, from a predominantly centralised, fossil fuel-based generation mix to one characterised by distributed renewable generation, firming capacity and increased electrification of homes, transport and industry.

AGL is supporting Australia's energy transition through our two strategic pillars of 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio'. Our strategy balances three key priorities: energy affordability, reliability, and shareholder value, while evolving services to meet changing customer and community needs. Our strategy aims to strengthen outcomes for our residential and business customers, lead in electrification, develop and deliver our renewable and firming capacity pipeline, and optimise asset performance. Foundational pillars supporting this strategy comprise embracing ESG, developing a future-fit workforce, and leveraging technology, digitisation, and AI to enhance customer experience and operational efficiency.

In FY26, we have continued to make significant progress in delivering our strategy. We are currently meeting or exceeding five of our FY27 strategic targets. Our performance against our FY27 strategic targets is shown on page 11.

During FY26, we continued to demonstrate financial stewardship, cost discipline and effective capital allocation aligned with our strategy to drive strong returns to shareholders. We further strengthened our balance sheet through the divestment of a 19.9% equity interest in Tilt Renewables for $750 million, and entering a long-term strategic partnership with Aussie Broadband, divesting our Telco business. Further highlights on our FY26 achievements are outlined below.

Connecting every customer to a sustainable future

We continue to deliver for our customers, doing our part to ensure the benefits of the energy transition can be shared with all customers. During FY26, we expanded our customer offerings, focusing on innovative products and services that deliver flexibility, and enable customers to create value from consumer energy resources. This includes expanding AGL's battery flexibility offerings with the launch of Battery Rewards and AGL Community Power. In FY26, we continued to scale our Energy as a Service (EaaS) proposition, providing integrated offerings across energy solutions, asset management, orchestration and asset financing to support business customers with their energy management and decarbonisation goals.

Our focus on energy affordability continues, as customers experience cost of living pressures. This year, we have continued to focus on providing support and enhancing safety by design for customers experiencing vulnerability.

Ovo Energy Australia, our Kaluza-enabled business, continued to grow in FY26, while Kaluza also strengthened its international presence through its partnership with Engie. Our retail transformation program is progressing, and we aim for a smooth transition of our customer base onto the Kaluza platform to deliver improved customer experience, product management and cost benefits.

Refer to the Customer scorecard for more details about how we have been helping our customers decarbonise the way they live, move and work, while actively supporting customers facing cost-of-living pressures.

Transitioning our energy portfolio

As we phase out our ageing coal-fired power stations by FY35, we aim to add 12 GW of incremental renewable and firming capacity by the end of 2035 to meet our customer demand, making efforts to accelerate this transition where possible. The reliable performance of our existing fleet, along with the expansion of our flexible fleet, now at 8.6 GW, will continue to play a key role in providing energy for our customers during the energy transition. During FY26, we have made significant progress in transitioning our energy portfolio. This included reaching FID and starting construction of the 220 MW Kwinana Swift Gas 2 (K2) project in WA, commencing operation of the 500 MW / 1,000 MWh Liddell Battery, and advancing construction of the 500 MW / 2,000 MWh Tomago Battery. We were also awarded a Capacity Investment Scheme (CIS) contract for the proposed 600 MW Hexham Wind Farm in Victoria. Our development pipeline of new renewable and firming projects has grown significantly to over 10 GW, with project options that enable AGL to respond to the policy and economic environment as well as portfolio and customer needs.

Refer to the Assets scorecard for details regarding AGL's asset performance, investments in flexible generation, development pipeline, and our energy hub progress over FY26.

Strategic enablers

Our strategic enablers underpin everything we do: embracing ESG, fostering a future-fit culture and workforce, and leveraging technology at the core of our business. We aim to maximise opportunities to create value for our customers, shareholders, and other stakeholders through the energy transition. During FY26, we:

- Continued to make progress in each of our ESG focus areas. Refer to the Embracing ESG section on pages 12-13.
- Continued to focus on building a future-fit workforce and culture. Refer to the People scorecard for details.
- Continued to invest in our broader technology capabilities, including cybersecurity, digital and AI capabilities to drive safe, innovative, and efficient operations. Refer to the Business Intelligence scorecard for details.

As we look ahead, AGL is well positioned to execute its strategy, building the capabilities, assets and customer solutions to create sustainable value for customers, shareholders, and the communities in which we operate.

2.1 Operating environment

Australia's energy transition remains highly dynamic as ageing thermal generation is progressively replaced by a more diverse mix of modern, renewable, firming and distributed energy generation and storage resources. This transformation is occurring against a backdrop of significant market, policy and regulatory reform, geopolitical instability, fuel security risks and ongoing cost-of-living pressures. Consistent and investment-conducive policy settings remain critical to supporting the scale of investment required to deliver reliable and affordable energy for our customers.

The pace and complexity of the transition continue to increase, and new renewable generation capacity continues to connect to Australia's electricity system. This is being supported by low-emissions firming technologies and storage, including batteries, pumped hydro and gas-fired generation.

Consumer energy resources (CER), such as rooftop solar, batteries, electric vehicles and controlled loads are becoming increasingly important contributors to system reliability and affordability, reshaping demand patterns, pricing and grid operations.

The transition is not solely dependent on building new generation, storage and transmission infrastructure; it also relies on unlocking greater customer participation through electrification, batteries, demand flexibility and other distributed energy resources. As the adoption of CER accelerates, including through popular initiatives like the Australian Government's Cheaper Household Batteries Program, customers are becoming increasingly active participants within the energy system. This is changing the way energy is generated, consumed and managed across the market and is providing consumers with the opportunity to use energy flexibly and reduce their energy bills.

Delivering the transition will also require significant investment in generation, storage and transmission. While government underwriting schemes have a role in supporting investment in new renewable and firming capacity, broader wholesale market reforms will also be required to establish enduring market settings that support continued investment beyond these schemes to underpin the reliability of the future energy system. The focus across the sector must now be on supporting the right projects and removing supply chain constraints, including those relating to workforce availability, grid connection, community concerns and planning and approvals process delays.

Social licence remains important to the successful delivery of new energy infrastructure. Industry and governments both have an important role in building community confidence in the transition, ensuring local voices are heard and that communities share in its benefits.

Although electrification is expected to accelerate, gas will continue to play an important role during the transition, both as an energy source for customers and as a firming fuel for the electricity system. Forecast gas supply challenges on Australia's east coast have reinforced the importance of policy settings that support investment in new supply and infrastructure while maintaining energy affordability and security. Global capital continues to be deployed into the energy transition while investors increasingly seek policy certainty, efficient market design and stable regulatory frameworks.

Collaborative action between industry, governments and communities will be essential to support timely investment and deliver an orderly transition that meets the long-term needs of customers, communities and the broader economy.

2.2 Capital allocation framework

AGL has a strategic approach to capital allocation. We aim to deploy capital to maximise value for shareholders, maintain financial strength and flexibility, and support continued investment in line with our strategy. Maintaining, transitioning and growing our energy portfolio will require substantial capital investment throughout the next decade.

Our capital allocation framework governs a disciplined allocation of capital to deliver on our strategy while maximising value and shareholder returns. Our capital allocation principles set out below guide capital investment decisions:

1. **Maintain strong credit profile:** Maintain Baa2 investment grade credit rating.
2. **Sustainable dividends:** Dividend payout ratio of 50-75% of Underlying Profit after tax, franked to the extent possible.
3. **Ongoing investment:** Continue to invest to strengthen and drive value from our core business to realise opportunities through the energy transition.
4. **Capital allocation:** Investment decisions are tested against additional returns to shareholders, through increased dividends and/or return of capital.

Investment proposition

AGL is well-positioned as a leader in the energy transition. Our investment proposition summarises our core strengths as an integrated business and how we intend to leverage these to deliver future value:

- Strong positive momentum in earnings and cash flow underscored by our low-cost baseload generation position, growing flexible portfolio and development pipeline.
- Leading energy retailer, large quality customer base to underpin investment in transition and capture new value from electrification.
- Disciplined capital allocation framework to deliver on the transition while maximising value and shareholder returns.
- Opportunity to invest in the Australian energy transition with a clear strategic plan strongly supported by financial markets.

2.3 Risk management

AGL is subject to a wide range of financial and non-financial risks. Effective risk management supports informed decision-making and the appropriate allocation of resources, enables AGL to pursue opportunities within Board-defined risk limits, and assists in the protection of AGL's people, customers, assets, reputation and long-term value.

AGL's risk management framework is aligned to the international standard for Risk Management *ISO 31000: Risk Management – Guidelines*. The framework supports the identification, assessment, management, monitoring and reporting of material risks across AGL's business processes and operations. AGL's approach to risk management is summarised below.

Risk management framework – key elements

A key element of AGL's risk management framework is the Risk Management Policy. This Policy sets out AGL's commitment to effective risk management as a critical enabler of strategic, operational and commercial objectives. It also articulates the responsibilities of AGL people in relation to the identification, management, escalation and oversight of risk. The Policy emphasises the importance of an effective risk culture, aligned to AGL's Values and Code of Conduct, and the continuous improvement of risk management practices over time.

AGL's risk management framework also includes a Risk Appetite Statement, which sets out the types and amount of risk AGL is willing to accept in the pursuit of our strategy.

The process AGL applies to identifying, assessing and managing risks is detailed within the Risk Management Policy and supporting documents. Identified risks are assessed through the application of consistent criteria to determine a risk rating, with input from technical subject matter experts where required. Residual risk ratings determine risk accountability and escalation requirements, ensuring that risk ownership is assigned to an appropriate level of the organisation.

Risk governance

AGL applies a three lines model to support clarity of accountability for risk management, and independent monitoring of the effectiveness of risk management practices. Through the application of this model, second and third line functions support the monitoring and continuous improvement of risk management practices conducted over time.

AGL's risk management framework is overseen by the Board and Audit & Risk Management Committee. The Risk Management Policy and Risk Appetite Statement are reviewed and approved on a regular basis by both the Board and Audit & Risk Management Committee. AGL's risk management framework, performance against the framework, and compliance with risk appetite are also reviewed at least annually by AGL's Board and Audit & Risk Management Committee.

Material risks, emerging risks, risk appetite performance and risk treatment progress are regularly reported through management and Board governance processes. This supports oversight of AGL's risk profile and assists the Board and management to respond to changes in AGL's operating environment.

Enterprise strategic risks

Applying the risk management framework, AGL undertakes a structured and comprehensive process throughout the year to identify, assess, manage and report on the key risks to achieving AGL's strategic priorities over the medium to long-term. AGL defines these as Tier 1 Strategic Risks. Each Tier 1 Strategic Risk is owned by a member of the Executive Team, and the Tier 1 Profile itself is owned by the Managing Director & CEO. Risk mitigation strategies are implemented and regularly monitored for each of these risks, overseen by the Audit & Risk Management Committee and reviewed by the Board. Further detail on AGL's risk management framework is provided in AGL's 2026 Corporate Governance Statement.

2.3.1 FY26 Tier 1 Strategic Risks

During FY26, AGL's strategic risk profile continued to be shaped by the complexity and uncertainty of the energy transition, ongoing government and regulatory intervention, evolving customer expectations, volatile energy and financial markets, and a rapidly changing technology and cyber threat landscape. AGL continues to focus on the delivery of major projects aligned to its strategy, including the construction of new assets, investments in products and services that connect our customers to a sustainable future, and the management and decommissioning of retiring assets, as we progress our portfolio transition. As a result of the complex and interconnected environment in which AGL operates, the majority of our strategic risks remain elevated.

Climate-related risks impact several Tier 1 Strategic Risks and are integrated within the risks detailed above. Information about climate-related risks and opportunities which have the potential to impact AGL's prospects is included within the Sustainability Report (pages 105-151).

AGL's Tier 1 Strategic Risks for FY26 are summarised below.

Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Unfavourable government and regulatory intervention AGL is not able to effectively anticipate, plan or respond to changing government policy or regulatory interventions, impacting business and/or strategic objectives.		
• The Australian energy market is highly regulated and has been subject to significant government policy and regulatory changes in recent periods, as governments and regulators seek to address a broad range of energy-related challenges. • Given the complexity of Australia's energy transition and ongoing macroeconomic and cost-of-living challenges for consumers, it is likely that future government interventions and regulatory reforms will occur. • Depending on their nature, these policy and regulatory changes could have material impacts on AGL's existing operations, earnings, future prospects and strategic choices, including how AGL operates and invests in our generation portfolio, allocates capital, creates new products and services, and engages with existing and prospective customers.	• AGL actively engages with government and regulatory bodies to understand and anticipate reform, and advocate for balanced policy outcomes that consider the interests of our customers and stakeholders, and support the provision of reliable and affordable energy during Australia's energy transition, as outlined in the Relationships scorecard. • AGL contributes to the direction of future regulatory reforms by engaging with a broad range of stakeholders that are involved in the development of government policy and legislation, and actively participates in industry consultations and forums. • AGL maintains optionality in our development pipeline across geographies and technologies, increasing the resilience of our energy portfolio transition strategy to a variety of energy market settings.	
Energy and financial markets AGL is unable to effectively manage material and long-term financial exposures, including electricity and gas wholesale pricing, key commodities, foreign exchange and interest rates, resulting in earnings volatility, liquidity issues or loss of capital value.		
• The nature of AGL's operations gives rise to a range of long-term exposures to energy, commodity and financial markets, including wholesale electricity, gas, coal, oil, environmental and aluminium prices, as well as foreign exchange and interest rates. Significant volatility, or sustained changes in these markets, may materially impact AGL's cash flows, earnings and enterprise value. • AGL's earnings are particularly exposed to wholesale electricity and gas prices, which may be influenced by factors including weather, availability of generation assets and related infrastructure, input costs, geopolitical events, global commodity markets, and regulatory settings. • AGL manages these exposures through trading, hedging and contracting arrangements, which can also give rise to counterparty risk, including the risk that counterparties fail to meet contractual, payment, delivery or collateral obligations. • As the National Electricity Market continues to transform, including through the progressive replacement of ageing coal-fired generation with renewable generation and firming, and through increased adoption of CER, historical market behaviours may become less reliable indicators of future outcomes. This may make wholesale electricity and contract markets more difficult to forecast and manage.	• AGL actively manages our exposure in these markets, as well as our liquidity position, through a robust risk management program, supported by Board-approved policies with defined financial limits and a minimum liquidity threshold. • AGL primarily manages wholesale electricity price driven earnings volatility through financial hedging contracts (derivatives) and longer-term offtake arrangements, as well as our own fleet of generation assets. In addition, AGL proactively contracts competitive gas supplies to firm up our short-, medium- and longer-term gas position to meet gas supply demands. • AGL's hedging and treasury strategies are informed by comprehensive market monitoring, including stress testing, and consider portfolio diversity and expected market shifts. • AGL continues to invest in improving the flexibility of our thermal generation to better align with changing NEM demand patterns. • AGL also continues to strengthen our capability in utilising demand-side flexibility to improve responsiveness to evolving market conditions.	$

Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Operational performance and resilience AGL's operational performance is compromised by plant reliability issues or external factors such as changing climate conditions and external asset dependencies.		
• AGL operates a geographically and technologically diverse fleet of energy generation and storage assets, with an evolving operational risk profile as some assets age and approach end of life. • Ageing thermal assets may experience more frequent unplanned outages, which could result in reduced generation availability, higher operating costs and material impacts on earnings. • Asset retirement, closure, rehabilitation and future use planning activities are ongoing and subject to evolving regulatory requirements, stakeholder expectations and execution risks, which could impact timing, cost and outcomes. • AGL's ability to deliver products and services remains dependent on critical infrastructure outside of our control, including transmission and distribution networks, interconnectors and gas pipelines. Increasing exposure to weather and climate-related hazards may impact reliability and availability of this infrastructure, potentially impacting our ability to deliver products and services to our customers.	• As AGL transitions our energy portfolio, we continue to invest in the safety, reliability and flexibility of our existing power stations and related infrastructure to support performance and capture value in the changing energy market. • AGL continues to engage with government and community stakeholders on closure, rehabilitation and energy hub developments. • AGL remains focused on developing a diverse pipeline of renewable and firming generation options, including through partnerships and targeted acquisitions, as reflected in the Assets scorecard. • Through our energy contracting and risk management framework, AGL manages financial risks associated with unplanned outages across our generation portfolio. • AGL also continues to strengthen demand-side flexibility to improve responsiveness to evolving market conditions.	
Cyber resilience and technology innovation Rapid advancements in technology may result in increasingly sophisticated and varied cyber security threats, or may outpace AGL's ability to adequately govern, or competitively adapt to and exploit, new technological capabilities.		
• AGL's operations rely on a range of technology systems, digital platforms and data, including systems and services provided by third-party partners, suppliers and service providers. • The pace of technology change continues to accelerate, including through digitisation, automation, artificial intelligence, data analytics, distributed energy resources and new customer platforms. These changes may disrupt existing business models, increase competition, alter how energy is generated, stored and consumed, or change the way customers interact with energy retailers. • Failure to appropriately anticipate, adopt, govern or respond to technology change could adversely affect AGL's operational performance, customer value propositions, strategic execution and longer-term competitiveness. • Cyber security threats continue to increase in frequency, sophistication and complexity, including through the use of advanced technologies such as frontier artificial intelligence. • The disruption, failure or compromise of AGL's systems or data could result in a range of adverse outcomes, including disruption of operations, impact on customer experience, the compromise of corporate or customer data, and result in regulatory action, financial loss and remediation costs, and damage to stakeholder trust.	• AGL proactively monitors the broader technology landscape, and regularly reviews and refines our future technology roadmap and investment focus areas. AGL's Board maintains oversight over technology and cyber security related strategies and material risks. • AGL continues to invest in security capabilities to proactively manage cyber risk and limit the likelihood and impact of cyber security incidents. • AGL's enterprise cyber security strategy and framework is supported by robust processes and controls, including 24/7 monitoring and defence, network security, identity and access management, data loss prevention, and organisation-wide training and awareness programs. • AGL's IT and data storage assets are subject to a comprehensive program of testing, business continuity exercises, crisis simulations and disaster recovery testing. • AGL actively engages with government and regulators on matters relating to technology changes and their impacts on the NEM, and participates in industry forums and exercises on cyber security matters, to identify emerging threats and contribute to the development of future regulatory reforms.	

Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Capital management and major projects delivery AGL is unable to secure or optimally deploy capital to deliver its strategic objectives, or major projects experience cost overruns, delays, or fail to deliver intended benefits.		
• Delivery of AGL's strategy to connect every customer to a sustainable future and transition our energy portfolio depends on access to sufficient capital, a stable government policy environment, and continued stakeholder and community support. • Investment decisions are made in a dynamic operating environment influenced by market conditions, policy and regulatory settings, technology developments and evolving customer and energy system needs. • Major projects are subject to execution risks, including planning and approval processes, supply chain constraints, workforce availability, cost pressures and changing market conditions. • Inability to secure or efficiently and optimally deploy capital, or to deliver major projects on time, within budget or to expected outcomes, could adversely affect AGL's earnings, cash flows and ability to execute strategy.	• AGL applies a disciplined capital allocation framework to support investment decisions and optimise the deployment of capital in line with our strategy and risk appetite. • Across FY26, AGL maintained a Baa2 "stable" investment grade Moody's rating, and remains well placed to progress our strategy and transition our energy portfolio. • AGL continues to refine our investment pipeline, incorporating market signals and changes in the external environment, and prudent capital allocation. • AGL proactively engages with key stakeholders, including the community, on relevant development opportunities to understand expectations and key risks. • AGL regularly reviews our project planning and delivery capabilities, investing in enhancing specific identified competencies to support effective project execution.	
Health, safety and environment AGL is unable to foster a health and safety focused, resilient, responsive, future-oriented and purpose-driven organisation that is built on strong and ethical behaviours, a talented diverse and inclusive workforce and a customer-centric mindset.		
• AGL's operations involve activities which, if not appropriately controlled, have the potential to result in harm to people, assets, stakeholders or the environment. • As AGL prepares to retire our coal-fired generation assets, complex decommissioning, demolition and rehabilitation activities will be required, which may have associated safety and environmental risks. • AGL remains focused on enhancing psychological safety, fostering a culture where employees and contractors feel supported to speak up, raise concerns, and contribute to safe outcomes.	• AGL has a robust Health, Safety, and Environment Management System, which is aligned to ISO 45001 and ISO 14001, to monitor and manage HSE risks across all parts of the organisation, supporting our commitment to conducting our business in a way that minimises harm to the environment and supports the health and wellbeing of our people. • The HSE framework is complemented by a focus on proactive leadership and oversight, and a comprehensive assurance plan.	
Energy sector transition AGL is unable to deliver on its strategic objectives due to challenges relating to the broader transition of the energy sector.		
• Australia's energy transition remains complex and uncertain due to ongoing factors, including: evolving government policy settings, competition for renewables-related materials and skills, and inflationary pressures impacting renewables project costs and delivery. • The energy transition requires substantial and coordinated investment in transmission and enabling infrastructure, together with sustained support from local communities and other key stakeholders. Delays, constraints or lack of support in these areas may impact the timing and delivery of AGL's strategic initiatives. • As the NEM and broader energy markets transform, new market entrants and business models are likely to emerge, for example, leveraging emerging consumer energy resources or emerging technologies. AGL's ability to identify, adapt to, and capitalise on these changes will influence future earnings, cash flows and enterprise value.	• AGL's strategy remains focused on our two strategic pillars of 'transitioning our energy portfolio' and 'connecting every customer to a sustainable future', including by progressing a diversified pipeline of renewable and firming generation, as reflected in the Assets scorecard. • AGL continues to monitor and refine our development pipeline, retaining optionality and incorporating market signals and changes in the external environment, and prudent capital allocation. • AGL actively engages with governments and regulators across all NEM jurisdictions to advocate for balanced policy outcomes that support the provision of reliable and affordable energy during the transition, including the future design of the NEM.	

Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Retail market competition and disruption AGL is unable to meet the needs of current and prospective customers, or respond to changing customer expectations and evolving technologies, products and services that support these changing expectations.		
• AGL plays an important role in supplying reliable energy to consumers. • Customer preferences continue to evolve towards electrification, supported by emerging technologies and increasing adoption of consumer energy resources and Distributed Energy Resources. These trends are changing how customers generate, store, manage and consume energy, and may alter traditional retail energy value pools. • Affordability and cost-of-living pressures remain elevated and, together with ongoing regulatory intervention, continue to increase the complexity of the retail energy market. At the same time, new market entrants, technologies and business models may disrupt traditional energy retailing and increase competitive pressures. • AGL's ability to anticipate and respond to changing customer preferences, competitive pressures and market disruption will influence our ability to retain and attract customers, grow new revenue streams and deliver sustainable long-term returns.	• AGL continues to invest in our Retail Transformation program, a key enabler of our strategy and our ability to simplify our products and processes, in addition to monitoring new technologies to develop products and services to meet the evolving expectations of our customers. • AGL uses customer insights, data analytics and digital platforms to better understand changing customer preferences and inform product development and customer engagement strategies. • AGL monitors emerging technologies, customer trends and evolving business models, and continues to expand our electrification and customer energy offerings, including solar, batteries and electric vehicles, to meet changing customer needs and capture opportunities in emerging energy markets. • AGL remains committed to supporting customers experiencing cost-of-living pressures, and continues to deliver programs to support our customers through a range of support mechanisms (see Customer scorecard). • AGL actively engages with government and regulatory bodies to advocate for balanced policy outcomes for our customers, and supports consumer use of new products, technology, and services.	$
Reputation and social licence AGL is unable to meet stakeholder expectations and/or maintain stakeholder support to deliver on its strategy and commitments, including to be a leader in the energy transition to a lower-carbon future.		
• Delivery of AGL's strategy requires the ongoing support of a broad range of stakeholders, including customers, communities, employees, governments, regulators, investors and business partners. Stakeholder expectations continue to evolve, particularly in relation to affordability, reliability, environmental and social outcomes, and the energy transition. • Maintaining community support and social licence is critical to the successful delivery of our strategy. Failure to secure or maintain stakeholder support may result in increased costs, project delays, additional regulatory requirements or an inability to deliver strategic initiatives. • Incidents associated with AGL's operations or activities, including environmental and cultural heritage incidents or issues relating to asset closure and rehabilitation activities, could reduce stakeholder trust and confidence. This could negatively affect AGL's reputation, social licence and ability to deliver our strategy.	• AGL regularly monitors stakeholder sentiment, emerging issues and reputational risks, together with timely response and escalation processes where required. • AGL proactively engages with customers, communities, governments, regulators, investors and employees to understand stakeholder expectations, explain AGL's positions, and inform business decisions. • AGL has embedded an ESG decision-making framework, requiring the formal consideration of social licence risks in material decisions. • AGL is focused on early and ongoing community engagement for development, operational, closure and rehabilitation projects, including consideration of environmental, social and economic impacts and incorporation of stakeholder feedback as relevant.	$

<table>
<tr><th>Tier 1 Strategic Risk</th><th>Mitigation approach</th><th>Business Value Driver</th></tr>
<tr><td colspan="3">People, culture and capability
AGL is unable to build and maintain the capabilities and culture needed to enable the delivery of its strategy.</td></tr>
<tr><td>• AGL's people are critical to the success of our business, and our ability to identify and address evolving capability requirements is essential to the effective delivery of our strategy.
• Demand for energy-related skills is expected to remain high over the longer term, driven by the scale and pace of the Australian and global energy transition. Competition for critical capabilities may impact AGL's ability to attract, retain and develop the workforce required to deliver on our strategy.
• As AGL's generation portfolio transitions, AGL will need to effectively manage workforce transition, reskilling and succession requirements. Failure to successfully navigate these changes may result in capability gaps, loss of critical knowledge and reduced organisational effectiveness.</td><td>• AGL remains focused on attracting, retaining and developing our people, investing in employee development, leadership capability, technical training and learning programs to build critical capabilities and support career development across the organisation, as well as workforce transition initiatives.
• AGL has implemented targeted attraction, retention and succession planning initiatives to help secure critical skills and maintain organisational capability in a competitive labour market.
• Workforce transition programs are implemented to support employees affected by portfolio transformation, including asset closure activities, redeployment opportunities, knowledge transfer and reskilling initiatives (see People scorecard).</td><td></td></tr>
<tr><td colspan="3">Compliance
AGL fails to comply with laws, regulations or commitments made, or new obligations have significant business impacts.</td></tr>
<tr><td>• As a provider of essential services, AGL operates in markets that are highly regulated and subject to significant intervention from governments and regulators.
• New energy-related regulations can present significant implementation challenges and increased operational complexity, within an already highly complex environment.
• Failure to comply with applicable laws and regulations may result in financial penalties, reputational damage, or adverse impacts on our customers and broader stakeholders.</td><td>• AGL remains committed to complying with all applicable laws and regulations, supported by our Values and Code of Conduct, which guide the behaviour of our people and inform decision-making.
• We proactively monitor and assess regulatory change, committing significant resources to ensure appropriate processes and systems are developed and maintained to meet evolving requirements.
• Our enterprise-wide compliance framework, which includes a Board-approved Compliance Management Policy and mandatory annual training, supports the consistent application of compliance processes, systems and requirements.</td><td>$</td></tr>
</table>

3. Key Operating Metrics and Business Value Drivers

The following sections summarise the performance of AGL's business during FY26. Performance is considered through two dimensions:

- **Key Operating Metrics** – These performance measures have a direct influence on AGL's FY26 financial performance. The six key operating metrics comprise:
  - Customer numbers and churn;
  - Customer energy demand;
  - Wholesale electricity prices;
  - Generation volumes;
  - Fuel costs; and
  - Operating costs and capital expenditure.
- **Business Value Drivers** – These performance measures are critical to long-term value creation, however may have a less direct relationship to annual performance, and/or may influence financial performance over the longer term. The performance measures are divided into scorecards for each of AGL's identified Business Value Drivers (shown on page 4).

3.1 Key Operating Metrics performance

3.1.1 Customer numbers and churn

Total services to customers increased 2.1% to 4.569 million, from 4.477 million as at 30 June 2025. The increase of 92,000 services was driven by energy services growth of 83,000 due to the acquisition of Ampol Energy's consumer base of 41,000 and underlying growth of 42,000, and continued telecommunication services growth of 9,000.

Consumer Electricity services increased by 84,000, supported by gains in New South Wales and Queensland following the acquisition of Ampol Energy's consumer base, underlying increases of 34,000 in Victoria and 13,000 in New South Wales driven by targeted growth, and gains in South Australia following the acquisition of South Australia's Virtual Power Plant (SA VPP). Consumer Gas services decreased by 1,000, with a decline of 10,000 services in New South Wales, largely offset by growth of 7,000 services in Victoria.

Total Telecommunication services increased 2.4% to 389,000, from 380,000 as at 30 June 2025. The increase of 9,000 was driven by continued growth in broadband and mobile plans, partly offset by losses in Voice over Internet Protocol (VoIP).

Services to customers	FY26 ('000)	FY25 ('000)
Consumer Electricity	**2,608**	2,524
New South Wales	**911**	882
Victoria	**883**	849
South Australia	**357**	356
Queensland	**457**	437
Consumer Gas	**1,557**	1,558
New South Wales	**602**	612
Victoria	**612**	605
South Australia	**145**	143
Queensland	**84**	86
Western Australia	**114**	112
Total Consumer energy services	**4,165**	4,082
Dual fuel services[1]	**2,314**	2,318
Average consumer energy services	**4,136**	4,094
Total Large Business energy services	**15**	15
Total energy services	**4,180**	4,097
Total Telecommunication services	**389**	380
Total services to customers[2,3]	**4,569**	4,477

1. Dual fuel volumes have been restated to align with current industry conventions.
2. Excluding approximately 298,000 services to ActewAGL customers.
3. Excludes Netflix services.

AGL churn remained lower than Rest of Market due to a focus on customer retention, improved customer experience and the benefit of bundled product offerings, which strengthened customer relationships and delivered lower churn compared to energy only customers. AGL churn increased to 16.7% (an increase of 1.0 ppt from 15.7% at 30 June 2025), broadly in line with elevated churn across the market driven by cost-of-living pressures and heightened customer engagement. Despite the uplift, AGL continued to maintain a strong churn percentage differential at 4.9 ppts lower than Rest of Market.

3.1.2 Customer energy demand

Total electricity customer sales volumes were 36,392 GWh, up 254 GWh or 0.7%.

- Consumer customer electricity sales volumes were 14,757 GWh, up 81 GWh or 0.6%, driven by higher average services across the year, partly offset by milder weather.
- Large Business customer electricity sales volumes were 8,412 GWh, broadly in line with the prior year.
- Wholesale customer electricity sales volumes were 13,223 GWh, up 219 GWh or 1.7%, driven by higher consumption from AGL's wholesale customer base. This included sales volumes for contracts with ActewAGL (FY26: 1,743 GWh; FY25: 1,804 GWh), and the Portland and Tomago aluminium smelters.

Customer electricity demand	FY26 GWh	FY25 GWh
Consumer customers electricity sales	**14,757**	14,676
Large Business customers electricity sales	**8,412**	8,458
Wholesale customers electricity sales	**13,223**	13,004
Total customer electricity sales volume	**36,392**	36,138

Total gas customer sales volumes were 95.9 PJ, down 4.9 PJ or 4.9%.

- Consumer customer gas sales volumes were 45.7 PJ, broadly flat to the prior year.
- Large Business customer gas sales volumes were 12.9 PJ, down 1.1 PJ or 7.9%, primarily driven by competitive market conditions.
- Wholesale customer gas sales and internal gas volumes for power generation were 37.3 PJ, down 4.0 PJ or 9.7%, primarily driven by lower usage for power generation, along with the roll-off of wholesale customer volumes. This was partly offset by wholesale customer growth in Western Australia.

Customer gas demand	FY26 PJ	FY25 PJ[1]
Consumer customers gas sales	**45.7**	45.5
Large Business customers gas sales	**12.9**	14.0
Wholesale customers gas sales and generation	**37.3**	41.3
Total customer gas sales volume	**95.9**	100.8

1. Comparatives have been restated to reclass Perth Energy wholesale gas volumes from Large Business to Wholesale.

3.1.3 Wholesale electricity prices

Wholesale electricity spot prices were on average lower across all states compared with the prior year due to lower volatility, a reduction in interconnector issues and power station outages, which have previously placed upward pressure on prices. In FY26, the NEM experienced increased renewable energy generation and expanded battery storage capacity.

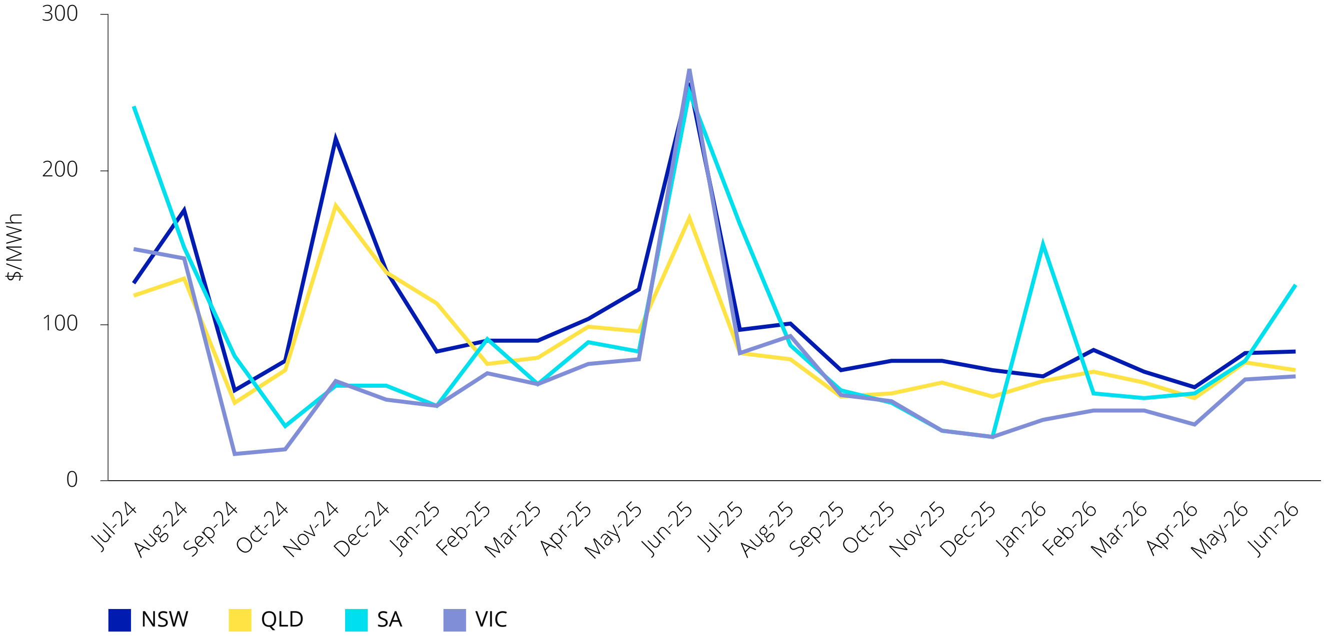
Wholesale electricity prices in July and August 2024 were influenced by periods of significant volatility in South Australia due to interconnector constraints, cold weather, low wind generation, as well as planned and unplanned outages. Prices decreased in September and October 2024 as lower demand, mild weather, higher solar irradiance and higher wind volumes reduced average pool prices across all regions. In November and December 2024, average prices increased due to warmer weather in the northeastern regions, with periods of significant volatility in New South Wales and Queensland regions where AEMO facilitated market responses due to the lack of reserve levels with a number of baseload and interconnector outages.

Prices remained low and relatively stable from January to May 2025 supported by high wind generation, mild weather and lower demand. In June 2025, the market experienced periods of volatility due to unplanned outages, low wind generation and interconnector constraints with all regions experiencing a significant uplift in average prices.

Prices in July 2025 traded lower due to strong renewable output, whilst South Australia experienced high prices and some periods of volatility driven by interconnector constraints. August 2025 recorded high demand and unplanned baseload outages but prices remained relatively stable. September to November 2025 recorded low average prices with New South Wales and Queensland experiencing short periods of volatility in November, while December 2025 saw prices decrease in Victoria and South Australia due to lower demand driven by colder weather and higher solar output. January to June 2026 traded lower overall, with short periods of volatility, most notably a higher spike in South Australia in January driven by supply constraints, and milder weather in May and June.

Refer to Section 6.2 for details of the Electricity Portfolio Margin, including commentary on customer network and generation running costs.

Wholesale electricity prices (AEMO spot prices)



3.1.4 Generation volumes

AGL's generation volumes sold to the pool were 31,773 GWh, a decrease of 3.4%, driven by lower generation at AGL's Coal power stations, reflecting disciplined commercial dispatch with reduced running when spot prices were uneconomic, lower running at Torrens Island Power Station, and lower hydro generation due to planned outages and reduced downstream water releases. This was partly offset by higher wind generation in New South Wales driven by a full year of generation from Rye Park Wind Farm, along with increased availability across AGL's Victorian wind farm portfolio

Pool generation volumes	FY26 GWh	FY25 GWh
Bayswater Power Station	**13,804**	14,065
AGL Loy Yang Power Station	**11,837**	12,461
Gas generation	**998**	1,434
Renewable generation[1]	**5,134**	4,944
Total pool generation volumes	**31,773**	32,904

1. Includes volumes from AGL's electricity generation portfolio contracted through Power Purchase Agreements.

3.1.5 Fuel costs

Total fuel costs for the electricity generation portfolio were $(790) million, up 5.6%.

- Coal costs were $(666) million, up 14.2%, primarily driven by higher coal supply costs, partly offset by lower generation at Bayswater Power Station due to lower commercial utilisation. On a per MWh basis, costs increased by $4.0 per MWh or 18.2%, driven by higher coal supply costs at Bayswater Power Station.
- Gas fuel costs were $(124) million, down 24.8%, driven by lower generation volumes at Torrens Island Power Station due to lower commercial utilisation. On a per MWh basis, costs increased by 7.9%, mainly due to enablement requirements from AEMO. AEMO frequently requests Torrens Island Power Station units to be enabled for system security in South Australia, with costs recovered through revenue.

Generation fuel costs	FY26 $m	FY25 $m	FY26 $/MWh	FY25 $/MWh
Coal	**(666)**	(583)	**(26.0)**	(22.0)
Gas	**(124)**	(165)	**(124.2)**	(115.1)
Total generation fuel costs	**(790)**	(748)	**(24.9)**	(22.7)

Total wholesale gas costs were $(1,144) million, down 3.3%.

- Gas purchases costs were $(816) million, down 3.4%, mainly driven by the roll-off of wholesale customers and lower large business customers volumes, along with lower usage for power generation. On a per GJ basis, costs increased by 1.2%, driven by rising gas costs attributed to the roll-off of lower cost legacy supply contracts.
- Haulage, storage and other costs were $(328) million, down 3.0%, driven by lower haulage capacity requirements following the roll-off of wholesale customers and large business customers. This was partly offset by haulage contracts rate escalation. On a per GJ basis, costs were flat to the prior year.

Total wholesale gas costs	FY26 $m	FY25 $m	FY26 $/GJ	FY25 $/GJ
Gas purchases	**(816)**	(845)	**(8.5)**	(8.4)
Haulage, storage and other	**(328)**	(338)	**(3.4)**	(3.4)
Total wholesale gas costs	**(1,144)**	(1,183)	**(11.9)**	(11.8)

3.1.6 Operating costs and capital expenditure

Total operating costs (excluding depreciation and amortisation) were $(1,802) million, up 0.3%, driven by inflationary pressures, continued investment in cybersecurity, business growth and operational capability, and higher net bad debt expense. AGL largely offset inflationary pressures through organisation-wide productivity and optimisation initiatives and the benefit of the Surat Gas Project being fully divested, while continuing to invest in growth.

Operating costs	FY26 $m	FY25 $m
Customer Markets	**(648)**	(633)
Integrated Energy	**(808)**	(829)
Centrally Managed Expenses	**(346)**	(334)
Total operating costs (excluding depreciation and amortisation)	**(1,802)**	(1,796)

Total capital expenditure was $1,357 million, an increase of $189 million:

- Sustaining capital expenditure was $683 million, an increase of $23 million. This included $492 million of expenditure on AGL's thermal power stations, up $22 million, due to higher major outage costs at both AGL Loy Yang and Bayswater power stations compared to the prior year. This was partly offset by the completion of the ash landfill project and the mine conveyor extension at AGL Loy Yang.
- Growth capital expenditure was $674 million, an increase of $166 million, mainly driven by the commencement of the Tomago Battery Project and Kwinana Swift Gas 2 (K2) project, partly offset by lower expenditure on the Liddell Battery following commencement of operations.

Capital expenditure	FY26 $m	FY25 $m
Customer Markets	**96**	125
Integrated Energy	**1,186**	963
Centrally Managed Expenses	**75**	80
Total capital expenditure	**1,357**	1,168
Sustaining	**683**	660
Growth	**674**	508
Total capital expenditure	**1,357**	1,168

3.2 Business Value Driver performance

A summary of our performance in relation to each of AGL's Business Value Drivers is provided in the following sections. Time series data for the Business Value Driver key performance indicators as well as performance data for an extended range of non-financial metrics is available in the ESG Data Centre. The key performance indicators included in each scorecard should be read in conjunction with the Glossary on page 261.

Key performance indicators that are linked to the FY26 remuneration outcomes for the CEO and key management personnel are also identified as outlined in the legend below.

Key	KPI linked to remuneration outcomes for MD and CEO and key management personnel

Customers

We are committed to partnering with our customers in connecting them to a sustainable future through a range of innovative initiatives which deliver value and benefits for both our customers and AGL. AGL supports 4.569 million[1] customer services across energy and telecommunications, translating to approximately a quarter of households in the National Electricity Market (NEM).

As we navigate the multi-decade journey of the energy transition, we are actively balancing the need to support our customers facing cost-of-living pressures, including rising energy prices, and the investment required to support our customers to transition to a net zero future.

Solutions to meet customer needs

A critical way to enhance our relationship with our customers and grow trust is through the development of products and services that meet and respond to their changing needs. We have maintained a positive level of customer advocacy in 2026, with AGL's Strategic Net Promoter Score rising two points to +10, our highest year-end result on record, despite many customers facing ongoing cost-of-living pressures and a highly competitive market. Our Transactional Customer Satisfaction (CSAT) also continued to improve from FY25, with 84.1%[2] of customers rating their experience with team members as five out of five. Our energy consumer churn was 4.9 percentage points lower than the rest of the market at 16.7%, driven in part by growth in our telco and energy bundled offering and the expansion of our partnerships with Netflix, and bp Pulse.

Macroeconomic pressures persisted throughout FY26, including cost-of-living impacts, the withdrawal of government assistance, and energy price changes that may have impacted our customers. This was reflected in the top complaint drivers that were raised with the Ombudsman by our customers being billing and credit issues and affordability-related matters. Despite this, Ombudsman complaint volumes remained broadly stable, decreasing 0.8% to 6,597, compared with 6,651 in FY25. This outcome reflects our continued focus on improving customer experience (particularly the move-in experience), and close monitoring of customer touchpoints such as call, email, and webchat. Consistent with prior years, we also maintained our focus on reducing customer effort and contact frequency, while improving the quality and clarity of information provided to customers.

We continue to invest in elevating our digital services to deliver a safer, smarter and more personalised customer experience. This year, we strengthened the security of our digital platforms by rolling out multi-factor authentication and passkeys across MyAccount and the AGL App, providing residential customers with stronger digital account protection and phishing-resistant sign-in. We also launched a dedicated online security hub to help customers stay safe online.

During FY26 we released new digital features that make it easier for customers to participate in, and benefit from, the energy transition, including through easy digital quotes in Electrify Now and our Green Finance Calculator, which help households better understand and maximise their energy investments. Our small and medium enterprise customers benefitted from the enhancements to the AGL Business website, including refreshed content and new competitive offers.

AGL also continued to invest in broader Salesforce CRM, AI and digital capabilities to improve customer experience and support our ambition to connect every customer to a sustainable future. Further information is available in the Business Intelligence scorecard.

	Target		FY26	FY25
Strategic Net Promoter Score (NPS)	FY27: +20		**+10**	+8
Customer Satisfaction (CSAT)	-	(KPI linked to remuneration)	**84.1**	81.6
Ombudsman complaints	-		**6,597**	6,651

Energy affordability and support for customers experiencing vulnerability

Recognising that vulnerability can affect any customer at any time, AGL continues our long-standing commitment to proactively support those experiencing hardship and vulnerability. Throughout FY26 economic conditions in Australia have remained

1. Excludes Netflix.
2. AGL Transactional Customer Satisfaction survey, June 2026.

challenging, with sustained cost-of-living pressures continuing to impact many households, particularly lower-income households. This has driven increased demand for support through AGL's hardship program, Staying Connected.

In response to these conditions, AGL successfully embedded key initiatives from the Customer Support Package (a two-year program delivered across FY24 and FY25) into business-as-usual operations, providing ongoing and sustainable customer support.

This year, AGL's continued focus on affordability delivered meaningful outcomes through:

- Providing $27 million in direct financial support for over 20,000 eligible Staying Connected customers through a combination of targeted relief for customers experiencing vulnerability (including concession holders, Centrepay and Life Support customers and customers impacted by family and domestic violence), as well as payment matching for approved state-based government hardship grants.[3]
- Proactively engaging with more than 53,000 customers on medium to long-term financial arrangements[4], providing payment support, recommendations for better energy plans, concession eligibility checks, and guided assistance for customers applying for government grants and rebates.
- Strengthening frontline customer service processes, making it easier to establish payment arrangements and reducing customer effort.
- Providing case management for customers experiencing vulnerability who require additional support to reduce their energy arrears through personalised assistance with account reviews, plan upgrades, payment arrangements and account settlement offers.
- Launching AGL Community Power, a program designed to extend the benefits of the energy transition to more customers by helping to improve affordability and supporting vulnerable communities. Further details of this program are described on the following page.

Demand for hardship support remains elevated, with Staying Connected participation increasing by a further 19% in FY26, consistent with growth observed in FY25. The average level of debt for customers within the program has also risen compared to FY25, with an average of 70% of customers on payment plans paying below their ongoing consumption. This reflects the sustained impact of economic pressures and the growing need for support in managing energy costs.

Looking ahead, AGL remains committed to supporting customers experiencing hardship. In FY27, our focus will be on helping to drive policy reform regarding the support available to customers in entrenched financial hardship where circumstances are unlikely to improve. AGL will continue to strengthen our external engagement with community and industry stakeholders, helping to maintain an understanding of evolving customer needs and affordability challenges.

	FY26	FY25
Number of customers on Staying Connected	**40,839**	34,328
Average level of debt of customers on Staying Connected	**$2,488**	$2,343
Total average debt across mass market customer portfolio	**$463**	$420

Decarbonised energy supply

AGL is committed to being the partner of choice in helping our residential and commercial customers decarbonise the way they live, move and work, providing innovative offerings in electrification, consumer energy resources, electric vehicle solutions and renewable energy products. This year marked a shift from capability-building to scaling impact, with the accelerated customer adoption of CER reinforcing the value of AGL's electrification strategy.

We evolved our portfolio to meet customers at the different stages of their electrification journeys, aiming to make participation in the energy transition simpler, more affordable and accessible, for example through the following:

- **Supporting customer electrification**: Since launching in 2024, our Electrify Now platform, which supports customers to better understand and implement home electrification, has had over 956,000 visits. The platform provides personalised insights into potential bill savings and emissions reductions, and connects customers with trusted installers, helping to convert interest into action.
- **Demand-side flexibility services**: AGL is growing our portfolio of demand-side flexibility, spanning both orchestrated assets that respond directly to AGL signals and customer-led flexibility enabled through tariffs, products and incentives. This growing flexibility portfolio supports lower wholesale energy costs, improved system reliability and stronger customer engagement, while enhancing AGL's ability to operate in an increasingly decentralised energy system. AGL reached our FY27 target of 1.6 GW of decentralised assets under orchestration a year ahead of schedule, increasing by approximately 17% from 1.49 GW in FY25 to 1.74 GW in FY26. Growth was driven by participation across residential batteries, hot water orchestration and residential and commercial customer demand response programs, and supported by continued investment in technology and orchestration capabilities. Customer uptake of residential battery propositions grew by 258%[5] over FY26, supported by the Federal Government's Cheaper Home Batteries Program. Through AGL Battery Rewards, customers have been able to unlock

3. State-based government hardship grants include the Home Energy Emergency Assistance Scheme (QLD), Utility Grant Relief Scheme (VIC), Energy Accounts Payment Assistance (NSW), Emergency Electricity Payment Scheme (SA) and Hardship Utility Grant Scheme (WA).
4. Medium to long-term arrangements are ongoing financial arrangements for customers to cover arrears and consumption, ranging from 3 months, up to 12 months (NSW, SA, WA) or 24 months (VIC).
5. Growth excludes customers added through the SAVPP acquisition and reflects organic growth in battery-specific propositions.

value by exporting stored energy during peak periods, while maintaining control of their asset. Controlled hot water load increased by approximately 54% compared with FY25, creating a significant source of flexible demand across the NEM and helping shift electricity consumption to periods of high renewable generation.

- **AGL Community Power**: Launched in July 2025, AGL's Community Power program seeks to share the benefits of the energy transition with customers who are unable to install solar or batteries, or who may be locked out due to barriers to home ownership. AGL launched Community Power following the acquisition of the South Australian Virtual Power Plant (SAVPP), providing access to a network of distributed rooftop solar and approximately 7,500 batteries across 7,000 South Australian Housing Trust homes. Building on the acquisition, in July 2025 AGL announced its partnership with the South Australian Government through the emPowering SA Community Battery program to construct and operate 18 community batteries across South Australia. Through this program, AGL will construct and operate 18 Community Batteries around South Australia, with the first three in Magill, Edwardstown and Port Pirie already operating. Up to 11,000 eligible residents in areas surrounding the community batteries, and in the South Australian Housing Trust houses, are now able to access significantly discounted electricity rates through our Community Saver plan. AGL expanded the program into New South Wales, delivering a pilot with Hume Community Housing to install solar and battery systems in social housing homes in the Hunter region. We also further expanded our suite of community-focused customer offerings, including the continued rollout of the Three for Free[1] energy plan, and the reintroduction of the AGL Community Offer for communities surrounding AGL generation and storage assets. Together, these initiatives help to extend the benefits of the energy transition to more customers while helping to improve affordability and supporting vulnerable communities.
- **Electric vehicles**: AGL continues to build an integrated electric vehicle ecosystem, bringing together retail energy, charging solutions and flexibility services to support the accelerating adoption of EVs. In FY26, customers on EV plans grew 89%, outpacing market growth of 61%[2]. This growth was supported by expanding customer access to charging solutions, including home charging offers, AGL's NSW kerbside charging network, and public charging partnerships with bp Pulse and Chargefox providing customers with convenient and competitively priced charging. Our kerbside charging network enables customers without off-street parking to adopt EVs. We announced our partnership with Karmo, Australia's largest car subscription platform, enabling a scalable and capital-efficient approach to delivering EV subscription offerings.
- **GreenPower and Carbon Neutral products:** In FY26 AGL continued to offer GreenPower-accredited renewable electricity products, providing residential, small and large business customers with an option that allows them to support renewable electricity generation in Australia. GreenPower supports investment in renewable energy projects by increasing demand for large-scale generation certificates beyond the mandatory demand driven by the Commonwealth Government's Renewable Power Percentage under the Renewable Energy Target. AGL also purchased GreenPower-accredited renewable electricity certificates to match 100% of the electricity supplied through our public EV charging network in New South Wales. AGL maintained Climate Active certification for products and services including Carbon Neutral electricity, gas, residential solar systems and solar batteries.

AGL also remains focused on being the partner of choice for business customers seeking to decarbonise and electrify their operations, and we continue to work with customers on a broad range of integrated energy solutions, including solar, battery, EV charging and biogas systems. This is demonstrated through the following:

- The continued growth of our Energy as a Service (EaaS) portfolio remains an important enabler, providing customers with integrated behind-the-meter solutions including solar, batteries, asset management, orchestration and asset finance.
- We continue to expand our operations and maintenance service for customer solar and battery assets. Through this, AGL contracts 260 MW of customer solar assets and 23 MWh of energy storage systems to support customers to monitor and optimise asset performance.
- In addition to on-site and behind-the-meter solutions, we continue to support large business customers to reduce their Scope 2 emissions by accessing renewable energy via Renewable Power Purchase Agreements (PPAs), Asset-Linked Large-scale Generation Certificate (LGC) products and AGL's Green Energy product backed by GreenPower-accredited generation sources. Across these products, we have supported customers in accessing 580 GWh of renewable energy in FY26.
- FY26 has also seen significant market interest from data centres, and AGL has collaborated with customers to customise electricity contracting arrangements that support their growth, including options for renewable energy supply.

	Target	FY26	FY25
Green revenue as a % of total revenue[1]		**22.9%**	19.7%
Increase in green revenue from FY19[2]	FY27: +85%	**117%**	98%
Decentralised assets under orchestration (including smelters)	FY27: 1.6 GW	**1,739 MW**	1,487 MW
Cumulative customer assets installed (behind the meter)	FY27: 300 MW[3]	**196 MW**	147 MW

1. The percentage of AGL's total revenue derived from green energy and carbon neutral products and services.
2. Increase in revenue from green energy and carbon neutral products and services compared to the FY19 baseline.
3. Installations completed from FY24 – FY27 inclusive.

1. The plan is initially available to customers in South Australia and provides free electricity usage from 10am to 1pm daily. Daily supply and any controlled load usage charges still apply.
2. Estimated market growth represents growth in EVs charging at home across states where AGL operates, based on AEMO ISP charging-type assumptions.

Assets

AGL operates Australia's largest private electricity generation portfolio. During FY26, our operated assets delivered 30,400 GWh to the grid,[3] equating to over 16% of total generation within the NEM in FY26. AGL's operated generation capacity as at 30 June 2026 was 7,862 MW.[4]

AGL has announced planned closure dates for our coal-fired power stations - Bayswater Power Station (by the end of 2033)[5] and Loy Yang A Power Station (by the end of FY35)[6]. In addition, Torrens Island 'B' Power Station (gas-fired) is scheduled to close by 30 June 2028.[7]

As we phase out our coal-fired power stations, we aim to add 12 GW of new renewable and firming capacity by the end of 2035, making efforts to accelerate this transition where possible. The reliable performance of our coal-fired power stations until their closure, along with the flexibility of our portfolio, remains crucial in providing energy for our customers during the energy transition.

Transitioning our energy portfolio

As we transition our energy portfolio, we are sourcing the required renewable and firming capacity to power our customer energy demand through a combination of self-development and external project options via partnerships, acquisitions and third-party offtakes. Our development pipeline of new renewable and firming projects has grown significantly to over 10 GW since AGL's 2022 CTAP. We plan to maintain pipeline optionality, enabling AGL to respond to the policy environment, economic environment, portfolio and customer needs. We are on track to meet our target to add 6 GW of new renewable and firming capacity for our customers by FY30, and we have already exceeded our FY27 targets to have 2.1 GW of new renewable and firming capacity in construction, delivery or contracted and to have 1.5 GW of total grid-scale batteries operated, contracted or in delivery.

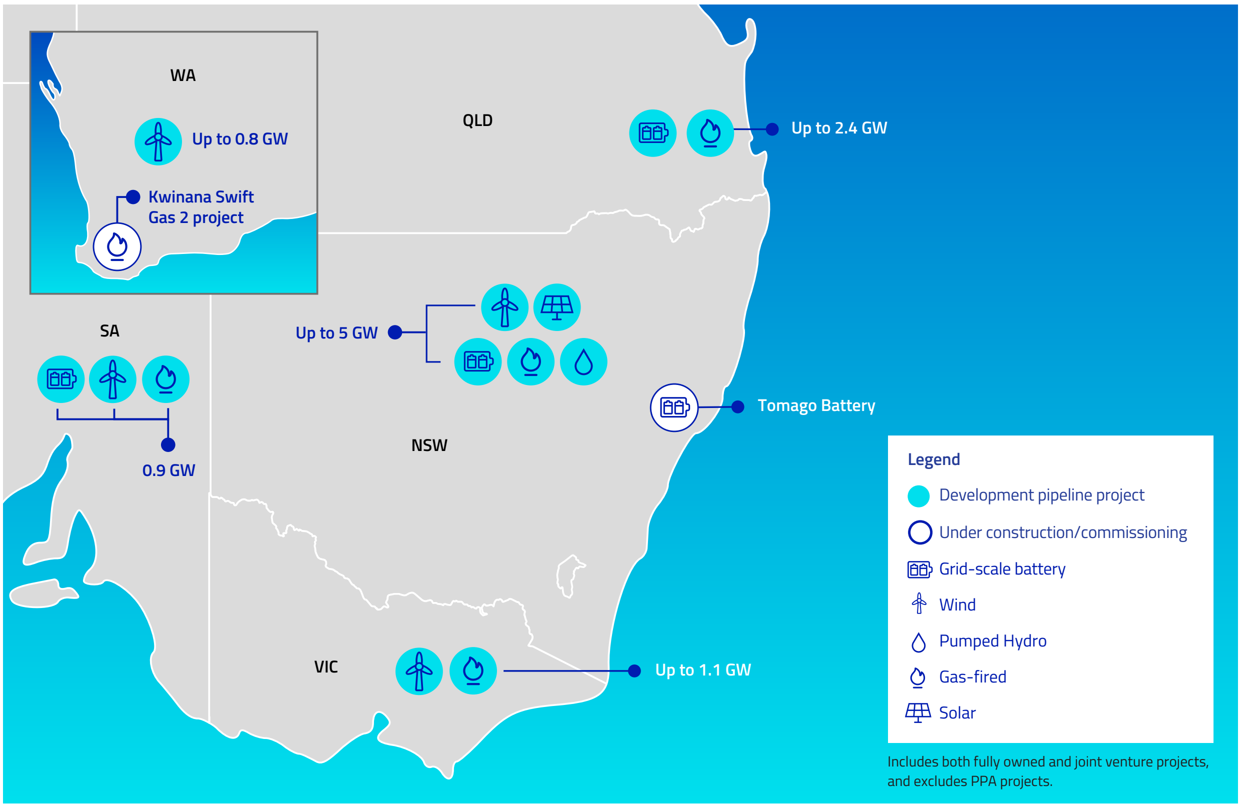
During FY26 we continued our strong track record of developing renewable and firming capacity projects:

- **Projects commencing commercial operations in FY26:** The 500 MW / 1,000 MWh grid-scale battery at the former Liddell Power Station site commenced commercial operations in June 2026.
- **Projects under construction:** In June 2026, construction commenced for the 220 MW Kwinana Swift Gas 2 (K2) project, an open-cycle, dual-fuel gas turbine power station co-located with the existing Kwinana Swift Power Station. Operations are targeted to commence in Q4 2027. Construction is also progressing for the 500 MW / 2,000 MWh Tomago Battery Project. In May 2026 AGL completed the first of two stages of the upgrade to the Clover Power Station[8] in the Mount Beauty area, to strengthen the capability of the Kiewa Hydroelectric Scheme. Stage 2 of the works is underway, and includes a new generator and turbine for the second unit.
- **Development pipeline:** In October 2025 AGL was awarded a CIS contract for the 600 MW Hexham Wind Farm in Victoria. We are continuing to pursue priority late-stage battery and wind projects, including the 500 MW Tuckeroo Battery Project in Queensland and the Barn Hill Wind Farm (300 MW). AGL and Someva Renewables' joint development, Pottinger Energy Park (1,250 MW), secured Commonwealth approval in September 2025. The project is pending a final investment decision with the initial phase of construction planned to begin in mid-2027.

In FY26 AGL completed the divestment of a 19.9% equity interest in Tilt Renewables (Tilt), with proceeds to be used to continue to deliver AGL's strategy, including funding our investment in flexible, dispatchable capacity. Tilt currently provides renewable generation capacity to AGL under long-term power purchase agreements. During FY26 AGL entered into Power Purchase Agreements with Tilt for Palmer and Waddi wind farms.

3. Gross sent-out generation does not take account of losses or electricity imported from the grid at generation facilities.
4. FY26 installed capacity is the AEMO registered capacity, also taking into account 25 MW upgrades to each of units 2, 3 and 4 at Bayswater Power Station over FY20-FY23.
5. Subject to market and regulatory conditions. Asset management plans have been structured to support the closure of Bayswater Power Station by the end of 2033.
6. Asset management plans have been structured to support the targeted closure of Loy Yang A Power Station by the end of FY35. AGL has a Structured Transition Agreement (STA) with the Victorian Government which provides for the orderly closure of Loy Yang A Power Station by a scheduled closure date of 30 June 2035, and a framework for safeguarding the continued and reliable operation of Loy Yang A Power Station until its planned closure date.
7. In October 2025, the South Australian Government reached an agreement with AGL to keep Torrens Island 'B' Power Station open until 30 June 2028, following their request that AGL extend the operation of the power station for two years from the previously scheduled closure date of 30 June 2026.
8. Upgrades to Clover Power Station do not form part of AGL's target to add 2.1 GW of new renewable and firming capacity by FY27.

The following map summarises our development pipeline.



Further information in relation to FY26 and expected future capital allocation to renewable and firming capacity is available in Section 12.1.

	Target	FY26	FY25
Operated and contracted renewable generation and storage capacity	Refer to Remuneration Report	**39.5%**	34.5%
New renewable and firming capacity[1]	FY27: 2.1 GW FY30: 6 GW	**2,126 MW**[2]	1,178 MW
Grid-scale batteries installed and managed		**930 MW**[3]	430 MW
Total grid-scale batteries operated, contracted or in delivery	FY27: 1.5 GW FY30: 3.0 GW	**1,700 MW**[4]	1,200 MW

1. Measured as new renewable and firming capacity in construction, delivery or contracted from FY23 onwards. Excludes projects that were operational at 30 June 2022.
2. Comprises Liddell Battery (500 MW), Broken Hill Battery (50 MW), Torrens Island Battery (250 MW), Tomago Battery (500 MW), Western Downs Stage 1 Battery Contract (100 MW), Western Downs Stage 2 Battery Contract (100 MW), Rye Park Wind Farm PPA (178 MW), Waddi Wind Farm (105 MW), Palmer Wind Farm (123 MW) and K2 Project (220 MW). Does not include the 14 MW upgrade currently underway at Clover Power Station (hydro).
3. Comprises Dalrymple Battery (30 MW), Wandoan Battery (100 MW), Torrens Island Battery (250 MW), Broken Hill Battery (50 MW) and Liddell Battery (500 MW).
4. Comprises Dalrymple Battery (30 MW), Wandoan Battery (100 MW), Torrens Island Battery (250 MW), Broken Hill Battery (50 MW), Tomago Battery (500 MW) and Liddell Battery (500 MW), as well as virtual battery contracts for Western Downs Stage 1 Battery (100 MW), Western Downs Stage 2 Battery (100 MW) and Neoen Virtual Battery Project (70 MW).

Reliable and efficient plant operations

In FY26, AGL's overall fleet Equivalent Availability Factor (EAF) was 83.4%, up 4.3 percentage points compared to FY25. This was driven by an improvement in availability at Bayswater Power Station (up 8.3%) and Loy Yang A Power Station (up 1.5%) as a result of fewer boiler tube leak outages, as well as improved availability at our wind and storage assets.

With the changing nature of electricity demand across Australia, there is an increasing need for more flexible generation, as well as generation from a diverse range of sources and in a range of locations. Firming assets, such as battery storage, hydro and gas-powered generation, can start at short notice and ramp up and down quickly, providing an excellent complement to higher levels of variable renewable generation such as wind and solar.

We have continued to invest in increasing the flexibility of our coal-fired generation fleet as its role in the electricity system evolves. This year, AGL's flexible operations program implemented a new minimum generation threshold for Loy Yang A Power Station, reducing asset risk while increasing flexibility. Our investments over the past four years have lowered the combined minimum generation capacity of our coal fleet to 1,690 MW,[1] allowing AGL to flexibly operate 66% of our total coal generation capacity of 4,925 MW.

Our ability to flex our thermal fleet enables us to manage the impacts of lower customer demand, or negative pool pricing, during daytime periods of peak solar generation. In addition to enabling improved commercial outcomes, flexible operations may deliver emissions reduction benefits. The investment in operational flexibility upgrades of Bayswater and Loy Yang A power stations enabled the avoidance of over 300,000 tCO_2e of greenhouse gas emissions in FY26.[2]

The enhanced flexibility of our thermal assets along with our growing portfolio of firming assets (including batteries, hydro and flexible gas-powered generation) means we have a flexible generation capacity of 5.82 GW[3].

	Target	FY26	FY25
Equivalent Availability Factor (EAF) - all fleet		**83.4%**	79.1%
Equivalent Availability Factor (EAF) - thermal and gas generation fleet[1]	FY27: 88%	**82.8%**	79.5%

1. Thermal and Gas Generation fleet includes Bayswater, Loy Yang A, Torrens B, Barker Inlet, Somerton and Kwinana Swift.

Repurposed infrastructure (energy hubs)

A part of our strategic goal of transitioning our energy portfolio is the transformation of our existing large power station sites into integrated energy hubs which aim to complement the decarbonising energy sector, contribute to regional economies and help build resilient communities.

Underpinned by circular economy principles, through our three proposed energy hubs in the Hunter Valley, Latrobe Valley and at Torrens Island, we aim to repurpose the land and infrastructure to facilitate the establishment of new industries that can play a key role in the energy transition, creating regional economic diversification and jobs in areas such as low-carbon manufacturing, materials recovery and recycling, low-carbon fuels, computing services and other energy intensive industries, co-located with grid-scale batteries and renewable energy generation.

Each energy hub site has its own natural advantages and complexities, which may suit different sectors of industry. These factors include land size, connectivity to transport infrastructure, existing grid connections, water infrastructure, zoning permissions, and presence of a local workforce.

The Hunter Energy Hub is the furthest progressed and can act as a blueprint for other energy hub developments at Torrens Island and in the Latrobe Valley, unlocking a concept that has the potential to make a significant contribution to Australia's energy transition. Construction of the 500 MW / 1,000 MWh Liddell Battery was completed in FY26, with the battery having commenced commercial operation in June 2026.

The following development activities were also undertaken during FY26:

- Feasibility assessments progressed to explore the potential development of renewable manufacturing and recycling facilities, including with Renewable Metals and Elecsome.
- We continued to explore opportunities in data centres, logistics, battery assembly and bio-energy production.
- We were awarded "priority project status" by the NSW Government's Investment Delivery Authority.
- Baseline infrastructure assessments and concept designs were completed to facilitate the supply of essential services to future development precincts within the Hunter Energy Hub.
- A comprehensive whole–of–site masterplan was completed to guide the long-term development of the site.
- We participated in a feasibility study partially funded by ARENA to explore polysilicon production.
- The Hunter Energy Hub's Manuka tree plantation, which is owned and operated by the Wonnarua Nation Aboriginal Corporation, is now established. Bees have been introduced to the site during FY26, with plans to progress honey harvesting. With AGL's support this endeavour offers employment opportunities and, in future, has the potential to become a revenue-generating activity for this First Nations group.

Decommissioning and rehabilitation of Liddell Power Station is progressing alongside these planning activities. Refer to the Environment scorecard for further information.

The transition of our Torrens Island Power Station into the Torrens Island Hub, which already includes the Torrens Island Battery, continued in FY26. Activities in FY26 included the following:

- We progressed feasibility studies into data centre development and alternative fuel production.
- We completed cultural heritage, flora and fauna and maritime assessments over parts of the site.
- We completed a range of preliminary infrastructure assessments.

1. Includes 230 MW minimum generation capacity for Loy Yang A Unit 2, subject to AEMO approval.
2. Based on comparison of estimated greenhouse gas emissions from running the units at Bayswater and Loy Yang A power stations at the previous minimum level and estimated emissions from operations of units at reduced minimum generation levels during FY26.
3. Includes AGL's operated grid-scale battery, hydro, flexible GPG and coal-fired flexing capacity.

Given the planned closure of Loy Yang A Power Station by the end of FY35, AGL continued to explore redevelopment activities for the Latrobe Valley Energy Hub. Activities in FY26 included the following:

- Concluded AGL's role in feasibility assessments for the potential commercial-scale development of an Australia-Japan co-invested hydrogen supply chain project.
- Following our research partnerships in FY24, AGL continued to explore opportunities to recycle waste coal ash into products such as building materials and agricultural inputs.

	Targets	FY26	FY25
Major industrial clients located on or connected to a hub[1]	FY27: 6 - 8	**0**[2]	0

1. From FY23.
2. 7 MOUs in progress.

People

The energy transition is an industry-wide transformation that will involve significant changes to the way in which AGL operates, and the labour and skills required to operate our generation assets will change over time. We recognise the importance of attracting, developing and retaining the right people to enable us to deliver value to our customers and stakeholders. We will seek to achieve this by building a culture that continues to reflect our values ('Be safe. Be supportive', 'Can do. Will do', and 'Bring on tomorrow') and the needs and expectations of the communities in which we operate. As we progress through the energy transition, our approach is to treat people fairly and with respect, and to work constructively and openly with our people to keep them informed and engaged.

Safe and healthy workforce

Guided by our value of 'Be Safe. Be Supportive', AGL maintained strong safety performance in FY26 following the significant reduction in injury rates achieved in FY25. FY26 was the final year of our four-year FY23-26 HSE Strategy, with a continued focus this year on strengthening HSE capability across our leaders and broader workforce, increasing frontline and contractor ownership of risk, and improving the visibility of risk through better systems and data.

We deepened the integration of health and safety risk management into our daily operations, through strengthened governance, clearer accountability and risk-based assurance, reinforcing that risk is owned at every level of the organisation. We invested in leadership capability and consistent onboarding so HSE expectations are understood from day one. We progressed alignment of our management system with the international standard for occupational health and safety (ISO 45001), with our Sustainable Business Energy Solutions business achieving certification in FY26. An independent assessment also confirmed broad compliance and no major non-conformances across AGL. Advances in our digital systems and analytics further supported visibility and management of critical risks.

We continued our focus on preventing Significant Impact or Fatality (SIF) events through targeted management of critical risks such as falling objects, working at height, suspended loads and contact with electricity. No actual SIF (SIFa) events were recorded in FY26, and there were 31 Health and Safety potential SIF (SIFp) events, a 31% reduction on FY25. Targeted interventions on dropped objects and critical control effectiveness, informed by a critical controls audit and our incident lessons-learned process, contributed to a clear reduction in events of this type. This was complemented by expanded senior leader engagement with key contractors, including the application of the consequence management framework to reinforce shared accountability for safe delivery. Genuine, two-way engagement with our people and contractor partners remained a priority, helping to build trust, encourage open conversation and embed shared accountability for safety.

The number of recordable injuries in FY26 was 27, consistent with FY25. The majority of these injuries were low to moderate in severity, and none resulted in lasting harm to our people or contractors. Our injury management and workers' compensation outcomes continued to improve year-on-year, with fewer workers' compensation claims reflecting the successful embedding of risk management solutions across the business. We also broadened our focus on health and wellbeing, by strengthening psychosocial safety capability notably through leader education and development, implementing a self-care program to support workers exposed to occupational violence and aggression, and refreshing mental health support, including a digital platform giving employees around-the-clock access to wellbeing services. Year-on-year improvements were recorded across key psychosocial safety indicators, with psychological injury claims reducing by 61%, psychosocial events reducing by 44%, and psychological injury management referrals reducing by 44% compared to FY25.

Throughout FY26 we worked to ensure our contractors operate in step with AGL's values, policies and standards. This came to life at AGL's 2026 HSE Conference, 'Partnering with Confidence', where senior leaders and contractor partners explored how trust and early alignment underpin safe and sustainable delivery, built on clear expectations, a shared understanding of risk, and clarity in ways of working. We also played an active role in industry forums on issues ranging from occupational violence and aggression to the safety implications of the energy transition, both learning from and helping to shape leading practice.

As we complete the FY23-26 Strategy, we have finalised our FY27-30 HSE Strategy, marking the next phase in our HSE maturity. The strategy shifts focus from building capability to delivering resilient outcomes, through a greater focus on contractor performance, embedded risk-informed decision-making, and the use of technology, data and predictive analytics to proactively manage risk in support of AGL's energy transition.

	FY26	FY25
TIFR employees	**0.8**	1.2
TIFR (employees + contractors)	**2.2**	2.0
Fatalities (employees + contractors)	**0**	0

Future-fit people and culture

AGL's ability to deliver our strategy relies on a future-fit workforce, strong leadership and an inclusive culture that supports our people to perform and grow. In FY26, we continued to build capability and strengthen these foundations as the organisation navigated significant transformation and evolving ways of working in support of the energy transition.

AGL's employee engagement score was 70% in FY26 (FY25: 73%), with 81% of employees participating in the listening survey. Despite significant organisational change in FY26 to support the future growth of our business, employee feedback continued to reflect strong levels of manager support, inclusion, and satisfaction with learning and development. In particular, 88% of employees reported that their immediate manager cares about their wellbeing, underscoring the strength of AGL's leadership culture during a period of transition. Employees continued to value access to learning and development, with 77% reporting they have access to the learning they need and 72% seeing opportunities to develop their skills and interests.

In FY26, we continued to invest in leadership development through the Leadership Compass and AGL Academy, combining face-to-face, digital and self-paced learning. The Leadership Compass establishes a common leadership capability framework for AGL, defining the capabilities expected of leaders and guiding leadership development across the organisation. During FY26, more than 400 people leaders (45%) completed at least one Leadership Compass module through the AGL Academy, strengthening leadership capability across the organisation.

Talent and succession management continued to strengthen in FY26, with more than 200 senior leaders and critical roles reviewed to assess succession readiness and pipeline depth. Key talent retention remained at 96% (FY25: 96%), supporting organisational continuity and long-term capability. AGL continued to strengthen diverse leadership pipelines through targeted development, enterprise mobility and succession initiatives, including the ELT Business Delegate Program, ET Sponsorship Program and Lead & Accelerate programs, which provide enterprise exposure, stretch opportunities, advocacy and development for emerging leaders, particularly women. These initiatives helped broaden leadership pathways and strengthen female representation across succession pipelines, with 82% of ELT-critical roles identifying at least one female succession nominee. Despite a period of transformation and organisational redesign, overall attrition remained stable at 10% (FY25: 10%).

Progress toward AGL's 40:40:20 gender balance ambition continued in FY26, although female representation across the workforce was 38%, below our FY26 target of 40%. Achieving gender balance remains challenging in the energy sector, where women continue to be underrepresented across many technical and operational roles. While progress is not always linear, our focus remains on sustained action to improve gender balance, with female hiring increasing to 47% (FY25: 42%), the gender pay gap for total remuneration improving to 24.7% (FY25: 26.0%), and representation within the Senior Leadership Pipeline increasing to 38% (FY25: 36%).

During FY26, AGL also continued to improve workforce diversity insights through employee self-identification, enabling us to better measure progress. AGL also continued our focus on inclusion and belonging through initiatives including the 'I am the I in Inclusion' campaign, reinforcing the role all employees play in creating an inclusive culture and supporting AGL's transition. AGL's Inclusion Index score for FY26 was 74% (FY25: 75%), reflecting a culture where employees generally feel respected, comfortable being themselves and safe to speak up. AGL's commitment to diversity and inclusion continued to be recognised externally in FY26, maintaining our Platinum Employer status for LGBTQ+ inclusion through the Australian Workplace Equality Index, and our Family Inclusive Workplace certification. AGL was also recognised as a Gold award winner in the Australian Financial Review BOSS Best Places to Work awards, ranked among the Top Employers for Women by Work180, and ranked first in the Australian Disability Network's Access and Inclusion Index.

Building cultural capability remained a key focus in FY26. We refreshed our inclusion compliance module, using insights from consultation with our First Nations Employee Network (AGL Mob). This included allyship training for employees engaging with First Nations stakeholders, targeted traineeship and apprenticeship opportunities, employment partnerships, and on-Country learning experiences designed to deepen cultural understanding and connection. AGL has commenced a broader uplift program informed by a cultural learning needs assessment, with development underway for a First Nations Cultural Learning Academy. First Nations representation across the workforce was 0.9%[1] in FY26 (FY25: 1.36%).

AGL reported 0 material breaches of the Code of Conduct in FY26 (FY25: 0), reinforcing our ongoing focus on maintaining a safe, respectful and accountable workplace.

1. Data is based on company-wide Workday data which was captured as of end of June 2026. Employee uptake on providing demographic data is 67%. Percentages in the table above reflect the 67% of employees who voluntarily entered any diversity data to Workday which may not be reflective of diversity across AGL's workforce.

	Targets	FY26	FY25
Employee engagement		**70%**	73%
Attrition (total workforce)		**10%**	10%
Key talent retention		**96%**	96%
Gender mix in SLP (% female)	FY26: ≥40%	**38%**	36%
Material breaches of Code of Conduct		**0**	0

Workforce transition

AGL is committed to supporting our people who are impacted by the retirement of our energy assets including our large thermal power stations. Our people transition principles, as outlined in our 2025 CTAP, establish minimum standards of conduct for how we approach supporting our people whose employment is impacted by the closure of our power stations.

We continue to review and refine our people transition blueprint, focusing on providing structured and accessible support for employees as we progress through asset transition. This approach is aligned to our broader People Commitments as outlined in our CTAP, and is informed by ongoing engagement with employees, leaders, unions and the Transition Working Groups (TWG).

Our People Transition Hub at Torrens Island, which was opened in February 2025, has become a key component of AGL's approach to supporting employees through the transition, providing a centralised model for delivering transition services and assistance. In addition to the initial career expo, the Hub now supports a rolling program of support services designed to help employees progress their individual transition plans. These services include external career coaching, resume and LinkedIn workshops, interview skills sessions, and regular access to on-site job coordinators and training providers. A second Career Expo was held in 2026, complemented by ongoing information sessions covering career pathways, transition to retirement, financial and superannuation planning, and health and wellbeing supports (including Employee Assistance Program services). These sessions were scheduled to ensure access for employees across different workforce groups and roster patterns. These broader support services are complemented by ongoing individual transition discussions, enabling employees to review and update their transition plans and access training and development opportunities aligned with their future goals.

Transition planning at Bayswater Power Station continued during FY26, building on the foundation established in 2025. Initial one-on-one conversations have now been completed with 94% of Bayswater employees, and insights from the employee transition survey will be used to better understand preferred future pathways and inform the design of transition support programs. The Bayswater TWG continues to meet regularly to discuss future development opportunities and guide initiatives that support our people through the transition process.

We continue to work proactively with the Net Zero Economy Authority (NZEA) and employee representatives to support an orderly and responsible workforce transition associated with asset closures. In line with obligations under the NZEA framework, AGL is progressing consultation on Energy Industry Jobs Plans (EIJPs), which establish structured, legislated support for impacted employees, including access to career planning, training and reskilling, financial advice, and engagement with prospective employers.

Relationships

As a key player in Australia's interconnected energy industry, it is vital that AGL has respectful relationships with our stakeholders. A wide variety of people and groups are interested in, or affected by, the decisions that AGL makes. These include communities in which AGL operates, Traditional Custodians, governments, regulators, consumer advocates, industry associations, non-government organisations and advocacy groups, suppliers, project partners, and lenders and investors.

AGL strives to make a net positive social, economic and environmental contribution to the communities in which we operate. We proactively engage with our stakeholders in ways that are most appropriate to each group. It is important that we build trust with our stakeholders by engaging openly.

Engaged and supported communities

AGL invests in the communities where we operate through a structured community investment program focused on creating long-term value. In FY26, we continued to invest across the four pillars of our Social Impact Framework which are focused on: economic development and education; climate and environmental initiatives; addressing energy affordability; and empowering First Nations communities through education, employment and economic participation. Through this framework, we have moved from making ad hoc philanthropic contributions to investing in strategic partnerships that deliver lasting community outcomes. Total community contributions in FY26 remained broadly consistent with FY25 at approximately $6.1 million.[1]

As part of our focus on economic development and education in regions where we operate, through our partnership with United Way Australia's Dolly Parton Imagination Library program, children in the Latrobe Valley, Mount Beauty and Muswellbrook receive a free age-appropriate book each month from birth to age five, helping build literacy skills and school readiness. At Muswellbrook High School, our support of the Big Picture Program continues to improve student engagement and educational outcomes through personalised learning pathways. In FY26, we became a Foundation Partner of the TAFE Gippsland Clean Energy Centre in

1. Includes community program management costs.

Morwell, supporting training and skills development in renewable energy, electrification and emerging clean energy technologies to help prepare the Gippsland community for future employment opportunities. We invest in pathways to higher education through a range of tertiary scholarships, including the Loy Yang Jungarra Wannik Scholarship for First Nations students in partnership with Federation University, the Bayswater Scholarship for First Nations students in partnership with the Wollotuka Institute at University of Newcastle, the Bayswater Women in Engineering Scholarship at University of Newcastle, and the Pinnacle Foundation scholarship supporting LGBTQIA+ students.

Supporting communities to participate in the energy transition remains a key priority. Through AGL's Powering our Community program, we funded renewable energy, battery storage and electrification projects for community organisations that may otherwise be unable to access the benefits of the energy transition. This included funding a solar and battery installation for the Worimi Local Aboriginal Land Council and providing an electric vehicle to support the Blackroo Community Indigenous Corporation Driving School Program in the Hunter region. In Gippsland, our partnership with the Gippsland Climate Change Network expanded the region's community-owned electric vehicle charging network with three new charging stations at Morwell Innovation Centre, Tubbut Neighbourhood House and Yallambee Village in Traralgon, bringing the network to eight locations. We also funded an electric vehicle to support community education, engagement and awareness of electrification, helping build local understanding and participation in a cleaner energy future.

Helping communities respond to cost-of-living pressures is an important part of our community investment through our ongoing national partnerships with The Salvation Army and OzHarvest. We also partner with Foodbank SA, which supports food relief programs and local food hubs for communities surrounding Torrens Island Power Station and the Hallett wind farms. Together with other targeted support initiatives, these partnerships help address immediate needs while strengthening community resilience and wellbeing.

Meaningful partnerships with First Nations peoples remain an important part of how AGL delivers community outcomes and progresses the energy transition. In FY26, we continued engagement with the Narungga, Kaurna and Nukunu peoples on the Barn Hill Wind Farm and Battery project to develop benefit-sharing arrangements that reflect community priorities and aspirations. We also partnered with Point Pearce Aboriginal Corporation to co-design and deliver the Point Pearce Solar and Battery Project, funding the installation of rooftop solar and battery systems on 47 homes. At AGL Loy Yang, we commenced a collaborative seed bank project with the Gunaikurnai Land and Waters Aboriginal Corporation, creating opportunities for First Nations employment and skills development through accredited training and formal qualifications while supporting healing of Country. The project also contributes to AGL's cultural learning, site rehabilitation, native revegetation and future tree-planting programs. Together, these initiatives support economic participation, capability building and shared community outcomes while ensuring First Nations perspectives help inform AGL's future projects and activities.

These partnerships are supported by a broader approach to First Nations participation across AGL's development portfolio. During FY26, we progressed Regional and First Nations Development Plans and continued development of a First Nations benefit-sharing model. We also strengthened opportunities for place-based dialogue, including a dedicated Community Day in the Upper Hunter that brought together Traditional Custodians and First Nations community leaders to help inform future activities in the region.

We continue to engage with communities through Community Consultative Committees, community sentiment surveys and other engagement forums, helping us understand local priorities and support meaningful outcomes in the regions where we operate.

AGL undertakes quarterly monitoring of our reputation via RepTrak. AGL's RepTrak score increased to 72.4 in FY26, up 4.7 points compared to FY25. This score places AGL in the 'Strong Reputation' category (organisations with scores between 70-80), and reflects stronger stakeholder trust in AGL, reinforcing the social licence that underpins the delivery of our strategy.

We are committed to meeting all our tax compliance obligations, and to providing our stakeholders with information about the taxes we pay. In this regard we have adopted the Board of Taxation's voluntary Tax Transparency Code. Our effective tax rate on Underlying Profit for FY26 is broadly in line with the Australian corporate tax rate of 30% before prior year adjustments and the research and development concession. A breakdown of taxes paid in FY26 is available in the ESG Data Centre.

	FY26	FY25
Community contribution	**$6.1 m**	$6.0 m
RepTrak score	**72.4**	67.7
Underlying effective tax rate	**29.0%**	27.9%

Collaboration for Australia's energy future

Delivering Australia's energy transition requires sustained collaboration across governments, industry, communities and customers. AGL recognises the importance of engaging openly with a diverse range of stakeholders to understand their perspectives and reflect these in how we plan for and deliver our part in the transition. We seek to maintain constructive, transparent and respectful relationships that support shared understanding of the opportunities and challenges ahead.

As an owner of critical infrastructure and provider of essential services, we engage with all levels of government and relevant statutory authorities, including planning, transition and environmental bodies. This engagement is one part of our broader stakeholder approach and focuses on contributing insights from our operations and customer base to inform policy and regulatory development. In accordance with AGL's Political Donations Policy, we did not make any political donations (monetary or in-kind) in FY26.

We also engage with energy market bodies and participate in consultation processes on changes to market policy and regulation. Through these interactions, we aim to contribute constructively to discussions on how the energy system can evolve to meet changing customer needs. Our submissions to formal consultations are publicly available on our website.

AGL participates in a range of industry and community associations, which provide opportunities to collaborate on shared issues and stay informed of different stakeholder perspectives. These memberships are reviewed annually under our Industry Association Membership Policy to assess their ongoing alignment with AGL's values and strategic direction. Where differing views arise, we seek to engage constructively and, where appropriate, reassess our ongoing participation. A summary of the FY26 review, including information on the policy positions of relevant associations and membership fees paid, is available in the ESG Data Centre.

As the energy transition progresses, AGL continues to deepen its engagement with community and public interest groups, including organisations focused on progressing environmental and social outcomes. This engagement supports a better understanding of community expectations and provides an opportunity to incorporate a wider range of perspectives into our approach to new project development.

AGL is also focused on maintaining positive, ongoing relationships with customer representatives. We are acutely aware of the cost-of-living pressures facing our customers. Through the AGL Customer Council, which has operated since 1998, as well as engagement with consumer groups, financial counsellors, customer advocates and energy ombudsman schemes, we seek to better understand customer experiences and concerns and reflect these in our decision-making.

Strong business relationships

Our relationships with suppliers, project partners and financial institutions remain foundational to our ability to deliver on Australia's energy transition. AGL continued to strengthen our responsible procurement practices in FY26. With over 4,600 suppliers, our Supplier Code of Conduct governs our procurement practices with a key focus on ethical and sustainable procurement practices. Responsible procurement remains a core principle of AGL's Procurement Policy, which guides our processes and decision-making on how we increase our engagement with First Nations-owned businesses and small, local and social enterprises across the regions in which AGL operates. AGL's project delivery strategy for renewable and firming developments has involved dividing the scope into smaller packages of work to encourage small businesses to participate in tender processes.

In FY26, AGL purchased $18.73 million of goods and services from First Nations-owned businesses.[1] This is a 41% increase from FY25, demonstrating strong progress on our commitment to First Nations economic inclusion and setting a solid foundation for our next Reconciliation Action Plan. AGL is partnering with Yunaga Civil and Earth, a First Nations business based in the Hunter Valley, to better understand their business objectives and identify opportunities to strengthen capability and participation. Together, we are developing a shared plan to support business growth and create more sustainable pathways for Yunaga to deliver work with AGL into FY27 and beyond.

During FY26, procurement capability was further enhanced through key improvement initiatives. AGL's accounts payable system was upgraded to improve invoice automation, strengthen our fraud prevention processes and support timely supplier payments. In addition, the implementation of a Contract Management Framework has strengthened commercial discipline, accountability, and oversight. By standardising contract management practices, AGL is enhancing risk management and supplier performance, ultimately supporting improved delivery outcomes and stronger supplier relationships.

Technology supplier partnerships also deepened during the year, supported by investment in enterprise productivity platforms and collaboration with key strategic software partners. The inclusion of additional global IT service providers has strengthened delivery capability and enhanced commercial and operational resilience. AGL is also working closely with partners to explore leading AI solutions aligned to strategic priorities.

Our Human Rights Policy outlines our expectations and commitments to uphold the dignity and rights of all people. This includes our employees, customers, the communities where we operate and other parties we interact with across our business value chain. Through our Policy and related business practices, we uphold internationally and domestically recognised human rights standards, including those set out in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our approach is guided by the UN Guiding Principles on Business and Human Rights and the UN Global Compact's 10 Principles.

To support these commitments, AGL undertakes annual assessments of modern slavery risks across our operations and supply chain. The outcomes of these assessments inform our approach to the management of modern slavery risk. Our sixth Modern Slavery Statement, which will be made available on our website in early 2027, will provide a summary of our material modern slavery-related risks, the processes we undertake to manage these risks, and the key enhancements we have made to our modern slavery risk management processes across FY26.

Developing and maintaining constructive relationships with lending banks and debt capital markets investors is a crucial element of securing the capital needed to invest in renewable and firming projects to execute on AGL's strategy. To meet our portfolio transition targets, projects are expected to be funded through a combination of assets on AGL's balance sheet, utilising available debt capacity and strong operating cash flows from existing thermal operations and selective projects backed by offtakes and partnerships.

1. Includes both direct and indirect spend.

AGL has been focused on ensuring that lenders and investors that want to deploy capital to support the energy transition understand both AGL's strategy and the nuances of the Australian electricity market.

In FY23, AGL established our inaugural Green Finance Framework, which has supported AGL's Green Use-of-Proceeds funding for eligible capital expenditure on renewable energy and firming assets. In FY26, our 'Green Use-of-Proceeds Facilities' were predominantly utilised to fund the construction of our Liddell Battery project, having earlier been used for construction spend on our now operational Broken Hill and Torrens Island battery projects. Our second Green Finance Framework was released in July 2026, and has been updated to reflect current market standards. It aligns with the Australian Sustainable Finance Taxonomy, and will continue to support AGL's access to green and transition-aligned funding from banks and debt capital markets investors.

Bank loan facilities continue to provide support for AGL's working capital needs as it progresses its portfolio transition. During FY26, AGL extended and amended facilities totalling $715 million, including a $250 million Multi Option Facility ('MOF') with ANZ, $150 million Bank Guarantee Facility with MUFG; and newly executed $75 million MOF with JPMorgan. In FY26, AGL also issued Australian Medium-Term Notes ('AMTNs') of $500 million across 7 and 10 year tranches. Proceeds were used to repay the maturing United States Private Placement of US$135 million (A$152 million) and to fund capital expenditure for new growth projects reaching final investment decision this year.[2] AGL extended and amended its $510 million syndicated Asian Term Loan in May 2026, with all tranches extended by approximately 2.3 years, now maturing in 2031 and 2033. The facility supports general corporate purposes, and in the case of the Green Loan Facility tranche, provides funding to eligible green assets under AGL's Green Finance Framework.

Environment

AGL takes our environmental responsibilities seriously, and recognises the high expectations of our stakeholders in relation to how we operate our assets as well as the role we play in Australia's decarbonisation journey. We recognise that our stakeholders expect AGL to have strong and responsible transition plans that lead AGL towards a net zero future, accompanied by measurable targets and transparent reporting. As we contribute to Australia's decarbonisation through the responsible closure of our coal-fired power stations over time, we face significant rehabilitation obligations, which we undertake through various transition activities with careful monitoring and transparency.

Climate transition and decarbonisation

AGL operates the largest private electricity generation portfolio in Australia. The operation of this portfolio, which includes two coal-fired power stations, currently makes AGL the nation's largest corporate greenhouse gas emitter. In FY26, our Scope 1 and 2 emissions accounted for approximately 6% of Australia's total emissions. AGL recognises the key role we have to play in Australia's energy transition. By delivering on our strategy through our energy portfolio transition plans, and supporting customers to decarbonise, we are making good progress toward delivering on one of Australia's largest corporate decarbonisation initiatives.

In August 2025, we published our second Climate Transition Action Plan (2025 CTAP), which builds on the commitments set in our inaugural 2022 CTAP. Our 2025 CTAP outlines our plans to exit coal-fired generation by the end of FY35, our emissions reduction targets and net zero pathway for our business, and our ambitious renewable and firming portfolio plans. Shareholders were given the opportunity to vote on the 2025 CTAP at our 2025 Annual General Meeting, via a non-binding 'Say on Climate' resolution, where it received majority support. Further information on our 2025 CTAP, including a summary of the progress made against our targets and ambitions, is provided in the Sustainability Report. The Sustainability Report also provides further details on AGL's approach to climate-related issues including risks and opportunities, governance, strategy, and metrics and targets.

This year, we exceeded our target of achieving a 17% reduction in Scope 1 and 2 emissions compared to the FY19 baseline, achieving a 31.9% reduction. In FY26, over 95% of our Scope 1 and 2 emissions and approximately 55% of our total Scope 1, 2 and 3 emissions arose from the combustion of black and brown coal in our coal-fired power stations to generate electricity, both for our customers and the broader National Electricity Market. AGL's Scope 1 and 2 emissions decreased by around 1.5 $MtCO_2e$ in FY26, primarily due to lower coal-fired generation output.

The emissions intensity of operated and contracted generation decreased in FY26 due to a decrease in coal-fired and gas-fired generation volumes, and increased renewable generation volumes. In particular, FY26 was the first full year of operation of Rye Park Wind Farm. Further information on how we are transitioning our energy portfolio, including our development pipeline of renewable and firming projects and our integrated energy hubs developments, is available in the Assets scorecard. Information about how we are working with our customers, our people and our communities through the energy transition is available in our Customer and Relationships scorecards.

2. Refer to Note 35 for further information.

	Target	FY26	FY25
Scope 1 & 2 emissions ($MtCO_2e$)		**29.4**[1]	30.7
Reduction in Scope 1 & 2 emissions compared to FY19 baseline	FY26: 17% FY27-FY34: 19% FY35: 52%	**31.9%**[1]	29.1%
Operated and contracted generation intensity (tCO_2e/MWh)	Refer to Remuneration Report	**0.888**[1]	0.908
Scope 3 emissions ($MtCO_2e$)	Refer to Section 13	**23.8**[1]	24.5
Emissions intensity of electricity supplied (tCO_2e/MWh)	Refer to Remuneration Report	**0.819**[1]	0.834

1. Data for FY26 is estimated and based on material emission sources and estimates for non-material sources. Any changes will be updated in the ESG Data Centre later in the year.

Green revenue and energy portfolio transition targets and performance are included in the Customer scorecard and Assets scorecard respectively.

Environmental stewardship

AGL has a genuine commitment to operate in a responsible manner and has plans that are designed to reduce our environmental impact through the continuous improvement of our environmental management practices and performance.

In FY26, AGL delivered programs to maintain high standards of compliance with environment and planning legislation, protect and conserve biodiversity, and strengthen cultural heritage management practices:

- **Biodiversity:** As part of our commitment to protecting and conserving biodiversity in the areas where we operate, during FY26 AGL continued to fund, for the second consecutive year, a program supporting landscape-scale biodiversity projects. This work included restoration planting and woody weed removal along riparian floodplains, collection of eDNA to help identify platypus presence across the broader Victorian Hydro catchment, and delivery of biodiversity education sessions at local primary schools in partnership with a Traditional Owner group.
- **Cultural heritage:** AGL is continuing to strengthen our approach to the protection of cultural heritage. We have commenced the development of an enterprise-wide cultural heritage governance framework which will provide a consistent, risk-based approach aligned to legislative obligations, AGL's Cultural Heritage Standard and commitments to Traditional Owners, setting the foundation for the FY27–FY30 HSE Cultural Heritage Strategic Plan.
- **Environmental Regulatory and Approvals:** AGL is committed to strengthening the way in which environmental regulatory approvals are managed across the business, with a focus on improved central oversight, consistency in approach, and integration into business decision-making. During FY26, AGL embedded a Regulatory Approvals Methodology and Obligations Data Capture Protocol into the Health, Safety and Environmental Management System to provide a systematic and consistent approach across the business. To support this, we have focused on raising the awareness and capability for approvals across AGL through targeted education programs. Additionally, in FY26 AGL enhanced our governance approach to streamline approval processes, identify priority and critical approvals and enable proactive engagement with regulators.

During FY26, there were 15 Environmental Regulatory Reportable (ERR) incidents, five administrative non-compliance incident events, and no Environment Serious Impact or Fatality (SIF) Actual events as summarised below. Despite an increase in new projects and developments, incident numbers remained stable compared to FY25. However, there was a moderate increase in administrative non-compliances.

- **Five ERR events with negligible short-term local environmental impact (inside AGL's operational area)**: These events included the discovery of a single deceased EPBC-listed fauna specimen during an ecological survey conducted prior to site clearing activities, two unauthorised discharge events to surface water and subsequent exceedances of surface water concentration limits, one dust concentration limit exceedance to air from stack emissions, and a noise event that resulted in a noise limit exceedance during demolition activities. Further monitoring undertaken of the survey area found no evidence linking the deceased fauna to AGL activities. Plant maintenance was completed and water treatment practices were applied to return water quality to below surface water concentration limits and prevent recurrence. Power generation was reduced to bring dust emissions back within limits while the cause of the exceedance remains under investigation. No injuries to persons or impacts to the immediate environment were recorded from the noise event, with no noise or amenity complaints registered.
- **Seven ERR events with small-scale short-term environmental impact that may extend beyond AGL's operational area**: These events included a community complaint relating to fugitive dust emissions, unauthorised air emissions and water discharges, exceedances of water discharge concentration limits, and an incident involving machinery entering an unauthorised area in breach of the AGL Ground and Vegetation Disturbance Permit. Clean-up works and additional monitoring were undertaken, while plant maintenance, equipment modifications, permit requirement improvements, increased inspections and contractor re-education were implemented to reduce the likelihood of recurrence.

- **Three ERR events with moderate short- to medium-term environmental impact that may extend beyond AGL's operational area, which were contained and required short-term clean-up**: These events included elevated concentrations in surface water and exceedances of water discharge concentration limits, as well as the spill of fly ash to land during transportation for disposal. Clean-up works were undertaken, and actions have commenced and remain ongoing to reduce the likelihood of recurrence.
- **Five administrative non-compliance events**: These events resulted from undertaking works without full compliance with chemical storage, hazardous materials, water discharge and permit administrative obligation requirements. Operational changes were completed to reduce the likelihood of recurrence.

Additional programs are also underway across our operational sites to reduce risk and reportable events. For information on official cautions and Penalty Infringement Notices received during FY26 refer to the Environmental regulation section. More information is also included in the ESG Data Centre.

	FY26	FY25
Environmental Regulatory Reportable incidents	**15**	14
SIF Actual - Environment	**0**	0

Responsible rehabilitation

The safe and responsible closure of our ageing generation assets is an essential part of our strategy to transition our energy portfolio. The necessary decommissioning, demolition and rehabilitation of these sites creates a pathway to deliver AGL's integrated energy hubs strategy.

We remain committed to working with our community and stakeholders regarding our approach to the closure and rehabilitation of our assets at the end of their operational lives, and we are embedding an integrated approach to environmental management, community engagement and workforce safety during complex demolition and environmental rehabilitation works.

Highlights of AGL's transition program in FY26 are summarised below:

- We have made significant progress in the Liddell Power Station demolition program, transitioning from early site enabling works into structural demolition. The demolition of the Liddell Power Station chimney stacks in May 2026, a highly visible symbol of closure after more than 50 years of operation, marked a defining milestone in the site's transition program. Following considered planning, engineering design and cross-functional coordination, the activity was executed under strict safety and environmental controls with extensive emergency services, community and media engagement. Through ongoing recovery and recycling of demolition materials, we have diverted over 85% of waste from the Liddell project from landfill over the course of the project;
- Progressive rehabilitation continued at the Liddell Ash Dam, including completion of Stage 3 capping (approximately 140 ha), alongside the implementation of ongoing proactive dust and vegetation management strategies;
- We continued the removal of hazardous materials at Torrens A Power Station, and commenced procurement activities for demolition of the Torrens A stack;
- Rehabilitation of the final three well surface locations at the Camden Gas Project was completed to the satisfaction of government regulators, and the locations were returned to their respective landowners. Decommissioning and rehabilitation of the gas gathering lines continued on multiple properties throughout FY26.

Progressive rehabilitation activities are outlined in the ESG Data Centre.

In FY27, rehabilitation and transition activities will focus on:

- Maintaining our focus on recycling and recovering materials through our closure projects and demolition contracts;
- Progressing full-scale demolition works at Liddell Power Station;
- Continued planning for 'make safe' works and the demolition of Torrens Island Power Station that will be undertaken following its scheduled closure in June 2028;
- Further progressing the Liddell Ash Dam capping and progressive rehabilitation in line with rehabilitation plans;
- Rehabilitating the remaining sections of the gas gathering line in consultation with the associated landowners at Camden; and
- Continuing the progressive rehabilitation works at the Loy Yang mine, and the Ravensworth facility in compliance with regulatory obligations and approvals.

AGL estimates the future costs associated with the removal and rehabilitation of electricity generation assets, oil and gas production facilities, wells, pipelines, mine and related assets at the time of their installation. The nature and timing of the activities required for removal and rehabilitation are periodically assessed for each site to determine the environmental rehabilitation provision required.

The rehabilitation provision decreased by $54 million for the year ended 30 June 2026. This was primarily the result of changes to the discount rate, indexation and reviewed cash flow assumptions for AGL Loy Yang, Bayswater and Torrens A, and the creation of a provision for the Liddell Battery. The discount rate used to derive the present value of the estimated cash flows decreased from 6.12% in FY25 to 6.07%.

Asset	Planned closure date	Provision amount ($m)	Rehabilitation costs Real ($m)
AGL Macquarie (Liddell and Bayswater)	2023-2033	817	1,211
AGL Loy Yang	FY35	602	1,099
AGL Torrens (A and B station)	2022-2028	81	89
Other	Various	219	771
		1,719	**3,170**

Further information is included in Note 20 to the Financial Statements.

Business Intelligence

Leveraging business intelligence and insights is a critical way for AGL to deliver benefits for our customers. Asset and data security measures help safeguard customer information entrusted to us, enabling us to navigate an increasingly complex digital landscape. In addition, AGL's management of wholesale trading and risk management supports prudent decision-making and effective mitigation of potential risks and volatility affecting our customers.

Enhancing customer experience

AGL's continued focus on technology transformation over FY26 supports our delivery of contemporary and resilient technology platforms and services that enable our business to meet the changing needs of our customers, to effectively compete in the market, and to grow and innovate. We understand that as technology advances, customers are no longer just comparing AGL to other energy retailers; they expect seamless digital experiences and instant access to personalised information.

We continued to enhance our digital channels by further improving our customer-facing Generative AI capabilities, and enabling AI-driven responses across our web messaging platform to help customers resolve queries faster and with less effort. Our AI assistant is now resolving around half of all customer energy chats, delivering faster, more consistent support for customers while allowing our service teams to focus on more complex customer needs.

We processed 5.91 million automated AI transactions in FY26, representing a significant growth from FY25. The increase in these transactions, which are automated via robotic process automation (RPA), was driven by ongoing process enhancements and increased activity in existing processes. By automating repetitive, high-volume activities, RPA accelerates turnaround times, strengthens operational controls and enables our people to focus on higher-value work that enhances customer outcomes and supports business growth.

As customers increasingly turn to AI to research energy products and services, we also invested in improving the visibility and accessibility of AGL's information across major AI search platforms. As AI becomes more deeply embedded in customer interactions and everyday decision-making, we continued to deploy these capabilities responsibly, securely and transparently. We pair innovation with strong governance, privacy and security controls, protecting customer trust, information and digital identities in an evolving cyber landscape.

Strengthening the security of customer accounts is central to this commitment. In FY26, we introduced mandatory two-factor authentication (2FA) for residential customers and optional passkey authentication, making AGL the first major Australian energy retailer to offer passkey authentication to customers. Together, mandatory 2FA and strong passkey adoption have strengthened customer protection.

Our customers are responding well to our digital offerings, reflected in the growth of our 'digital only' customers to 61.3%, enabling more customers to self-serve and resolve their needs through digital channels. We delivered new self-service features (including Self-Service Refunds and Customer Budget Tracker) giving customers more control over how they manage their energy services. During FY26 we promoted digital adoption through competitions and incentive campaigns, encouraging customers to download the app, setup direct debit, and take up passkey. AGL maintained industry brand leadership and continued to be ranked as the #1 digital app in the Australian energy market[1], with external recognition for excellence in design of the AGL mobile app.[2]

Ovo Energy Australia, which joined AGL in April 2024, has been an early adopter of the technology and ways of working introduced through the Retail Transformation Program, ahead of broader rollout across AGL. Ovo Energy Australia was awarded Canstar's 2026 Most Satisfied Customers award for Solar Providers nationally. Building on the foundations established in FY25, including AGL's strategic investment in Kaluza and the implementation of Salesforce within Ovo Energy Australia, the program continues to harness modern, technology-led solutions to support a more agile, customer-led business. AGL also continued to invest in broader Salesforce CRM, AI and digital capabilities to improve customer experience and support its ambition to connect every customer to a sustainable future.

In FY26, AGL's speed to market also improved to 11 days, representing a 52% improvement against our May 2023 baseline. This was driven by process optimisation and automation.

1. Based on Apple App Store reviews for competitor utility apps with 1k+ reviews.
2. Australian Good Design Award winner - Awarded to AGL Mobile App that demonstrates design excellence and Melbourne Design Awards - Gold for Digital Experience.

As part of our focus on business customer experience, we are committed to helping customers navigate a complex and evolving energy landscape while delivering tangible value. Through AGL's Network Tariff Optimisation program, we proactively identified opportunities for customers to reduce electricity network costs and improve tariff alignment. In FY26, the program delivered almost $2 million in estimated annual cost savings across 237 customer sites, helping customers lower energy costs and maximise the value of their energy arrangements.

In addition, the AGL for Business (A4B) Portal continues to enhance self-service capability and improve operational efficiency for our Business customers. Over the past six months, targeted eDM campaigns, proactive welcome calls and the transition of A4B user support for Strategic Account Managed customers into the Service Team have contributed to 54% digital adoption and approximately 1,000 new user registrations, creating a strong pipeline of customers yet to actively use the portal. Continued customer education and proactive engagement will build business readiness and support a seamless transition to AGL's future digital platform.

	Target	FY26	FY25
Digital only customers	FY27: 60%	**61.3%**	59.0%
Speed to market	FY27: +80%[1]	**+52%**	+30%

1. Improvement compared to May 2023 baseline.

Trading, operation, and risk management capabilities

As an integrated energy generator and retailer, AGL is positioned to effectively manage energy market volatility on behalf of customers. The diversity and flexibility of our portfolio, including our growing battery fleet, together with our trading and risk management capability and access to distributed energy resources, enables us to respond to changing market conditions throughout the year to optimise outcomes while protecting value for our customers.

Our risk management framework includes the Trading Risk Policy, which governs energy hedging and related trading activities. The policy supports the management and commercial optimisation of our portfolio within risk limits that reflect AGL's risk appetite.

During FY26, we continued to invest in systems and capabilities to support trading and operational decision-making, including further development of algorithmic bidding and optimisation capabilities for our grid-scale battery fleet and Virtual Power Plant (VPP). The VPP continued to grow across FY26, incorporating residential batteries, hot water systems and other customer assets, supported by the acquisition of a South Australian residential virtual power plant. Investment in our systems also strengthened governance processes and controls as our operations continued to evolve.

While conflict in the Middle East during the second half of the year contributed to volatility across international oil, gas, LNG and currency markets, the diversity of our portfolio and our disciplined approach to hedging limited the direct impact of these market movements on our ability to manage price risk for customers.

Secure assets and data

AGL manages a significant number of assets, including systems, software and networks on which we and others rely, as well as critical infrastructure assets owned and operated by AGL. We also protect a significant amount of confidential information, including personal information and data records of our customers.

We undertake a comprehensive process to identify, assess and mitigate key cyber security risks, leveraging the Australian Energy Sector Cyber Security Framework, and in line with regulatory requirements such as the Security of Critical Infrastructure Act 2018 and the Privacy Act 1988. 'Cyber resilience and technology innovation' is a Tier 1 Strategic Risk overseen by the Board as part of AGL's enterprise-wide risk management program (refer to the FY26 Tier 1 Strategic Risks section).

Our continual investment in our portfolio of security capabilities and processes helps us to protect the confidentiality, integrity and availability of assets and data. We proactively manage cyber risk to limit the likelihood of inappropriate access to systems and data, and to limit the impact of incidents through preparation and rapid response capabilities. Security vulnerabilities are managed via a dedicated threat and vulnerability management team and automated scanning platforms, as well as specialist technical assurance, including penetration testing.

Despite the robust measures, systems and controls that we have in place to protect our assets and data, these cannot fully eliminate risk. There is always a risk that security breaches, unauthorised access, malicious software, external attacks or internal breaches could occur that adversely impact our operations and confidential information.

Major IT incidents increased by 22% to 56 reported incidents in FY26, reflecting incidents that resulted in a material interruption or performance degradation to a service, system, network or application. This increase was driven principally by third-party service interruptions and recurring incidents across selected technology services, as well as an increased delivery volume. In response, AGL is prioritising improvements to technology resilience, operational discipline and vendor performance management, with a focus on strengthening system reliability, reducing repeat disruptions and protecting customers and AGL's data as technology and service environments continue to evolve.

There were no major cyber incidents resulting in a breach or compromise of AGL systems or data in FY26. The creation of AGL's Secure Energy Defence Centre (SEDC) has strengthened AGL's cyber resilience by providing continuous security monitoring, faster incident detection and response, and improved visibility across critical technology environments. Since its establishment at the start of FY26, the SEDC has helped uplift AGL's ability to manage and contain security incidents through enhanced threat detection, stronger escalation and containment processes, and broader monitoring coverage across the technology estate. This has supported a more proactive and coordinated approach to cyber defence, improving AGL's overall security posture.

Across FY26, AGL reported 0 Notifiable Data Breaches to the Office of the Australian Information Commissioner, compared with 2 in FY25. This improvement reflects the continued uplift of AGL's privacy and data management practices, including sustained investment in training and awareness programs, as well as strengthened data protection and loss prevention capabilities.

	FY26	FY25
Major IT incidents	**56**	46
Reportable privacy incidents	**0**	2

4. Group Financial Performance and Position

4.1 Group results summary

Statutory Profit after tax attributable to AGL shareholders was $756 million, an increase of $644 million compared to the Statutory Profit of $112 million in the prior year. The principal drivers of the increase were gains recognised on divestment activities, and positive movements in the fair value of financial instruments.

4.1.1 Reconciliation of Statutory Profit to Underlying Profit

AGL uses Underlying Profit as a key measure of financial performance. Underlying Profit is derived from Statutory Profit, as measured in accordance with Australian Accounting Standards, excluding significant items and movements in the fair value of financial instruments. The use of Underlying Profit enhances comparability of results by excluding non-recurring events and transactions that materially affect the financial results of AGL for the reporting period.

Underlying Profit after tax was $631 million, down 1.7% from the prior year. A description of the factors driving Underlying Profit is included in Section 4.1.5.

	FY26 $m	FY25 $m[1]
Statutory Profit after tax attributable to AGL shareholders	**756**	112
Adjusted for:		
Significant items after tax[2]	**54**	314
(Profit) / Loss on fair value of financial instruments after tax[3]	**(179)**	216
Underlying Profit after tax	**631**	642
Earnings per share on Statutory Profit	**112.4 cents**	16.7 cents
Earnings per share on Underlying Profit	**93.8 cents**	95.6 cents

1. Restated to reflect the accounting adjustment as described in Section 7.
2. Refer to Section 4.1.2 for further information.
3. Refer to Section 4.1.3 for further information.

Earnings per share (EPS) calculations have been based upon a weighted average number of ordinary shares of 672,747,233 (30 June 2025: 672,747,233).

4.1.2 Significant items

AGL recognised significant items of $(116) million, or $(54) million post-tax, primarily related to impairment losses, partly offset by gains on the sale of businesses.

	FY26 $m		FY25 $m[1]	
	Pre-tax	Post-tax	Pre-tax	Post-tax
Retail Transformation - Consumer Implementation[2]	**(98)**	**(69)**	(84)	(59)
Other transformation costs[2]	**(31)**	**(22)**	(40)	(28)
Impairments	**(323)**	**(227)**	(21)	(15)
Movement in rehabilitation provision	**(43)**	**(30)**	(23)	(16)
Movement in onerous contracts	**96**	**67**	(166)	(116)
Business restructuring and transaction gains/(costs)	**283**	**227**	(47)	(55)
Legal penalties	**–**	**–**	(25)	(25)
Total significant items	**(116)**	**(54)**	(406)	(314)

1. Restated to reflect the accounting adjustment relating to the classification of a number of renewable Power Purchase Agreements.
2. Prior year has been reclassified to conform to the presentation adopted in FY26, with $40 million reclassified from Retail Transformation to Other transformation costs.

FY26

During the year AGL recognised:

- $98 million pre-tax ($69 million post-tax) implementation costs for the residential and small business consumer solution, supporting the digitisation and transformation of customer-facing capabilities.
- Other transformation costs of $31 million pre-tax ($22 million post-tax) primarily related to strategic transformation initiatives, including enterprise platform modernisation, operating model transition activities and other retail transformations.
- $283 million pre-tax ($198 million post-tax) impairment loss for the generation fleet, $19 million pre-tax ($14 million post-tax) for power development assets, $12 million pre-tax ($8 million post-tax) for the Gippsland Skies Joint Venture, $4 million pre-tax ($3 million post-tax) associated with the closure of Torrens Island Power Station, and $5 million pre-tax ($4 million post-tax) for the write-off of Electric Vehicle assets.
- $43 million pre-tax ($30 million post-tax) increase in rehabilitation provision for which the rehabilitation assets were previously impaired.
- $96 million pre-tax ($67 million post-tax) gain from the revaluation of onerous contract provisions relating to renewable asset Power Purchase Agreements.
- $341 million pre-tax ($268 million post-tax) gain from divestment of Tilt Renewables, a $6 million pre-tax ($4 million post-tax) gain from the divestment of Waddi Wind Farm, and $7 million pre-tax ($5 million post-tax) related to the derecognition of Bowmans Creek Wind Farm development project. This was partly offset by $37 million pre-tax ($26 million post-tax) divestment of Telecommunications business, $27 million pre-tax ($20 million post-tax) related to business restructuring activities, and $7 million pre-tax ($4 million post-tax) for transaction and integration costs.

FY25

During the year AGL recognised:

- $84 million pre-tax ($59 million post-tax) implementation costs for the residential and small business consumer solution, supporting the digitisation and transformation of customer-facing capabilities.
- Other transformation costs of $40 million pre-tax ($28 million post-tax) primarily related to operating model transition activities and other retail transformations.
- $21 million pre-tax ($15 million post-tax) impairment loss for the Bowmans Creek Wind Farm and other development assets.
- $23 million pre-tax ($16 million post-tax) increase in rehabilitation provision for which the rehabilitation assets were previously impaired.
- $156 million pre-tax ($109 million post-tax) for the revaluation of onerous contract provisions relating to reassessments of various renewable asset Power Purchase Agreements, and $10 million ($7 million post-tax) relating to an onerous technology contract.
- $47 million pre-tax ($55 million post-tax) related to business restructuring activities undertaken during the year including loss on disposal of the Surat Gas Project, separation costs, transaction and integration costs for the acquisition of Terrain Solar, Firm Power and other investments, and cost of terminating the Torrens Defined Benefit Fund. Post-tax loss includes the derecognition of deferred tax asset on settlement of Surat Gas Project.
- $25 million pre-tax ($25 million post-tax) related to the Court ordered penalty in legal proceedings initiated by the Australian Energy Regulator (AER) in relation to Centrepay payments.

4.1.3 Movement in fair value of financial instruments recognised in Profit or Loss

Movement in the fair value of financial instruments recognised in profit or loss (excluded from Underlying Profit) was $255 million ($179 million post-tax), up from $(308) million ($(216) million post-tax) in the prior year. The net fair value gain on energy derivatives contracts during FY26 primarily reflected softer forward prices against net sell electricity positions, higher forward oil and coal prices against net buy positions, and the settlement of contracts with net negative cash flows during FY26.

		FY26 $m		FY25 $m[1]
	Pre-tax	Post-tax	Pre-tax	Post-tax
Energy derivative contracts	**262**	**185**	(347)	(243)
Treasury derivative contracts	**4**	**2**	2	1
Fair value recognised within debt instrument financial assets	**(11)**	**(8)**	13	9
Fair value recognised within equity accounted investments	**–**	**–**	24	17
Fair value recognised in profit or (loss)	**255**	**179**	(308)	(216)

1. Restated to reflect the accounting adjustment as described in Section 7.

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4.1.4 Earnings Before Interest and Tax (EBIT)

	FY26 $m	FY25 $m[1]
Statutory EBIT	**1,402**	523
Significant items	**116**	406
(Gain)/loss on fair value of financial instruments	**(255)**	308
Underlying EBIT	**1,263**	1,237
Customer Markets	**289**	182
Integrated Energy	**1,368**	1,443
Investments	**22**	13
Centrally Managed Expenses	**(416)**	(401)
Underlying EBIT	**1,263**	1,237

1. Restated to reflect the accounting adjustment as described in Section 7.

4.1.5 Group financial performance

Underlying Profit after tax attributable to AGL shareholders was $631 million, down 1.7%. The principal drivers of the decrease were lower gross margin within the Trading and Origination - Gas portfolio due to higher gas supply costs, lower wholesale electricity prices due to lower volatility captured driven by supply constraints and milder weather, higher depreciation associated with a higher asset base, and an increase in net finance costs and higher income tax expense compared to the prior year. This was partly offset by increased Consumer Electricity and Consumer Gas gross margin supported by targeted margin initiatives and customer growth.

	FY26 $m	FY25 $m[1]
Revenue	**13,590**	14,339
Cost of sales	**(9,709)**	(10,502)
Other income	**21**	14
Gross margin	**3,902**	3,851
Operating costs (excluding depreciation and amortisation)	**(1,802)**	(1,796)
Underlying EBITDA	**2,100**	2,055
Depreciation and amortisation	**(837)**	(818)
Underlying EBIT	**1,263**	1,237
Net finance costs	**(375)**	(346)
Underlying Profit before tax	**888**	891
Income tax expense	**(257)**	(249)
Underlying Profit after tax	**631**	642

1. Restated to reflect the accounting adjustment as described in Section 7.

Refer to Section 5 for further analysis on the movement in gross margin for each operating segment and Section 3.1.6 for commentary on Group operating costs.

Depreciation and amortisation of $(837) million was up 2.3%, driven by a higher asset base at the Bayswater and AGL Loy Yang power stations and the commencement of operations of the Liddell Battery. This was partly offset by a decrease in environmental rehabilitation assets and the extension of the operational life of Torrens Island Power Station to 30 June 2028, following AGL's entry into a Generator Extension Agreement with the South Australian Government.

Net finance costs were $(375) million, up 8.4%, primarily reflected higher interest costs on debt facilities due to a higher average net debt balance before receipt of the Tilt Renewables divestment proceeds. The higher average net debt supported investment in strategic growth initiatives.

The underlying effective tax rate was 28.9%, an increase of 1.0 ppt compared to the prior year, primarily due to accounting income that was not assessable for tax in FY25. As a result, underlying tax expense increased to $(257) million.

4.2 Cash flow

4.2.1 Reconciliation of Underlying EBITDA to cash movement

Operating cash flow before significant items, interest and tax was $1,693 million, up $110 million, primarily due to the non-recurrence of government bill relief credits of $329 million utilised in FY25 compared to $52 million in FY26, partly offset by an increase in margin calls. The rate of conversion of EBITDA to operating cash flow was 81%, up from 77% in the prior year. Adjusting for margin calls and rehabilitation, the cash conversion rate was 95%, up from 85% in the prior year.

		FY26 $m		FY25 $m[1]
Underlying EBITDA		**2,100**		2,055
Equity accounted income (net of dividends received)		**(2)**		12
Accounting for onerous contracts		**(65)**		(22)
Other assets/liabilities and non-cash items[2]		**19**		(247)
Payments for rehabilitation		**(87)**		(80)
Working capital movements				
Decrease/(increase) in receivables	**95**		(27)	
(Decrease)/increase in payables	**(88)**		147	
(Increase) in inventories	**(89)**		(77)	
Net derivative premiums roll-offs/(paid)	**6**		(9)	
(Increase) in financial assets (margin calls)	**(209)**		(85)	
Net movement in green assets/liabilities	**16**		(87)	
Other working capital movements	**(3)**		3	
Total working capital movements		**(272)**		(135)
Operating cash flow before significant items, interest and tax		**1,693**		1,583
Net finance costs paid		**(243)**		(209)
Income taxes		**(126)**		(268)
Cash flow relating to significant items		**(173)**		(188)
Net cash provided by operating activities[3]		**1,151**		918
Net cash used in investing activities		**(760)**		(1,558)
Net cash (used in)/provided by financing activities		**(385)**		27
Net (decrease)/increase in cash and cash equivalents		**6**		(613)

1. Restated to reflect the accounting adjustment as described in Section 7.
2. FY25 includes government bill relief of $381 million received in June 2024.
3. Net cash provided by operating activities includes the effect of exchange rate changes on the balance of cash held in foreign currencies.

Total working capital movements were $(272) million, compared to $(135) million in the prior year. Components of working capital movement were:

- Receivables cash flow of $95 million reflected a decrease in debtors driven by lower consumer electricity consumption revenue and the early settlement of an under-surrender of 2023 green certificates.
- Payables cash flow of $(88) million primarily reflected lower consumer network costs due to lower consumption and lower gas purchases due to milder weather in June 2026.
- Inventory cash flow of $(89) million reflected an increase in the price of contracted coal deliveries and an increase in battery purchases and solar PV systems to support consumer electrification due to the increase in government rebates on batteries.
- Financial assets/liabilities (margin calls) cash flow of $(209) million reflected the movement of initial and variation margins within the futures book due to a softening of forward prices.
- Green assets/liabilities cash flow of $16 million reflected the Large-Scale Renewable Energy Certificates (LREC) purchases at a lower price compared to the prior year, partly offset by the incremental purchases of Small-Scale Renewable Energy Certificates (SREC) and Victorian Energy Efficiency Certificates (VEEC).

Accounting for onerous contracts $(65) million primarily reflected the onerous portion of payments made to suppliers under legacy wind farm offtake agreements.

The movement in other assets/liabilities and non-cash items of $19 million included the amortisation of unearned revenue and the related employee provisions.

Payments for rehabilitation of $(87) million included payments for the ongoing decommissioning and demolition of the Liddell and Torrens A power stations and rehabilitation of the Liddell Ash Dam, Ravensworth facility and Loy Yang Mine.

Cash tax payment of $(126) million reflected PAYG instalments for FY26.

Cash flows relating to significant items of $(173) million primarily reflected costs related to the Retail Transformation program, business restructuring and transaction costs. Refer to Section 4.1.2 for further details on significant items.

Investing cash flows of $(760) million primarily reflected capital expenditure, the acquisition of SA VPP, and the proceeds received from the divestment of Tilt Renewables. Refer to Section 3.1.6 for further details on capital expenditure, and Section 4.1.2 for further details on Tilt Renewables.

Financing activities cash flows of $(385) million primarily reflected lower net drawdown of debt facilities of $(555) million, and dividend payments of $(330) million, partly offset by the issuance of $500 million of Australian Medium Term Notes.

4.2.2 Operating Free Cash Flow

AGL uses operating free cash flow as a key measure of financial performance to ensure the operational core business generates strong cash flows to support future investment in growth. Operating free cash flow is derived from net cash provided by operating activities excluding working capital movements for margin calls and cash flow related to significant items, and adding sustaining capital expenditure on an accruals basis.

Operating free cash flow was $850 million, up $319 million from the prior year, primarily driven by the unwind of government bill relief to customers in the prior year, an increase in the working capital movements for margin calls, net green assets/liabilities, and lower tax payments, partly offset by a decrease in net payables.

	FY26 $m	FY25 $m[1]
Net cash provided by operating activities	**1,151**	918
Adjust for:		
Working capital movements for margin calls	**209**	85
Cash flow related to significant items	**173**	188
Sustaining capital expenditure (accruals basis)	**(683)**	(660)
Operating free cash flow	**850**	531

1. Restated to reflect the accounting adjustment as described in Section 7.

Refer to Section 4.2.1 for a description of the factors driving net cash provided by operating activities, working capital movements for margin calls and cash flow related to significant items. Refer to Section 3.1.6 for commentary on sustaining capital expenditure on an accruals basis.

4.3 Financial position

Summary Statement of Financial Position

At 30 June 2026, AGL's total assets were $15,983 million, a decrease from $16,550 million at 30 June 2025, due to a decrease in trade and other receivables. This reflected a lower receivables position due to lower generation volumes and lower spot electricity prices, and the divestment of Tilt Renewables. This was partly offset by an increase in property, plant and equipment, reflective of the increase in capital expenditure (refer to Section 3.1.6).

AGL's total liabilities at 30 June 2026 were $10,707 million, a decrease from $11,773 million at 30 June 2025, due to a decrease in borrowings, a decrease in trade and other payables reflecting lower AEMO related trade payables positions as a result of a decrease in electricity prices in June 2026, a decrease in onerous contracts and environmental rehabilitation provisions, and the repayment of borrowings.

Total equity at 30 June 2026 was $5,276 million, up from $4,777 million, primarily reflecting the Statutory Profit for the year, partly offset by dividends paid. AGL's return on equity, calculated on a rolling 12-month basis was 12.9%, flat to 30 June 2025.

	FY26 $m	FY25 $m[1]
Assets		
Cash and cash equivalents	**325**	319
Other current assets	**3,738**	4,133
Property, plant and equipment	**6,789**	6,524
Intangible assets	**3,291**	3,365
Other non-current assets	**1,840**	2,209
Total assets	**15,983**	16,550
Liabilities		
Lease liabilities	**1,058**	1,116
Borrowings	**2,976**	3,039
Other liabilities	**6,673**	7,618
Total liabilities	**10,707**	11,773
Net assets/total equity	**5,276**	4,777

1. Restated to reflect the accounting adjustment as described in Section 7.

4.3.1 Net Debt Reconciliation

Net debt at 30 June 2026 was $2,863 million, up from $2,820 million as of 30 June 2025. Net debt was utilised to fund growth project pipeline which includes the Liddell and Tomago batteries, Kwinana Swift Gas 2 (K2) project, and the acquisition of the SA VPP. This was partly offset by proceeds received from the divestment of AGL's investment in Tilt Renewables.

AGL's gearing (measured as the ratio of net debt to net debt plus adjusted equity) at 30 June 2026 was 33.6% compared with 34.9% at 30 June 2025. Changes arising from the restatement as described in Section 7 and adoption of AASB 16 *Leases* do not affect the definitions used in the calculation of debt covenants including gearing ratio. AGL remains compliant with all debt covenants.

AGL maintained its credit rating of Baa2 throughout the period as provided by Moody's Investors Service. Key metrics consistent with this credit rating at 30 June 2026:

- Interest cover: 6.0 times
- Funds from operations to net debt: 38.0%

	FY26 $m	FY25 $m[1]
Net debt reconciliation		
Borrowings	**2,976**	3,039
Adjustment for lease liabilities[2]	**186**	185
Less: Adjustment for cross-currency swap hedges	**26**	(85)
Cash and cash equivalents	**(325)**	(319)
Net debt	**2,863**	2,820

1. Restated to reflect the accounting adjustment as described in Section 7.
2. Lease liabilities and retained earnings adjustment as a result of adoption of AASB 16 leases.

4.3.2 Movement in fair value of financial instruments

Approach to hedging

AGL's approach to managing energy price risks, through physical ownership of energy generation, contracting for energy supply and financial hedging, reflects the need to provide pricing certainty to customers and limit exposure to adverse wholesale market outcomes. AGL generates electricity or has contracted gas supply in excess of its customers' demand in some states. In other states, AGL has sources of supply less than its customers' demand.

AGL uses certain financial instruments (derivatives) to manage these energy price risks and to manage its exposure to interest and foreign exchange rates arising in the normal course of business, provided the overall AGL risk appetite is not exceeded. These derivatives do not qualify for hedge accounting under AASB 9 *Financial Instruments*. The majority of these financial instruments exchange a fixed price for a floating market-based price of a given commodity, interest rate, currency or a quoted asset, with the net differential being settled with the counterparty. AGL is exposed to price volatility on the sale and purchase of energy-related commodities in the normal course of business, and therefore enters into contracts that minimise the price risk to AGL on both sold and purchased forecast exposures.

AGL has in place a governance framework that establishes the policy guidelines under which energy hedging activities are conducted. Key components of that policy include segregation of duties, independent risk oversight, earnings-at-risk limits, compliance management and regular reporting to the Board. The risk policy represents AGL's commitment to an effective risk management function to ensure appropriate management and oversight of AGL's risks related to wholesale markets energy risk. The policy allows for commercial optimisation of the portfolio provided that AGL adheres to overall earnings-at-risk limits that reflect its risk appetite.

Energy price risk

AGL's energy-related derivatives recognised in profit or loss include sell and buy positions, where AGL receives or pays a fixed price from or to a counterparty in exchange for a floating price paid or received.

AGL is required to make margin payments in respect of futures contracts traded through the Australian Securities Exchange (ASX). Initial margin call payments are made at the time contracts are entered in order to manage intra-day credit exposure. The quantum of initial margin depends on the volume traded, the expected market volatility as well as forward electricity prices at the time. The initial margin call can move subsequently as forward prices move. AGL also receives or makes payments known as variation margin calls, which cover mark to market movements of AGL's open futures position. These typically reverse through future earnings as contract positions roll-off.

Treasury related risk

AGL's treasury related risk primarily relates to interest and foreign currency rate fluctuations. Contracts to minimise the exposure to market-based fluctuations are executed pursuant to AGL's treasury risk management policy. These contracts primarily result in fixed interest rates and foreign currency exchange rates. These contracts are designated in hedge relationships when they can be matched to forecast transactions with sufficient probability of the forecast transaction occurring.

In addition to the above, AGL is counterparty to cross-currency interest rate swap arrangements to convert its fixed interest rate US dollar private placement borrowing instruments to floating interest rate Australian dollar equivalent borrowing instruments. The cross-currency interest rate swap arrangements are designated as fair value and cash flow hedge relationships.

Movement in fair value

The initial fair value of a derivative is the consideration paid or received (the premium). Fair value movements in any given period are a function of changes to underlying indices, market prices or currencies and the roll-off of realised contractual volumes or amounts. A reconciliation of the movements in financial instruments carried at fair value for FY26 is presented in the following table.

Net assets/(liabilities)	FY26 $m	FY25 $m[1]	Change $m
Energy derivative contracts	**(546)**	(785)	239
Treasury derivative contracts	**(7)**	96	(103)
Total net assets/(liabilities) for financial instruments	**(553)**	(689)	136
Change in net assets/(liabilities)	**136**		
Premiums paid	**(162)**		
Premium roll-off	**169**		
Debt instrument accounted fair value	**(11)**		
Total change in fair value	**132**		
Recognised in equity hedge and other reserve	**4**		
Recognised in borrowings	**(111)**		
Recognised in profit or loss – pre-tax	**239**		
Total change in fair value	**132**		

1. Restated to reflect the accounting adjustment as described in Section 7.

The movement in net derivative assets/(liabilities) in the period of $136 million is expanded on within the table below.

		Unrealised fair value recognised in:						
	FY25 $m[1]	Profit or loss	Hedge reserve	Borrowings	Currency basis	Premiums and roll-offs paid	FY26 $m	Change $m
Energy derivative contracts	**(785)**	246	–	–	–	(7)	**(546)**	**239**
Treasury derivative contracts	**96**	4	5	(111)	(1)	–	**(7)**	**(103)**
Net assets/(liabilities)	**(689)**	**250**	**5**	**(111)**	**(1)**	**(7)**	**(553)**	**136**
Fair value recognised within debt instrument financial assets		(11)	–	–	–	–	**(11)**	
Profit or loss		**239**						
Realised fair value to be recognised in cost of sales		16						
Fair value recognised in profit or loss		**255**						

1. Restated to reflect the accounting adjustment as described in Section 7.

The fair value movement driving the change in the net derivative liabilities position reflected in unrealised fair value movements is as follows:

- A net increase of $239 million in the fair value of unrealised energy derivatives reflected softer forward electricity prices across net sell electricity positions, higher forward oil and coal prices against net buy positions, and the settlement of contracts with net negative cash flows during FY26.
- A decrease in the fair value of $103 million of treasury derivative contracts was mainly driven by the appreciation of the AUD against the USD and the settlement of matured cross-currency interest rate swaps, partly offset by an increase in forward interest rate curves.

5. Segmental Analysis

AGL manages its business in three key operating segments: Customer Markets, Integrated Energy and Investments. Further details on the activities of each operating segment are provided below.

AGL manages and reports a number of expense items including Technology within Centrally Managed Expenses. These costs are not reallocated to AGL's operating segments because their management is the responsibility of various corporate functions.

A reconciliation of segment results and Underlying Profit after tax is provided in the Consolidated Financial Statements Note 1 Segment information.

5.1 Customer Markets

Customer Markets comprises the Consumer, Large Business and Perth Energy portfolios responsible for the retailing of electricity, gas, and energy related products and services to residential, small business, large commercial and industrial customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with other energy costs such as those arising from environmental schemes. Customer Markets also provides sales, marketing, brand, AGL's customer contact and call centre operations, and AGL's electrification and innovation growth areas.

5.1.1 Underlying EBIT

Customer Markets Underlying EBIT was $289 million, up 58.8% mainly due to higher Consumer Electricity and Consumer Gas margin, and lower depreciation and amortisation, partly offset by higher operating costs.

	FY26 $m	FY25 $m
Consumer Electricity gross margin	**580**	527
Consumer Gas gross margin	**292**	260
Large Business Electricity gross margin	**34**	31
Large Business Gas gross margin	**3**	3
Fees, charges and other gross margin	**24**	17
Telecommunications gross margin	**46**	39
Perth Energy gross margin	**49**	44
Sustainable Business Energy Solutions gross margin	**12**	10
Gross margin	**1,040**	931
Operating costs (excluding depreciation and amortisation)	**(648)**	(633)
Underlying EBITDA	**392**	298
Depreciation and amortisation	**(103)**	(116)
Underlying EBIT	**289**	182

- Consumer Electricity gross margin was $580 million, up 10.1%, driven by customer growth, improved margin following FY25 affordability measures, and lower solar feed-in-tariff costs.
- Consumer Gas gross margin was $292 million, up 12.3%, primarily driven by targeted margin initiatives and disciplined portfolio management.
- Large Business Electricity gross margin was $34 million, up 9.7%, primarily driven by higher margin rates.
- Large Business Gas gross margin was $3 million, broadly flat to the prior year.
- Fees, charges and other gross margin was $24 million, up 41.2%, primarily due to higher battery hardware sales driven by the Federal Government rebate and the contribution from SA VPP business acquired on 1 July 2025.
- Telecommunications gross margin was $46 million, up 17.9%, primarily driven by growth in telecommunications services and higher margin rates.
- Perth Energy gross margin was $49 million, up 11.4%, driven by higher electricity margin resulting from successful customer re-contracting and effective trading execution.
- Sustainable Business Energy Solutions (SBES) gross margin was $12 million, up 20.0%, primarily driven by growth in the Energy as a Service (EaaS) asset fleet.
- Depreciation and amortisation was $(103) million, down 11.2%, primarily driven by a lower asset base due to the continued shift towards Software as a Service (SaaS) platforms and the divestment of the Telecommunications business.

5.1.2 Operating costs

Customer Markets operating costs (excluding depreciation and amortisation) were $(648) million, up 2.4% driven by increased net bad debt expense following the cessation of government relief support in conjunction with elevated cost-of-living pressure, and an increase in campaign and advertising spend. This was partly offset by the impact of disciplined cost management and initiatives to enhance operational efficiency.

	FY26 $m	FY25 $m
Labour and contractor services	**(245)**	(257)
Net bad debt expense	**(155)**	(119)
Campaigns and advertising	**(136)**	(124)
Other expenditure	**(112)**	(133)
Operating costs (excluding depreciation and amortisation)	**(648)**	(633)
Add: depreciation and amortisation	**(103)**	(116)
Operating costs (including depreciation and amortisation)	**(751)**	(749)

- Labour and contractor services costs were $(245) million, down 4.7% driven by savings through productivity and optimisation initiatives.
- Net bad debt expense was $(155) million, up 30.3% due to the cessation of government relief support, higher revenue and impacts of cost-of-living pressures on customer affordability.
- Campaigns and advertising costs were $(136) million, up 9.7% due to an uplift in core marketing and sales spend to support both customer retention and growth in a highly competitive market.
- Other expenditure was $(112) million, down 15.8%, driven by savings from productivity and optimisation initiatives.

5.1.3 Consumer profitability and operating efficiency

Net operating costs per consumer service was $(120), up 2.6% compared to the prior year, primarily driven by higher net bad debt expense due to the cessation of government relief support, and higher campaigns and advertising costs. This was partly offset by benefits from operational efficiency.

	FY26	FY25
Gross margin ($m)	**918**	826
Net operating costs ($m)[1]	**(545)**	(521)
EBITDA ($m)	**373**	305
Average consumer services ('000)[2]	**4,534**	4,455
Gross margin per consumer service ($)	**202**	185
Net operating costs per consumer service ($)[2]	**(120)**	(117)
EBITDA per consumer service ($)	**82**	68
Net operating costs as a percentage of gross margin	**59.4%**	63.1%

1. Includes fees, charges, and recoveries. Excludes depreciation and amortisation, and the impact of digital uplift expenses (Software as a Service).
2. Excludes Netflix services.

Average consumer services increased 1.8% compared to the prior year, primarily due to growth in Telecommunications services, Electricity services due to the Ampol Energy acquisition, and underlying growth in electricity customer services.

Gross margin per consumer service increased compared to the prior year, reflecting improved customer value and portfolio management.

5.2 Integrated Energy

Integrated Energy comprises the Energy Markets and Development portfolio, responsible for managing the price risk associated with trading electricity and gas for AGL's customers, for managing AGL's obligations in relation to renewable energy schemes and the development of greenfield renewable and firming projects, and the Energy Assets portfolio, responsible for the construction, operation and decommissioning of AGL's power generation fleet.

Energy Markets and Development, which also controls the dispatch of AGL's owned and contracted generation assets, as well as grid-scale batteries, and the associated portfolio of energy hedging products, includes the following business units:

- Trading and Origination – Electricity reflects the trading of key fuel inputs, hedging of AGL's wholesale electricity requirements, and costs associated with Power Purchase Agreements for solar and wind farms and other assets, as well as virtual storage agreements for batteries. It also includes Eco Markets, which reflects the management of AGL's liabilities relating to both voluntary and mandatory renewable and energy efficiency programs, which is reflected as green compliance costs.
- Trading and Origination – Gas reflects the sourcing and management of AGL's gas supply, storage and transportation portfolio. Trading and Origination – Gas is also responsible for the management of the price exposures related to AGL's oil-linked wholesale gas contracts.
- Power Development is focused on the development of greenfield growth opportunities related to renewable and firming capacity.
- Energy Markets and Development – Other reflects the Trading and Origination resourcing and support, the Decentralised Energy Resources business responsible for the management of other growth initiatives in AGL's orchestration pathway alongside Customer Markets, and the Energy Hubs business focused on the development of the Integrated Energy Hubs at Torrens Island, Latrobe Valley and Hunter Valley.

Energy Assets includes the following business units:

- Coal comprises Bayswater Power Station and AGL Loy Yang.
- Gas Generation primarily comprises Torrens Island Power Station, Barker Inlet Power Station, Kwinana Swift Power Station and Somerton Power Station. In September 2025, AGL reached a legally binding agreement with the South Australian Government to extend the operational life of Torrens Island Power Station through to 30 June 2028 from the previously announced closure date of 30 June 2026.
- Renewables and Storage primarily comprises hydroelectric power stations, wind power generation assets and battery storage assets. Operational costs to maintain the wind farms are reported within Trading and Origination – Electricity to align with the gross margin of the related Power Purchase Agreements.
- Energy Assets - Other primarily consists of the Construction business, and technical and business support functions. It also includes Natural Gas, which primarily comprised of the Surat Gas Project until it was fully divested.

5.2.1 Underlying EBIT

Integrated Energy Underlying EBIT was $1,368 million, down $75 million or 5.2%, driven by lower Trading and Origination – Gas gross margin, and higher depreciation and amortisation. This was partly offset by higher Trading and Origination – Electricity gross margin, and lower operating costs.

	FY26 $m	FY25 $m[1]
Gross margin	**2,840**	2,907
Operating costs (excluding depreciation and amortisation)	**(808)**	(829)
Underlying EBITDA	**2,032**	2,078
Depreciation and amortisation	**(664)**	(635)
Underlying EBIT	**1,368**	1,443

1. Restated to reflect the accounting adjustment as described in Section 7.

Gross margin was $2,840 million, down $67 million compared with the prior year, primarily due to lower margin in Trading and Origination – Gas, driven by higher gas supply costs following the expiry of lower cost legacy supply contracts. This was partly offset by higher wholesale electricity prices resetting through contract positions, and increased gross margin from AGL's grid-scale battery portfolio.

Operating costs (excluding depreciation and amortisation) were $(808) million, down $21 million compared with the prior year due to the Surat Gas Project being fully divested, a reduction in unplanned outages at the thermal sites, and savings through productivity and optimisation initiatives. This was partly offset by higher labour costs driven by Enterprise Agreement wage escalations. For further details see Section 5.2.2.

The following table provides a breakdown of the contributors to Underlying EBITDA and Underlying EBIT:

AGL manages the dispatching, trading and hedging of coal, gas and renewables, and storage assets centrally and where appropriate as a portfolio of assets. The underlying EBITDA and EBIT contribution reflects the functional objective of each business unit. The centralised Trading and Origination contribution shows the trading profit, whereas the generation and storage assets contribution shows the associated costs.

	FY26 $m	FY25 $m[1]
Trading and Origination - Electricity	**2,356**	2,345
Trading and Origination - Gas	**339**	411
Power Development	**(22)**	(29)
Energy Markets and Development - Other	**(43)**	(39)
Coal Generation	**(455)**	(465)
Gas Generation	**(44)**	(43)
Renewables and Storage	**(37)**	(36)
Energy Assets - Other	**(62)**	(66)
Underlying EBITDA	**2,032**	2,078
Depreciation and amortisation	**(664)**	(635)
Underlying EBIT	**1,368**	1,443

1. Restated to reflect the accounting adjustment as described in Section 7.

- Trading and Origination – Electricity gross margin was $2,356 million, up 0.5%, driven by higher wholesale electricity prices resetting through contract positions, and increased gross margin from AGL's grid-scale battery portfolio. This was partly offset by lower generation due to lower commercial utilisation on higher availability at Bayswater Power Station, lower volatility captured and higher coal supply costs compared to the prior year. Additionally, this was also offset by a decrease in Eco Markets gross margin, primarily driven by a reduction in average feed-in-tariffs, which reflected the lower price of Large-Scale Renewable Energy Certificates (LREC).
- Trading and Origination – Gas gross margin was $339 million, down 17.5%, driven by increased gas costs following the expiry of lower cost legacy supply contracts.
- Power Development Underlying EBITDA was $(22) million, up 24.1%, primarily driven by joint venture recoveries and Firm Power stamp duty refund.
- Energy Markets and Development – Other Underlying EBITDA was $(43) million, down 10.3%, primarily driven by increased Integrated Energy Hubs development spend.
- Coal Generation Underlying EBITDA was $(455) million, up 2.2%, due to the savings through productivity and optimisation initiatives, higher revenue from the sale of coal to Loy Yang B Power Station, and a reduction in unplanned outages. This was partly offset by Enterprise Agreement wage escalations.
- Gas Generation Underlying EBITDA was $(44) million, down 2.3%, primarily driven by non-routine maintenance at Barker Inlet Power Station.
- Renewables and Storage Underlying EBITDA was $(37) million, broadly flat to the prior year.
- Energy Assets – Other Underlying EBITDA was $(62) million, up 6.1%, primarily driven by Surat Gas Project being fully divested.

5.2.2 Operating costs

Integrated Energy operating costs (excluding depreciation and amortisation) of $(808) million down by 2.5% compared with the prior year.

	FY26 $m	FY25 $m
Labour	**(402)**	(407)
Contracts and materials	**(280)**	(286)
Other	**(126)**	(136)
Operating costs (excluding depreciation and amortisation)	**(808)**	(829)

- Labour costs were $(402) million, down 1.2%, driven by savings through productivity and optimisation initiatives across the business, and Surat Gas Project being fully divested, partly offset by Enterprise Agreement wage escalations.
- Contracts and materials costs were $(280) million, down 2.1%, mainly driven by Surat Gas Project being fully divested, and reduction in unplanned outages at Bayswater Power Station. This was partly offset by maintenance contracts escalation primarily at AGL Loy Yang.
- Other operating costs were $(126) million, down 7.4%, driven by Surat Gas Project being fully divested, lower insurance costs, and savings through productivity and optimisation initiatives.

5.2.3 Depreciation and amortisation

Integrated Energy depreciation and amortisation of $(664) million up by 4.6% compared with the prior year.

	FY26 $m	FY25 $m[1]
Coal	**(532)**	(505)
Gas Generation	**(30)**	(38)
Renewables and Storage	**(54)**	(47)
Other Integrated Energy	**(48)**	(45)
Depreciation and amortisation	**(664)**	(635)

1. Restated to reflect the accounting adjustment as described in Section 7.

- Coal depreciation and amortisation was $(532) million, up 5.3%, driven by a higher asset base due to increased investment to deliver reliability and flexibility at Bayswater and AGL Loy Yang power stations as part of long-term asset management plans, partly offset by a decrease in environmental rehabilitation assets primarily at AGL Loy Yang with confirmation of the bulk water entitlement costs.
- Gas Generation depreciation and amortisation was $(30) million, down 21.1%, driven by the extension of the operational life of Torrens Island Power Station by two years through to 30 June 2028, following AGL's entry into a Generator Extension Agreement with the South Australian Government.
- Renewables and Storage depreciation and amortisation was $(54) million, up 14.9%, driven by the commencement of operations of the Liddell Battery in April 2026.
- Other Integrated Energy depreciation and amortisation was $(48) million, up 6.7%, mainly due to a higher asset base.

5.3 Centrally Managed Expenses

AGL manages and reports certain expense items including technology costs within Centrally Managed Expenses. These costs are not reallocated to AGL's operating segments as their management is the responsibility of various corporate functions.

Centrally Managed Expenses Underlying EBIT was $(416) million, down by 3.7%. Increased IT hardware and software costs were driven by inflationary increases and continued investment in cybersecurity and SaaS, partly offset by savings through productivity and optimisation initiatives. Depreciation and amortisation increased by $3 million due to a higher technology asset base.

	FY26 $m	FY25 $m
Gross margin	**–**	–
Operating costs (excluding depreciation and amortisation)	**(346)**	(334)
Underlying EBITDA	**(346)**	(334)
Depreciation and amortisation	**(70)**	(67)
Underlying EBIT	**(416)**	(401)
Operating costs (excluding depreciation and amortisation)		
Labour	**(164)**	(164)
IT hardware and software costs	**(137)**	(123)
Consultants and contractor services	**(11)**	(13)
Insurance premiums	**(7)**	(7)
Other	**(27)**	(27)
Operating costs (excluding depreciation and amortisation)	**(346)**	(334)

5.4 Investments

Investments primarily comprises AGL's interests in the ActewAGL Retail Partnership (ActewAGL) and Tilt Renewables.

	FY26 $m	FY25 $m
ActewAGL	**20**	26
Tilt Renewables	**2**	(13)
Underlying EBIT	**22**	13

- ActewAGL contributed an equity share of profits of $20 million, a decrease of $6 million from the prior year, mainly driven by lower sales margin and higher operating expense.
- Tilt Renewables contributed an equity share of profits of $2 million, an improvement of $15 million from the prior year. AGL completed the divestment of 19.9% of its 20.0% equity interest to existing shareholders in May 2026.

5.5 Consolidated financial performance by operating segment

FY26 $m	Customer Markets	Integrated Energy	Investments	Centrally Managed Expenses	Inter-segment	Total Group
Revenue	**10,340**	**8,112**	**2**	**–**	**(4,864)**	**13,590**
Cost of sales	**(9,300)**	**(5,273)**	**–**	**–**	**4,864**	**(9,709)**
Other income	**–**	**1**	**20**	**–**	**–**	**21**
Gross margin	**1,040**	**2,840**	**22**	**–**	**–**	**3,902**
Operating costs (excluding depreciation and amortisation)	**(648)**	**(808)**	**–**	**(346)**	**–**	**(1,802)**
Underlying EBITDA	**392**	**2,032**	**22**	**(346)**	**–**	**2,100**
Depreciation and amortisation	**(103)**	**(664)**	**–**	**(70)**	**–**	**(837)**
Underlying EBIT	**289**	**1,368**	**22**	**(416)**	**–**	**1,263**
Net finance costs						**(375)**
Underlying Profit before tax						**888**
Income tax expense						**(257)**
Underlying Profit after tax						**631**

FY25 $m[1]	Customer Markets	Integrated Energy	Investments	Centrally Managed Expenses	Inter-segment	Total Group
Revenue	9,681	9,304	–	–	(4,646)	14,339
Cost of sales	(8,750)	(6,398)	–	–	4,646	(10,502)
Other income	–	1	13	–	–	14
Gross margin	931	2,907	13	–	–	3,851
Operating costs (excluding depreciation and amortisation)	(633)	(829)	–	(334)	–	(1,796)
Underlying EBITDA	298	2,078	13	(334)	–	2,055
Depreciation and amortisation	(116)	(635)	–	(67)	–	(818)
Underlying EBIT	182	1,443	13	(401)	–	1,237
Net finance costs						(346)
Underlying Profit before tax						891
Income tax expense						(249)
Underlying Profit after tax						642

1. Restated to reflect the accounting adjustment as described in Section 7.

6. Portfolio Review Summary

The portfolio review for the Electricity (Section 6.2) and Gas (Section 6.3) businesses outlines the margin achieved for each of AGL's portfolios across operating segments, and demonstrates how value is generated within each business. The portfolio reviews in Sections 6.2 and 6.3 start with volume information before summarising external customer revenue, customer network and other costs, fuel and gas costs net of hedging, and costs of managing and maintaining owned and contracted generation assets, to arrive at a portfolio's margin. A per unit rate ($/MWh for electricity and $/GJ for gas) is derived from each category of revenue and cost using the relevant associated volumes.

The tables in Sections 6.2 and 6.3 should be read in conjunction with Section 6.4 to reconcile the segmental revenue and costs allocated to each portfolio with Group Underlying EBIT.

6.1 Portfolio Review Summary to Underlying Profit after Tax

	FY26 $m	FY25 $m[1]
Electricity Portfolio		
Total revenue	**8,873**	8,283
Customer network, green compliance, and other cost of sales[2]	**(3,965)**	(3,788)
Fuel costs	**(790)**	(748)
Generation running costs	**(791)**	(769)
Depreciation and amortisation	**(617)**	(591)
Net portfolio management[2]	**(860)**	(597)
Electricity Portfolio Margin (a)	**1,850**	1,790
Gas Portfolio		
Total revenue	**2,573**	2,565
Customer network and other cost of sales	**(778)**	(685)
Gas purchases	**(816)**	(845)
Haulage, storage and other	**(328)**	(338)
Gas Portfolio Margin	**651**	697
Energy Assets - Other	–	(11)
Gas Portfolio Margin (including Energy Assets - Other) (b)	**651**	686
Other AGL		
Other margin[3]	**108**	87
Customer Markets operating costs	**(648)**	(633)
Integrated Energy other operating costs	**(132)**	(132)
Centrally Managed Expenses operating costs	**(346)**	(334)
Other depreciation and amortisation	**(220)**	(227)
Net finance costs	**(375)**	(346)
Income tax expense	**(257)**	(249)
Total Other AGL (c)	**(1,870)**	(1,834)
Underlying Profit after Tax (a + b + c)	**631**	642

1. Restated to reflect the accounting adjustment as described in Section 7.
2. Comparatives have been restated to reallocate Ovo Energy Australia hedging arrangements from other cost of sales to net derivative cost.
3. Other margin includes other income from Investments, and gross margin from Customer Markets and Integrated Energy.

6.2 Electricity portfolio

The Electricity portfolio review combines Integrated Energy's (Trading and Origination - Electricity), Energy Assets (Coal, Gas Generation, and Renewables and Storage), with Customer Markets (Consumer and Large Business) businesses to outline the portfolio's performance across operating segments.

All electricity volumes generated by AGL are sold into either the National Electricity Market (NEM) or Western Australian Wholesale Electricity Market (collectively "the pool") for which AGL receives pool generation revenue. Pool generation revenue is a function of volume and pool prices, which are set by the real-time market in each state. In the NEM, the total volume demanded by AGL customers is then purchased from the pool according to the geographical profile of customer demand and is reported as pool purchase volumes and costs. Where AGL's customer demand volumes exceed pool generation volumes, the generation volume deficit needs to be purchased from the pool by AGL.

	FY26 GWh	FY25 GWh	Movement %
Pool purchase volume to satisfy Consumer customers	**15,587**	15,505	0.5%
Pool purchase volume to satisfy Large Business customers and Wholesale customers	**21,880**	21,765	0.5%
Pool purchase volume[1]	**37,467**	37,270	0.5%
Add: Net generation volume deficit	**(5,694)**	(4,366)	(30.4)%
Pool generation volume	**31,773**	32,904	(3.4)%
Consumer customers sales	**14,757**	14,676	0.6%
Large Business customers sales	**8,412**	8,458	(0.5)%
Wholesale customers sales	**13,223**	13,004	1.7%
Total customer sales volume	**36,392**	36,138	0.7%
Energy losses	**1,075**	1,132	(5.0)%
Pool purchase volume	**37,467**	37,270	0.5%

1. Includes 3.8 TWh residential solar volumes purchased from consumers (FY25: 3.5 TWh).

Refer to Section 3.1.4 for commentary on generation volumes.

Refer to Section 3.1.2 for commentary on customer energy demand.

	Portfolio Margin		Per Unit		Volume Denomination	
Revenue	FY26 $m	FY25 $m	FY26 $/MWh	FY25 $/MWh	FY26 GWh	FY25 GWh
Consumer customers	**5,596**	5,270	***379.2***	*359.1*	**14,757**	14,676
Large Business customers	**1,708**	1,658	***203.0***	*196.0*	**8,412**	8,458
Wholesale customers[1]	**1,431**	1,226	***108.2***	*94.3*	**13,223**	13,004
Energy Assets (ancillary revenue)	**138**	129	**–**	–	**–**	–
Total revenue	**8,873**	8,283	***243.8***	*229.2*	**36,392**	36,138

1. Wholesale customers revenue includes amounts from certain wholesale contracts that are treated as derivatives for statutory reporting purposes. In the statutory accounts the amounts associated with these contracts are recognised within cost of sales.

Total revenue was $8,873 million, up 7.1%.

- Revenue from Consumer customers was $5,596 million, up 6.2%, primarily reflecting higher wholesale energy and network costs.
- Large Business customer revenue was $1,708 million, up 3.0%, driven by higher revenue rates primarily due to higher wholesale energy and network costs.
- Wholesale customer revenue was $1,431 million, up 16.7%, primarily driven by an increase in green certificates sold compared to the prior year, higher revenue rates to wholesale customers, and higher wholesale volumes sold.
- Energy Assets revenue was $138 million, up 7.0%, primarily driven by higher external revenue from the sale of coal from the mine at AGL Loy Yang to the Loy Yang B Power Station.

Network and other cost of sales	Portfolio Margin FY26 $m	Portfolio Margin FY25 $m[1]	Per Unit FY26 $/MWh	Per Unit FY25 $/MWh[1]	Volume Denomination FY26 GWh	Volume Denomination FY25 GWh
Network costs	**(2,795)**	(2,633)	***(120.6)***	*(113.8)*	**23,169**	23,134
Consumer	**(2,211)**	(2,096)	***(149.8)***	*(142.8)*	**14,757**	14,676
Large Business	**(584)**	(537)	***(69.4)***	*(63.5)*	**8,412**	8,458
Green costs	**(736)**	(718)	***(31.8)***	*(31.0)*	**23,169**	23,134
Consumer solar costs	**(147)**	(158)	***(39.2)***	*(45.5)*	**3,750**	3,475
Other cost of sales[2]	**(287)**	(279)	***(12.4)***	*(12.1)*	**23,169**	23,134
Total customer network and other cost of sales	**(3,965)**	(3,788)	***(171.1)***	*(163.7)*	**23,169**	23,134

1. Restated to reflect the accounting adjustment as described in Section 7.
2. Comparatives have been restated to reallocate Ovo Energy Australia hedging arrangements from other cost of sales to net derivative cost.

Total customer network and other costs of sales were $(3,965) million, up 4.7%.

- Total network costs were $(2,795) million, up 6.2%, driven by higher network tariff rates.
- Green costs were $(736) million, up 2.5%, primarily driven by higher green certificate trading costs associated with increased green certificate trading activity. This was partly offset by lower compliance costs, due to reduced compliance rates and lower certificate surrender requirements compared to the prior year.
- Consumer solar costs were $(147) million, down 7.0%, due to a reduction in average feed-in-tariffs compared to the prior year, partly offset by an increase in solar volumes.
- Other cost of sales were $(287) million, up 2.9%, driven by higher metering costs due to the continued roll out of smart meters.

Fuel costs	Portfolio Margin FY26 $m	Portfolio Margin FY25 $m[1]	Per Unit FY26 $/MWh	Per Unit FY25 $/MWh[1]	Volume Denomination FY26 GWh	Volume Denomination FY25 GWh
Coal	**(666)**	(583)	***(26.0)***	*(22.0)*	**25,641**	26,526
Gas	**(124)**	(165)	***(124.2)***	*(115.1)*	**998**	1,434
Renewables	–	–	–	–	**5,134**	4,944
Total fuel costs (a)	**(790)**	(748)	***(24.9)***	*(22.7)*	**31,773**	32,904

1. Restated to reflect the accounting adjustment as described in Section 7.

Refer to Section 3.1.5 for commentary on fuel costs.

Generation running costs						
Coal power plants	**(383)**	(392)	***(14.9)***	*(14.8)*	**25,641**	26,526
Gas power plants	**(57)**	(54)	***(57.1)***	*(37.7)*	**998**	1,434
Renewables and Storage	**(277)**	(237)	***(54.0)***	*(47.9)*	**5,134**	4,944
Other	**(74)**	(86)	***(2.3)***	*(2.6)*	**31,773**	32,904
Total generation running costs (b)	**(791)**	(769)	***(24.9)***	*(23.4)*	**31,773**	32,904

Total generation running costs were $(791) million, up 2.9%.

- Coal operating costs were $(383) million, down 2.3%, driven by a reduction in unplanned outages, and savings through productivity and optimisation initiatives. This was partly offset by Enterprise Agreement wage escalations.
- Gas operating costs were $(57) million, up 5.6%, primarily driven by non-routine maintenance at Barker Inlet Power Station.
- Renewables and Storage costs were $(277) million, up 16.9%, primarily driven by Rye Park Wind Farm operations, and higher maintenance costs to improve availability across the remaining wind farm portfolio.
- Other costs, which include coal royalties and grid connection charges, were $(74) million, down 14.0%, primarily driven by lower net ancillary costs.

	Portfolio Margin		Per Unit		Volume Denomination	
	FY26 $m	FY25 $m[1]	FY26 $/MWh	FY25 $/MWh[1]	FY26 GWh	FY25 GWh
Depreciation and amortisation (c)	**(617)**	(591)	***(19.4)***	*(18.0)*	**31,773**	32,904

1. Restated to reflect the accounting adjustment as described in Section 7.

Depreciation and amortisation was $(617) million, up 4.4%, driven by Liddell Battery following the commencement of operations, and a higher asset base due to increased investment to deliver reliability and flexibility at Bayswater and AGL Loy Yang power stations as part of asset management plans. This was partly offset by a decrease in environmental rehabilitation assets primarily at AGL Loy Yang with confirmation of bulk water entitlement costs, and the extension of the operational life of Torrens Island Power Station by two years through to 30 June 2028.

Net Portfolio Management						
Pool generation revenue	**2,600**	4,132	***81.8***	*125.6*	**31,773**	32,904
Pool purchase costs	**(2,947)**	(4,829)	***(78.7)***	*(129.6)*	**37,467**	37,270
Net derivative (cost)/revenue[1]	**(513)**	100	***(16.1)***	*3.0*	**31,773**	32,904
Net Portfolio Management (d)[2]	**(860)**	(597)	***(23.6)***	*(16.5)*	**36,392**	36,138

1. Comparatives have been restated to reallocate Ovo Energy Australia hedging arrangements from other cost of sales to net derivative cost.
2. Pool generation revenue and pool purchase costs include amounts from certain wholesale contracts that are treated as derivatives for statutory reporting purposes. In the statutory accounts the amounts associated with these contracts are recognised within cost of sales.

Net Portfolio Management costs were $(860) million, up $263 million, an outcome of AGL's hedged position in a year of sharply lower spot prices. Realised pool generation prices fell 35%, and AGL's fixed–price hedges, which protect portfolio earnings against price reductions, settled above the lower spot prices at which pool volumes were purchased.

Net pool generation revenue and pool purchase costs were $(347) million, up $350 million, reflecting AGL's net buy position at lower pool prices compared to the prior year. The net buy position was driven by higher electricity pool purchases as a result of lower generation at AGL's Coal power stations, compared to volumes required to service our customers. Net derivative cost of $(513) million decreased by $(613) million, largely driven by a net buy position in New South Wales, South Australia and Queensland where higher fixed hedged contracts were settled at lower spot prices, for the purpose of hedging our risk exposure to customer sales contracts.

Total wholesale costs (a + b + c + d)	**(3,058)**	(2,705)	***(81.6)***	*(72.6)*	**37,467**	37,270
Total costs	**(7,023)**	(6,493)	***(193.0)***	*(179.7)*	**36,392**	36,138
Electricity Portfolio Margin	**1,850**	1,790	***50.8***	*49.5*	**36,392**	36,138
Consumer customers	**580**	527				
Large Business customers	**34**	31				
Trading and Origination - Electricity	**2,356**	2,345				
Perth Energy margin	**32**	21				
Energy Assets (Coal, Gas Generation, and Renewables and Storage)	**(1,152)**	(1,134)				

Despite realised wholesale generation prices falling 35% during the financial year, electricity portfolio margin and margin per unit increased 3% demonstrating the effectiveness of AGL's integrated hedging and portfolio management in insulating earnings from spot-price volatility.

In addition to the commentary above, Electricity portfolio margin is discussed in Sections 5.1 and 5.2.

6.3 Gas portfolio

The gas portfolio review combines the Integrated Energy (Trading and Origination – Gas) and Customer Markets (Consumer and Large Business) businesses to outline the portfolio's performance across operating segments.

	FY26 PJ	FY25 PJ[1]	Movement %
Consumer customers sales	**45.7**	45.5	0.4%
Large Business customers sales	**12.9**	14.0	(7.9)%
Wholesale customer sales and internal generation usage volumes	**37.3**	41.3	(9.7)%
Total customer sales volume	**95.9**	100.8	(4.9)%
Energy losses	**2.7**	3.3	(18.2)%
Gas purchase volume	**98.6**	104.1	(5.3)%

1. Comparatives have been restated to reflect Perth Energy wholesale gas volumes from Large Business to Wholesale.

Refer to Section 3.1.2 for commentary on customer energy demand.

	Portfolio Margin		Per Unit		Volume Denomination	
Revenue	FY26 $m	FY25 $m	FY26 $/GJ	FY25 $/GJ[1]	FY26 PJ	FY25 PJ[1]
Consumer customers	**1,923**	1,817	***42.1***	*39.9*	**45.7**	45.5
Large Business customers	**197**	217	***15.3***	*15.5*	**12.9**	14.0
Wholesale customers & internal generation	**453**	531	***12.1***	*12.9*	**37.3**	41.3
Total revenue	**2,573**	2,565	***26.8***	*25.4*	**95.9**	100.8

1. Comparatives have been restated to reclass Perth Energy wholesale gas volumes from Large Business to Wholesale.

Total revenue was $2,573 million, up 0.3%.

- Revenue from Consumer customers was $1,923 million, up 5.8%, primarily reflecting higher revenue rates associated with increased network costs.
- Large Business customer revenue was $197 million, down 9.2%, driven by lower consumption.
- Wholesale customer revenue was $453 million, down 14.7%, primarily driven by the roll-off of wholesale customer volumes from AGL's existing customer base, and lower internal consumption of gas volumes used for power generation in South Australia.

	Portfolio Margin		Per Unit		Volume Denomination	
Network and other cost of sales	FY26 $m	FY25 $m	FY26 $/GJ	FY25 $/GJ[1]	FY26 PJ	FY25 PJ[1]
Consumer network costs	**(595)**	(540)	***(13.0)***	*(11.9)*	**45.7**	45.5
Consumer other cost of sales	**(125)**	(129)	***(2.7)***	*(2.8)*	**45.7**	45.5
Large Business customers network costs	**(23)**	(21)	***(1.8)***	*(1.5)*	**12.9**	14.0
Large Business customers other cost of sales	**(35)**	5	***(2.7)***	*0.4*	**12.9**	14.0
Total network and other cost of sales	**(778)**	(685)	***(13.3)***	*(11.5)*	**58.6**	59.5

1. Comparatives have been restated to reclass Perth Energy wholesale gas volumes from Large Business to Wholesale.

Total network costs and other costs of sales were $(778) million, up 13.6%, driven by network tariff increases and green compliance costs.

Wholesale costs						
Gas purchases	**(816)**	(845)	***(8.5)***	*(8.4)*	**95.9**	100.8
Haulage, storage and other	**(328)**	(338)	***(3.4)***	*(3.4)*	**95.9**	100.8
Total wholesale costs	**(1,144)**	(1,183)	***(11.9)***	*(11.7)*	**95.9**	100.8

See Section 3.1.5 for commentary on wholesale gas costs.

Total costs	**(1,922)**	(1,868)	***(20.0)***	*(18.5)*	**95.9**	100.8
Gas Portfolio Margin	**651**	697	***6.8***	*6.9*	**95.9**	100.8
Energy Assets - Other	–	(11)				
Gas Portfolio Margin (including Energy Assets - Other)	**651**	686				
Consumer customers	**292**	260				
Large Business customers	**3**	3				
Trading and Origination - Gas	**339**	411				
Perth Energy margin	**17**	23				
Energy Assets - Other	–	(11)				

Energy Assets – Other was nil, up $11 million, primarily driven by the Surat Gas Project being fully divested. In addition to the commentary above, Gas portfolio margin is discussed in Sections 5.1 and 5.2.

6.4 Portfolio review reconciliation

FY26 $m	Electricity Portfolio	Gas Portfolio	Other AGL	Adjustments (a)	Total Group
Customer Markets	**7,304**	**2,120**	**505**	**85**	**10,014**
Integrated Energy	**1,569**	**453**	**22**	**1,532**	**3,576**
Revenue	**8,873**	**2,573**	**527**	**1,617**	**13,590**
Customer Markets	**(3,965)**	**(778)**	**(410)**	**551**	**(4,602)**
Integrated Energy	**(1,766)**	**(1,144)**	**(29)**	**(2,168)**	**(5,107)**
Cost of sales	**(5,731)**	**(1,922)**	**(439)**	**(1,617)**	**(9,709)**
Other income	**–**	**–**	**21**	**–**	**21**
Gross margin	**3,142**	**651**	**109**	**–**	**3,902**
Operating costs (excluding depreciation and amortisation)	**(675)**	**–**	**(1,127)**	**–**	**(1,802)**
Depreciation and amortisation	**(617)**	**–**	**(220)**	**–**	**(837)**
Portfolio Margin/Underlying EBIT	**1,850**	**651**	**(1,238)**	**–**	**1,263**

FY26 $m	Electricity	Gas	Pool revenue	Other	Total Group
Portfolio Margin Reporting	**8,873**	**2,573**	**2,600**	**–**	**14,046**
Revenue reclass	**(752)**	**–**	**(223)**	**–**	**(975)**
Intragroup	**–**	**(162)**	**–**	**–**	**(162)**
Other	**(596)**	**(34)**	**62**	**1,249**	**681**
Note 2 - Revenue	**7,525**	**2,377**	**2,439**	**1,249**	**13,590**

FY25 $m[1]	Electricity Portfolio	Gas Portfolio	Other AGL	Adjustments (a)	Total Group
Customer Markets	6,928	2,034	363	89	9,414
Integrated Energy	1,355	531	31	3,008	4,925
Revenue	8,283	2,565	394	3,097	14,339
Customer Markets	(3,788)	(685)	(298)	461	(4,310)
Integrated Energy	(1,440)	(1,183)	(11)	(3,558)	(6,192)
Cost of sales	(5,228)	(1,868)	(309)	(3,097)	(10,502)
Other income	–	–	14	–	14
Gross margin	3,055	697	99	–	3,851
Operating costs (excluding depreciation and amortisation)	(674)	–	(1,122)	–	(1,796)
Depreciation and amortisation	(591)	–	(227)	–	(818)
Portfolio Margin/Underlying EBIT	1,790	697	(1,250)	–	1,237

FY25 $m[1]	Electricity	Gas	Pool revenue	Other	Total Group
Portfolio Margin Reporting	8,283	2,565	4,132	–	14,980
Revenue reclass	(697)	–	(285)	–	(982)
Intragroup	–	(190)	–	–	(190)
Other	(474)	(23)	13	1,015	531
Note 2 - Revenue	7,112	2,352	3,860	1,015	14,339

1. Restated to reflect the accounting adjustment as described in Section 7.

Notes

a. Key adjustments include:

- Integrated Energy electricity pool sales in the statutory accounts have been reallocated to cost of sales (net portfolio management) in the Portfolio Review where it is combined with pool purchase costs and derivatives to reflect AGL's net position.
- A portion of Integrated Energy other revenue in the statutory accounts has been reallocated to cost of sales (generation running costs) in the Portfolio Review.
- Within Integrated Energy, derivatives from certain wholesale contracts are recognised within cost of sales in the statutory accounts.
- In the Portfolio Review the revenue and costs have been separately disclosed. Intra-segment and inter-segment eliminations include: Gas sales from Trading and Origination - Gas to Trading and Origination - Electricity; gas sales from Energy Assets - Other to Trading and Origination - Gas. Elimination adjustment also includes the reallocation of green costs from Trading and Origination - Electricity to Consumer and Business customer other cost of sales.
- Includes Natural Gas Underlying EBIT.

7. Restatement of comparative balances

During the period, the Group reviewed and restated its accounting relating to the classification of a number of renewable Power Purchase Agreements (PPAs). These PPAs have historically been accounted for as executory contracts with an associated onerous contract provision for both the electricity component and the green certificates of these contracts.

As a result of this review:

- four PPAs have been restated as leases, resulting in the recognition of a lease liability, and a right-of-use asset together with an associated impairment; and
- the electricity component of four PPAs have been restated as derivative financial instruments. The onerous contract provision for green energy certificates associated with these contracts has been retained.

Changes arising from the restatement and adoption of AASB 16 *Leases* do not affect the definitions used in the calculation of debt covenants including gearing ratio. AGL remains compliant with all debt covenants.

The following tables summarise the impacts on AGL's key financials.

7.1 Impact on Underlying Profit

	FY25 Reported $m	Adjustment $m	FY25 Restated $m
Revenue	14,393	(54)	**14,339**
Cost of Sales	(10,601)	99	**(10,502)**
Other Income/(Loss)	14	–	**14**
Gross Margin	3,806	45	**3,851**
Operating Costs (Excluding D&A)	(1,796)	–	**(1,796)**
Underlying EBITDA	2,010	45	**2,055**
Depreciation & Amortisation	(803)	(15)	**(818)**
Underlying EBIT	1,207	30	**1,237**
Net Finance Costs	(319)	(27)	**(346)**
Underlying Profit Before Tax	888	3	**891**
Income Tax Expense	(248)	(1)	**(249)**
Underlying Profit After Tax	640	2	**642**

7.2 Impact on Cash flow

	FY25 Reported $m	Adjustment $m	FY25 Restated $m
Underlying EBITDA	2,010	45	2,055
Equity accounted income (net of dividends received)	12	–	12
Accounting for onerous contracts	(98)	76	(22)
Other assets/liabilities and non-cash items	(248)	1	(247)
Payments for rehabilitation	(80)	–	(80)
Working capital movements	(147)	12	(135)
Operating cash flow before significant items, interest and tax	1,449	134	**1,583**
Net finance costs paid	(147)	(62)	(209)
Income taxes	(268)	–	(268)
Cash flow related to significant items	(188)	–	(188)
Net cash provided by operating activities	846	72	**918**
Net cash used in investing activities	(1,558)	–	**(1,558)**
Net cash used in financing activities	99	(72)	**27**
Net (decrease)/increase in cash and cash equivalents	(613)	–	**(613)**

7.3 Impact on Operating Free Cash Flow

	FY25 Reported $m	Adjustment $m	FY25 Restated $m
Net cash provided by operating activities	846	72	**918**
Adjust for:			
Working capital movements for margin calls	85	–	**85**
Cash flow related to significant items	188	–	**188**
Sustaining capital expenditure (accruals basis)	(660)	–	**(660)**
Operating free cash flow	459	72	**531**

7.4 Impact on Summary Statement of Financial Position

	FY25 Reported $m	Adjustment $m	FY25 Restated $m
Assets			
Cash and cash equivalents	319	–	**319**
Other current assets	4,118	15	**4,133**
Property, plant and equipment	6,277	247	**6,524**
Intangible assets	3,365	–	**3,365**
Other non-current assets	2,125	84	**2,209**
Total assets	16,204	346	**16,550**
Liabilities			
Lease liabilities	268	848	**1,116**
Borrowings	3,039	–	**3,039**
Other Liabilities	8,039	(421)	**7,618**
Total liabilities	11,346	427	**11,773**
Net assets/total equity	4,858	(81)	**4,777**

8. Governance Summary

AGL is committed to ensuring that its corporate governance framework, policies and practices are of a high standard, which underpins and supports the delivery of our strategy and long-term shareholder value.

AGL's corporate governance arrangements are consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. Set out below is a summary of selected aspects of AGL's corporate governance framework and a summary of key governance focus areas during FY26. The full Corporate Governance Statement is available at agl.com.au/CorporateGovernance.

8.1 Board skills

AGL seeks to maintain a Board with a broad range of skills, knowledge and experience necessary to provide effective oversight over management and guide the strategic direction of the company. The Board uses a skills matrix to identify the key skills and experience the Board is seeking to achieve in its membership. During FY26, AGL's Board skills matrix was updated, following review by a professional consultant. The core competencies and skills in the Board skills matrix have been updated to reflect the key risks and opportunities facing AGL. The following definitions, approved by the Board, supported the ratings applied for each Director.

Significant Experience – High level of proficiency, knowledge and experience in the subject matter, including through significant tenure in a Director, executive or advisory capacity.

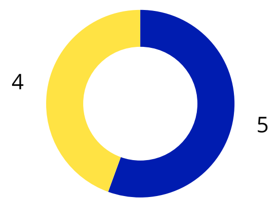
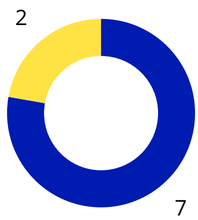
Developed Understanding – Sound knowledge of the subject matter, including through tenure in a relevant Director, executive or advisory capacity or through relevant education.

The skills matrix as at 12 August 2026 is set out in the table below. Individual Board member assessments have been aggregated to inform an assessment of the overall level of capability represented on the Board in each of the identified competencies.

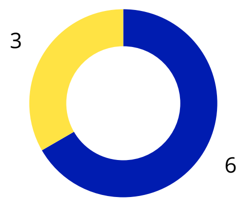
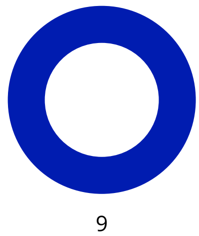
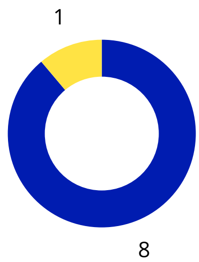
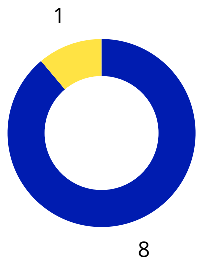
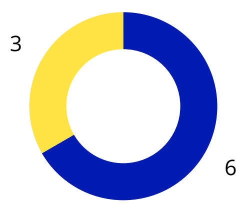
Further details about AGL's Board Skills Matrix are set out in AGL's 2026 Corporate Governance Statement available at agl.com.au/CorporateGovernance.

Key	● (blue)	Significant Experience
	● (yellow)	Developed Understanding

Board Skills Matrix

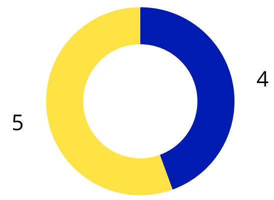
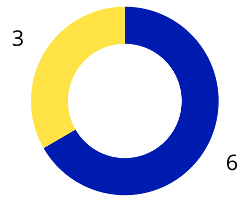
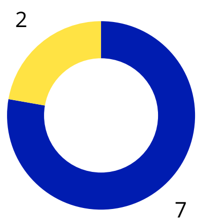
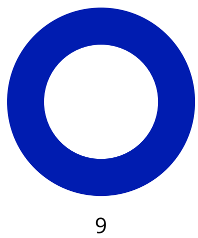
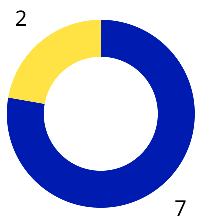
Category	Description	Why it matters to AGL	Competency Level
Operations and project delivery	Experience in managing large-scale energy generation, storage and infrastructure assets, including operational efficiency, major project delivery and project governance	AGL's strategy is to transition its energy portfolio, and it has an ambition to add 12 GW of new renewable and firming capacity by the end of 2035, including an interim target to add 6 GW by FY30. Skills and experience in operations and project delivery is therefore important to overseeing the delivery of long-term projects, including assessing the risks and opportunities.	
Customer markets	Experience in industries with large and diverse customer bases, including strategies to enhance customer experience, product innovation and responding to new market entrants and disruption	One of AGL's strategic pillars is to connect every customer to a sustainable future. Skills and experience in customer markets is important to supporting AGL to continue to meet the evolving needs of its customers.	

Governance Summary
For the year ended 30 June 2026

Category	Description	Why it matters to AGL	Competency Level
Stakeholder management and communications	Experience in building and maintaining effective relationships with governments, regulators, investors, community groups, First Nations people and other key stakeholders	The role of the Board is to safeguard AGL's interests and to protect and foster sustainable value creation while taking into account the reasonable interests of shareholders, employees, customers, the communities in which AGL operates and other relevant stakeholders. Therefore, it is important that AGL's Board oversees that our approach to stakeholder management and communications supports long-term value creation.	
Strategy and growth	Experience in developing, setting and executing strategic objectives, including identifying and capitalising on growth opportunities, mergers and acquisitions	AGL has an ambitious strategy and growth agenda to transition its energy portfolio, while continuing to meet the needs of our customers. The Board oversees the development, execution and delivery of AGL's strategy, including that capital allocation is undertaken in line with our strategy.	
Transformation and change	Experience in leading and governing organisations through significant transformation and change, including industry disruption, business restructuring, or major operational and cultural transitions	The energy industry is undergoing significant change, which includes both people and technology changes. Therefore, Directors with knowledge and experience of the risks and opportunities associated with transformation and change is essential.	
People and Culture	Understanding of organisational culture, large and transitioning workforce management, succession planning, remuneration frameworks and the development of new capabilities to support strategy	People are integral to AGL's success, and AGL needs to attract and retain the right talent to deliver its long-term strategy, while fostering a collaborative and performance culture. AGL's Board oversees the remuneration and culture frameworks in place to drive the delivery of AGL's strategy. Additionally, the Board is responsible for guiding AGL's company culture by establishing the "tone from the top".	
Energy assets and markets	Experience in and knowledge of energy generation assets, renewables, energy trading and wholesale and retail energy markets	AGL's core business includes the operation of energy businesses and investments, including electricity generation, energy storage and the sale of electricity and gas to residential, business and wholesale customers. Therefore, it is essential that the Board as a whole understands the energy industry and the markets in which we operate.	

Governance Summary

For the year ended 30 June 2026

Category	Description	Why it matters to AGL	Competency Level
Technology, digitalisation and AI	Experience in technology strategy, cyber security, digital transformation and emerging technologies including artificial intelligence and digital customer solutions	"Technology at the core" is a key part of AGL's strategy, particularly as to how growth and customer experience can be unlocked through technology, digitalisation and AI. Directors with knowledge of the risks and opportunities of technology support the Board in assessing how we can leverage related developments to implement change, manage risk and realise opportunities.	
Financial/ Capital Markets	Proficiency in financial accounting and reporting, internal financial controls and capital management, including experience with equity and debt funding, credit markets and corporate transactions	AGL's Board must be able to understand the financial drivers of our business and evaluate our financial statements and other periodic reports. Furthermore, given AGL's ambitious strategy, experience with capital markets and corporate transactions is imperative in the delivery of AGL's strategy.	
Energy transition and ESG	Understanding of the risks and opportunities associated with decarbonisation and the energy transition, including climate-related risks and opportunities, and broader ESG considerations	Embracing ESG is another key part of AGL's strategy, and it is essential that AGL factors ESG considerations into the work we do and the decisions we make. The Board oversees that ESG considerations are embedded across the enterprise, and the risks and opportunities are appropriately considered.	
Governance	Experience implementing or overseeing high standards of corporate governance in a large, complex organisation	Demonstrating leadership and overseeing our corporate governance practices are key responsibilities of AGL's Board.	
Safety, risk and compliance	Experience in identifying, assessing and monitoring risk, including HSE risks and other non-financial risks, and overseeing risk and compliance management frameworks in regulated operating environments	AGL's Board oversees our internal controls and systems for monitoring risks and compliance. The Board needs to be aware of, and anticipate, the material risks that may impact our operations, performance or reputation. In particular, AGL operates a large, complex business and the Board oversees our approach to maintain the health, safety and wellbeing of our people.	

8.2 Board key focus areas during FY26

The key areas of focus for the Board during FY26, in addition to standing agenda items, are set out in the table below.

Board Key Focus Areas	Business Value Drivers

- Overseeing the implementation of AGL's strategy, including:
  - ***Connecting every customer to a sustainable future*** - monitoring the progress of the retail transformation program, including AGL's strategic partnership and equity interest in Kaluza, and overseeing initiatives to support our customers to decarbonise the way they live, work and move including initiatives to drive the uptake of electrification.
  - ***Transitioning our energy portfolio*** - growing AGL's development pipeline through various investments, including approving the Final Investment Decision (**FID**) on the Tomago Battery and the Kwinana Swift Gas 2 project, and entry into Power Purchase Agreements with Tilt Renewables (**Tilt**) for Palmer and Waddi Wind Farms.
  - ***Embracing ESG*** - the release of AGL's 2025 Climate Transition Action Plan (**CTAP**), endorsed by AGL's shareholders at the 2025 Annual General Meeting (**AGM**), monitoring AGL's ESG Framework and overseeing and providing guidance in relation to AGL's approach to disclosures made under AASB S2 *Climate-related Disclosures*.
  - ***Technology at the Core*** - monitoring progress on the implementation of AGL's technology strategy, including management of AGL's cybersecurity environment and posture and the use of Artificial Intelligence (**AI**) and the associated risks and opportunities.
  - ***Future-fit people and culture*** - Board renewal and succession planning including a change in the Chairs of the Board Committees, approval of AGL's FY27-29 Diversity and Inclusion Strategy and various capability and talent initiatives in key areas required to deliver AGL's strategy.
  - ***Shareholder Value*** - reviewing AGL's capital allocation framework and considering ways to optimise the management of AGL's portfolio to deliver AGL's strategy and long term shareholder value, with AGL's commitment to disciplined use of the balance sheet and recycling capital to support future growth demonstrated through the divestment of 19.9% of AGL's 20% equity interest in Tilt.
- Customer affordability measures, customer advocacy and other support afforded to customers including the launch and expansion of AGL Community Power to support customers who cannot purchase solar and batteries or who may be locked out of the energy transition due to barriers related to home ownership.
- AGL's relationships with the local communities in which we operate, including AGL's approach to responsible transition as the energy transition progresses.
- Group performance (including financial performance, operational performance, customer performance and HSE performance).
- The entry into a strategic, long-term partnership with Aussie Broadband Limited (**ABB**) involving the divestment of AGL's telecommunications business in exchange for proceeds of approximately $115 million of shares in ABB.
- Rehabilitation plans for the Liddell Power Station for its re-use as an integrated energy hub.
- Progress against AGL's sustainability targets as set out in AGL's CTAP, including in relation to the reduction of greenhouse gas emissions and AGL's decarbonisation pathway.
- AGL's cyber and business resilience capabilities, including incident response plans.
- AGL's compliance with key legal requirements and regulations, including AGL's readiness for compliance with the new climate-related disclosure regime.
- The effectiveness of a number of AGL Group policies and approved various amendments to those policies.
- AGL's safety and environmental performance and compliance programs, including the implementation of AGL's health and wellbeing programs.
- AGL's governance and risk management framework, risk appetite statement and ways to further strengthen governance, accountability and culture within AGL.

8.3 Board Committee key focus areas during FY26

The Board has established four standing Committees as follows:

- Audit & Risk Management Committee;
- Nominations Committee;
- People & Performance Committee; and
- Safety & Sustainability Committee.

Each Committee's roles and responsibilities are set out in its Charter. A summary of the key focus areas for the Committees during FY26 is set out in the table below.

Nominations Committee	People & Performance Committee
• Arranging an externally facilitated Board Review. • Overseeing the process to update the Board Skills Matrix, including review and benchmarking by an independent consultant. • Board and Committee succession planning including recommending changes to the Chairs of the Board Committees.	• Overseeing the preparation of AGL's FY26 Remuneration Report. • Executive talent and succession planning. • Consideration of AGL's Diversity & Inclusion Targets. • Consideration of the FY27 remuneration framework. • Monitoring organisational culture, engagement and conduct.
Audit & Risk Management Committee	**Safety & Sustainability Committee**
• Overseeing AGL's financial reporting processes, including consideration of AGL's half-year and full-year reports. • Reviewing financial disclosures to be made by AGL in relation to climate-related risks and opportunities. • Overseeing the issues, incidents and risks identified by management in Group Audit, compliance and risk reports and ensuring there is clear accountability for, and effective closure of, relevant issues. • Overseeing AGL's funding and debt strategy. • Overseeing the management of AGL's trading and portfolio risks, including consideration of fuel supply risks. • Reviewing AGL's insurance renewal options and strategy. • Reviewing the effectiveness of AGL's governance and risk management systems and identifying ways to further strengthen governance, accountability and culture within AGL. • Overseeing AGL's business resilience and cyber resilience programs and the management of other technology related risks. • Overseeing AGL's preparedness for peak period operations. • Post-implementation reviews of major projects, including processes to improve the delivery of major projects generally. • Reviewing reports from management on emerging sources of risk and controls in place to address those risks, including in relation to cyber security. • Committee education, including meeting with senior representatives of the Department of Home Affairs to discuss the national cyber threat landscape and the Security of Critical Infrastructure legislative framework and Systems of National Significance.	• Oversight of AGL's safety culture, systems, capability and risk, including overseeing initiatives to improve health, wellbeing, safety and environmental performance and participation in site critical control checks. • Site visits to AGL's Adelaide Call Centre and Newcastle Office, the Newcastle Gas Storage Facility, the Tomago Battery site, and Consumer & Industrial customer sites in Western Sydney. • Reviewing non-financial disclosures to be made by AGL in relation to climate-related risks and opportunities, including the Sustainability Report. • Overseeing planning activities for the safe demolition of Liddell Power Station and the proposed future use of the Liddell site. • Meeting with groups of employees across AGL's operations to discuss safety and other issues affecting AGL's people. • Meeting with community representatives in Adelaide and Newcastle to discuss key issues and areas of focus for the communities in which AGL operates. • Oversight of AGL's engagement with First Nations peoples and the implementation of AGL's Reconciliation Action Plan. • Deep dives on stakeholder perceptions and social licence and AGL's environmental risks and opportunities. • Oversight of AGL's ESG Framework, ESG metrics and sustainability opportunities. • Overseeing the HSE Audit program. • Committee education, including meeting with the Chair of the safety committee of a key AGL contractor to share safety learnings.

Board of Directors
For the year ended 30 June 2026

Board of Directors

The Directors present their report together with the financial statements of AGL and its controlled entities for the year ended 30 June 2026. The section of our Annual Report titled 'Operating & Financial Review' comprises our operating and financial review (OFR) and forms part of this Directors' Report. The Governance Summary, Remuneration Report and Other Required Disclosures also form part of this Directors' Report.

The names of the persons who have been Directors, or appointed as Directors, during the period since 1 July 2025 and up to the date of this Report are Miles George (Chair), Damien Nicks (Managing Director & CEO), Mark Bloom, Graham Cockroft, Elizabeth (Betsy) Donaghey (appointed on 3 October 2025), Christine Holman, John Pollaers, Kerry Schott (retired on 3 October 2025), Vanessa Sullivan and Mark Twidell.

Details of the skills, qualifications, experience and responsibilities of AGL's Directors as at the date of this Report are set out below.

Miles George
Non-Executive Director since 19 September 2022 and Chair since 13 February 2025
Age 71. BE, MBA, GAICD

Current Directorships: Nil

Former Directorships of listed companies over the past 3 years: Nil

Experience: Miles has more than 30 years' experience in the energy and infrastructure sectors, with a focus on development, investment and financing in the renewable energy industry in Australia and internationally. He has served as an adviser to the AEMC and AEMO on the energy transition, as Chairman of the Clean Energy Council, Director of Spark Infrastructure RE Limited, CEO of CleanCo Queensland and Managing Director of Infigen Energy.

Damien Nicks
Managing Director & Chief Executive Officer since 19 January 2023
Age 53. BCom (Honors), FCA, GAICD

Current Directorships: Director of the Australian Energy Council, a peak industry body for electricity and downstream natural gas businesses, and Director of Kaluza Ltd (AGL's nominee director).

Former Directorships of listed companies over the past 3 years: Nil

Experience: Damien was appointed as Managing Director & Chief Executive Officer on 19 January 2023. Since joining AGL in March 2013, Damien held several senior executive finance roles before joining the Executive Team as Chief Financial Officer in August 2018.

Damien has more than 29 years' experience across large multinational businesses including Linfox Logistics, Smorgon Steel and Deloitte.

Mark Bloom
Non-Executive Director since 1 July 2020
Age 68. BCom, BAcc, CA

Current Directorships: Director of Storage King Group (commenced 1 July 2021), EBOS Group Limited (commenced 16 September 2022), Metropolitan Memorial Parks and JewishCare NSW.

Former Directorships of listed companies over the past 3 years: Mark was a Director of Pacific Smiles Group Limited from 18 October 2019 to 8 August 2024.

Experience: Mark has over 35 years' experience as a Finance Executive. Mark was CFO at ASX listed Scentre Group from its formation in July 2014 until his retirement in April 2019. Prior to the formation of Scentre Group, Mark was the Deputy Group CFO of Westfield Group for 11 years.

Mark was previously a Director of Abacus Property Group, and CFO and an executive Director at three listed entities in Real Estate (Westfield and Scentre Group – 16 years) and Insurance and diversified Financial Services (Liberty Life, South Africa and Manulife Financial, Toronto – 20 years). Mark has extensive experience in overseeing global and local finance and IT teams.

Board of Directors
For the year ended 30 June 2026

Graham Cockroft
Non-Executive Director since 1 January 2022
Age 63. MCom, Masters in Finance, CMInstD

Current Directorships: Director of Meridian Energy Limited and Tuatahi First Fibre Limited (and three related companies).

Former Directorships of listed companies over the past 3 years: Nil

Experience: Graham has over 30 years' experience in the international energy industry, with executive roles in the UK, South America, New Zealand and Asia. His experiences have been across the energy chain and under different political, economic and regulatory regimes. He has a strong financial background and extensive experience in strategy and business development.

During his executive career Graham served as Group CFO at Sembcorp Industries, Singapore, CFO and COO at Contact Energy, New Zealand, and in various senior executive roles for close to two decades at BG Group, primarily in the UK and South America.

Elizabeth (Betsy) Donaghey
Non-Executive Director since 3 October 2025
Age 68. BSc Civil Engineering, MSc Operations Research

Current Directorships: Director of Ampol Limited (commenced 1 September 2021).

Former Directorships of listed companies over the past 3 years: Betsy was a Director of Amplitude Energy Limited from 25 June 2018 to 19 August 2025.

Experience: Betsy has over 30 years' experience in the energy sector across a broad range of organisations, including ASX listed companies and government agencies, and in both Non-Executive Director and senior executive positions. Her previous executive roles include technical and commercial roles, and her Non-Executive Director roles include extensive experience on audit and compliance, risk, technical, regulatory, remuneration and health and safety committees.

Betsy has a deep knowledge and understanding of the Australian energy industry, including significant experience advising on the energy transition as a Board member of the Australian Renewable Energy Agency and as a panel member to the Solar Flagship Council, and extensive markets and systems experience from her time as a Director of the Australian Energy Market Operator.

Christine Holman
Non-Executive Director since 15 November 2022
Age 56. MBA, PG Dip Mgt, FAICD

Current Directorships: Director of Collins Foods Limited (commenced 12 December 2019), Indara Pty Limited, the McGrath Foundation and the State Library of New South Wales Foundation.

Former Directorships of listed companies over the past 3 years: Christine was a Director of Metcash Limited from 14 September 2020 to 13 September 2024.

Experience: Christine is a professional non-executive director with more than 30 years' experience across media, property, industrial, infrastructure, and technology sectors. She was formerly Chief Financial Officer and Commercial Director at Telstra Broadcast Services, and was previously at Capital Investment Group.

More recently, Christine has served as a Non-Executive Director of Metcash Limited, CSR Limited, Blackmores Limited, Wisetech Global Limited, HT&E Limited (previously APN News & Media), Vocus Group Limited and National Intermodal Corporation. Christine was also previously a Director of the Bradman Foundation, T20 World Cup Cricket 2020 and Football Australia, and is a former member of the Australian Institute of Company Directors' Corporate Governance Committee. Christine was also a member of ASIC's expert panel into the ASX group.

Board of Directors

For the year ended 30 June 2026

John Pollaers OAM

Non-Executive Director since 15 November 2022
Age 64. BElecEng, BCompSc, MBA

Current Directorships: Chair of the Australian Financial Complaints Authority and Brown Family Wine Group, Director of Amotiv Limited (commenced 23 June 2021) and Chancellor of Swinburne University of Technology.

Former Directorships of listed companies over the past 3 years: Nil

Experience: John has 30 years of commercial and operational leadership experience that includes serving as the CEO of Pacific Brands, the CEO of Fosters Group, the Managing Director of Carlton United Brewers and President Asia Pacific at Diageo. His Diageo career spanned 20 years in various General Management, Finance, M&A, and Operations roles across the UK, Asia-Pacific, and Group Executive Committee.

John has extensive experience across a range of sectors including consumer goods, aged care, advanced manufacturing and higher education. He previously served as a Non-Executive Director of pladis Global Advisory Board, Chair of the Australian Industry & Skills Committee, Chair of the Aged Care Workforce Strategy Taskforce and Chair of the Australian Advanced Manufacturing Council.

Vanessa (Fernandes) Sullivan

Non-Executive Director since 1 March 2022
Age 57. BEc (Hons), GradDip (AppFin), GAICD

Current Directorships: Chair of Centacare's Advisory Board (a Not For Profit disability and family services provider), Future Energy Exports CRC Ltd, and a Non-Executive member of the Commonwealth Scientific and Industrial Research Organisation Board. Vanessa is also a member of a Griffith University Business School Advisory Board.

Former Directorships of listed companies over the past 3 years: Nil

Experience: Vanessa has strong commercial, financial, project development and strategy experience gained over 20 years, working across the energy, water and sustainability sectors and more recently in hydrogen industry development. This includes as a Climate Change Leader and Utilities Leader at EY and undertaking significant energy market reforms across the supply chain whilst at Queensland Treasury Corporation. Vanessa has previously held non-executive director roles with Eco Markets Australia, the Smart Energy Council, Essential Energy, Sunwater, Niche Environment and Heritage, Port of Townsville and Xavier House. Vanessa was also previously an independent member of the Ministerial Energy Council Hydrogen Development sub committee.

Mark Twidell

Non-Executive Director since 15 November 2022
Age 58. BSc Hons (Elec and Electronic Engineering), MBA, GAICD

Current Directorships: Mark is a member of the Australian Renewable Energy Agency (ARENA) Advisory Panel and an Advisory Board member for TAGEnergy and the UNSW Energy Institute.

Former Directorships of listed companies over the past 3 years: Nil

Experience: Mark is a former energy executive with over 35 years' experience in building new markets, programs, and teams globally in the solar and storage sectors. Mark has served as Director – Energy Programs at Tesla, responsible for leading Tesla's Energy business in Asia-Pacific, and during 2019-21 the Americas and Europe, Middle East and Africa. He also has experience helping companies and governments with energy transition, having previously served on the boards of ARENA and the Commonwealth Government Solar Flagships Council, and as Deputy Chair of the Clean Energy Council. Mark is an advisor to Drive Powerline Inc and an Industry Professor of Practice at UNSW.

Board of Directors

For the year ended 30 June 2026

Composition of Board Committees as at 30 June 2026

Director	Status	Audit & Risk Management Committee	People & Performance Committee	Safety & Sustainability Committee	Nominations Committee
Miles George	Independent				Chair
Damien Nicks	Managing Director & CEO				
Mark Bloom	Independent	Chair[1]		✔	✔
Graham Cockroft	Independent	✔	Chair[2]		✔
Betsy Donaghey	Independent	✔		✔	✔
Christine Holman	Independent	✔	✔		✔
John Pollaers	Independent	✔	✔		✔
Vanessa Sullivan	Independent		✔	Chair[3]	✔
Mark Twidell	Independent		✔	✔	✔

1. As part of an orderly succession process, Graham Cockroft will commence as Chair of the Audit & Risk Management Committee following the conclusion of the 2026 AGM.
2. As part of an orderly succession process, Vanessa Sullivan will commence as Chair of the People & Performance Committee following the conclusion of the 2026 AGM.
3. As part of an orderly succession process, Betsy Donaghey will commence as Chair of the Safety & Sustainability Committee following the conclusion of the 2026 AGM.

Directors' Interests

The relevant interest of each Director in the share capital of AGL or any of its related bodies corporate, as notified by the Directors to the ASX in accordance with Section 205G of the Corporations Act, at the date of this Report is as follows:

AGL Energy Limited Ordinary Shares	
Miles George	60,000
Mark Bloom	22,000
Damien Nicks	337,182
Graham Cockroft	35,000
Betsy Donaghey	13,000
Christine Holman	28,000
John Pollaers	37,340
Vanessa Sullivan	27,265
Mark Twidell	25,212

Damien Nicks also holds performance rights allocated as LTI awards under AGL's Long-Term Incentive Plan, which are detailed on page 100 of the Remuneration Report.

No options have been granted over any securities or interests of AGL or the consolidated entity.

Company Secretary

During FY26, Melinda Hunter held the position of General Counsel and Company Secretary, having been appointed Company Secretary on 23 May 2017 and General Counsel on 1 July 2022. Melinda's qualifications are a Bachelor of Commerce and a Bachelor of Laws from Macquarie University. Melinda is admitted as a Solicitor of the Supreme Court of New South Wales and has been practising corporate law for over 20 years.

Board of Directors

For the year ended 30 June 2026

Dividends

The Directors have declared a final dividend of 26.0 cents per share, compared with 25.0 cents per share for the prior final dividend. The annual dividend for the year ended 30 June 2026 was 50.0 cents per share compared with 48.0 cents per share for the prior year. The final dividend will be 100% franked and will be paid on 24 September 2026. The record date to determine shareholders' entitlements to the final dividend is 26 August 2026. Shares will commence trading ex-dividend on 25 August 2026.

The following dividends have been paid or declared by the Directors since 30 June 2025:

Dividend	Franking	Date paid	Amount
Final dividend of 25.0 cents per share	100% franked	25 September 2025	$168 million
Interim dividend of 24.0 cents per share	100% franked	26 March 2026	$161 million
Final dividend of 26.0 cents per share	100% franked	24 September 2026	$175 million

AGL targets a payout ratio of 50 to 75 percent of Underlying Profit after tax. Before declaring each dividend the Directors satisfied themselves that:

- AGL's assets exceeded its liabilities immediately before declaring the dividend and the excess was sufficient for the payment of the dividend;
- the payment of the dividend was fair and reasonable to AGL's shareholders as a whole; and
- the payment of the dividend would not materially prejudice AGL's ability to pay its creditors.

The Dividend Reinvestment Plan (DRP) has been suspended indefinitely.

Directors' Meetings

The number of Directors' meetings (including meetings of Board Committees) and number of meetings attended by each of the Directors of AGL during the financial year ended 30 June 2026 were:

	Regular Board		Special Board		Audit & Risk Management Committee		People & Performance Committee		Safety & Sustainability Committee		Nominations Committee	
Directors' Name	A	B	A	B	A	B	A	B	A	B	A	B
Miles George	9	9	1	1							4	4
Damien Nicks	9	9	1	1								
Mark Bloom	9	9	1	1	6	6			4	4	4	4
Graham Cockroft	9	9	1	1	6	6	6	6			4	4
Betsy Donaghey[1]	6	6	1	1	5	5			3	3	4	4
Christine Holman	9	9	1	1	6	6	6	6			4	4
John Pollaers	9	9	1	1	6	6	6	6			4	4
Kerry Schott[2]	3	3	0	0	1	1			1	1	0	0
Vanessa Sullivan	9	9	1	1			6	6	4	4	4	4
Mark Twidell	9	9	1	1			6	6	4	4	4	4

A – number of meetings attended as a member
B – number of meetings held during the time the Director held office during the year (and was a member of the relevant Committee or otherwise was eligible to attend)

1 – Appointed with effect from the 2025 AGM held on 3 October 2025.
2 – Retired from the Board following the conclusion of the 2025 AGM held on 3 October 2025.

During the year, in aggregate, there were 42 occasions when Non-Executive Directors also attended meetings of Committees of which they were not members.

Directors also participated in informal meetings and video conferences. AGL makes use of email between meetings to keep Directors informed of current developments; to provide relevant background and industry information; to settle routine matters and allow formal Board meetings to concentrate on more strategic matters. Periodically, Directors meet informally outside AGL to discuss matters of interest and travel to visit assets, operations or locations of particular relevance to AGL.

Executive Team

For the year ended 30 June 2026

Damien Nicks
Managing Director & Chief Executive Officer

See page 73 for Damien's bio.

Gary Brown
Chief Financial Officer

Gary joined AGL in January 2022. He successfully led a review of the company's strategic direction before being appointed as Chief Financial Officer in October 2022.

Gary has more than 25 years' experience across multinational energy businesses including BHP, Shell and Engie, where he was Chief Financial Officer.

Gary was a Director on the Board of Tilt Renewables, a landmark financing initiative created by AGL to unlock investment in large-scale renewable energy, until he resigned as part of AGL's divestment in 2026. He holds a Bachelor of Commerce from Monash University and a Masters of Business Administration, is a member of the Chartered Accountants Australia and New Zealand, and is a graduate of the Australian Institute of Company Directors.

Matthew Currie
Chief Operations and Construction Officer

Matthew joined AGL in 2022 as Group General Manager, Gas Assets, Renewables and Asset Services, before being appointed as Chief Operations and Construction Officer in September 2025.

Matthew has more than 30 years' experience across the energy, mining, steel and logistics sectors. Prior to joining AGL, Matthew spent 26 years at BHP, where he held senior leadership roles spanning operations, marketing, logistics and strategy across businesses in Australia, Europe, South America and Asia.

Matthew holds a Bachelor of Engineering (Honours) from Monash University and a Masters of Business Administration from The University of Melbourne.

Jo Egan
Chief Customer Officer

Jo joined AGL in 2008 and has held several senior executive roles within Customer Markets. She played a pivotal role leading AGL's Multi-Retailer Growth Strategy, before being appointed as Chief Customer Officer in June 2022.

Jo has over 26 years' experience across consumer services-based organisations, specialising in product development, marketing and channel strategy. Prior to joining AGL, she led Product & Sales at TRUenergy and served as the General Manager of Operations at PCI.

Jo sits on the joint venture partnerships Board for ActewAGL, holds a Masters of Business Administration and Management from Deakin University, is a Graduate of the Australian Institute of Company Directors and a member of Chief Executive Women.

Suzanne Falvi
Executive General Manager, Corporate Affairs

Suzanne joined AGL in May 2023 as Executive General Manager, Corporate Affairs, where she leads the company's external affairs, policy, regulatory and communications functions. She brings more than 14 years' experience across Australia's energy and climate policy landscape, with deep expertise in market design, regulatory reform and strategic stakeholder engagement. She has played a leading role in shaping major energy market reforms through senior positions at the Energy Security Board and the Australian Energy Market Commission.

Suzanne holds a Bachelor of Economics, a Bachelor of Law (Honours) and a Master of Laws (International Law) from the Australian National University.

Executive Team

For the year ended 30 June 2026

Andrew Haddad
Chief Information Officer

Andrew joined AGL in September 2023 as Chief Information Officer.

With over 25 years of experience across the technology and telecommunications sectors, Andrew joined AGL from One NZ (formerly Vodafone NZ), where he led the technology separation from the Vodafone Group and was recognised as New Zealand's CIO of the Year in 2021. Earlier in his career, he held several senior technology roles at nbn, building a strong background in large-scale transformation.

Andrew holds a Bachelor of Engineering (Honours) in Computer Systems from RMIT University, and is a graduate of the Australian Institute of Company Directors.

Melinda Hunter
General Counsel & Company Secretary

Melinda is an experienced corporate lawyer and governance professional with more than 25 years' experience. She was appointed General Counsel and Company Secretary of AGL in July 2022.

Melinda leads the legal, company secretariat, enterprise risk, compliance, internal audit and competition and regulation teams.

Melinda joined AGL in 2017. Prior to joining AGL, Melinda worked in top tier law firms specialising in mergers and acquisitions and corporate governance and advisory.

Melinda holds a Bachelor of Commerce and a Bachelor of Laws from Macquarie University and is admitted as a solicitor of the Supreme Court of New South Wales.

Amanda Lee
Chief People Officer

Amanda joined AGL in 2016 and was appointed Chief People Officer in August 2022. Amanda has more than 25 years' HR experience across a range of geographies, complex industries and business operating models.

Prior to her current role, Amanda was AGL's General Manager, P&C Enterprise Solutions, and earlier held senior HR and executive remuneration roles with ASX-50 companies.

Amanda holds a Bachelor of Psychology from the University of Western Australia, a Masters of Management from Macquarie University and is a member of Chief Executive Women.

David Moretto
Chief Commercial Officer

David joined AGL in 2016 and held several senior executive roles in the Integrated Portfolio Planning team, before being appointed as Chief Commercial Officer in September 2025.

With more than 24 years' experience in the energy and infrastructure sectors, David has held senior commercial and planning roles at Santos, Babcock & Brown and Energy Developments. David's expertise spans energy deal structuring, portfolio economics, risk management and power development.

David holds a Bachelor of Commerce from Griffith University and a Master of Business Administration from Queensland University of Technology.

Remuneration Report

For the year ended 30 June 2026

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9. Remuneration Report

Message from the Chair of the People & Performance Committee

Dear Shareholders,
On behalf of the Board, I am pleased to present the Remuneration Report for AGL Energy Limited (AGL) and its consolidated entities for the year ended 30 June 2026 (FY26).

FY26 was an excellent year of achievement for AGL, reflecting solid business performance, disciplined cost management and the continued delivery of our strategy to generate long-term shareholder value.

Financial performance
We delivered Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $2,100 million and Underlying Net Profit after tax (NPAT) of $631 million, in line with FY26 guidance. Despite persistent inflation, operating costs remained broadly flat, while delivering $30 million of our targeted $50 million net operating cost reduction program. Our total dividend was 50 cents per share, fully franked.

Business performance
AGL achieved improved results in FY26 across key measures used by the Board to assess executive performance and deliver long-term shareholder value. Customer Satisfaction (CSAT) increased to 84.1% from 81.6% in FY25, fleet Equivalent Availability Factor (EAF) was 83.4%, 4.3 percentage points higher than FY25, and Total Injury Frequency Rate (TIFR) was 2.2 (per million hours worked).

We made significant progress on the strategic priorities underpinning AGL's long-term success, reaching Final Investment Decision and commencing construction of the Tomago Battery and the Kwinana Swift Gas 2 project, while the Liddell Battery became operational. We also completed the divestment of 19.9% of our 20% equity interest in Tilt Renewables, and simplified our customer portfolio through the sale of our telecommunications business to Aussie Broadband.

Together, these outcomes demonstrate a successful year of delivery and execution and underpin the FY26 remuneration outcomes.

Remuneration outcomes
Our remuneration framework is designed to support our strategic objectives. Our remuneration policies are built on being competitive in providing fixed remuneration with opportunities to earn short-term incentives (STI) for achievements against specific targets and, where appropriate, long-term incentives (LTI).

Remuneration outcomes for executives are summarised below. In determining FY26 outcomes, Directors had regard to the broader quality of business performance during the year, recognising that financial outcomes, which carry a significant weighting in the STI framework, are a strong proxy for the overall performance and stewardship of the organisation.

Remuneration element	MD & CEO	Other executives
Fixed remuneration	3.0% increase	3.25% average increase
STI outcomes	69.8% of maximum	79.3% to 81.8% of maximum
LTI outcomes	12.9% vesting	12.9% vesting

Fixed remuneration

Following consideration of relevant benchmarks, a fixed remuneration increase of 3.0% was agreed for Mr Nicks, and an average increase of 3.25% for Mr Brown and Ms Egan, effective 1 September 2025. Mr Currie and Mr Moretto were appointed as KMP on 15 September 2025 and their fixed remuneration upon appointment was determined by reference to relevant market benchmarks in peer companies, their level of skill and experience and AGL's pay policy.

STI outcomes

AGL's FY26 group scorecard evaluated management's performance across four individually weighted measures comprised of financial, safety, customer and people metrics. Each executive was also measured by reference to their individual performance based on strategic objectives set relevant to their area of responsibility.

FY26 STI outcomes for executives range from 69.8% to 81.8% of the maximum opportunity, reflecting a strong year of operational performance, as further outlined in the tables below. Refer section 9.3.2 for more information.

Underlying NPAT	Adjusted operating free cash flow	TIFR
$631m	**$764m**	**2.2**
Exceeded FY26 target	FY26 stretch target achieved	-0.2 from FY25

Customer Satisfaction (CSAT)	Digital only customers	Employee engagement	Inclusion index
84.1%	**61.3%**	**70%**	**74%**
+2.5ppt from FY25	+2.3ppt from FY25	-3ppt from FY25	-1ppt from FY25

LTI outcomes

The Board assessed the FY23 LTI grant against two key metrics: relative total shareholder return (TSR) (75% weighting), ensuring alignment between remuneration outcomes and shareholder experience, and carbon transition metrics (25% weighting), reinforcing the link between sustainability, climate-related considerations and long-term value creation.

The FY23 LTI grant, assessed over a four-year performance period, resulted in an overall vesting outcome of 12.9%, driven by the partial achievement of two carbon transition metrics. The relative TSR component did not vest, with performance below the market median, consistent with the returns experienced by shareholders over the period. The FY23 LTI performance outcomes are detailed in the table below. Refer section 9.3.3 for more information.

	Carbon transition metrics		
Relative TSR	Operated and contracted generation intensity	Operated and contracted renewable generation and storage capacity	Green energy and carbon neutral products & services
38.9th percentile	**0.888 tCO_2e/MWh**	**39.5%**	**22.9%**

Other remuneration arrangements

Non-Executive Director fees remained unchanged in FY26. The last fee change was in January 2020.

The year ahead

For good governance, the Board, with support from the People & Performance Committee, reviews AGL's executive remuneration framework annually, taking into consideration shareholder and market feedback, while ensuring it continues to be fit-for-purpose and drives performance outcomes that deliver on AGL's strategy and long-term value for shareholders. The remuneration framework will remain unchanged for FY27, however, a review is underway to consider changes to the framework in FY28. A consultation process will be undertaken before any changes are finalised.

Overall, the Board believes the FY26 remuneration outcomes, detailed in this report, reflect a successful year of delivery, enabling AGL to retain and reward talented executive capability throughout the energy transition, while appropriately reflecting shareholder experience.

We are pleased to share our FY26 Remuneration Report with you and welcome your feedback on the remuneration practices and disclosures for AGL. We look forward to your support at our 2026 AGM.

Yours sincerely,

Graham Cockroft
Chair, People & Performance Committee

Overview | **Directors' Report** | Sustainability Report | Financial Report | Other Information

9.1 Key management personnel (KMP)

The FY26 Remuneration Report sets out the remuneration arrangements for AGL's KMP being the Non-Executive Directors, the Managing Director & CEO and other executives with operational and/or financial responsibility (together referred to in this report as 'executives').

For FY26, the KMP were:

Name	Position	Term as KMP
Non-Executive Directors		
Current		
Miles George	Chair	Full year
Mark Bloom	Non-Executive Director	Full year
Graham Cockroft	Non-Executive Director	Full year
Elizabeth (Betsy) Donaghey	Non-Executive Director	From 3 October 2025
Christine Holman	Non-Executive Director	Full year
Professor John Pollaers OAM	Non-Executive Director	Full year
Vanessa Sullivan	Non-Executive Director	Full year
Mark Twidell	Non-Executive Director	Full year
Former		
Kerry Schott AO	Non-Executive Director	Until 3 October 2025
Executives		
Current		
Damien Nicks	Managing Director & CEO (MD & CEO)	Full year
Gary Brown	Chief Financial Officer (CFO)	Full year
Matthew Currie	Chief Operations & Construction Officer	From 15 September 2025
Jo Egan	Chief Customer Officer	Full year
David Moretto	Chief Commercial Officer	From 15 September 2025
Former		
Markus Brokhof	Chief Operating Officer	Until 15 September 2025

Business Value Driver glossary[1]

Customer	Connecting every customer to a sustainable future
Assets	Responsible management of and investment in the assets of today and tomorrow
People	Investing in and protecting AGL's people, delivering optimal outcomes by living the AGL values
Relationships	Supporting communities and maintaining strong partnerships
Environment	Managing environmental outcomes and resource efficiency
Business Intelligence	Unlocking growth through technology and insights
Financial	Driving financial value

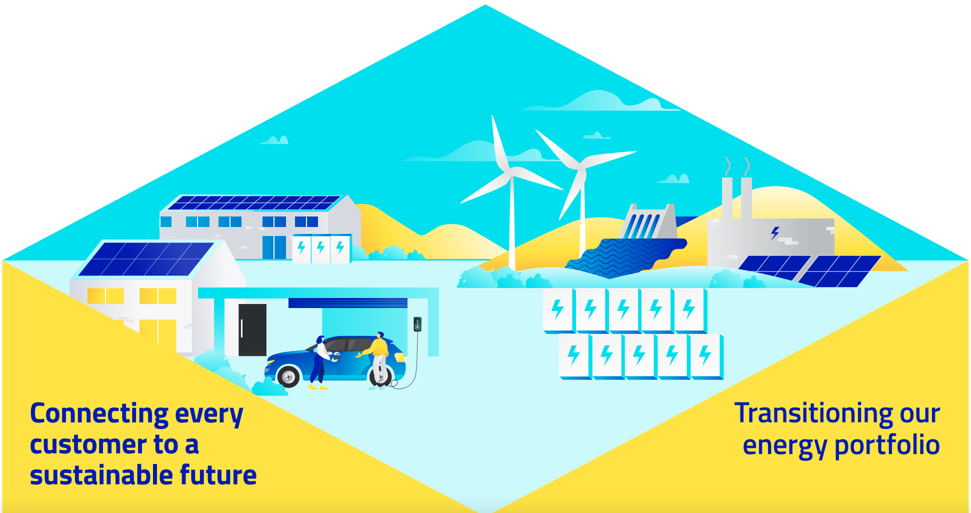
1. Performance-based reward outcomes are shaped by Business Value Drivers. For more information on Business Value Drivers, refer to pages 28-44.

9.2 Executive remuneration strategy and framework

Our purpose
Why we exist

Powering Australian Life

Our strategy
Key role in Australia's decarbonisation journey



Our remuneration strategy

Attract, drive performance and retain the right people to lead AGL through the energy transition, and to create a positive culture that delivers our business strategy and contributes to sustainable long-term returns for shareholders

Remuneration principles

Purpose and Strategy	Market competitive	Our values	Performance driven	Simple and transparent
Drive delivery of AGL's strategy and CTAP commitments to create long-term sustainable value for shareholders	Competitive remuneration to attract, drive performance and retain	Guide the behavioural expectations of executives	Reward outcomes are aligned to performance; and underpinned by AGL Business Value Drivers	Easily understood

Executive remuneration framework

	Fixed remuneration	Short-term incentive (STI)	Long-term incentive (LTI)
How does it link with strategy?	Competitive remuneration to attract, drive performance and retain executives with the right capability and experience to deliver against the strategic objectives.	Rewards executives for delivering financial returns and progressing AGL's strategy; with annual metrics aligned to AGL Business Value Drivers.	Rewards executives for long-term performance, delivering against AGL's strategy and CTAP commitments; to encourage executive shareholding and deliver long-term value creation for shareholders and other stakeholders.
How is it determined?	Determined based on: • Market benchmarking • Skills and experience • Role complexity and responsibility • Individual performance	Annual performance period with scorecard of: • Financial metrics: 55% • Safety metrics: 10% • Customer metrics: 7.5% • People metrics: 7.5% • Individual strategic metrics: 20%	Four-year performance period: • Relative total shareholder return (TSR) measured against the S&P/ASX100: 70% • Carbon transition metrics: 30%
How is it delivered?	Base salary and superannuation.	Cash and Restricted Shares, with restrictions lifting after two years.	Performance Rights which vest after four years, subject to meeting the performance conditions.

Remuneration mix

The remuneration mix is structured to attract, drive performance and retain executives, with a significant portion of the remuneration package comprising variable, performance-based and at-risk reward. The FY26 remuneration mix at maximum for executives is summarised below.

MD & CEO

	Performance-based		
Fixed remuneration 28%	Maximum STI 35%		Maximum LTI 37%
	Cash 17.5%	Restricted Shares 17.5%	Performance Rights

Other executives

	Performance-based		
Fixed remuneration 35%	Maximum STI 30%		Maximum LTI 35%
	Cash 22.5%	Restricted Shares 7.5%	Performance Rights

Remuneration time horizons

	FY26	FY27	FY28	FY29
Fixed remuneration	Base salary, superannuation and non-monetary benefits			
STI	Based on a scorecard of group and individual strategic metrics over a 12-month period	Cash (50% for MD & CEO and 75% for other executives)		
		Restricted Shares (50% for MD & CEO and 25% for other executives)		
LTI	Performance Rights subject to a four-year performance period against Relative TSR (70%) and carbon transition metrics (30%)			

9.2.1 Fixed remuneration

Features	Approach
Overview	• Executives' fixed remuneration is initially set based on their skill and experience, with progressive increases as they gain experience in role and demonstrate performance. • Fixed remuneration is benchmarked against peer companies in the S&P/ASX200 Index within a market capitalisation of 50% to 200% of AGL's twelve-month average market capitalisation. It is reviewed annually based on market positioning and individual performance. • AGL ensures gender pay equity across employees, with no gender pay gaps in fixed remuneration for executives in equivalent roles, based on relative experience.

9.2.2 STI framework

<table>
<tr><th>Features</th><th>Approach</th></tr>
<tr><td>Purpose</td><td>• The STI plan rewards executives for delivering financial returns and progressing AGL's strategy. The key focus is to deliver against financial and non-financial strategic objectives so that operational goals are achieved. This recognises the importance of AGL generating sustainable cash flow to support the energy portfolio transition, future growth and deliver on progress against AGL's strategy.
• Individual objectives align with AGL's strategic priorities, with climate-related objectives relating to the build of the development pipeline and contracting and origination priorities which align to transitioning AGL's energy portfolio, and customer electrification objectives, which demonstrate AGL's commitment to its strategic pillar of connecting every customer to a sustainable future.</td></tr>
<tr><td>Opportunity</td><td>• MD & CEO: target of 100% of fixed remuneration (maximum of 125% of fixed remuneration)
• Other executives: target of 70% of fixed remuneration (maximum of 84% of fixed remuneration)</td></tr>
<tr><td>Performance period</td><td>• One year from 1 July 2025 to 30 June 2026</td></tr>
<tr><td>Performance measures and weightings</td><td>• STI scorecards consist of group metrics aligned to the AGL Business Value Drivers and individual strategic objectives which drive towards long-term value creation for shareholders:
<table>
<tr><th>Measure</th><th>Weighting</th><th>Business Value Driver</th></tr>
<tr><td>Financial</td><td>55%</td><td></td></tr>
<tr><td>Safety</td><td>10%</td><td></td></tr>
<tr><td>Customer</td><td>7.5%</td><td></td></tr>
<tr><td>People</td><td>7.5%</td><td></td></tr>
<tr><td>Individual strategic objectives</td><td>20%</td><td>All</td></tr>
</table></td></tr>
<tr><td>Performance assessment</td><td>• Performance targets are set at "stretch" levels. The Board assesses STI outcomes based on the quality of results, the manner in which they were achieved and alignment with shareholder experience.
• The starting point for considering STI outcomes is Statutory Profit, which may be adjusted for non-cash fair value movements and non-recurring significant items to derive Underlying Profit after tax. This ensures that management are not unfairly advantaged or disadvantaged by items outside their control. Further, the Board considers whether adjustments are required to Underlying Profit and operating free cash flow to reflect overall performance in the year.
• Within the STI plan, the MD & CEO can increase or decrease an individual's overall STI outcome, based on factors such as cost discipline, leadership or broader contributions to group performance.
• For the MD & CEO, any such adjustment is determined by the Board and is applied only in exceptional cases where the formulaic outcome does not reflect the executive's overall performance and impact during the year.</td></tr>
<tr><td>Payment and deferral</td><td>• MD & CEO: 50% cash and 50% Restricted Shares.
• Other executives: 75% cash and 25% Restricted Shares.
• Restricted Shares are subject to a two-year deferral period. They carry voting rights and entitlements to dividends. The number of Restricted Shares allocated is based on a five-day volume-weighted average share price (VWAP) at the time of offer.</td></tr>
</table>

Features	Approach
Cessation of employment	• Where an executive leaves prior to the STI payment date, including tendering their resignation or dismissal for cause, they are not eligible for any STI award. Any prior year Restricted Shares within the deferral period will be forfeited. • **Good leaver:** where the Board determines that an executive is a "good leaver" they may be entitled to a pro-rated STI award in the year of their cessation. The grant of new Restricted Shares, and treatment of any prior year Restricted Shares within the deferral period, is subject to Board discretion.

9.2.3 LTI framework

Features	Approach
Purpose	• The LTI plan rewards executives for delivering against the AGL strategy to create long-term value for shareholders and other stakeholders.
Opportunity	• **MD & CEO:** maximum of 130% of fixed remuneration • **Other executives:** maximum of 100% of fixed remuneration • The minimum potential outcome is zero
Instrument	• Performance Rights. Participants are not eligible for voting rights or entitled to receive dividends • The number of Performance Rights granted is based on a 30-day VWAP up to the commencement of the performance period
Performance period	• Four years from 1 July 2025 to 30 June 2029
Performance measures and weightings	• Performance metrics are selected to align with AGL's strategic pillars of connecting every customer to a sustainable future and transitioning AGL's energy portfolio to drive shareholder value. • The LTI plan has included carbon transition metrics since the FY21 LTI grant. • The performance measures for the FY26 LTI are: - **Relative TSR (70%):** a comparative, external market performance benchmark against companies in the S&P/ASX100 Index. Provides a direct link between executive reward and shareholder return. - **Carbon transition (30%):** aligns executive incentives with AGL's strategy and CTAP commitments. For FY26, the new renewable and firming capacity metric is weighted at 20%, and the emissions intensity of electricity supplied metric is weighted at 10%. • Metrics are measured either over the performance period or based on performance at the end of the period. Performance is tested at the end of the performance period to determine the vesting outcome.

Carbon transition measure	Description	Link to strategy
New renewable and firming capacity from 1 July 2022 to 30 June 2029	Measured as new renewable and firming capacity in construction, delivered or contracted from 1 July 2022 to 30 June 2029.	Aligns to AGL's strategic pillar of transitioning its energy portfolio. Delivery of new renewable and firming capacity is key to enabling the responsible exit of AGL's coal-fired power stations in the targeted timeframes to meet the long-term Scope 1 and 2 net zero target.
Emissions intensity of electricity supplied in FY29	Measured as the emissions (tCO_2e) associated with the maximum of AGL's electricity supply to the wholesale or retail market by state, as a proportion of that same volume (MWh).	Incentivises reducing the proportion of electricity to meet customer demand that is sourced from coal-fired generation, as well as the expansion of operated and contracted renewable generation and firming capacity, and increasing customer electrification.

Features	Approach
FY26 performance targets	*Relative TSR*

AGL's relative TSR ranking against comparator group	Vesting of award (% of maximum)
Less than 50th percentile	0%
50th percentile to 75th percentile	Straight-line vesting between 50% and 100%
At or above 75th percentile	100%

Carbon transition

New renewable and firming capacity from 1 July 2022 to 30 June 2029		Emissions intensity of electricity supplied in FY29	
	Vesting of award (% of maximum)		**Vesting of award (% of maximum)**
Less than 4.5 GW	0%	More than 0.814 tCO_2e/MWh	0%
4.5 GW to 5.2 GW	Straight-line vesting between 50% and 100%	0.814 to 0.806 tCO_2e/MWh	Straight-line vesting between 25% and 50%
More than 5.2 GW	100%	0.806 to 0.802 tCO_2e/MWh	Straight-line vesting between 50% and 90%
		0.802 to 0.799 tCO_2e/MWh	Straight-line vesting between 90% and 100%
		Less than 0.799 tCO_2e/MWh	100%

Features	Approach
Performance assessment	• **Relative TSR:** independent external assessment of TSR is undertaken, based on the 30-day average VWAP up to the end of the performance period. The Board considers the final evaluation of performance based on this assessment. • **Carbon transition:** internal calculations are undertaken and assured as part of the broader independent assurance AGL obtains over selected sustainability information and key performance indicators for the Annual Report. The Board determines the final outcome.
Cessation of employment	• Performance Rights lapse if an executive leaves prior to the completion of performance testing. • **Good leaver:** where the Board determines that an executive is a "good leaver", they may be entitled to retain a pro-rated number of Performance Rights which remain subject to the plan rules until performance testing at the end of the performance period.

9.2.4 FY27 LTI terms

The performance measures for the FY27 LTI are unchanged, with relative TSR (70% weighting) and carbon transition metrics (30% weighting), to align with AGL's strategic pillars of connecting every customer to a sustainable future, transitioning the energy portfolio and driving shareholder value.

Performance will be measured over a four-year period from 1 July 2026 to 30 June 2030, or with reference to the final year of the performance period (FY30). The vesting schedule for relative TSR will align with the FY26 LTI, and the vesting schedules for the carbon transition measures are outlined below:

Features	Approach			
FY27 carbon transition metrics	**New renewable and firming capacity from 1 July 2022 to 30 June 2030**		**Emissions intensity of electricity supplied in FY30**	
		Vesting of award (% of maximum)		**Vesting of award (% of maximum)**
	Less than 5.3 GW	0%	More than 0.792 tCO_2e/MWh	0%
	5.3 GW to 6.0 GW	Straight-line vesting between 50% and 100%	0.792 to 0.781 tCO_2e/MWh	Straight-line vesting between 25% and 50%
	More than 6.0 GW	100%	0.781 to 0.776 tCO_2e/MWh	Straight-line vesting between 50% and 90%
			0.776 to 0.771 tCO_2e/MWh	Straight-line vesting between 90% and 100%
			Less than 0.771 tCO_2e/MWh	100%

9.3 FY26 performance and executive remuneration outcomes

The ensuing sections detail executive performance for FY26 and corresponding remuneration outcomes. In aggregate, 7.8% of total executive remuneration recognised in FY26 is linked to climate-related considerations, representing the proportion of total STI and LTI outcomes attributable to climate measures.

9.3.1 Fixed remuneration outcomes

Executive remuneration was reviewed with reference to market benchmarks for comparable positions in S&P/ASX200 companies within a market capitalisation of 50% to 200% of AGL's twelve–month average market capitalisation, alongside consideration of individual experience, performance and criticality to the delivery of AGL's strategic objectives. A fixed remuneration increase of 3.0% was agreed for Mr Nicks, and an average increase of 3.25% applied for Mr Brown and Ms Egan, effective 1 September 2025.

The fixed remuneration for Mr Currie and Mr Moretto was determined upon their appointment to role by reference to relevant market benchmarks in peer companies, their level of skill and experience, and AGL's pay policy.

9.3.2 STI outcomes

Group performance objectives and FY26 outcomes

Individual objectives align with AGL's strategic priorities, with climate-related objectives relating to the build of the development pipeline and contracting and origination priorities, which align to transitioning AGL's energy portfolio, and customer electrification objectives, which demonstrate AGL's commitment to its strategic pillar of connecting every customer to a sustainable future.

There is a strong link between executive remuneration outcomes and business performance. The FY26 STI scorecard resulted in outcomes ranging from 69.8% to 81.8% of maximum opportunity for executives. As outlined in Section 9.2.2, the Board considered the scorecard results, the quality of performance delivered, and the experience of shareholders over the period when determining STI outcomes. The Board concluded that the resulting outcomes appropriately reflect company performance and executive contributions during the year.

Table 9.3.2.1: STI scorecard - FY26 group performance outcomes

Performance measure and rationale	Target range and outcome relative to target: Threshold	Target	Stretch	Commentary
Financial (55%)				
Underlying NPAT Strong link between financial performance and rewards	$450m	**$566m**	>$680m	Underlying Net Profit after tax (NPAT) was $631 million, in line with FY26 guidance and above targets set for the year, benefitting from the Tilt divestment and operating cost savings.
Operating free cash flow Generate cashflows to support the delivery of future growth objectives	$415m	**$638m**	>$766m	Operating free cash flow was $764 million, adjusted for working capital impacts of debtors in FY26, with stretch targets achieved.
Safety (10%)				
TIFR Safety of our people remains key	>2.2	**1.9**	<1.65	Total Injury Frequency Rate (TIFR) was 2.2 per million hours worked, with a stable number of recordable injuries compared to FY25, despite two major outages in the year. TIFR remains well below Australian benchmarks.
Customer (7.5%)				
CSAT Focus on customer satisfaction	81.6%	**81.8%**	>83.6%	Customer Satisfaction (CSAT) was 84.1%, up 2.5 percentage points from FY25 and exceeding stretch performance targets. The uplift was evidenced across more than 850,000 customer feedback responses collected.
Digital only customers Deliver customer value and cost to serve reduction	59.9%	**60.9%**	>61.9%	61.3% digital only customers, an increase of 2.3 percentage points from FY25. This growth was driven by the ongoing shift towards digital and self-service channels.
People (7.5%)				
Employee engagement Measure employee sentiment	73%	**75%**	>77%	Employee engagement index was 70%, down three percentage points from FY25. The outcome reflects a combination of factors including organisational change, and remains broadly in line with the Resources and Utilities benchmark.
Inclusion index Leverage diversity and build an inclusive culture	75%	**77%**	>80%	Inclusion index was 74%, slightly reduced from 75% in FY25, highlighting opportunities to further strengthen inclusion and belonging across AGL.
Strategic (20%)				
Strategic objectives				See individual outcomes below.

FY26 individual strategic outcomes

Executive | **FY26 STI outcome**

Damien Nicks[1]
Managing Director & CEO

Achieved **69.8% of maximum STI** based on achievement of:

- Reached Final Investment Decision and commenced construction on the Tomago Battery and Kwinana Swift Gas 2 project.
- Delivered cost savings through productivity and optimisation initiatives across the business.

Gary Brown
Chief Financial Officer

Achieved **79.3% of maximum STI** based on achievement of:

- Advanced AGL's portfolio transition and funding agenda through the Tilt divestment and by increasing the pipeline of projects ready for investment decision.
- Delivered cost savings through productivity and optimisation initiatives across the business.

Matthew Currie[2]
Chief Operations & Construction Officer

Achieved **80.7% of maximum STI** based on achievement of:

- Equivalent availability factor (EAF) of 83.4% and commercial availability factor (CAF) of 84.9%.
- Delivered major construction and transition milestones while maintaining strong cost discipline.

Jo Egan[1,3]
Chief Customer Officer

Achieved **81.8% of maximum STI** based on achievement of:

- Strong customer operational performance.
- Simplification of customer portfolio through the sale of telecommunications business to Aussie Broadband.

David Moretto[2]
Chief Commercial Officer

Achieved **79.5% of maximum STI** based on achievement of:

- Reached Final Investment Decision on the Tomago Battery and Kwinana Swift Gas 2 project.
- Secured multiple risk-managed renewable energy agreements.

1. Due to the delay and increased costs of the Retail Transformation program, the performance outcome for that objective was not met and therefore did not generate any STI outcomes for the MD & CEO or any other executives.
2. Pro-rated for time served as KMP from 15 September 2025.
3. The MD & CEO recommended and the Board endorsed an increase in the STI awarded to Ms Egan from 74.3% to 81.8% of maximum to recognise outperformance in relation to operational, customer and people performance within the Customer business.

Table 9.3.2.2: Actual FY26 STI outcomes

Executive	Total STI award $	Cash $[1]	Restricted Shares $[2]	Total STI paid as a % of maximum opportunity	Total STI forfeited as a % of maximum opportunity
D Nicks	1,348,785	674,392	674,393	69.8%	30.2%
G Brown	522,575	391,931	130,644	79.3%	20.7%
M Currie[3]	364,827	273,620	91,207	80.7%	19.3%
J Egan	552,794	414,595	138,199	81.8%	18.2%
D Moretto[3]	317,251	237,938	79,313	79.5%	20.5%

1. To be paid on 15 September 2026.
2. To be allocated once the full-year financial results have been disclosed to the market, generally in August/September 2026.
3. From the date of appointment as KMP on 15 September 2025.

9.3.3 LTI outcomes

FY23 LTI grant - vested during FY26

In assessing outcomes under the LTI, the Board assessed the quality of the results and the manner in which they were achieved and ensured that outcomes were aligned with the experience of AGL's shareholders over the performance period.

The vesting outcome of the FY23 LTI grant (performance period of 1 July 2022 to 30 June 2026) is detailed below.

Metric	Vesting schedule	Outcome	Commentary
Relative TSR (75%) AGL TSR performance compared to the S&P/ASX100 Index	Straight-line vesting between 50-100% for 50th to 75th percentile performance	38.9th percentile 0% vesting	AGL's relative TSR performance over the four-year performance period was below the market median, resulting in a nil vesting outcome.
Carbon transition (25%)			
Operated and contracted generation intensity (measured as total Scope 1 and 2 emissions divided by total sent out generation for AGL's operated and contracted grid-connected electricity generation facilities)	Straight-line vesting between 50-100% for operated and contracted generation intensity at 30 June 2026 of 0.875 tCO_2e/MWh to 0.800 tCO_2e/MWh	0.888 tCO_2e/MWh 0% vesting	The operated and contracted generation intensity was 0.888 tCO_2e/MWh, resulting in a nil vesting outcome.
Operated and contracted renewable generation and storage capacity (measured as the proportion of total operated and contracted renewable and storage capacity in AGL's total operated and contracted generation capacity and storage capacity)	Straight-line vesting between 50-100% for operated and contracted renewable generation and storage capacity at 30 June 2026 between 30.8% and 39.8%	39.5% outcome 98% vesting	The operated and contracted renewable generation and storage capacity was 39.5%, resulting in a 98% vesting outcome.
Percentage of total revenue derived from green energy and carbon neutral products and services	Straight-line vesting between 50-100% for green energy and carbon neutral products and services in FY26 between 22.2% and 27.0%	22.9% outcome 57% vesting	The percentage of total revenue derived from green energy and carbon neutral products and services was 22.9%, resulting in a 57% vesting outcome.
The combined vesting outcome for the FY23 LTI grant is:		**12.9% vesting**	

Table 9.3.3.1: FY23 LTI vesting outcomes

Executive[1]	Grant date	Number of awards granted	Value at grant date $[2]	Vesting date[3]	Number of awards forfeited[4]	Number of awards vested but not yet allocated[3]	Value vested $[5]	Number of awards lapsed	% of awards lapsed	Value lapsed $[5]
D Nicks	8 November 2022	94,510	421,041	30 June 2026	-	12,191	101,795	82,319	87.1%	687,364
G Brown	8 November 2022	44,656	198,942	30 June 2026	-	5,760	48,096	38,896	87.1%	324,782
M Currie[6]	8 November 2022	21,737	96,838	30 June 2026	-	2,804	23,413	18,933	87.1%	158,091
J Egan	8 November 2022	73,245	326,306	30 June 2026	-	9,448	78,891	63,797	87.1%	532,705
D Moretto[6]	8 November 2022	17,720	78,943	30 June 2026	-	2,285	19,080	15,435	87.1%	128,882

1. Includes executives who were KMP at the vesting date.
2. Calculated based on fair values shown in Note 33 to the consolidated financial report.
3. Vesting is contingent on the executive's continued employment until Board approval in August following the completion of performance testing.
4. Reflects the number of Performance Rights forfeited as a result of cessation of employment.
5. Calculated based on the closing share price as at the end of the performance period, being $8.35.
6. The FY23 LTI grants to Mr Currie and Mr Moretto relate to roles held prior to their appointment as KMP.

9.3.4 Total pay received

In line with general market practice, presented below is a voluntary disclosure of the actual take home pay realised in FY26. This differs from the statutory remuneration table presented in Section 9.5.1 which is subject to requirements under the Australian Accounting Standards and Corporations Act.

Table 9.3.4.1: Actual remuneration received in FY26

Executive	Fixed remuneration $[1]	Cash STI earned in the year $[2]	STI deferred equity released in the year $[3]	LTI equity $[4]	Termination benefits $	Total $
Current						
D Nicks	1,537,500	674,392	220,046	101,795	-	**2,533,733**
G Brown	780,833	391,931	52,507	48,096	-	**1,273,367**
M Currie[5]	540,909	273,620	-	23,413	-	**837,942**
J Egan	800,833	414,595	70,597	78,891	-	**1,364,916**
D Moretto[5]	477,273	237,938	-	19,080	-	**734,291**
Former						
M Brokhof[6]	202,292	-	100,159	-	21,083	**323,534**

1. Represents cash salary and superannuation received in the year.
2. Represents the cash STI award for current year performance, to be paid in September 2026. Refer Table 9.3.2.2.
3. Relates to STI Restricted Shares released in the year. Calculated based on the closing share price on the release date, being $8.23. Refer Table 9.6.1.1.
4. Based on performance testing of the FY23 LTI grant as at 30 June 2026, with resulting shares to be allocated in August 2026. Calculated based on the closing share price as at the end of the performance period, being $8.35. Refer Table 9.3.3.1.
5. From the date of appointment as KMP on 15 September 2025.
6. Until the date ceased to be KMP on 15 September 2025.

9.3.5 Historical performance outcomes

The following table outlines AGL's historical financial performance, including corresponding STI and LTI performance outcomes.

Table 9.3.5.1: AGL five-year performance

	FY26	FY25[1]	FY24	FY23	FY22
Statutory (Loss)/Profit attributable to AGL shareholders ($m)	756	112	711	(1,264)	860
Underlying Profit ($m)	631	642	812	281	225
Basic Statutory (loss)/earnings per share (EPS) (cents)	112.4	16.7	105.7	(187.9)	131.6
Basic Underlying EPS (cents)	93.8	95.6	120.7	41.8	34.4
Dividends (cents)	50.0	48.0	61.0	31.0	26.0
Closing share price at 30 June ($)	8.35	9.73	10.83	10.81	8.25
Return on equity (%)[2,3]	12.9	12.9	14.9	4.9	3.7
MD & CEO STI outcome (% of maximum)	69.8	68.1	83.8	73.8	42.9
LTI vesting outcome (%)	12.9	64.6	53.2	0.0	0.0

1. Restated to reflect the reclassification of renewable Power Purchase Agreements (PPAs).
2. Used to calculate a portion of executives' LTI outcomes until FY24.
3. Includes share buy-backs.

9.4 Remuneration governance

9.4.1 Responsibility of the Board and People & Performance Committee

Board		
The Board has overarching responsibility for the approval of executive and Non-Executive Director remuneration, frameworks, policies and remuneration outcomes, based on recommendations from the People & Performance Committee.		
People & Performance Committee (the Committee)		
What is the purpose of the Committee? • The purpose of the Committee is to support the Board in fulfilling its responsibilities through the recruitment, retention and remuneration of executives with the capabilities and skills necessary to execute AGL's strategy.	**How does the Committee support the Board?** • The Committee reviews and makes recommendations to the Board on the remuneration arrangements for KMP. • The Committee provides support to the Board in relation to matters such as governing remuneration and employment policies, practices and programs. • The Committee oversees the preparation of AGL's Remuneration Report which is subsequently reviewed by the Board as part of the Annual Report.	**Who sits on the Committee?** • The Committee includes independent Non-Executive Directors of the Board, including members of the Audit & Risk Management Committee and the Safety & Sustainability Committee.

Management	External advisors
The Committee has access to management to seek advice on various remuneration-related matters, as required.	The Committee has access to external consultants to seek advice on various remuneration-related matters, as required. Any recommendations made by consultants in relation to remuneration arrangements of KMP are made directly to the Board without any influence from management. Arrangements are in place to ensure any advice is independent of management. During FY26, the Committee has continued to engage EY to act as independent remuneration advisors. EY did not provide any remuneration recommendations as defined in the *Corporations Act 2001* to the Committee during FY26.

Further details
The complete Committee Charter is reviewed at least every two years and is available on AGL's website: **agl.com.au/BoardAndCommitteeCharters**.

9.4.2 Management of risk and remuneration

The AGL remuneration framework is designed to ensure that executives focus on delivering against the strategic objectives, ensuring that company and shareholder outcomes are primary considerations in decision-making processes. The framework is structured to mitigate against any excessive risk-taking or short-term decisions by executives through the establishment of scorecard metrics that align with strategic objectives. The use of deferred equity in both the short and long-term incentive plans, and the clawback provisions within those equity plans also assists the company in managing risk and ensures sustainable performance in delivering its strategy including meeting CTAP commitments.

9.4.3 Incentive plan governance

AGL has the following governance framework in place for its incentive plans:

Clawback	• The Board has discretion to prescribe clawback events for any unvested equity awards which may be clawed back from executives.
Change of control	• The Board will determine at the time a change of control event occurs how to treat unvested equity in accordance with the plan rules, and ultimately has absolute discretion in determining this treatment, taking into consideration market practice.
Consequence Management Framework	• All executives must adhere to AGL's Code of Conduct. • A Consequence Management Framework is in place to formalise the discipline management approach, ensuring consistent consequences for any breaches of AGL's Code of Conduct or other policies.
Hedging Policy	• AGL has a policy in place that prevents executives from entering into any derivative or other financial product in relation to their equity plan(s) participation.
Discretion	• The Board, in conjunction with the People & Performance Committee, exercises discretion to ensure the quantum of executive remuneration is appropriate considering individual and company performance, for example by adjusting STI and LTI vesting outcomes. This discretion ensures that the quantum of executive remuneration is appropriate and aligned to shareholder experience. • Discretion guidelines provide a framework to assist the Board with identifying one-off/extraordinary circumstances (e.g. impairments) and whether those circumstances require an adjustment to incentive outcomes. The guidelines support consistency in application over time and do not limit the Board's overarching discretion under AGL's incentive plans.

9.4.4 KMP share ownership

To provide for shareholder alignment, AGL operates a Minimum Shareholding Policy, subject to compliance with AGL's Securities Dealing Policy. Shareholdings are reported in Table 9.6.2.1 for executives and Table 9.7.4.1 for Non-Executive Directors.

The Minimum Shareholding Policy stipulates the following requirements:

	Shareholding requirement	Period to satisfy requirement
Non-Executive Directors	100% of Board member base fee	Four years; 50% within two years of appointment; encouraged to hold 10% by the end of the financial year of appointment.
Executives		
MD & CEO	100% of fixed remuneration	Up to five years from their initial appointment date to an eligible role.
CFO	75% of fixed remuneration	
Other executives	50% of fixed remuneration	

9.5 Executive remuneration disclosure

9.5.1 Statutory remuneration

Table 9.5.1.1: Executive remuneration and benefits for FY26 (prepared in accordance with the statutory accounting requirements)

		Short-term benefits			
Executive	**Year**	**Cash salary/fees $**[1]	**Cash STI $**[2]	**Non-monetary benefits $**[3]	**Leave accrual $**[4]
Current					
D Nicks	**FY26**	**1,507,500**	**674,392**	**18,604**	**43,062**
	FY25	1,453,401	638,250	15,627	23,105
G Brown	**FY26**	**750,833**	**391,931**	**11,042**	**32,165**
	FY25	716,734	345,534	9,557	13,271
M Currie[9]	**FY26**	**517,045**	**273,620**	**7,987**	**(13,469)**
J Egan	**FY26**	**770,833**	**414,595**	**11,357**	**50,335**
	FY25	736,734	341,523	8,568	37,326
D Moretto[10]	**FY26**	**453,409**	**237,938**	**2,849**	**10,783**
Former					
M Brokhof[11]	**FY26**	**194,792**	**-**	**18,289**	**(14,939)**
	FY25	909,471	688,335	8,016	(52,869)
TOTAL	**FY26**	**4,194,412**	**1,992,476**	**70,128**	**107,937**
	FY25	3,816,340	2,013,642	41,768	20,833

1. Represents cash salary and fees, including any salary-sacrificed items (such as additional superannuation contributions and charitable donations).
2. Represents cash payments under the STI achieved in the year (payable in September following the relevant financial year-end).
3. Includes benefits such as, but not limited to, the provision of car parking, insurance benefits and fringe benefits tax (FBT) on all benefits, where applicable. FBT included is in respect of the FBT year ended 31 March 2026.
4. Represents the accounting expense recognised during the year in relation to annual and long service leave. May be negative where leave taken during the year exceeds leave accrued. Comparative FY25 amounts are presented on a basis consistent with FY26.
5. Represents the portion of the STI Restricted Share grant-date fair value recognised over the applicable vesting period. Comparative FY25 amounts have been presented on a basis consistent with FY26.

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Post-employment benefits	Share-based payments				
Superannuation $	STI Restricted Shares $[5]	LTI equity $[6]	Termination benefits $	Total $[7]	Performance-related %[8]
30,000	**655,204**	**858,590**	**-**	**3,787,352**	**57.8%**
29,932	524,975	705,388	-	3,390,678	55.1%
30,000	**119,860**	**341,317**	**-**	**1,677,148**	**50.9%**
29,932	97,118	285,850	-	1,497,996	48.6%
23,864	**24,520**	**124,523**	**-**	**958,090**	**44.1%**
30,000	**124,075**	**359,254**	**-**	**1,760,449**	**51.0%**
29,932	105,375	325,093	-	1,584,551	48.7%
23,864	**21,322**	**107,782**	**-**	**857,947**	**42.8%**
7,500	**70,000**	**22,999**	**21,083**	**319,724**	**31.1%**
29,932	103,355	436,098	-	2,122,338	57.9%
145,228	**1,014,981**	**1,814,465**	**21,083**	**9,360,710**	
119,728	830,823	1,752,429	-	8,595,563	

6. Represents the portion of fair value of LTI Performance Rights recognised as an expense during the financial year. The expense is recognised on a straight-line basis over the vesting period, being from the start of the performance period to the vesting date.
7. Comparative FY25 amounts are presented on a basis consistent with FY26.
8. Excludes termination benefits.
9. Mr Currie was appointed as KMP on 15 September 2025. Amounts have been disclosed for KMP period only.
10. Mr Moretto was appointed as KMP on 15 September 2025. Amounts have been disclosed for KMP period only.
11. Mr Brokhof ceased to be a KMP effective 15 September 2025. Amounts have been disclosed for KMP period only. All termination benefits were provided in accordance with the terms of his employment contract and paid on cessation of employment.

9.6 Additional executive disclosures

9.6.1 Equity granted as remuneration

The table below provides a summary of the number awards granted to executives, including Restricted Shares granted as part of STI, and Performance Rights granted under the LTI.

Table 9.6.1.1: Equity on foot for executives

Executive	Plan[1]	Grant date	Number of awards granted	Value at grant date $[2]	Vesting/ release date[3]	Vested/ Released %	Value vested/ released $	Lapsed %	Forfeited %[4]
Current									
D Nicks	FY23 LTI	8 Nov 2022	94,510	421,041	30 Jun 2026	12.9%	101,795[5]	87.1%	-
	FY23 STI Restricted Shares	31 Aug 2023	26,737	299,286	31 Aug 2025	100.0%	220,046[6]	-	-
	FY24 LTI	24 Nov 2023	162,146	1,052,974	30 Jun 2027	-	-	-	-
	FY24 STI Restricted Shares	26 Aug 2024	59,984	704,188	26 Aug 2026	-	-	-	-
	FY25 LTI	17 Oct 2024	185,661	1,331,745	30 Jun 2028	-	-	-	-
	FY25 STI Restricted Shares	25 Aug 2025	71,688	638,245	25 Aug 2027	-	-	-	-
	FY26 LTI	20 Oct 2025	197,609	931,922	30 Jun 2029	-	-	-	-
G Brown	FY23 LTI	8 Nov 2022	44,656	198,942	30 Jun 2026	12.9%	48,096[5]	87.1%	-
	FY23 STI Restricted Shares	31 Aug 2023	6,380	71,416	31 Aug 2025	100.0%	52,507[6]	-	-
	FY24 LTI	24 Nov 2023	65,630	426,201	30 Jun 2027	-	-	-	-
	FY24 STI Restricted Shares	26 Aug 2024	10,248	120,307	26 Aug 2026	-	-	-	-
	FY25 LTI	17 Oct 2024	72,360	519,038	30 Jun 2028	-	-	-	-
	FY25 STI Restricted Shares	25 Aug 2025	12,936	115,171	25 Aug 2027	-	-	-	-
	FY26 LTI	20 Oct 2025	77,233	364,228	30 Jun 2029	-	-	-	-
M Currie	FY23 LTI	8 Nov 2022	21,737	96,838	30 Jun 2026	12.9%	23,413[5]	87.1%	-
	FY24 LTI	24 Nov 2023	18,202	118,202	30 Jun 2027	-	-	-	-
	FY25 LTI[7]	17 Oct 2024	18,495	132,663	30 Jun 2028	-	-	-	-
		22 Apr 2025	6,206	37,494	30 Jun 2028	-	-	-	-
	FY26 LTI[7]	20 Oct 2025	46,831	220,854	30 Jun 2029	-	-	-	-
		15 May 2026	15,891	85,652	30 Jun 2029	-	-	-	-
J Egan	FY23 LTI	8 Nov 2022	73,245	326,306	30 Jun 2026	12.9%	78,891[5]	87.1%	-
	FY23 STI Restricted Shares	31 Aug 2023	8,578	96,020	31 Aug 2025	100.0%	70,597[6]	-	-
	FY24 LTI	24 Nov 2023	67,561	438,740	30 Jun 2027	-	-	-	-
	FY24 STI Restricted Shares	26 Aug 2024	10,497	123,231	26 Aug 2026	-	-	-	-
	FY25 LTI	17 Oct 2024	74,264	532,695	30 Jun 2028	-	-	-	-
	FY25 STI Restricted Shares	25 Aug 2025	12,786	113,835	25 Aug 2027	-	-	-	-
	FY26 LTI	20 Oct 2025	79,201	373,511	30 Jun 2029	-	-	-	-
D Moretto	FY23 LTI	8 Nov 2022	17,720	78,943	30 Jun 2026	12.9%	19,080[5]	87.1%	-
	FY24 LTI	24 Nov 2023	15,249	99,025	30 Jun 2027	-	-	-	-
	FY25 LTI[7]	17 Oct 2024	15,645	112,220	30 Jun 2028	-	-	-	-
		22 Apr 2025	5,669	34,250	30 Jun 2028	-	-	-	-
	FY26 LTI[7]	20 Oct 2025	41,322	194,872	30 Jun 2029	-	-	-	-
		15 May 2026	14,022	75,577	30 Jun 2029	-	-	-	-

Executive	Plan[1]	Grant date	Number of awards granted	Value at grant date $[2]	Vesting/ release date[3]	Vested/ Released %	Value vested/ released $	Lapsed %	Forfeited %[4]
Former									
M Brokhof[8]	FY23 LTI	8 Nov 2022	106,323	473,667	30 Jun 2026	-	-	-	19.7%
	FY23 STI Restricted Shares	31 Aug 2023	12,170	136,227	31 Aug 2025	100.0%	100,159[6]	-	-
	FY24 LTI	24 Nov 2023	91,207	592,298	30 Jun 2027	-	-	-	44.7%
	FY24 STI Restricted Shares	26 Aug 2024	14,594	171,328	26 Aug 2026	-	-	-	-
	FY25 LTI	17 Oct 2024	91,878	659,040	30 Jun 2028	-	-	-	69.7%

1. AGL Energy Ltd is the disclosing entity that issued the equity instruments.
2. Calculated based on fair values shown in Note 33 to the consolidated financial report. For the FY26 LTI first allocation, the fair values are $3.66 for relative TSR and $7.18 for carbon transition, and for the second allocation, the fair values are $4.43 for relative TSR and $7.63 for carbon transition. The minimum value of the grant is zero.
3. LTI vesting is contingent on the executive's continued employment until Board approval in August following the completion of performance testing.
4. Generally reflects the number of Performance Rights forfeited as a result of cessation of employment.
5. Calculated based on the closing share price as at the end of the performance period, being $8.35.
6. Calculated based on the closing share price on the release date, being $8.23.
7. Following appointment as Executive and KMP, additional allocations were granted under the FY25 and FY26 LTI plans.
8. The Board approved "good leaver" treatment to apply for Mr Brokhof on cessation of employment which allows the executive to retain, on a pro-rata basis, a number of Performance Rights subject to post-employment performance testing at the scheduled vesting date. Mr Brokhof also retained full STI Restricted Shares subject to the scheduled release date.

9.6.2 Movement in AGL shares

The movement during the financial year in the number of AGL shares, including Restricted Shares, held by each executive, including their related parties, is shown below. Restricted Shares generally relate to the STI deferral, or for attraction/retention purposes in certain circumstances. As at 30 June 2026, all executives are compliant with the Minimum Shareholding Policy.

Table 9.6.2.1: Executive movements in shareholdings

Executive	Balance at start of year	Granted/ acquired during year[1]	Received upon vesting/ exercise[2]	Other changes during year[3]	Balance at end of year	Total consideration $[4]	% FR[5]	Date to satisfy requirement
Current								
D Nicks	184,979	94,688	57,515	-	337,182	3,244,137	210%	Satisfied
G Brown	33,704	15,761	-	-	49,465	451,918	58%	19 Jan 28
M Currie	-	-	-	29,073	29,073	207,486	31%	15 Sep 30
J Egan	24,417	12,786	11,428	-	48,631	502,080	62%	Satisfied
D Moretto	-	-	-	6,160	6,160	57,400	10%	15 Sep 30
Former								
M Brokhof	100,222	-	66,792	(167,014)	-	N/A	N/A	N/A
Total	**343,322**	**123,235**	**135,735**	**(131,781)**	**470,511**			

1. Includes purchase of ordinary shares.
2. Includes shares acquired upon vesting of LTI awards.
3. Includes sale of ordinary shares and balance adjustments for executives joining or leaving KMP.
4. The value is calculated based on the price of shares at the time of acquisition, in accordance with the Minimum Shareholding Policy.
5. Percentage of fixed remuneration (FR).

9.6.3 Movement in Performance Rights

The movement during the financial year in the number of AGL Performance Rights held by each executive under the LTI plan is shown below.

Table 9.6.3.1: Executive movements in Performance Right holdings

Executive	Balance at start of year	Acquired during year as part of remuneration	Performance Rights vested but not yet allocated[1]	Other changes during year[2]	Balance at end of year
Current					
D Nicks	442,317	197,609	(12,191)	(82,319)	545,416
G Brown	182,646	77,233	(5,760)	(38,896)	215,223
M Currie	-	62,722	(2,804)	45,707	105,625
J Egan	215,070	79,201	(9,448)	(63,797)	221,026
D Moretto	-	55,344	(2,285)	38,848	91,907
Former					
M Brokhof	289,408	-	-	(289,408)	-
Total	**1,129,441**	**472,109**	**(32,488)**	**(389,865)**	**1,179,197**

1. Relates to Performance Rights vested under the LTI which will not be allocated to executives until August/September following the financial year end. For the FY23 LTI grant with performance tested to 30 June 2026, 12.9% vested.
2. Represents balance adjustments for executives joining or leaving KMP, and any units forfeited under the LTI. Includes Performance Rights forfeited under the LTI which will not lapse for executives until August/September following the financial year end.

9.6.4 Executive contract terms

Remuneration and other terms of employment for executives are formalised in service agreements that provide for participation in short and long-term incentives in accordance with the terms of the respective plans.

Table 9.6.4.1: Information relating to service agreements of executives

	Notice period[2]			
Executive[1]	By executive	By AGL	Termination payment[3,4]	Post employment restraint period
D Nicks	12 months	12 months	N/A	12 months
G Brown	6 months	6 months	6 months	12 months
M Currie	6 months	6 months	6 months	12 months
J Egan	6 months	6 months	6 months	12 months
D Moretto	6 months	6 months	6 months	12 months

1. Includes executives who were KMP at 30 June 2026.
2. AGL can, at its election, make a payment in lieu of part or all of the notice period.
3. Maximum termination payment (exclusive of any payment in lieu of notice) payable if AGL terminates the executive's employment other than for cause.
4. Termination payments reference fixed remuneration.

9.7 Non-Executive Director remuneration disclosure

9.7.1 Fee policy

Non-Executive Directors receive a base fee. The Chair of the Board receives a higher base fee in recognition of the added responsibility and time commitment; but does not receive any extra fees for participating in or chairing any Committees. Other members of a Committee receive a Committee fee to recognise the associated higher workload and extra responsibilities, and chairing a Committee attracts a higher fee. Fees are inclusive of superannuation.

In setting Non-Executive Directors' fees, the Board considers the following:

- time commitment
- workload
- risk and responsibility
- market benchmark data, sourced from companies with market capitalisation of 50-200% of AGL's

To ensure independence, Non-Executive Directors do not receive performance-related remuneration. This allows the Board to focus on governance and both short and long-term strategy.

9.7.2 Fee pool

The maximum aggregate fee pool for Non-Executive Directors is $2.75 million per annum. The fee pool is regularly reviewed by the Board and, if appropriate, adjusted (subject to shareholder approval), having regard to the anticipated time commitment, workload and responsibilities attached and the fees paid by comparable organisations. The current fee pool was approved by shareholders at the 2016 AGM.

9.7.3 FY26 fees

Non-Executive Director fees remained unchanged in the year. The last fee change was in January 2020.

Table 9.7.3.1: Non-Executive Director fees

Board/Committee[1]	Chair fee $	Member fee $
Board base fee	603,000	201,000
Audit & Risk Management Committee	55,200	27,600
People & Performance Committee	44,900	21,200
Safety & Sustainability Committee	44,900	21,200

1. There are no additional fees in relation to the Nominations Committee.

Table 9.7.3.2: Non-Executive Director remuneration for FY26

Non-Executive Director	Year	Director fees $	Superannuation $	Other $[1]	Total $
Current					
M George	**FY26**	**573,000**	**30,000**	**607**	**603,607**
	FY25	358,817	27,848	-	386,665
M Bloom	**FY26**	**247,679**	**29,721**	**-**	**277,400**
	FY25	248,789	28,611	-	277,400
G Cockroft	**FY26**	**255,185**	**18,315**	**-**	**273,500**
	FY25	258,584	14,916	-	273,500
B Donaghey[2]	**FY26**	**164,556**	**19,747**	**-**	**184,303**
C Holman	**FY26**	**223,036**	**26,764**	**-**	**249,800**
	FY25	224,036	25,764	-	249,800
J Pollaers	**FY26**	**223,036**	**26,764**	**-**	**249,800**
	FY25	224,036	25,764	-	249,800
V Sullivan	**FY26**	**238,482**	**28,618**	**-**	**267,100**
	FY25	239,552	27,548	-	267,100
M Twidell	**FY26**	**217,321**	**26,079**	**282**	**243,682**
	FY25	218,296	25,104	445	243,845
Former					
K Schott[3]	**FY26**	**58,183**	**6,982**	**1,394**	**66,559**
	FY25	224,036	25,764	436	250,236
P McKenzie	FY25	349,628	22,222	731,658	1,103,508
TOTAL	**FY26**	**2,200,478**	**212,990**	**2,283**	**2,415,751**
	FY25	2,345,774	223,541	732,539	3,301,854

1. Includes non-monetary benefits and kilometre reimbursement for business-related travel.
2. Ms Donaghey was appointed to the Board on 3 October 2025.
3. Ms Schott retired from the Board on 3 October 2025.

9.7.4 Non-Executive Director share movements and minimum shareholding requirements

The movement during the financial year in the number of AGL shares held by each Non-Executive Director, including their related parties, is shown below. As at 30 June 2026, all Non-Executive Directors are compliant with the Minimum Shareholding Policy.

Table 9.7.4.1: Non-Executive Director movements in shareholdings

Non-Executive Director	Balance at start of year	Acquired during year[1]	Other changes during year[2]	Balance at end of year[3]	Total consideration $[4]	% base fees[5]	Date to satisfy requirement
Current							
M George	50,000	10,000	-	60,000	469,691	234%	Satisfied
M Bloom	22,000	-	-	22,000	208,704	104%	Satisfied
G Cockroft	35,000	-	-	35,000	245,750	122%	Satisfied
B Donaghey	-	13,000	-	13,000	136,695	68%	03 Oct 29
C Holman	28,000	-	-	28,000	210,170	105%	Satisfied
J Pollaers	37,340	-	-	37,340	318,832	159%	Satisfied
V Sullivan	27,265	-	-	27,265	202,004	100%	Satisfied
M Twidell	25,212	-	-	25,212	234,970	117%	Satisfied
Former							
K Schott	26,500	-	(26,500)	-			
Total	**251,317**	**23,000**	**(26,500)**	**247,817**			

1. Includes purchase of ordinary shares.
2. Includes sale of ordinary shares and balance adjustments for directors joining or leaving as KMP.
3. All shares held indirectly by Non-Executive Directors, with the exception of Mr Cockroft and Mr George (all shares held directly), and Mr Twidell (9,012 of 25,212 shares held directly).
4. Value is based on price of shares at the time of acquisition, as per the Minimum Shareholding Policy.
5. In accordance with the Minimum Shareholding Policy, the percentage of base fees is based on the Board member base fee for all Non-Executive Directors, including the Chair.

Other Required Disclosures

For the year ended 30 June 2026

These Other Required Disclosures (pages 103 to 104) are attached to and form part of the Directors' Report.

10. Other Required Disclosures

10.1 Changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the AGL consolidated entity that occurred during the financial year other than those included in this Directors' Report.

10.2 Proceedings on behalf of the company

No person has applied under Section 237 of the Corporations Act for leave of the Court to bring proceedings on behalf of AGL or intervene in any proceedings to which AGL is a party for the purpose of taking responsibility on behalf of AGL for all or any part of those proceedings. AGL was not a party to any such proceedings during the year.

10.3 Commercial in confidence information

Further information about likely developments in the operations of AGL and its consolidated entity and the expected results of those operations in the future has been included in this Directors' Report except to the extent disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

The type of information not disclosed includes commercial in confidence information such as detailed operational plans and strategies that would provide third parties with a commercial advantage.

10.4 Auditor and non-audit services

Non-audit services have been provided during the year by the external auditor, PricewaterhouseCoopers (PwC). Disclosure of the details of these services can be found in Note 27 of the Financial Report 2026.

The Board has a formal policy on the provision of auditing and related services. Specifically, the external auditor is precluded from providing any services that might threaten its independence or conflict with its assurance and compliance role. Semi-annual reports on the provision of auditing and related services are provided to the Board through the Audit & Risk Management Committee. The Directors are satisfied that the provision of other accounting advice and services by the external auditor is compatible with the general standard of independence for auditors.

The policy and procedures in place, and the review by the Audit & Risk Management Committee, enable the Directors to conclude that non-audit services provided did not compromise the external auditor's independence requirements of the Corporations Act.

The external auditor annually provides a letter to the Company Secretary on its independence within the meaning of relevant legislation and professional standards. No officers of AGL were partners or directors of PwC during this or prior periods.

10.5 Rounding

AGL is an entity to which section 7 of ASIC Corporations Instrument 2026/183 applies and in accordance with that section amounts in the directors' report are rounded off to the nearest million dollars, unless otherwise required.

10.6 Auditor's Independence Declaration

A copy of the external auditor's declaration under Section 307C of the Corporations Act in relation to the audit for the financial year is attached to the AGL Financial Report 2026.

10.7 Indemnification and insurance of officers

AGL's constitution indemnifies, to the extent permitted by law, officers of the consolidated entity when acting in their capacity in respect of:

- liability to third parties (other than related entities); and
- costs and expenses of successfully defending legal proceedings and ancillary matters.

The Directors named earlier in this Report and the Company Secretary have the benefit of the indemnity, together with senior managers of the consolidated entity.

During the year, AGL paid premiums in respect of contracts insuring all Directors of AGL, all Directors of related bodies corporate of AGL, secretaries and other Officers of the consolidated entity against liabilities incurred in their capacity as Director or Officer, as the case may be, of the consolidated entity.

The contract prohibits disclosure of the nature of the liabilities covered and the amount of premium.

10.8 Subsequent events

Apart from the matters identified in the financial statements or notes thereto, there has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of AGL, the results of those operations or the state of affairs of AGL in future financial periods.

10.9 Non-IFRS Financial Information

The Operating & Financial Review attached to and forming part of this Directors' Report includes a number of non-International Financial Reporting Standards (IFRS) financial measures. AGL management uses these non-IFRS financial measures to assess the performance of the business and make decisions on the allocation of resources.

Principal among these non-IFRS financial measures is Underlying Profit. This measure is Statutory Profit/(Loss) adjusted for:

- significant items (which are material items of revenue or expense that are unrelated to the underlying performance of the business); and
- changes in the fair value of financial instruments recognised in the statement of profit or loss (to remove the volatility caused by mismatches in the valuation of financial instruments and the underlying assets).

AGL believes that Underlying Profit provides a better understanding of its financial performance than Statutory Profit/(Loss) and allows for a more relevant comparison of financial performance between financial periods.

Other Required Disclosures

For the year ended 30 June 2026

Underlying Profit is presented with reference to ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information", issued in December 2011. AGL's policy for reporting Underlying Profit is consistent with this guidance. The Directors have had the consistency of the application of the policy reviewed by the external auditor of AGL.

10.10 Corporate governance

A copy of AGL's Corporate Governance Statement can be found on the AGL website at agl.com.au/CorporateGovernance.

10.11 Environmental regulation

AGL's businesses are subject to a range of environmental laws and regulations as well as project and site-specific environmental permits and approvals issued at both the federal and state government levels.

During the financial year, AGL's businesses were not subject to any penalty infringement notices or official cautions or warnings under environmental laws and regulations or in relation to their project and site-specific environmental permits and approvals.

Approval of Directors' Report

This Directors' Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board this 12th day of August 2026.

Miles George
Chair
12 August 2026

Sustainability Report

For the year ended 30 June 2026

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This Sustainability Report comprises climate-related information as required by Australian Accounting Standards Board (AASB) - AASB S2 – Climate-related financial disclosures. Information about AGL's broader sustainability performance in each of our business value drivers (Customers, Assets, Environment, Relationships, People and Business Intelligence) is presented on pages 28- 42.

Sustainability Report

For the year ended 30 June 2026

About this report

Australia, like many international jurisdictions, is taking measures to provide investors and other stakeholders with greater transparency and accountability regarding organisations' exposure to, and management of, climate-related issues. Under Chapter 2M of the *Corporations Act 2001 (Cth)*, AGL is required to disclose information about climate-related risks and opportunities that could reasonably be expected to affect our prospects over the short, medium, and long term in accordance with *AASB S2 - Climate-related Disclosures* (the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB)), and additional requirements in the *Corporations Act 2001 (Cth)*. AGL's Sustainability Report (climate-related disclosures) represents the climate-related financial disclosures for AGL Energy Limited and the entities it controlled as at the end of, or during, the year ended 30 June 2026.

AGL has obtained independent assurance over selected disclosures in the Sustainability Report to meet the requirements specified in the Auditing and Assurance Standards Board (AUASB) standard ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*. AGL has also voluntarily obtained independent assurance over additional selected elements of the Sustainability Report. The auditor's independent assurance reports can be found on pages 152-158 (covering mandatory assurance requirements) and 251-257 (additional voluntary elements).

Statement of compliance and transition relief applied

AGL has adopted the transitional relief provided under AASB S2 paragraph C4(b), which allows AGL to not disclose Scope 3 greenhouse gas emissions in accordance with AASB S2 in the first annual reporting period. In adopting this transition relief, AGL has elected to voluntarily report selected Scope 3 greenhouse gas emissions, consistent with voluntary disclosures made in prior years.

AGL has also adopted the transitional relief provided under AASB S2 paragraph C3, which allows AGL to not disclose comparative information in the first annual reporting period. As AGL has reported selected information in prior years, AGL has elected to voluntarily include this as comparative information within the Sustainability Report.

Limitations of forward-looking information

This Sustainability Report has been prepared to provide stakeholders with information about AGL's climate-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or cost of capital over the short, medium or long term. It contains climate-related information, as well as forward-looking statements. Forward-looking statements are based on AGL's current expectations, reasonable estimates and assumptions as at the date of preparation of this document. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks that may cause actual results to differ materially from those expressed in this document. The Sustainability Report forms part of AGL's 2026 Annual Report and should be read in conjunction with the Important Information notice at the beginning of the Annual Report, which applies to climate-related information and forward-looking statements contained in this Sustainability Report. It should also be read in conjunction with the connected information outlined below, the glossary on pages 261-266, and the key judgements on pages 139-141.

Climate-related ambitions and targets

The word 'target' is used in this Sustainability Report to refer to a commitment which is underpinned by plans, meaning we have a higher degree of certainty over the outcome. The word 'ambition' is used in this Sustainability Report to refer to an intention to achieve an outcome, where outcomes are less certain or depend more strongly on external factors, and there may not be a specific plan for how this outcome will be achieved. While we do not consider ambitions to be targets in the context of AASB S2, we have voluntarily included information on these within the Sustainability Report.

Connected information

All disclosures required by AASB S2 are contained within this Sustainability Report. Where links to information available elsewhere in the Annual Report or in other documents are included, these are provided for additional voluntary information or further context, and are not intended to form part of the Sustainability Report. A summary of where additional information can be found across our 2026 full-year reporting suite is included below. An index of AGL's responses to the AASB S2 disclosure requirements is provided in Section 17.5.

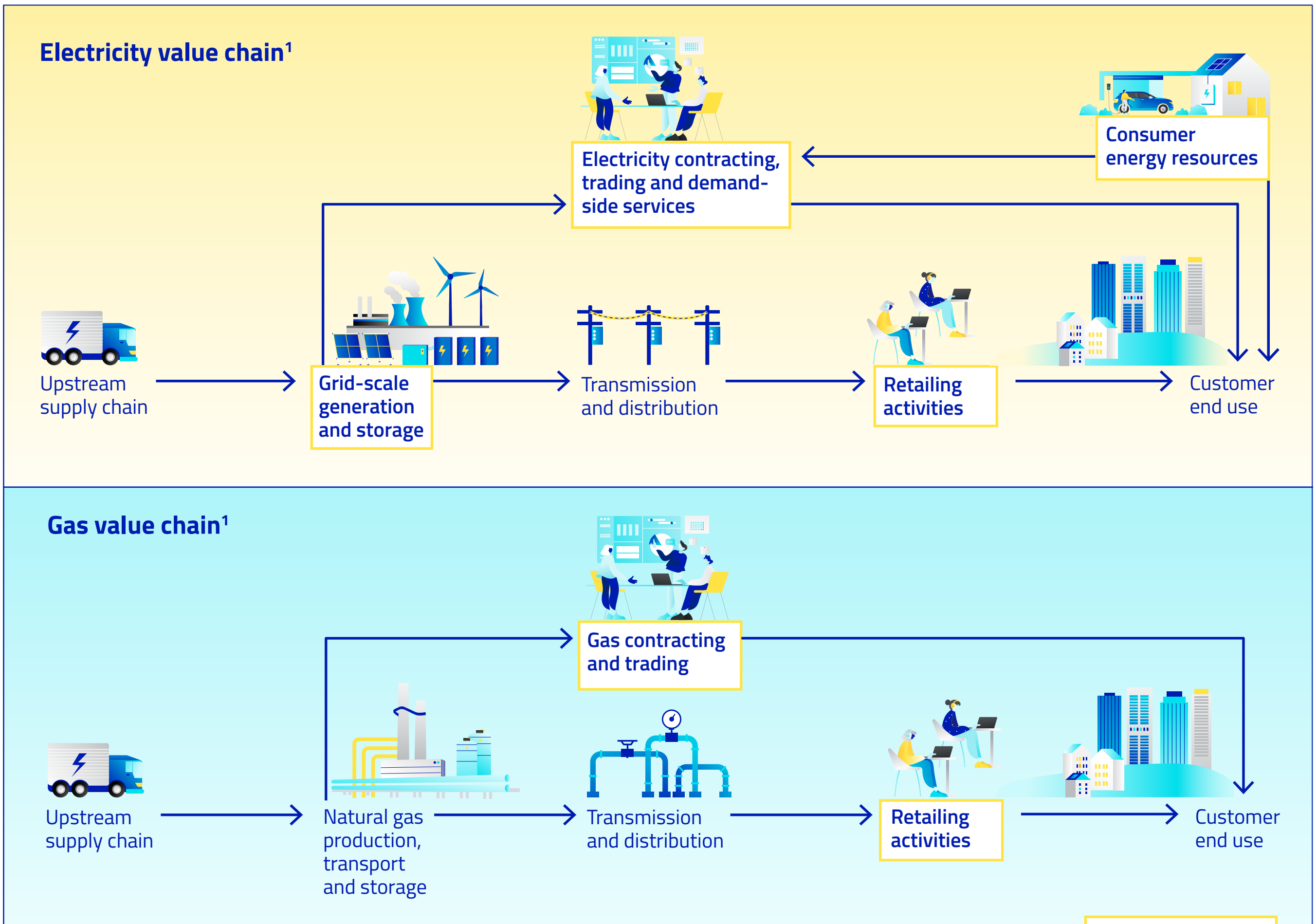
		Directors' Report					
Where to find	**Sustainability Report**	**Operating & Financial Review**	**Remuneration Report**	**Governance Summary**	**Financial Report**	**Corporate Governance Statement**	**ESG Data Centre**
Governance	●		●	●		●	
Strategy	●	●					
Metrics and targets[1,2]	●	●	●				●
Risk management	●	●				●	
Financial performance	●	●			●		
Other ESG performance		●[1]					●

1. Refer to Section 3.2 (Business Value Drivers).
2. Metrics only in ESG Data Centre.

11. Introduction

Climate change and the transition of Australia's energy system present both risks and opportunities for AGL's business and broader value chain. This Sustainability Report explains how climate-related risks and opportunities may affect AGL's prospects; how AGL's strategy, including our Climate Transition Action Plan (CTAP), positions the business to remain resilient in a changing operating environment; and how our governance, risk management and capital allocation support AGL's management of climate-related risks and opportunities over the short, medium and long term.

AGL's high-level value chain, in relation to exposure to climate-related risks and opportunities, is illustrated below.



1. AGL's value chain includes other activities, such as partnerships, other investments and corporate functions. While shown separately in the diagram above, contracting, trading and retailing activities for electricity and gas are undertaken together.

As a leading Australian integrated energy company, AGL's business model spans electricity portfolio operations, portfolio management, and the provision of energy products and services to customers. AGL operates the largest privately owned electricity generation portfolio in Australia. AGL's energy portfolio comprises both operated and contracted sources, including:

- **Renewables**: grid-scale renewable generation sources including wind and solar farms and hydro power stations.
- **Firming**: dispatchable sources, including flexible gas-powered generation assets and grid-scale batteries.
- **Thermal**: generation sources that use conventional boilers to generate electricity, including coal-fired and thermal gas-powered generation assets.

AGL also owns and operates the Loy Yang Mine, which supplies coal to both AGL's Loy Yang A Power Station and the adjacent third-party-owned Loy Yang B Power Station. Other fuels for generation, as well as equipment for grid-scale and behind-the-meter assets, are sourced from third-party suppliers in the upstream electricity supply chain.

AGL trades electricity, gas and other commodities to balance supply with customer demand. We do this through contracting, spot markets and secondary markets. We also support demand-side services, including demand response and our growing portfolio of orchestrated customer assets, such as rooftop solar, home batteries, electric vehicles, EV chargers and connected appliances.

AGL does not own or operate infrastructure relating to upstream gas production or electricity or gas transmission and distribution. AGL owns and operates the Newcastle Gas Storage Facility in NSW.

12. AGL's Climate Transition Action Plan

AGL's 2025 CTAP outlines AGL's approach to transitioning our energy portfolio and supporting customers to decarbonise the way they live, move and work, while taking into account the need for energy reliability and affordability. It also demonstrates the expected impact of these actions on emissions over time. It was released in August 2025, and builds on the commitments set out in our inaugural CTAP in 2022.

AGL's 2025 CTAP was informed by scenario analysis (discussed further in Section 15 and Section 17.3.1) and by broad stakeholder consultation. The CTAP was developed with oversight from a CTAP Steering Committee comprising members of AGL's Board and Executive Team, and was approved by AGL's Board. It received majority support at our 2025 Annual General Meeting, where shareholders were given the opportunity to vote on the CTAP through a non-binding 'Say on Climate' resolution.

A summary of the plans made by AGL in our 2025 CTAP is outlined below.

Key highlights of AGL's Climate Transition Action Plan

Connecting every customer to a sustainable future

We are focused on delivering on our commitments

- **300 MW** Cumulative customer assets targeted by **FY27**[3]
- **2.5 GW** Demand side flexibility by **FY27**
- **1m+ EVs** Forecast to be powered by **2035**

Transitioning our energy portfolio

- **+6 GW** New renewable and firming capacity targeted by **FY30**[4]
- **3 GW** Total grid scale batteries targeted by **FY30**[5]
- **12 GW** New renewable and firming capacity by **2035**[4]

2023 – Achieved closure of Liddell Power Station

2033 – Bayswater Power Station closure

FY35 – Loy Yang A Power Station closure

2050

Our decarbonisation journey and pathway to Net Zero

- **FY24 – FY26** **-17%** Scope 1 and 2 target[1]
- **From FY27** **-19%** Scope 1 and 2 target[1]
- **FY35** **-52%** Scope 1 and 2 target[1]
- **Following coal closure** **Net zero** Scope 1 and 2 target
- **Following coal closure** **-60%** Scope 3 ambition[2]
- **By 2050** **Net zero** Scope 1, 2 and 3 ambition

We are setting ourselves up for success

- Responsible transition principles for our workforce, customers and communities
- Policy advocacy priorities

We plan to deploy
~$10 billion
of balance sheet capital across the course of our energy portfolio transition, delivering appropriate shareholder returns supported by our capital allocation framework

1. Reduction in gross Scope 1 and 2 emissions compared to FY19 baseline.
2. Ambition to reduce gross Scope 3 emissions compared to FY19 baseline, from the first financial year following closure of our coal-fired power stations.
3. Installations completed from FY24 – FY27 inclusive.
4. New renewable and firming capacity in construction, delivery or contracted from FY23 onwards. 2035 ambition also includes consumer energy resources.
5. Total grid-scale batteries operated, contracted or in delivery.

Our 2025 CTAP outlines our ambition to add 12 GW of new renewable and firming capacity by the end of 2035, powering our customers' demand, as we exit coal-fired generation by the end of FY35. It also sets out our target to be net zero for Scope 1 and 2 emissions following the closure of our coal-fired power stations. The 2025 CTAP charts a pathway for achieving our ambition of being net zero for Scope 1, 2 and 3 emissions by 2050, and outlines our Scope 3 decarbonisation plans, which are driven by the progressive decarbonisation of the grid and the electrification of Australia's economy. AGL's strategic pillar of 'connecting every customer to a sustainable future', which involves supporting our customers to decarbonise the way they live, move and work, will be key to reducing Scope 3 emissions associated with the supply of electricity and gas to our customers.

Our 2025 CTAP also outlines additional targets relating to emissions reductions, portfolio rebuild and consumer energy resources (CER) initiatives, and sets out our commitments to working collaboratively with stakeholders, including government bodies, customers, employees, and the communities in which we operate to deliver a responsible transition.

The transition of Australia's energy system will require significant investment in renewable generation, firming technologies and grid infrastructure, supported by coordinated efforts across governments, industry, and communities. As such, delivery of AGL's 2025 CTAP will rely on supportive policy and market settings and collective effort across diverse stakeholder groups. The key dependencies and assumptions used in developing our 2025 CTAP are outlined in Section 17.2.

We have made strong progress in delivering our energy portfolio transition and customer decarbonisation targets since publishing our first CTAP in 2022, having achieved several of our FY27 strategic targets a year early (including our target to have 2.1 GW of new renewable and firming capacity in development, contracted or in delivery by FY27), respectfully retired Liddell Power Station in 2023, and outperformed our Scope 1 and 2 emissions annual reduction target each year from FY24-FY26. Progress against our emissions, energy portfolio transition and customer decarbonisation targets is detailed in Section 13. Additional information on our responsible transition, policy advocacy and transparency priorities and progress is available in the Relationships scorecard in the Directors' Report.

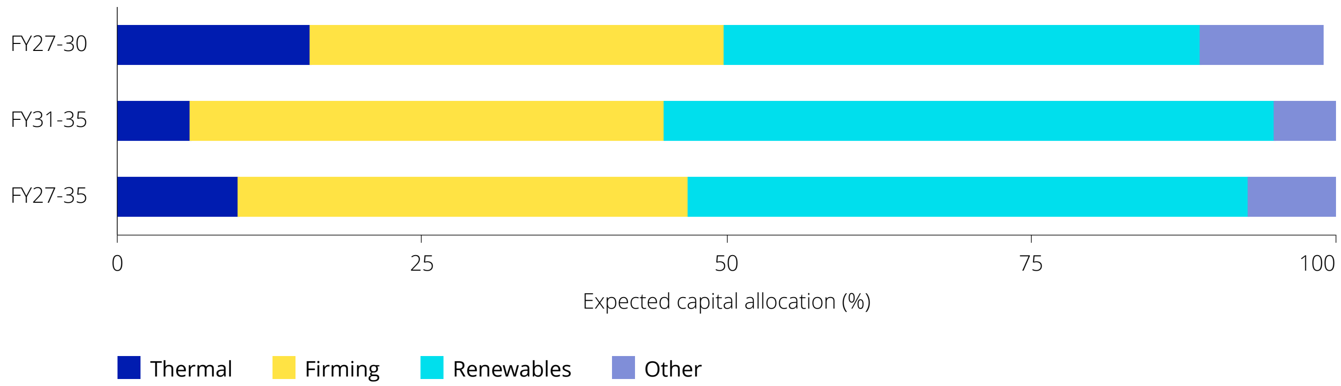
We expect to publish updated climate transition plans in 2028, concurrently with our FY28 full year financial results. In the event of material changes to our strategy during this period, we may elect to publish updated climate transition plans in advance of this date.

12.1 Capital allocation to support the energy transition

AGL maintains a disciplined approach to capital allocation, prioritising value creation and appropriate shareholder returns while supporting the transition of our energy portfolio towards renewable and firming assets and connecting every customer to a sustainable future. AGL continues to evolve our capital allocation over time to support our ambition to add 12 GW of new renewable and firming capacity by the end of 2035 through a combination of development and contracting activities. Investment decisions are expected to occur progressively, and remain contingent on market conditions, portfolio optimisation requirements, capital availability and the ability to deliver appropriate shareholder returns.

AGL's capital deployment toward our strategy supports our response to climate-related transition risks while capturing climate-related opportunities.[1] During FY26, AGL's deployment of capital toward projects and initiatives that advance our strategy and are also considered to be 'climate solutions'[2] included $573 million of capital expenditure on a mixture of grid-scale batteries, investment in hydro assets, retail transformation and Energy as a Service projects, equivalent to 42% of total capital expenditure for FY26. In addition, AGL deployed $156 million towards gas-powered generation in FY26, including the Kwinana Swift Gas 2 (K2) project.

Capital mix required for our strategy, including 12 GW portfolio rebuild[3]



1. AGL considers capital deployment towards its strategy in the reporting year to represent AGL's capital deployment towards climate-related risks and opportunities. This capital deployment includes AGL's expenditure on climate solutions, as well as expenditure related to gas powered generation. Refer to Section 17.1 (Capital deployment towards climate-related risks and opportunities) for further details.
2. AGL defines climate solutions as comprising grid-scale renewable generation, grid-scale batteries and pumped hydro, retail electrification, decentralised sustainable business energy solutions and retail transformation. Climate solutions comprises capital deployment/allocation toward Renewables and a subset of deployment/allocation toward Firming (related to grid-scale batteries and pumped hydro) and Other categories (related to customer decarbonisation).
3. Thermal generation refers to generation assets in which a conventional boiler is used to generate electricity. AGL's thermal generation portfolio comprises Bayswater, Loy Yang A and Torrens Island 'B' power stations. Firming refers to grid-scale batteries as well as our flexible gas-powered generation assets that use gas turbines or reciprocating engines to generate electricity, and are classified as firming. Capital allocation designated as 'Other' includes Customer Markets (including retail and C&I energy-as-a-service and e-mobility), Supply and Trading, Wholesale Gas, and Corporate.

Capital allocation evolution

Period	Expected capital allocation for climate solutions
FY27–30	79%
FY31–35	63%
FY27–35	69%

To support our 12 GW ambition, grid-scale renewable and firming capacity is expected to be supplied to AGL from:

- Projects developed and funded on AGL's balance sheet, utilising available debt capacity and operating cash flows;
- Projects funded by third parties and supported by offtake agreements from AGL; and
- Projects funded through partnerships and supported by offtake agreements from AGL.

We expect grid-scale renewable generation to be mostly sourced via offtakes and partnerships, given the availability of capital for these assets and a balanced allocation of risks between the project and the offtaker. Securing supply from renewable assets via offtakes allows AGL to optimise the deployment of our balance sheet capital. We estimate that approximately $10 billion will be funded on our balance sheet across the course of AGL's energy portfolio transition, with this investment heavily weighted towards firming assets. We expect to invest in a mix of short- and long-duration firming assets.

In the longer term, the bulk of our balance sheet investment is expected to be made in long-duration firming assets, with AGL expecting to invest across a range of project types.

AGL will also continue to deploy capital to support our retail business and existing thermal assets. Future investment in our existing thermal fleet will be important to deliver flexibility, availability and safety until closure, recognising the critical role thermal generation plays in providing reliable and affordable electricity during the energy transition. While not included in capital allocation, rehabilitation of our thermal asset sites will also be a key component of our transition activities, and is expected to be funded as part of operating cash flow.[1]

AGL's capital allocation forecasts are forward-looking and based on a range of assumptions relating to our strategy, market conditions, operating performance, project delivery and the external environment. These forecasts are subject to uncertainties and key dependencies relating to financial and market risks, regulatory and geopolitical risks, operational and technological risks, and environmental and site-related risks.

12.2 Considering future costs of carbon

The potential future cost of carbon offsets is taken into account as part of our financial planning and capital approvals, including through AGL's enterprise-wide ESG decision-making framework, encouraging early consideration of future emissions associated with new projects, products or acquisitions. AGL considers a range of forecasts for these purposes. The carbon price curve used in the reporting period to consider the potential cost of offsets to meet our target to be net zero for Scope 1 and 2 emissions following the closure of our coal-fired power stations is approximately $20/tCO_2e$ (nominal) on average over the FY36 – FY50 period. The cost curve is based on third-party analyses[2], reflecting the voluntary carbon offset market as a proxy for the voluntary emissions abatement required to meet the target. This proxy internal carbon price is intended to support consideration of carbon costs in business planning and investment decision making. Given the significant uncertainty associated with the long-term evolution of carbon markets, offset supply and demand dynamics, policy settings and technology developments, this assumption is not intended to represent a forecast of future carbon prices. Rather, it provides a reasonable and consistent basis for assessing potential carbon-related costs while balancing decarbonisation objectives with commercial decision making.

AGL plans to commence using carbon offsets towards meeting our Scope 1 and 2 net zero target following the closure of our coal-fired power stations (i.e. from FY36 onward), subject to the availability of commercially viable offsets that consider stakeholder expectations regarding integrity, and a supportive regulatory environment. As part of AGL's approach to meeting this target, we will consider the most appropriate external verification schemes at the relevant time. Different types of offsets, including both nature-based and technological carbon removals, may be considered as part of AGL's portfolio of offsets for use towards achieving AGL's Scope 1 and 2 emissions reduction target.

The general considerations for assessing the credibility of carbon offsets that AGL uses to help meet its net zero targets and ambitions are outlined in Section 3 of our Carbon Offsets Policy. This includes considerations relating to program governance, carbon credit tracking, transparency, verification, additionality, permanence, measurability, sustainable development impacts, vintage, project types, and co-benefits.

AGL's approach to evaluating carbon offset quality will evolve over time, as required. AGL will annually disclose the quantity of offsets used (if any) to reduce AGL's net emissions profile and to meet emissions reduction targets and ambitions, including information on certification standards and project types.

1. For further information, refer to Note 20.
2. Cost curve based on BloombergNEF Long-Term Carbon Offset Outlook 2024: "Voluntary market scenario, elastic fundamental demand". AGL does not use ACCU prices for this cost curve, as ACCUs are a compliance-linked instrument and ACCU market dynamics are not representative of the voluntary carbon offset markets which may be used to address residual Scope 1 and 2 emissions following the closure of AGL's coal-fired power stations.

13. Metrics and targets

AGL recognises the significant role we have in supplying energy to meet our customer demand, while supporting continued delivery of reliable and affordable energy over the course of Australia's energy transition. We are committed to setting clear targets to drive performance and to monitoring and communicating progress. AGL uses a range of metrics to measure emissions and climate-related impacts, and discloses this information publicly through this report, our ESG Data Centre, and numerous investor-led surveys and benchmark initiatives. AGL also reports Scope 1 and 2 emissions to the Clean Energy Regulator annually to meet the requirements of the National Greenhouse and Energy Reporting (NGER) Scheme. Definitions of relevant terms can be found in the Glossary.

Key climate-related metrics and targets are discussed in the Environment scorecard and summarised in the table below. Additional breakdowns of emissions data, as well as other metrics used to measure progress against climate-related targets can be found in the ESG Data Centre. Further information on the boundary, methodology, inputs and assumptions used to calculate Scope 1, 2 and 3 emissions are outlined in Section 17.4.

All targets support AGL's strategic pillars of 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio'. AGL has set climate-related commitments through our FY27 strategic targets and our CTAP as well as through our Remuneration Report, as summarised below. We set our FY27 strategic targets in FY23 and intend to establish and publish updated short-term targets for FY30 in our FY27 Annual Report, in line with our strategic planning cycle. CTAP targets are reviewed and set as part of AGL's CTAP cycle, and we expect to publish updated climate transition plans in 2028. AGL's approach to setting performance targets for carbon transition measures through its long-term incentive plan framework is detailed in Section 9.2.3 of the Remuneration Report. Progress against targets is monitored by the Board and its Committees.

AGL's climate-related targets are set out in sections 13.1 (emissions-related targets) and 13.2 (other climate-related targets) below.

- Targets apply to AGL at the consolidated entity level.
- Targets are absolute unless otherwise specified as intensity metrics.
- Emissions targets are gross unless referred to as net. Carbon offsets will not be used towards meeting gross emissions reduction targets.
- As noted on page 106, in addition to climate-related targets, AGL has also set a number of climate-related ambitions. While we do not consider these ambitions to be targets in the context of AASB S2, we have voluntarily included these ambitions within the below tables to provide users of this report with a comprehensive overview of our decarbonisation approach. Ambitions have been clearly marked.

PwC was engaged to perform limited assurance over AGL's progress against selected targets in FY26. Metrics assured against AASB S2, or on a voluntary basis, are indicated in the tables below.

Key					
	Complete	In progress	Ongoing - met in FY26	Partially met	Not met
	Assured metric (voluntary)	Assured metric (mandatory)			

13.1 Emissions metrics and targets

Scope 1 and 2[1]				
Target[2]	**Target year**	**Target**	**Progress**	
Reduction in annual Scope 1 and 2 emissions compared to FY19 baseline[3,4]	FY26	17%		Decreased in FY26, primarily due to lower coal-fired generation output. AGL achieved a 31.9% reduction in Scope 1 and 2 emissions in FY26 compared to the FY19 baseline, exceeding our 17% reduction target.
	FY27–FY34[5]	19%		
	FY35	52%		
	Following closure of our coal-fired power stations[6]	>90% Net zero		
Performance	**FY25[7]**	**FY26[8]**		
Scope 1 emissions ($MtCO_2e$)	30.4	29.1		
Scope 2 emissions ($MtCO_2e$)	0.25	0.29		
Scope 1 and 2 emissions ($MtCO_2e$)	30.7	29.4		
Reduction in annual Scope 1 and 2 emissions compared to FY19 baseline	29.1%	31.9%		

Scope 3 [1,9]				
Ambition	**Timeframe**	**Ambition**	**Progress**	
Reduction in total Scope 3 emissions compared to FY19 baseline[10]	Following closure of our coal-fired power stations[6]	60%		Decrease driven primarily by a reduction in coal supplied to Loy Yang B Power Station.
Performance	**FY25[7]**	**FY26[11]**		
Scope 3 emissions ($MtCO_2e$)	24.5	23.8[12]		
Reduction in total Scope 3 emissions compared to FY19 baseline	(0.3)%	2.5%		

Scope 1, 2 and 3[1]				
Ambition	**Timeframe**	**Ambition**	**Progress**	
Reduction in annual Scope 1, 2 and 3 emissions compared to FY19 baseline	2050	90% Net zero		See above
Performance	**FY25[7]**	**FY26[11]**		
Scope 1, 2 and 3 emissions ($MtCO_2e$)	55.1	53.3		

1. AGL's Scope 1, 2, and 3 greenhouse gas emissions, and associated targets and ambitions, are expressed in tonnes of carbon dioxide equivalent (tCO_2e) and cover all greenhouse gas types within the scope of the National Greenhouse and Energy Reporting (NGER) Scheme and the GHG Protocol. Scope 2 emissions are location-based.
2. AGL's emissions reduction targets were not derived using a sectoral decarbonisation approach, as this approach is not suitable given the nature of the Australian electricity sector's transition which involves non-linear and non-uniform decarbonisation trajectories for different market participants. In setting coal closure timeframes and associated Scope 1 and 2 targets, AGL has considered relevant Australian climate and energy policy. See Section 17.3.1 for details.
3. Scope 1 and 2 FY19 baseline is 43.2 $MtCO_2e$, comprising Scope 1 emissions totalling 42.7 $MtCO_2e$ and Scope 2 emissions of 0.5 $MtCO_2e$.
4. Our annual gross Scope 1 and 2 emissions are expected to outperform the targeted percentage reductions, allowing for years where our coal and gas generation fleet may be required to generate more electricity so that customer demand is met reliably and safely.
5. Target applies each year from FY27 to FY34 inclusive.
6. Target applies from the financial year following the closure of our coal-fired power stations, planned to be FY36. Loy Yang A Power Station is targeted to close by the end of FY35. Net zero target includes target of 90% or more reduction in gross emissions compared to FY19 levels.
7. In adopting the transition relief provided under AASB S2 paragraph C3, AGL has elected to voluntarily report selected comparative data, in alignment with voluntary disclosures made in prior years. FY25 Scope 3 data has been restated to align with updated calculation methodology (see Section 17.4 for details).
8. Data for FY26 is estimated and based on actuals for material emissions sources and estimates for non-material sources; any changes will be updated in the ESG Data Centre later in the year.
9. In adopting the transition relief provided under AASB S2 paragraph C4(b), AGL has elected to voluntarily report selected Scope 3 greenhouse gas emissions, in alignment with voluntary disclosures made in prior years.
10. Scope 3 FY19 baseline is 24.4 $MtCO_2e$. Data has been restated to align with updated calculation methodology (see Section 17.4 for details).
11. Data for FY26 is estimated, based on actuals for material emissions sources and estimates for non-material sources. Any revisions will be updated the following year.
12. Scope 3 emissions for FY26 comprise material emissions totalling 23.1 $MtCO_2e$ (Scope 3 emissions associated with supply of electricity to customers (8.3 $MtCO_2e$), Scope 3 emissions associated with supply of natural gas to customers (5.4 $MtCO_2e$), Scope 3 emissions associated with end use of coal sold to Loy Yang B Power Station (9.4 $MtCO_2e$)), and other Scope 3 emissions (0.7 $MtCO_2e$). Material Scope 3 emissions for FY26 have been subject to voluntary assurance. For further information on our Scope 3 emissions breakdown, please visit the ESG Data Centre.

Emissions targets and use of carbon offsets

In alignment with the mitigation hierarchy, AGL's Scope 1 and 2 decarbonisation pathway as set out in the 2025 CTAP is focused on achieving direct reductions in Scope 1 and 2 emissions through the responsible closure of AGL's coal-fired power stations. To achieve AGL's net zero Scope 1 and 2 target, we plan to offset residual emissions (<10% of AGL's Scope 1 and 2 emissions in FY19), where necessary, subject to the availability of commercially viable offsets that consider stakeholder expectations regarding integrity, and a supportive regulatory environment. Carbon offsets will not be used toward AGL's interim gross Scope 1 and 2 reduction targets (i.e. the targets that apply before the closure of Loy Yang A Power Station), and have not been used towards meeting AGL's targeted 17% Scope 1 and 2 emissions reduction compared to FY19 levels in FY26.

AGL's Scope 3 decarbonisation approach is also focused on delivering direct emissions reductions. As part of AGL's pathway to being net zero for Scope 1, 2 and 3 by 2050, we have set an ambition to directly reduce these emissions by 90% relative to FY19 levels by 2050. We recognise that high quality carbon offsets and other negative emissions technology solutions may be needed to meet the Australian Government's target to be net zero by 2050.

13.2 Other climate-related metrics and targets

Adding new sources of electricity supply

New renewable and firming capacity[1]	**Target year[2]**	**Target**	**Progress**	
	FY27[3]	2.1 GW		Increased in FY26, driven by the commencement of construction of the Tomago Battery and the Kwinana Swift Gas 2 (K2) project, as well as the Waddi and Palmer wind farms for which AGL has signed Power Purchase Agreements.
	FY27[3], FY28, FY29, FY30	Refer to Note 33 to the Financial Report[4] (FY27–FY29) and Section 9.2.4 of the Remuneration Report (FY30).		
	FY30	6 GW		
	End of 2035	12 GW (ambition)		
Performance	**FY25[5]**	**FY26**		
	1,178 MW	2,126 MW		

Total grid-scale batteries operated, contracted or in delivery	**Target year**	**Target**	**Progress**	
	FY27	1.5 GW		Increase due to the commencement of construction of the Tomago Battery.
	FY30	At least 3 GW		
Performance	**FY25[5]**	**FY26**		
	1,200 MW	1,700 MW		

Operated and contracted renewable generation and storage capacity	**Target year**	**Target**	**Progress**	
	FY26	Refer to Section 9.3.3 of the Remuneration Report		Increase driven by the commencement of operation of Liddell Battery in FY26 and commencement of virtual battery contracts (Capital and Western Downs batteries).
Performance	**FY25[5]**	**FY26**		
	34.5%	39.5%		

Power station closures

Closure of our thermal power stations	**Target year**	**Target**	**Progress**	
	2028[6]	Torrens Island 'B' Power Station (gas-fired)		Closure plans remain on track.
	2033	Bayswater Power Station		
	FY35	Loy Yang A Power Station		

Customer decarbonisation				
Demand-side flexibility[7]	**Timeframe**	**Ambition**	**Progress**	
	FY27	2.5 GW		We continue to invest in our demand-side flexibility capabilities, and we currently provide over 600,000 demand-side flexibility products[8] to our customers. Our strong growth in decentralised assets under orchestration also supports growth in demand-side flexibility.
Cumulative customer assets installed (behind the meter)	**Target year**	**Target**	**Progress**	
	FY27	300 MW		Increased in FY26, largely driven by 35 MW increase in C&I installed capacity, the majority of which comprised solar installations. Consumer installed capacity also grew by 16 MW, supported by the Federal Government's Cheaper Home Batteries Program and growth in Community Power installations.
Performance	**FY25[5]**	**FY26**		
	147 MW	196 MW		
Decentralised assets under orchestration	**Target year**	**Target**	**Progress**	
	FY27	1.6 GW		AGL has achieved its FY27 target one year early, driven by strong growth in controlled load hot water orchestration capability, material uplift in residential battery VPP participation and the completed acquisition of the SA VPP from Tesla.
Performance	**FY25[5]**	**FY26**		
	1,487 MW	1,739 MW		
Financial alignment				
Green revenue as a % of total revenue	**Target year**	**Target**	**Progress**	
	FY26	Refer to Section 9.3.3 of the Remuneration Report		Increase driven by growth in residential solar and battery installation revenue, higher residential solar volumes and increase in environmental trading activity. This was partly offset by lower renewable generation revenue due to lower electricity spot prices.
Performance	**FY25[5]**	**FY26**		
	19.7%	22.9%		
Increase in green revenue from FY19	**Target year**	**Target**	**Progress**	
	FY27[9], FY28	85% Refer to Note 33 to the Financial Report[4]		See above
Performance	**FY25[5]**	**FY26**		
	98%	117%		

Emissions intensity

Operated and contracted generation intensity (tCO_2e/MWh)[11]	**Target year**	**Target**	**Progress**	
	FY26	Refer to Section 9.3.3 of the Remuneration Report		Decrease in FY26 due to lower coal- and gas-fired generation volumes, and increased renewable generation volumes.
Performance	**FY25[5]**	**FY26[10]**		
	0.908	0.888		
Emissions intensity of electricity supplied (tCO_2e/MWh)[11]	**Target year**	**Target**	**Progress**	
	FY27, FY28, FY29, FY30	Refer to Note 33 to the Financial Report[4] (FY27–FY29) and Section 9.2.4 of the Remuneration Report (FY30).		Decrease in FY26 driven by lower coal- and gas-fired generation volumes, declining grid intensity, and reduced market purchases.
Performance	**FY25[5]**	**FY26[10]**		
	0.834	0.819		
Operated generation intensity (tCO_2e/MWh)[12]				
Performance	**FY25[5]**	**FY26**	**Progress**	
	0.98	0.97		Slight decrease in FY26 due to lower coal- and gas-fired generation volumes. This was partly offset by lower operated renewable generation volumes, driven by decreased hydro generation due to a combination of planned outages and reduced downstream water releases during FY26.

1. New renewable and firming capacity is measured from 1 July 2022 onward. 12 GW ambition also includes CER.
2. All targets are measured at end of specified target year (i.e. 30 June for financial year targets).
3. Strategic target for 2.1 GW of new renewable and firming capacity in FY27 has been achieved in FY26. The targeted new renewable and firming capacity LTI vesting level for FY27 is subject to performance testing in FY27.
4. Note 33 to the Consolidated Financial Statements includes the vesting schedule and ranges for the carbon transition metrics included in the long-term incentive plans subject to performance testing for FY27–FY29.
5. In adopting the transition relief provided under AASB S2 paragraph C3, AGL has elected to voluntarily report selected comparative data, in alignment with voluntary disclosures made in prior years.
6. At the time of publication of AGL's 2025 CTAP, AGL was in discussion with the South Australian Government regarding their request that AGL consider extending the operation of the Torrens Island Power Station 'B' for two years. In October 2025, it was confirmed that the State Government had reached an agreement with AGL to keep the power station open until 30 June 2028.
7. Performance data not reported.
8. AGL products that feature incentives for customers to time-shift electricity or asset use or allow response to AGL-initiated signals to orchestrate assets.
9. Strategic target for 85% increase in green revenue in FY27 has been achieved in FY26. The targeted increase in green revenue LTI vesting level for FY27 remains in progress.
10. Data for FY26 is estimated and based on actuals for material emissions sources and estimates for non-material sources; any changes will be updated in the ESG Data Centre later in the year.
11. Intensity target.
12. AGL does not have a target associated with this metric.

14. Climate-related risks and opportunities

14.1 Our approach to climate-related risks and opportunities

AGL recognises that our business operations and broader value chain are exposed to a range of climate-related risks and opportunities, some of which have the potential to materially impact AGL's prospects should they eventuate. AGL's strategy supports an effective response to identified risks and opportunities, complemented by robust processes to manage risks and capitalise on opportunities.

Climate-related risks

AGL maintains an enterprise-wide risk management framework that is designed to ensure that risk management practices are embedded in all business processes, strategy setting and operational activities. The framework drives the delivery of consistent and effective actions and accountable decision making, promoting a cohesive risk culture. The framework assists AGL to identify and evaluate risk events using defined thresholds to guide our assessment of risk likelihood and consequence, and to consider potential impacts to our business through six dimensions: Commercial/profitability; Regulatory compliance; Reputation, community and customer; Environment; Health and safety; and People.

AGL undertakes a structured and comprehensive process throughout the year to identify, assess, manage and report on the key risks to achieving our strategic priorities over the medium to long term. We define these as Tier 1 Strategic Risks. Many of AGL's Tier 1 Strategic Risks contain aspects which are climate-related due to the interconnected nature of climate change and the transition of the energy sector. The Tier 1 Strategic Risks, alongside AGL's mitigation approach, are detailed in Section 2.3.1.

We also identify, analyse, manage, and monitor specific climate-related risks throughout our business, consistent with our enterprise-wide risk management framework.

Climate-related risks are identified and assessed through a combination of top-down and bottom-up processes, drawing on information from enterprise and operational risk registers, strategic and business planning activities, climate-related scenario analysis, and consultation with senior management and subject matter experts across the business. Assessments consider AGL's operations and broader value chain, including owned and operated assets, contracted energy supply arrangements, critical third-party infrastructure and evolving customer and market dynamics.

In addition to AGL's enterprise-wide risk management processes, climate-related risks are monitored through periodic climate risk reviews and management reporting processes that support the identification of emerging climate-related risks and opportunities and the reassessment of disclosed material climate-related matters. This includes reviewing changes in climate-related regulation, market conditions, physical climate risk information or strategic priorities.

Through our Climate Risk Management Program, which was developed to support AGL in aligning our climate-related risk identification and disclosure practices with AASB S2, an enterprise-wide approach is undertaken to identify risks that are both climate-related and could reasonably be expected to affect our prospects.

AGL's approach to determining whether a climate-related risk could reasonably be expected to affect our prospects considers high-impact, low-likelihood catastrophic events (e.g. extreme bushfire events) and/or risks that could significantly impact the delivery of AGL's strategy, both from financial and non-financial perspectives. Where a financial impact of a risk eventuating can be reasonably quantified, this is disclosed in Section 14.2.

Climate-related opportunities

AGL's approach to climate-related opportunities is reflective of our strategy, which is centred on Australia's energy transition and underpinned by two strategic pillars: 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio'. By delivering against our strategic pillars, we expect to benefit financially from the climate-related opportunities that the energy transition presents. AGL has used our strategic pillars as the framework for identifying potential value pools associated with the energy transition that AGL can capitalise on. These form our climate-related opportunities.

The assessment of whether a climate-related opportunity could reasonably be expected to affect our prospects considers both qualitative and quantitative factors, taking both a top-down and bottom-up approach. From the top-down perspective, we view our climate-related opportunities to be underpinned by our two strategic pillars and therefore material from both a strategic and financial perspective. Each climate-related activity is subsequently assessed based on whether it is considered important to the successful delivery of our overall strategy, or whether we expect our stakeholders to consider it strategically significant. This considers the relative value contribution of each climate-related activity.

14.2 Key climate-related financial risks and opportunities

Key climate-related risks and opportunities are outlined in the following section. The time horizons over which the risks and opportunities may potentially occur have been selected to align with AGL's strategic planning horizons. These time horizons align to key milestones in FY30 and 2035 for our energy portfolio transition plans, and are used in AGL's strategic decision making.

Where possible, AGL has estimated the potential financial effects arising from climate-related risks and opportunities in future periods to provide stakeholders with an indication of the potential magnitude of impacts should they eventuate. However, climate-related risks and opportunities for the energy sector are subject to complex interactions and significant uncertainties. Accordingly, the financial quantification included below is illustrative only and reflects one potential outcome under a particular set of assumptions, noting that there are other possible alternatives which could give rise to diverse outcomes. Further, each risk and opportunity has been assessed in isolation; actual outcomes may differ materially depending on the combination of risks and opportunities that arise and how our broad and diverse portfolio responds to such events.

AGL regularly reviews the carrying values of its assets to test for impairment. No significant risk has been identified for the carrying value of assets and liabilities for FY27 relating to any of the climate-related risks and opportunities. The outcome of the review for the current period is disclosed in Note 16 (Intangible assets) to the Financial Report.

Key			
	Short-term (FY27–FY30)	Medium-term (FY31–FY35)	Long-term (FY36+)

Transition risks

Climate-related transition risks for AGL arise from the structural transformation of Australia's energy system from a predominantly centralised, fossil fuel-based generation mix to an increasingly distributed system characterised by renewable generation and firming technologies, with increased electrification of homes, transport and industry. The pace and trajectory of Australia's energy transition is influenced by a range of interrelated external market factors which collectively shape the timing, cost and delivery of the transition, and therefore how transition-related climate risks may emerge and/or change for AGL.

Market conditions play a central role in shaping AGL's financial and operating performance. The financial impacts described below are predicated on assumptions regarding key market variables, including demand, supply, prices and market volatility, which influence both asset revenues and the cost of procuring energy to serve customers. Total system demand (driven by weather, electrification, customer uptake of CER and significant new sources of demand such as data centres) affects load profiles, asset dispatch and utilisation. In parallel, supply dynamics (including coal-fired power station closures and the delivery of new capacity by both AGL and other market participants) and wholesale market volatility influence price formation, margins and hedging strategies. Regulatory settings, including market design, emissions policy and market interventions to address affordability or reliability, may further alter these dynamics. Collectively, these factors are subject to uncertainty and are influenced by a broad range of external drivers, many of which are not entirely within AGL's control.

The way these market factors emerge is also shaped by the combined influence of government, investor and customer drivers, all of which can potentially interact in different ways to arrive at different outcomes. Government policy and regulatory settings influence investment signals and system coordination. Investor expectations, including cost of capital, risk appetite and need for appropriate returns, shape the timing and scale of investment, while customer adoption of distributed energy resources and electrification influences demand profiles and system utilisation. The relative strength and interaction of these drivers can affect the speed, sequencing and cost of the transition, as well as the level of market volatility, thereby influencing how transition-related climate risks may affect AGL's prospects and financial performance in future periods.

The climate-related risks outlined in this report are quantified in the above context and key assumptions have been disclosed to provide users with the basis of the analysis. The range of potential outcomes is wide and dependent on the materialisation of many variables, some of which are unknown.

Climate-related transition risks that could reasonably be expected to affect AGL's prospects are summarised below.

Policy and regulatory changes

Risk: Changes to climate-related policy or regulation negatively impact AGL's outlook or operations

As the Australian economy continues to decarbonise, further policy and regulatory changes related directly or indirectly to Australia's energy transition, and broader responses to climate-related effects, are anticipated. Depending on the nature of these changes, this may increase uncertainty and have significant impacts across AGL's entire value chain, including impacts on electricity portfolio operations; energy contracting and trading; retailing energy services to customers (including demand-side services and behind-the-meter assets); and reliance on third party electricity and gas transmission and distribution networks.

Examples of such policy and regulatory change include:

- The introduction of regulations that restrict or limit greenhouse gas emissions from electricity generation facilities, which could impact the performance, operating cost or operating life of AGL's thermal power stations.
- Intervention requiring thermal power stations to remain in the market for longer than planned, in the event of insufficient energy supply.
- Policy and regulatory settings that influence the development (timing, cost and value) of grid-scale projects and supporting transmission infrastructure, or which impede AGL's capacity to derive value from electrification, EV uptake, CER uptake and coordination, which may impact delivery of both of AGL's strategic pillars.

Potential financial effects (future periods)

The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance	Financial position	Cash flows
Impact	Yes - not quantified	Yes - not quantified	Yes - not quantified
Financial statement items impacted	Dependent on policy change	Dependent on policy change	Dependent on policy change

- Climate-related policy and regulatory changes may be broad-ranging and could be relevant across AGL's business, with impacts dependent on the nature of the change. Policy changes could impact: wholesale prices (and therefore revenue); taxes or cost imposts (and therefore cost of sales); revenue from consumer pricing regulatory changes; rehabilitation provisions; and/or operating costs associated with complying with regulation.
- Regulatory uncertainty could also result in higher investor return expectations, increasing AGL's costs of capital and resulting in impairment of intangible assets and/or property, plant and equipment.
- Due to high measurement uncertainty, AGL is not able to reasonably quantify the financial effects of this risk. The diversity of possible future policy interventions and subsequent policy delivery mechanisms that could occur make forward-looking financial projections too uncertain to be useful or reliable.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Nil	Nil	Nil

- No material impacts on AGL's financial position, financial performance or cash flows were identified for the current reporting period, noting that existing climate–related policy settings remain broadly consistent with assumptions used in AGL's planning and valuation processes.
- No significant risk has been identified for the material adjustment to the carrying amounts of assets and liabilities for FY27 relating to this risk.

Mitigation

- The diversity of our operations and the strength of our development pipeline enables us to prioritise or re-sequence to accelerate or decelerate investments in response to changes in policy settings, market mechanisms or regulatory requirements. Our retail transformation program, in positioning us to have a future-ready business, will strengthen our ability to respond with agility to evolving market conditions.
- We engage with stakeholders that are involved in the development of government policy and regulations, both directly and through our industry associations. This allows AGL to stay well informed on likely future policy and regulatory directions, respond effectively and influence appropriate regulatory and market settings. AGL's policy advocacy positions are set out within our 2025 CTAP.
- In regard to the risk of policy intervention to drive earlier coal closure, we have a Structured Transition Agreement with the Victorian Government relating to the closure of Loy Yang A Power Station. AGL's view is that our coal closure dates strike a balance between economic, engineering and environmental drivers, and reflect timeframes in which our coal–fired power stations can exit the system as part of a coordinated and orderly energy transition. We are also investing in increasing the flexibility of our coal-fired generation fleet as its role in the electricity system evolves.

Access to capital

Risk: Evolving capital market expectations relating to climate change constrain AGL's access to capital

AGL's access to capital markets, including debt providers and equity investors, may be challenged if climate pressures increase, which may affect delivery of our energy portfolio transition and broader strategy. Capital market participants may place restrictions on their participation with companies they consider to not be meeting their specific and evolving expectations relating to climate change response. Energy and climate policy uncertainty may also create an environment of investment uncertainty, which may increase challenges in accessing capital and raise the overall cost of capital.

Constrained access to capital would primarily impact AGL's operated and contracted electricity generation portfolio, including funding the maintenance of existing assets and financing the delivery of new assets, which could also have flow-on effects across AGL's broader value chain, including our electricity trading and origination activities and electricity retailing function. Capital constraints may also affect AGL's future investments in our retail business. Consequently, constrained capital could change AGL's capital allocation decisions and associated returns to capital providers. The likelihood and degree of impact of capital constraints is expected to reduce in the long term, as AGL decarbonises and capital requirements for new infrastructure build-out stabilise to more moderate levels.

Potential financial effects (future periods)

The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance		Financial position		Cash flows	
Impact	Yes		Yes		Yes	
Financial statement items impacted	Finance costs Impairment losses	▲ ▲	Property, plant and equipment Intangibles Deferred tax liabilities	▼ ▼ ▼	Operating cash flow Dividends	▼ ▼

- The principal financial effect of constrained capital access would be an increase in AGL's cost of capital. This may arise through higher debt margins, a higher implied equity risk premium, or a requirement to access alternative capital providers on less favourable terms.
- A higher cost of capital could reduce AGL's financial flexibility to fund our energy portfolio transition, maintain existing assets and deliver other strategic priorities. The most direct earnings impact would be higher interest expense, with a corresponding reduction in operating cash flows.
- Lower earnings and cash flows may also affect dividend capacity, particularly if capital is required to be preserved or if AGL needs to adopt alternative funding capital structures in response to market constraints.
- In addition, a sustained increase in the cost of capital could affect asset valuations. Where a higher discount rate reduces recoverable amounts below carrying values, AGL may recognise impairment losses against relevant intangible assets and property, plant and equipment, with associated deferred tax impacts where property, plant and equipment is impaired. However, should capital constraints affect thermal generators across the electricity market, there could be a flow-through to wholesale prices that could potentially offset the earnings impact.
- AGL has assessed this risk by modelling the impact of raising debt from alternative providers at a cost above current expectations. A 50 to 200 basis points (bps)[1] increase in the expected cost of debt could increase average annual interest expense by approximately $10–$50 million in the short term, $20–$80 million in the medium term, and $20–$90 million in the long term. Considered in isolation, and excluding the impact of forecast electricity prices, the higher cost of capital is not expected to impair AGL's generation fleet cash generating unit, with recoverable amounts remaining above carrying values across all time horizons. However it would likely result in impairment of goodwill in the customer markets and wholesale gas cash generating units.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Nil	Nil	Nil

- No material impacts on AGL's financial position, financial performance or cash flows were identified in the current reporting period relating to this risk.
- No significant risk has been identified for the carrying value of assets and liabilities for FY27 relating to this risk.

Mitigation

- AGL seeks to mitigate this risk by maintaining confidence among debt and equity capital providers through clear, consistent and transparent engagement regarding our strategy, our approach to decarbonisation, and delivery progress. This includes demonstrating that capital is being allocated in a disciplined way to support the responsible transition of AGL's energy portfolio while preserving financial resilience.

1. 50 and 200 bps reflect, respectively, a reasonable lower end potential credit spread and the upper-end observed spread for comparable carbon-intensive or hard-to-abate companies.

- AGL also manages access to capital through our capital allocation framework and prudent financial settings including maintaining an investment grade credit rating with headroom, adequate liquidity and balance sheet capacity. These settings provide flexibility to absorb periods of market disruption or changing investor appetite, and to continue funding priority investments where they are consistent with AGL's strategic and financial objectives.
- Where appropriate, AGL may broaden our funding sources by accessing capital aligned to specific asset types or investment themes. This includes using AGL's Green Finance Framework for eligible projects that support delivery of our CTAP and continuing to recycle capital for development projects where this improves funding efficiency and risk allocation.
- If access to capital were to become materially constrained, AGL expects that pools of capital would likely remain available for renewable and firming assets, including grid-scale and behind-the-meter opportunities. For existing coal assets, AGL could consider alternative capital structures over their remaining operating lives, including ring-fencing certain assets or using non-recourse funding structures where appropriate.

Portfolio transition delay

Risk: AGL is unable to deliver on our portfolio transition due to challenges associated with the broader energy transition

The pace, cost and extent of AGL's energy portfolio transition may be influenced by a wide range of factors outside of AGL's control. Barriers may include planning and approval delays, transmission infrastructure delays, social licence challenges as well as related energy affordability concerns, supply chain challenges, global competition for transition-related resources, workforce availability, policy and regulatory shifts, and investment uncertainty.

This risk is primarily concentrated in AGL's energy portfolio, particularly affecting the delivery of AGL's development pipeline of new renewable and firming projects (both AGL-owned/operated assets and assets contracted from third parties), as well as third party-owned transmission infrastructure on which new projects rely. This would in turn have impacts for AGL's broader value chain, including our electricity trading function and electricity retailing activities.

Potential financial effects (future periods)

The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance		Financial position		Cash flows	
Impact	Yes		Yes		Yes	
Financial statement items affected	Revenue	▲▼	Property, plant and equipment	▼	Investing cash flows	▼
	Depreciation and amortisation	▼				
	Interest costs	▼				
	Operating costs (net bad debt expense)	▲				

- A delayed delivery of AGL's portfolio transition plans would result in lower revenue and higher costs of sales in the short and medium term as a result of lower generation and firming volumes. Where this delay is industry wide, the lower revenue could potentially be offset by higher revenue from AGL's existing portfolio on higher market prices, caused by less supply, and the potential requirement to extend asset lives (AGL's or third parties') to manage price risk for customers and support the reliability and security of the electricity system.
- Interest costs would decrease as a result of lower capital spend, while bad debts could increase if market prices increase over a sustained period arising from customer affordability issues.
- Property, plant and equipment would decrease due to lower investment, and investing cash flows would also decrease.
- By way of example, the potential financial impact of a delay of 1–2 years in delivering our portfolio rebuild plans has been quantified over each time horizon. These impacts largely reflect a timing shift in earnings rather than a permanent reduction in value. In the short term, delays are estimated to reduce NPAT by an average of $30–50 million per annum, and in the medium term by approximately $20–40 million per annum. In the long term, NPAT is estimated to be higher by approximately $50–100 million per annum for a period corresponding to the length of the delay as earnings are recovered as AGL delivers on its portfolio transition ambition. In conjunction with the above earnings impacts, capital spend is also deferred, with a $80–$250 million p.a. positive impact in the short term, $150–$400 million p.a. positive impact in the medium term and $230–$650 million p.a. negative impact in the long term, reflecting a time shift in capital deployment rather than a change in total investment. This is based on a uniform delay in the timing of expected expenditure and earnings in delivering our energy portfolio transition plans.
- Delays to the broader energy transition could also impact market-wide wholesale electricity prices. Given the inherent uncertainty in how such a delay could impact wholesale electricity price movements, consideration has been given to how both potential increases and decreases in market prices could impact AGL's earnings. For example, assuming an average increase and decrease in wholesale market prices across the short and medium term that is between $5/MWh and $15/MWh, this could result in both a short- and medium-term

increase or decrease in AGL's NPAT of $150–$200 million p.a. and minimal impact in the long term on the basis that broader system-wide long-term renewable energy targets are still met. This sensitivity was performed on AGL's existing portfolio and does not consider second or third-order effects on the interaction of AGL's broader generation fleet with the wholesale market, such as generation volumes.

- Should the market require additional reliance on AGL's coal-fired power stations beyond stated closure dates, there would be resultant increases in our operating costs and capital expenditure to run our coal-fired power stations for longer, which would impact AGL's NPAT. For example, assuming capital expenditures are increased to an appropriate level, and a wholesale market environment consistent with current conditions, the impact on AGL's NPAT could range from an approximate reduction of up to $50 million, to an approximate increase of up to $50 million, depending upon the length of the extended operation and the specific time period analysed. It should be noted that the financial effects arising from any potential extension of coal generation are highly uncertain and depend on the economic environment in which such an extension occurs. Conditions may range from a higher–price environment in which coal plants generate commercial returns, to a lower–price environment where coal is required to provide system stability and reserve capacity but operates on an uncommercial basis, potentially requiring government support. It should be noted that a potential extension would depend on the outcomes of engineering, safety, environmental and economic assessments, recognising that the age and condition of certain assets may constrain or prevent continued operation.
- The overall resultant (combined) potential financial effects arising from this risk have not been quantified. This is due to the inherent uncertainty and range of potential outcomes for each of the discrete elements of the modelling set out above, and of how each element interacts with each other where interdependencies exist.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Nil	Nil	Nil

- No material impacts on AGL's financial position, financial performance or cash flows were identified in the current reporting period relating to this risk.
- No significant risk has been identified for material adjustment to the carrying value of assets and liabilities in FY27 relating to this risk.

Mitigation

- To support the delivery of AGL's energy portfolio transition plans, AGL continues to expand and refine our pipeline of high quality, geographically and technologically diverse renewable and firming project development options, providing increasing optionality to respond to market conditions and accelerate where possible.
- AGL aims to minimise project development costs and timeframes, by actively engaging with local communities and aiming to minimise local environmental impacts. AGL has prudent contract tender processes, maintains diversified supplier relationships, utilises forward procurement strategies, and prioritises ongoing monitoring of critical materials and logistics to minimise supply chain risks.
- AGL actively engages with government and regulatory bodies to advocate for balanced policy outcomes within the energy market to support reliable and affordable energy during Australia's energy transition. Our key areas of policy advocacy (as set out within our 2025 CTAP) include 'promoting investment in renewables and firming' and 'streamlining connections and approvals'.

Changing customer preferences

Risk: AGL fails to identify and/or respond to changing market conditions or customer preferences for low-carbon products and services

As customer preferences and energy product and service offerings evolve in response to the broader energy transition, AGL may face challenges in responding to changing market conditions. Customer demand for renewable and lower carbon energy is driving a transition towards a more decentralised energy system and electrified economy, with increasing household electrification, consumer uptake of rooftop solar, residential batteries, and electric vehicles. AGL may fail to address this and/or appropriately invest at the speed required to support the transition in alignment with our customers' preferences.

As emerging low-carbon, renewable, electrification and behind-the-meter technologies alter electricity demand from, and supply to, electricity markets, and change the profile of Australia's electricity supply, viability of some energy assets and investments may be impacted, which could potentially result in curtailment of asset operations or require adjustment to AGL's strategy.

This risk is primarily concentrated within AGL's electricity and gas retail business, including behind-the-meter offerings and associated demand-side services. Secondary exposure may occur across AGL's broader business model via impacts on our electricity portfolio operations and electricity and gas contracting and trading activities as customer load profiles or overall customer load changes.

Potential financial effects (future periods)

The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance		Financial position		Cash flows	
Impact	Yes		Yes		Yes	
Financial statement items affected	Revenue	▼	Intangible assets	▼	Operating cash flows	▼
	Cost of sales	▲	Property, plant and equipment	▼	Financing cash flows	▼
	Impairment losses	▲	Deferred tax liabilities	▼		

- Should AGL lose market share as a result of this risk eventuating, revenue could reduce. AGL could also face a need to acquire customers to maintain market share, leading to compressed retail margins. This reduction is in addition to the anticipated decline in residential gas sales volumes as households electrify.
- AGL may incur increased investment requirements to upgrade or expand product and service offerings to meet evolving industry standards and customer demand.
- There is also a risk of impairment should AGL's energy infrastructure and investments be misaligned with future demand profiles or the shift towards decentralised energy sources, impacting intangible assets and potentially property, plant and equipment.
- Operating cash flow would reduce for the reasons mentioned above, resulting in flow-on reductions in dividends paid.
- The potential EBITDA impact to AGL has been assessed by considering examples of a 3 percentage point reduction in AGL's residential electricity market share as well as up to 20% compression in EBITDA margin to capture the impact of sustained competitive pricing pressure. The modelling assumes increased earnings associated with industry and household electrification. The electrification assumptions are in line with general industry forecasts. The modelled impact should be read in this context and not compared to current or recent financial performance, and partially represents lost opportunity costs. There is an immaterial impact in the short term, with the medium and longer-term time horizons most impacted. The medium-term EBITDA impact would be $50-$80 million and the long-term impact $70-$100 million. Related impacts, including the impact of increased CER uptake and electrification on AGL's asset portfolio, or impact on overall market prices, have not been quantified.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Nil	Nil	Nil

- No material impacts on AGL's financial position, financial performance or cash flows were identified in the current reporting period relating to this risk.
- No significant risk has been identified for material adjustment to the carrying amounts of assets and liabilities for FY27 relating to this risk.

Mitigation

- AGL's strategy is focused on supporting our customers to decarbonise and reduce energy costs. In response to technology and digital innovations and disruptions, AGL continues to expand our product offerings for consumers, including innovative residential and commercial solar and battery products, EV offerings, demand-side flexibility and related offerings for our customers.
- AGL actively monitors and invests in new technologies, products and business models to align with future customer demand and evolving customer expectations, while applying prudent investment principles to deliver alignment with strategic objectives and deliver value for shareholders. AGL is actively developing and investing in retail electrification and decentralised sustainable business energy solutions.

Our continued investment in the Retail Transformation Program, including our strategic partnership and equity investment in Kaluza, will further support our broadening product suite. Planned investments are included in AGL's allocation of capital toward climate solutions as outlined in Section 12.1.

Stakeholder expectations

Risk: AGL fails to identify and/or respond to competing stakeholder expectations regarding AGL's response to climate change

AGL's ability to deliver its strategic objectives is dependent on the ongoing support of our key stakeholders, including our people, customers, shareholders and the communities in which we operate. Where AGL is unable to meet current expectations, or anticipate and/or respond to changing expectations, our ability to achieve our strategic objectives could be significantly challenged.

AGL's stakeholders have a broad range of views regarding the optimal pace of the energy transition and the appropriate actions to address climate change within the energy sector. Negative perceptions towards AGL's climate change response could result in brand and reputational issues, reduced social licence, increased regulatory scrutiny, challenges attracting/retaining talent, and increased activism, including shareholder activism.

This risk may affect AGL across our value chain, particularly in decisions relating to AGL's electricity generation portfolio operations (including coal closure plans and new renewable and firming projects for our portfolio rebuild) and the way we retail energy services to customers.

Potential financial effects (future periods)

The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance	Financial position	Cash flows
Impact	Yes - not quantified	Yes - not quantified	Yes – not quantified
Financial statement items affected	Revenue ▼ Operating costs ▲	Intangibles ▼ Property, plant and equipment ▼	Operating cash flow ▼

- AGL could lose market share and therefore experience reductions in revenue and/or could be required to spend more on marketing and customer acquisitions to retain its market share. Reduced revenue and higher costs would likely result in impairment of goodwill, and operating cash flows could be impacted for the reasons stated above.
- Delay to delivery of AGL's energy portfolio transition plans due to delayed or failed approvals and extended community consultation periods may impact AGL's future earnings.
- The risk of shareholder action could raise actual or perceived financial risk, and negative perception regarding AGL's pace of transition may cause concern for investors.
- The potential financial impact of this risk has not been quantified, as the nature of this risk is broad and the mechanism through which a specific risk could impact AGL is subject to significant measurement uncertainty.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Nil	Nil	Nil

- No material impacts on AGL's financial position, financial performance or cash flows were identified in the current reporting period relating to this risk.
- No significant risk has been identified for material adjustment to the carrying amounts of assets and liabilities in FY27 relating to this risk.

Mitigation

- AGL proactively engages with stakeholder groups, including customers, shareholders, investors, governments and regulatory bodies, and the communities in which we operate. We seek to understand key social licence risks and opportunities, and where focus is required to meet and exceed evolving stakeholder expectations. Our 2025 CTAP was developed with engagement with key stakeholders, including investors, investor groups, lenders and environmental stakeholders, to understand stakeholder expectations and perspectives. Our 2025 CTAP and our annual climate-related disclosures continue our track record of transparently communicating with our stakeholders about our approach to decarbonisation.
- AGL's enterprise-wide ESG decision-making framework is used to promote consistency in how ESG issues are considered during decision making processes and encourage early consideration of stakeholder perceptions associated with climate-related aspects of new projects, products or acquisitions, driving early consideration of these risks. We engage with key stakeholders prior to seeking relevant approvals for new project developments. This engagement continues through the life of projects and during operations.

Physical risks

Physical risks can be categorised into two main types of hazards: acute and chronic. Physical climate hazards can impact AGL's operations and the critical infrastructure on which we rely. Climate-related physical risks that could reasonably be expected to affect AGL's prospects are summarised below.

AGL energy assets

Risk: Vulnerability of AGL's energy assets to climate-related hazards

A range of acute and chronic hazards have the potential to impact specific assets within AGL's operated energy portfolio, and can be exacerbated by climate change. Hazards that have the potential to cause a significant impact to AGL's business should they eventuate are outlined below.

Acute hazards

- Physical climate hazard modelling indicates that bushfire prevalence will increase in future periods under a range of different scenarios. Should a bushfire event occur which leads to a serious fire in key equipment at AGL's coal-fired power stations, this could materially limit coal supply to the station and consequently limit generation.

Chronic hazards

- In the event of a severe and sustained drought, AGL's access to water may be limited, affecting our ability to operate assets that rely on water, including hydroelectric power stations.
- AGL's rehabilitation plans for the Loy Yang Mine require access to water. Should drought reduce the amount of water available over a sustained period, there may be delays to completion of planned rehabilitation activities in the long term.
- As AGL transitions our energy portfolio to a higher proportion of renewables, changing weather patterns that lead to prolonged periods of wind drought may have a proportionately greater impact on AGL's fleet performance.

This risk is concentrated in AGL's portfolio of operated electricity assets. These direct impacts to assets also present implications for AGL's broader value chain, including AGL's electricity contracting and market trading activities, and electricity retailing business.

Potential financial effects (future periods)

The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance		Financial position		Cash flows	
Impact	Yes - partially quantified		Yes - partially quantified		Yes - partially quantified	
Financial statement items affected	Revenue	▼	Trade and other receivables	▲	Operating cash flow	▼
	Cost of sales	▲	Trade payables	▲	Investing cash flow	▲
	Interest	▲	Property, plant and equipment	▼		
	Impairment losses	▲	Deferred tax liabilities	▼		

- Physical climate hazards could have direct financial impacts on AGL's operated electricity assets, including reduced generation output and efficiency, and increased operating and repair/insurance costs. Interruptions to our energy portfolio operations could reduce availability to meet contracted positions, increase volatility in trading outcomes and require additional capital expenditure for resilience. The occurrence of this risk could lead to a reduction in revenue, and an increase in the cost of sales as market prices increase.
  Where physical climate hazards also affect availability of other assets in the market, wholesale electricity prices could potentially rise across the market, helping to offset some of the potential impacts on AGL's broader energy portfolio.
- As a consequence, AGL's working capital would increase through both larger trade and other receivables, and larger trade and other payables. Larger security amounts would also likely be required to cover AGL's exposure to market purchases and financial products.
- Property, plant and equipment would incur impairment losses with a related reduction in deferred tax liabilities.
- Operating cash flow would also decrease for the reasons stated above while investing cash flows would increase to repair damaged equipment.

Potential impacts of specific physical hazards are discussed below. To quantify potential impacts arising from this risk, potential financial impacts have been assessed by considering the occurrence of a one-off event in each time horizon.

Bushfire risk

- Should a major fire event damage critical equipment at either of AGL's coal-fired power stations, leading to an extended unplanned outage, earnings loss and increased market exposure may occur, particularly during periods of high demand or elevated market prices. Additionally, there may be significant repair and recovery costs if critical equipment is damaged by fire.
- An extended outage occurring at either of AGL's coal-fired power stations, due to a major bushfire event which could not be contained by bushfire adaptation and fire suppression measures could negatively impact operating earnings for an event occurring in the short or medium term (long-term impacts are not relevant as this horizon is beyond the expected life of these assets). The financial impact

would be driven by a material decrease in generation revenue, and an increase in cost to supply customer load. Decreased revenue from Bayswater Power Station would be partially offset by a reduction in cost associated with lower coal utilisation and gains from financial hedges, while revenue from Loy Yang A Power Station would be further impacted by losses from financial hedges. In the event that this risk occurs, wholesale electricity prices would likely rise across the market, which may offset some of the potential impacts.

- For a sustained outage of an entire coal-fired power station in NSW or Victoria, market intervention is considered likely (but not predictable or dependable). The sudden loss of several gigawatts of baseload generation capacity could lead to significant increases in wholesale electricity prices, potentially triggering market interventions such as administered pricing or market price caps.
- Due to the high level of measurement uncertainty, AGL is not able to reasonably quantify the potential financial effects of this risk. The diversity of possible impacts (including the extent of impacts and whether they affect only AGL assets or multiple market participants), potential market interventions, and broader market effects makes financial quantification too uncertain to be useful or reliable.
- In the event of a major bushfire event affecting one of AGL's coal-fired power stations, AGL is insured for asset repair costs.
- A further impact resulting from a major bushfire event which could not be contained by bushfire adaptation and fire suppression measures at the Bayswater Power Station, is a fire in AGL's coal stockpile. The financial effects of this risk are variable and would depend on stockpile levels and replacement coal prices at the time of the event.
- AGL manages fire risks through established mitigation programs across relevant operations. Expenditure on fire mitigation measures has not been included, as the associated costs are recognised as ongoing operating costs rather than incremental costs attributable to the risk.
- We have assessed these risks as being unlikely to occur due to the significant level of controls in place, however in the event they do eventuate the impact is such that the risk would have a significant impact on AGL's prospects.

Drought Risk

- An extended period of drought may lead to reduced earnings from prolonged output reduction from hydroelectric assets.
- To quantify this risk AGL has considered the example of an instance of a severe drought event occurring in the NSW and Victorian alpine region for two years, resulting in significantly constrained generation from AGL's hydro assets leading to short-, medium- and long-term impacts of up to $150 million, $200 million and $250 million to EBITDA over the two year period in each respective time-horizon. A reduction in output from steam turbine assets has not been quantified due to the difficulty in reliably isolating water–related impacts from broader operational and market factors. If such a drought occurs, it would likely also affect other hydro assets in the market and potentially reduce water availability for both AGL and other market thermal assets. In this eventuality, wholesale electricity prices would likely rise across the market, helping to offset some of the potential impacts. These second order impacts have not been assessed due to the inherent uncertainty and complexity of these interactions.
- AGL was granted a Bulk Water Entitlement by the Victorian government in December 2025 to facilitate the rehabilitation of the Loy Yang Mine. This entitlement allows for the use of up to 35.8 GL of water annually for filling the mine pit after power station closure, and allows for periods of low water availability. Should water availability be less than forecast and works extend beyond long-term forecasts, the impacts on AGL's liability are estimated to be negligible based on the position at June 2026.

Changing weather patterns

- Changing weather patterns may lead to reduced output and efficiency of wind assets, resulting in reduced revenue. Impacts associated with changing weather patterns are highly uncertain and the full impact of these types of events are variable and unable to be quantified, particularly because changes in weather patterns could impact regions or multiple regions simultaneously, rather than isolated AGL assets. The consequential impacts on broader market are impractical to quantify. These impacts have the potential to be material to AGL across the short, medium and long term, noting they become more impactful in the long term post the closure of our coal assets.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Nil	Nil	Nil

- Climate-related acute and chronic hazards did not directly result in material impacts on AGL's financial position, financial performance or cash flows in the current reporting period.
- No significant risk has been identified for material adjustment to the carrying amounts of assets and liabilities in FY27 relating to this risk.

Mitigation and adaptation

- AGL integrates physical climate considerations into asset risk management, maintenance and capital planning. AGL's technologically and geographically diverse fleet reduces reliance on any particular asset type and reduces the risk of concentrated exposure to specific climate hazards.
- AGL's hedging strategy considers our generation portfolio mix; activities which help AGL manage our positions such as electricity contracting and our growing demand-side flexibility portfolio; and factors such as technological and geographic diversity, plant outages, anticipated market shifts and severe weather events. In particular, AGL buys a range of weather-related products to manage commercial impacts of extreme weather events, where prudent.
- AGL's current and planned future investments in firming can act to mitigate the impact of reduced generation output from renewable assets due to changed climate conditions/climate hazards relating to climate change.

- AGL has significant fire prevention programs in place, including plant maintenance strategies, plant inspections, and vegetation management plans. AGL also has robust response measures in place, including hot spot detection and thermal cameras, fire suppression systems, on site emergency services, and detailed business resilience and continuity plans.

Non-AGL infrastructure

Risk: Vulnerability of non-AGL infrastructure to climate-related hazards

AGL's performance may be negatively impacted by climate-related physical hazards impacting parts of our supply chain (whether upstream or downstream).

AGL relies on energy infrastructure that is owned and operated by others, including generation and storage assets, electricity networks, gas infrastructure and coal transport systems. More frequent and severe extreme weather events, such as bushfires, floods, storms and heatwaves, could disrupt this infrastructure and affect AGL's ability to supply energy to the market and our customers. It is anticipated that these risks will increase in frequency, particularly in the long term as the effects of warming continue to impact the climate system, resulting in more frequent and severe acute physical hazards and prolonged and more severe chronic hazards.

This risk is spread across AGL's value chain, affecting assets AGL does not own or operate, including electricity generation and storage assets, electricity and gas transmission and distribution networks, as well as other third-party infrastructure and supply chain dependencies that support electricity and gas market operations (including upstream fuel, telecommunications and other critical services). Impacts to these value chain components could lead to downstream consequences for AGL's electricity portfolio, energy trading and retailing functions.

Potential financial effects (future periods)
The table below outlines how the occurrence of the risk could affect relevant financial statement items relative to outcomes where the risk does not occur.

	Financial performance		Financial position		Cash flows	
Impact	Yes - not quantified		Yes - not quantified		Yes – not quantified	
Financial statement items affected	*Where AGL energy assets are constrained*[1]		Trade and other receivables	▲	*Where AGL energy assets are constrained*[1]	
	Revenue	▼	Trade and other payables	▲	Operating cash flow	▼
	Cost of sales	▲				

1. AGL's operated electricity assets may be constrained via physical climate hazards to third party infrastructure, including: isolation of assets from transmission/distribution networks; impacts to demand centres reducing demand for generation/dispatch from assets; and supply chain infrastructure disruptions affecting asset operations.

- Climate hazards affecting third-party electricity transmission and distribution infrastructure may disrupt AGL's ability to export electricity from our assets to the market and disrupt supply to customers. If AGL's assets are isolated from the transmission network, there may be a reduction in revenue caused by the inability to dispatch into market and an increase in cost of sales as market prices increase.
- As a consequence, both AGL's working capital would increase through larger trade and other receivables and trade and other payables. Larger security amounts would likely be required to cover exposure to market purchases and financial products, and operating cash flow would decrease for the reasons stated above.
- Disruption to third-party fuel supply assets may lead to reduced availability of AGL generation assets due to a reduction in fuel availability, or an increase in fuel costs, both of which could negatively impact earnings.
- A further risk to earnings is possible if major commercial or industrial customers halt operations unexpectedly, or a significant number of retail customers are impacted due to climate-related disruptions affecting demand and contracted revenues.
- Physical hazards may also affect other components of AGL's value chain, including upstream gas infrastructure, as well as customers' CER.
- Where climate hazards impact third-party electricity assets but AGL's own assets are not constrained, AGL may benefit from higher wholesale electricity prices as our generation assets continue to supply the market. Higher generation revenues would likely be partly offset by increased energy purchase costs where AGL has unhedged exposure.
- The anticipated financial effects have not been quantified due to the significant measurement uncertainty surrounding the timing, location, severity and co-incidence of climate-related hazards, and the resulting range of possible outcomes. In addition, AGL does not currently have sufficient information to reliably assess the financial implications to AGL of hazards affecting assets that it does not own or operate.

Current financial effects

	Financial performance	Financial position	Cash flows
Impact	Possible - not quantified	Possible - not quantified	Possible – not quantified

- In January 2026 a major bushfire event in Victoria impacted staff access to our hydro assets, and caused a communication outage for AGL's Eildon Hydro Power Station, preventing operation of this asset for two weeks. AGL is unable to quantify the financial impact of this outage, due to the uncertain and complex impacts on broader wholesale electricity pricing and impacts on, and dynamic responses from, AGL's broader portfolio.
- No significant risk has been identified for material adjustment to the carrying value of assets and liabilities for FY27 relating to this risk.

Mitigation and adaptation

- While AGL has limited ability to influence the mitigation actions put into place by third party operators of infrastructure, AGL's geographically diverse energy portfolio reduces concentrated exposure to single points of failure, for example localised weather events impacting critical supporting infrastructure for specific AGL assets. AGL's energy portfolio transition plans, as outlined in our 2025 CTAP, are supported by our geographically diverse development pipeline.
- AGL's portfolio planning and hedging strategies consider weather patterns (including severe weather events), plant outages, network constraints, market dynamics and changes in demand and CER uptake.
- AGL maintains strategic fuel and critical supply inventories to improve resilience to supply chain disruptions.
- Established incident management and business continuity processes support retail operations and customer communications during disruption events.

Opportunities

Australia's energy system is undergoing a significant transformation, shifting from a system that is heavily reliant on coal-fired power stations to a system comprising a mix of grid-scale renewable generation technologies supported by storage and firming, along with decentralised CER. The move towards lower-emissions energy sources and the continued development of new customer-centric technologies are driving a structural and economic shift in energy markets, and in the way that energy is produced, stored and consumed.

AGL's strategy is designed to create value through the energy transition by connecting our customers to a sustainable future and transitioning our energy portfolio.

In line with our strategy, AGL's key climate-related opportunities are centred on electrification and the transition towards lower-emissions energy sources, both behind-the-meter and grid-scale, supporting structural growth in electricity demand, improved asset utilisation, and enhanced ability to capture value from market volatility through firming, flexibility and demand-side services. By leveraging these opportunities, AGL aims to create value and deliver financial performance through new revenue streams, sustained margins, and new assets while supporting long-term viability in a low-carbon economy.

Climate-related opportunities that could reasonably be expected to affect AGL's prospects are summarised below.

Customer decarbonisation

Opportunity: Customer decarbonisation

The transition towards a lower-carbon, electrified and more decentralised energy system presents opportunities for AGL to expand into new and growing markets and offer new products and services to help meet the evolving needs of customers. Electrification is expected to drive increased demand for electricity over the short, medium and long term, and the uptake of evolving technologies such as CER is expected to continue to expand.

AGL is well positioned to respond to changing market conditions through new products and services, such as CER orchestration, demand-side flexibility, behind-the-meter assets, and EV services and solutions. These solutions help customers decarbonise and manage energy costs, while creating additional value for AGL's core energy portfolio. As increased renewable energy supply continues to grow, AGL expects further opportunities to support both industrial and residential customer decarbonisation through lower-emissions electricity and energy solutions.

This opportunity is primarily concentrated in the energy retailing and electricity contracting, trading and demand-side services functions of AGL's value chain.

Potential financial effects (future periods)

The table below outlines how the realisation of the opportunity could affect the relevant financial statement items relative to outcomes where the opportunity is not pursued. Note that AGL's current strategy and planning processes aim to capture this opportunity.

	Financial performance		Financial position		Cash flows	
Impact	Yes		Yes		Yes	
Financial statement items affected	Revenue	▲	Property, plant and equipment	▲	Operating cash flow	▲
	Cost of Sales	▲			Investing cash flow	▲
					Financing cash flow	▲

- As residential and C&I customers decarbonise, electrify and invest in behind-the-meter assets, revenue from services, solutions and new value propositions to support this segment will present a key opportunity, contributing to margin and financial outlook.
- The potential EBITDA associated with this opportunity could indicatively represent an incremental $40 million p.a. in the short term, $90-120 million p.a. in the medium term, and $200+ million p.a. in the longer term.

Current financial effects

	Financial performance		Financial position		Cash flows	
Impact	Yes - not quantified		Yes - not quantified		Yes - not quantified	
Financial statement items affected	Revenue	▲	Property, plant and equipment	▲	Operating cash flows	▲
	Cost of sales	▲			Investing cash flows	▲

- AGL is unable to quantify the current financial impact of this opportunity due to the complexity involved in separately identifying and measuring the associated financial effects.
- This opportunity contributes to higher revenue as increased customer decarbonisation and electrification drives growth in electricity demand and uptake of new product solutions. Higher revenue has a flow-on impact to margins and operating cash flows.
- Property, plant and equipment has increased, reflecting increased investing cash flows in upgrading and expanding investment in electrification products and services to customers.
- No significant risk has been identified for material adjustment to the carrying amounts of assets and liabilities for FY27 relating to this opportunity.

Strategic response

- AGL's strategic pillar of 'connecting every customer to a sustainable future' includes a focus on electrification and load flexibility. We are growing our e-mobility solutions for residential and commercial customers through our EV partner referrals and business fleet transition advice, public charging partnerships and EV charging and energy supply packages. We continue to expand our flexible load offerings, such as for residential batteries and our virtual power plant. We are also committing capital to grow our Energy-as-a-Service offering, and expand behind-the-meter offers and battery orchestration for our commercial customers.
- AGL's strategy is focused on transitioning our energy portfolio from predominantly coal-fired generation to renewable and firming capacity, as outlined in our 2025 CTAP, and scaling innovative customer energy solutions that support our customers' decarbonisation objectives.
- Our retail transformation program is positioning us to have a future-ready business and to respond with agility to evolving market conditions.
- AGL is actively developing and investing in retail electrification and decentralised sustainable business energy solutions. Planned investments are included in AGL's allocation of capital toward climate solutions as outlined in Section 12.1.

Energy portfolio transition

Opportunity: Energy portfolio transition

The electricity sector has a critical role to play in the delivery of a rebuilt power system based on renewable and firming assets, and through the electrification of other sectors – creating opportunities for investment, portfolio renewal and value creation over time as Australia's economy decarbonises. This presents opportunities for AGL in transitioning its energy portfolio.

AGL can capitalise on favourable conditions such as government energy and climate targets and falling technology costs to accelerate its portfolio rebuild.

This opportunity is concentrated within the electricity portfolio operations component of AGL's value chain. It is closely linked to AGL's energy trading function and energy retailing activities, and depends on access to third party-owned transmission and distribution networks for connection and dispatch.

Potential financial effects (future periods)

The table below outlines how the realisation of the opportunity could affect the relevant financial statement items relative to outcomes where the opportunity is not pursued. Note that AGL's current strategy and planning processes aim to capture this opportunity.

	Financial performance		Financial position		Cash flows	
Impact	Yes		Yes		Yes	
Financial statement items affected	Revenue	▲	Property, plant and equipment	▲	Operating cash flows	▲
	Cost of sales	▼	Borrowings	▲	Investing cash flows	▲
	Finance costs	▲			Financing cash flows	▲

- This opportunity could result in increases in revenue as generation and firming capacity increases through increased volumes sold into the electricity market. Customer numbers and volumes may also increase given AGL's ability to offer firmer priced products to customers.
- There could be a lower cost of sales as our energy portfolio transitions away from coal-fired generation. Despite property, plant and equipment increasing, depreciation & amortisation would be approximately the same as current levels once coal-fired power stations are closed.
- Finance costs and borrowings could increase as a result of the upfront capital required on a lot of investments.
- Property, plant and equipment could increase due to the large investment in firming and renewables.
- Operating cash flows could increase on higher profit, and financing cash outflows could increase as a result of higher dividends paid. Investing cash flows could increase as AGL increases our investment in firming and renewable generation.
- Investment in renewable and firming assets is expected to deliver value for shareholders and improve portfolio resilience. We estimate that we will deploy approximately $10 billion of on balance sheet capital towards renewable and firming projects, funded through a combination of cash flows from operations and debt, subject to ongoing capital management considerations and energy market conditions. Balance sheet capital is expected to be heavily weighted towards firming assets, with an expected ungeared project return of 8%-11% post tax. Investments are subject to AGL's capital allocation framework which governs the disciplined allocation of capital to deliver on our strategy while maximising value, earnings quality and shareholder returns.
- To consider the potential financial benefit of this opportunity, AGL has quantified the expected EBITDA contribution of the portfolio rebuild. It is expected to provide an annual EBITDA contribution of around $400 million in the short term, $700 million in the medium term, and $1,300 million in the long term, subject to market prices and the pace of the energy transition.

Current financial effects

	Financial performance		Financial position		Cash flows	
Impact	Yes		Yes		Yes	
Financial statement items affected	Revenue	▲	Property, plant and equipment	▲	Operating cash flows	▲
	Cost of sales	▼	Borrowings	▲	Investing cash flows	▲
	Finance costs	▲			Financing cash flows	▲

- We invested $632 million of capital expenditure in renewable and firming assets in FY26.
- This opportunity has supported AGL's revenue through improving portfolio flexibility and strengthening AGL's ability to respond to shifts in supply, demand and market conditions.
- Cost of sales decreased as the energy portfolio continued to transition away from coal-based generation sources.
- Finance costs and borrowings increased due to capital expenditure on renewable generation and firming assets, resulting in higher property, plant and equipment balances.
- Operating cash flows have increased on higher profits. Financing cash outflows have increased as a result of higher borrowing repayments. Investing cash flows have increased from the continued investment in firming and renewable generation.
- No significant risk has been identified for material adjustment to the carrying amounts of assets and liabilities for FY27 relating to this opportunity.

Strategic response

- AGL's 2025 CTAP sets the strategic direction for AGL's energy portfolio transition, including our ambition to add 12 GW of new renewable and firming capacity by the end of 2035 with an interim target of 6 GW by FY30. We have set a strategic target of having 2.1 GW of new renewable and firming capacity in development, contracted or in delivery from FY23 by FY27. We are building out our development pipeline of high quality projects, and are making strong progress in the delivery of new renewable and firming capacity. Our capital allocation planning, outlined in Section 12.1, focuses on delivering our portfolio rebuild plans through a mix of on balance sheet investment, partnerships and contracting, employing capital recycling and staged approvals to maintain balance sheet resilience.

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14.3 Exposure of business activities to climate-related risks and opportunities

Vulnerability to climate-related risks and alignment with climate-related opportunities have been assessed for AGL's key business activities.[1] These activities form a subset of our broader value chain (as depicted in Section 11). Relative exposure levels are indicated in the table below.

Key				
Key	Higher risk exposure	Lower risk exposure	Higher opportunity exposure	Lower opportunity exposure

		Integrated Energy[1]		Customer Markets[1]	
FY26 EBITDA ($m/%)		$2,032 / 84%[2]		$392 / 16%[2]	
Business activity		**Thermal generation**	**Renewables & firming**	**Electricity retail**	**Gas retail**
Transition risks	Policy and regulatory changes				
	Access to capital				
	Portfolio transition delay				
	Changing customer preferences				
	Stakeholder expectations				
Physical risks	AGL energy assets				
	Non-AGL infrastructure				
Opportunities	Customer decarbonisation				
	Energy portfolio transition				

1. Section 5 of the Directors' Report (Segmental Analysis) provides financial performance information for AGL's operating segments: Customer Markets, Integrated Energy and Investments, as well as Centrally Managed Expenses. Investments and Centrally Managed Expenses are excluded from the table above, as they are not considered to represent business activities with significant exposure to climate-related risks and opportunities.
2. Percentage of total EBITDA from Integrated Energy and Customer Markets operating segments. Total FY26 EBITDA also includes $22m from Investments and $(346m) for Centrally Managed Expenses.

The nature of AGL's business activities, against the backdrop of evolving policy settings and market reforms that can influence both wholesale and retail energy markets, means AGL is exposed to climate-related policy changes across its key business activities. At the same time, AGL's portfolio diversity and strategic flexibility positions the business to adapt to changing policy settings. Given the emissions-intensive nature of our coal-fired generation assets (which make up 48% of AGL's operated and contracted capacity), this business activity has a relatively high exposure to climate-related risks relating to policy, capital markets and stakeholder expectations.

AGL's portfolio of operated and contracted renewable and firming assets currently represents 52% of our total operated and contracted generation and storage portfolio capacity. Delivery of AGL's energy portfolio transition ambition will be subject to the risk of delays associated with the broader energy transition.

Across all of AGL's business activities there is exposure to physical climate-related hazards, both through direct impacts to our energy asset operations and indirect impacts across our broader value chain.

By 2030, AEMO expects around 50% of consumers to have adopted some form of CER assets (including rooftop solar, behind-the-meter batteries and EVs), presenting key opportunities to AGL. As more customers electrify over the medium to long term, AGL expects to be able to capture more value as we continue to expand our range of products and services aligned to the customer decarbonisation opportunity. AGL's electricity and gas retail businesses are likewise exposed to climate-related risks arising from changing customer preferences. Our plans to help customers decarbonise take into consideration the exposure of our retail gas book to this climate-related risk.

1. AGL's key business activities comprise thermal generation, renewables and firming, electricity retail and gas retail. Thermal generation includes our operation of Bayswater, Loy Yang A and Torrens Island power stations, as well as Loy Yang Mine. Renewables and firming encompasses our operation and/or contracting of our portfolio of renewable and firming assets. Electricity retail includes our electricity retailing business, including services related to our customers' CER. AGL also actively trades electricity to balance our supply with customer demand.

15. Climate resilience

AGL periodically undertakes climate-related scenario analysis to gain insights into physical climate risk exposure and potential transition pathways for the Australian energy system. Climate-related scenario analysis assists AGL to assess the resilience of our operations and our strategy across a range of potential future pathways, anticipate risks and opportunities, and adapt our plans to an evolving energy landscape.

AGL has assessed the resilience of our strategy and business plans under low-warming and high-warming scenarios, which were developed to test the implications for, and resilience of, AGL's strategy and business plans. This modelling has been used to examine the potential impacts of different climate–related pathways under a range of assumptions, including climate and energy policies, the pace of the energy transition, the overall energy demand outlook, the rate of CER uptake and electrification and the level of coordination of these assets, and physical climate hazard impacts.

The assessment considers:

- A **low-warming** transition scenario representing a rapidly accelerated energy transition pathway aligned with the upper ambition of the Paris Agreement to limit warming to 1.5 degrees[1]; and
- A **high-warming** scenario suite comprising a delayed energy transition pathway and increased physical hazard exposure. This draws on both a transition pathway aligned with a ~2.6 degrees warming outcome, and physical climate hazard modelling aligned with a ~2.7 degree scenario warming outcome.

Refer to Section 17.1 for key judgements regarding choice of scenarios. The scenarios draw on electricity market modelling undertaken during the development of AGL's 2025 CTAP in FY25, as well as physical climate hazard modelling undertaken in FY24. AGL considers that the scenarios, including their core assumptions, remain relevant for the purpose of this resilience assessment. Details of the modelling, including methodology and key assumptions are summarised in Section 17.3.

AGL's overall strategic resilience and capacity to adapt under each scenario is discussed below.

Low-warming scenario - 1.5° rapid transition

Rapid decarbonisation and transformation of the Australian energy system to align to a 1.5 degrees pathway[2]

Under this scenario Australia's electricity sector transitions rapidly, delivering emissions reductions consistent with a 1.5 degree warming outcome, while the pace of renewable and firming capacity build-out, CER uptake and electrification accelerates significantly, with a substantial rise in electricity demand. To support this transition, the energy sector would need to substantially accelerate the transformation of the energy system to ensure system reliability and to enable earlier coal-fired generation retirement.

Based on the scale and nature of change required, delivery of the modelled energy transition pathway would be extremely challenging to deliver in practice. Urgent government intervention would be required, including substantial changes to current policy, market and delivery settings, enabling current constraints on the pace of the energy transition to be unlocked. Additionally, delivering this scenario would require a number of significant challenges and issues to be overcome, including, but not limited to:

- Current timeframes and delays in project approvals and grid connection timeframes, and transmission infrastructure build out, would need to be significantly reduced;
- Ongoing supply chain and workforce constraints impacting energy infrastructure projects across Australia would need to be resolved at pace;
- There would need to be significantly accelerated closure of coal-fired power stations across the market, including several projected closure dates that would not meet AEMO's minimum three-year notice of closure requirement;
- There would be significant implications for energy reliability, energy security and customer affordability; and
- The feasibility and commercial viability of low-carbon technologies, including green hydrogen production and carbon capture, utilisation and storage (CCUS) would need to significantly improve within an accelerated timeframe.

Implications for AGL

This scenario presents both opportunities and risks to AGL. Under this scenario, AGL's overall strategic pillars relating to 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio' would not fundamentally change. However, relative to AGL's current plans, delivery against these pillars in this scenario would require a faster pace, increased scale, and a more adaptive approach in response to changed market conditions, supported by access to capital.

1. Warming outcomes represent temperature rise relative to pre-industrial levels, by 2100.
2. Low-warming transition scenario corresponds to Scenario 1 disclosed in our 2025 CTAP.

Key changes in AGL's exposure to climate-related risks and opportunities under the low-warming scenario are outlined in the table below.

Transition risks	• Under a low-warming scenario, AGL's exposure to climate-related transition risks associated with policy and regulatory changes (including intervention to drive earlier coal closures), access to capital, changing customer preferences, and stakeholder expectations, remain elevated over the short term while AGL continues to operate its coal assets, and would continue to require careful management in line with Section 14.2. • AGL's gas retail business may also face increased exposure to transition risks relating to policy and regulatory changes, changing customer preferences and stakeholder expectations, particularly in the longer term. • Under this scenario accelerated change in customer preferences relating to CER across the short to long term could drive an environment of increased innovation and competition from other retailers. AGL would need to remain adaptive to changing customer preferences, supported by our continued focus on delivering innovative solutions to meet customer needs. • Additionally, under a low-warming scenario where an accelerated influx of CER rapidly alters system demand profiles, this could present increased challenges for AGL's portfolio balancing and hedging. AGL would need to adapt its existing portfolio balancing strategies accordingly. • AGL's exposure to transition risks relating to energy transition delays is assumed to decrease under this scenario.
Physical risks	• Assuming global decarbonisation efforts hold warming to 1.5 degrees, the severity and frequency of physical climate hazards would be expected to be lower in the future compared to the current outlook. The severity and frequency of physical climate hazards impacting AGL's assets and broader value chain would also be expected to be lower relative to the current outlook, with impacts to AGL's business expected to remain manageable.
Opportunities	• The substantial rise in electricity demand represents a key driver of value for AGL, supporting improved asset utilisation and expanded revenue opportunities for AGL across its generation and customer businesses. • AGL's customer decarbonisation strategy would be well positioned to capitalise on the accelerated pace and significantly increased scale of CER and electrification uptake under this scenario, as well as enhanced coordination and integration of CER technologies. The size of the value pools associated with AGL's strategic pillar of 'connecting every customer to a sustainable future' would be expected to grow materially under this scenario. • Increased electricity demand and evolving market conditions could improve the value of AGL's energy portfolio investments, particularly renewable and firming assets, supporting an accelerated and/or scaled up portfolio rebuild and enhanced long-term earnings growth.

This scenario suggests AGL's coal-fired power stations would both close in FY30, significantly earlier than currently planned. Given the current stage of Australia's energy transition, FY30 closures would be expected to create significant energy supply and reliability challenges in the NEM, as the required pace and scale of new build in this compressed timeframe is not considered to be feasible.

AGL's Structured Transition Agreement (STA) with the Victorian Government allows for scenarios where the power station can close earlier than 30 June 2035, with agreement from the State, including if the power station is not needed for the reliable and secure supply of electricity in Victoria (as determined by AEMO). If this event occurred, there could be both financial downside risks to AGL (including lost future earnings and bringing forward rehabilitation costs), and upside opportunities including significantly fast-tracking our energy portfolio transition activities, supported by the unlocking of capital, supply chain, workforce and community challenges.

Should AGL be required to significantly accelerate our energy portfolio transition, AGL's development pipeline of project options, our flexible balance sheet position, and prudent capital management strategies would support this. AGL considers that our business would be able to adapt to remain resilient under the low-warming scenario over the short, medium and long term, subject to supportive policy and regulatory settings for AGL's business model, market conditions and access to capital enabling acceleration of our portfolio rebuild delivery, system reliability and security requirements being met and our ability to bring forward our rehabilitation plans, while managing impacts on key stakeholder groups through the transition.

High-warming scenario suite- Above two degrees transition pathway with build constraints and above two degrees physical climate hazard scenario

Renewable build rates have been constrained to historical levels, resulting in delayed energy policy delivery and an emissions pathway aligned to above 2 degrees[1], with increased physical climate hazard exposure

The transition scenario assumes significant disruption to Australia's current policy and regulatory ambitions, resulting in a slowed energy transition pace, with constrained grid-scale build-out, moderate rates of electrification and CER uptake, and moderate electricity demand growth. This scenario reflects a decelerated energy transition that would require substantial change in current climate and energy policy direction, noting the following practical constraints:

- Some investors/capital markets remain focused on meeting decarbonisation goals;
- Reliance on an ageing coal fleet in the long term presents potential energy reliability and affordability issues; and
- Risk of deteriorating geopolitical relationships due to failure to uphold Australia's net zero/decarbonisation commitments.

In this scenario, the pace of energy infrastructure build-out is constrained to historical rates, resulting in a delay to the delivery of national 2030 renewable policy targets until the latter half of the 2030s, and an emissions pathway aligned to ~2.6 degrees. Australia's net zero target would still be achieved by 2050, and all coal-fired power stations in the NEM would close by 2040. This scenario assumes a slower build-out of renewable and firming capacity in the broader market due to challenging conditions for project development in Australia. These challenges may include delays in grid connections, planning approvals, access to capital, supply chain constraints, and workforce availability.

The high-warming physical climate hazard scenario reflects changing physical climate hazard exposure across AGL's key asset locations under a ~2.7 degrees-aligned warming scenario.

Implications for AGL

The high-warming transition scenario highlights the impacts of a delayed energy transition. Although this scenario reflects AGL's planned coal closure dates, it presents a challenging environment for the delivery of AGL's ambitious portfolio rebuild strategy. Under this scenario, AGL's overall strategic pillars of 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio' would not fundamentally change. However, relative to AGL's current plans, delivery against these pillars in this scenario would require an adaptive approach in response to changed market conditions, and concerted effort to overcome obstacles to the delivery of AGL's strategy.

The high-warming physical climate hazard scenario highlights the increased physical risk exposure of AGL's assets and broader business under a higher warming pathway.

The table below summarises impacts on AGL's exposure to climate-related transition risks, physical risks and opportunities under the high-warming scenarios.

Transition risks	• Under the high-warming transition scenario, AGL's exposure to climate-related transition risks associated with access to capital, portfolio transition delay, and stakeholder expectations could remain elevated, especially where stakeholders and markets are still seeking accelerated climate action. • Delivery of AGL's energy portfolio transition could face increased challenges over the short to long term due to increased constraints on the delivery of the broader energy infrastructure build-out under this scenario. Overall, AGL considers that this risk is well-managed through our high-quality project pipeline, and flexibility in our broader portfolio response should material delays eventuate. • The risk of changing customer preferences relating to electrification and CER driving disruptive retail or wholesale market conditions under this scenario would be expected to decrease. • Under this scenario, stakeholder perceptions would be expected to be mixed depending on their response to the delayed transition, particularly in the short to medium term while AGL operates coal-fired generation assets. Managing the competing expectations of stakeholders with diverse priorities could present challenges to AGL. AGL's approach to managing stakeholders and capital markets relationships are outlined in Section 3.2.4.
Physical risks	• AGL's physical hazard modelling highlights that physical hazards to our operational assets and third-party infrastructure on which AGL's business relies would be expected to increase, particularly in the long term. AGL would need to adapt its mitigation and adaptation measures to ensure asset-level exposure continues to be appropriately mitigated.
Opportunities	• Under the high-warming transition scenario, the current trajectory of CER uptake and electrification would continue, albeit at a slower rate, and AGL would be well positioned to capitalise on this steady growth. Changed market dynamics resulting from this trend would also be expected to support opportunities for AGL's growing portfolio of firming assets to capitalise on. • AGL would potentially face heightened challenges to the delivery of its energy portfolio transition over the short to long term under this scenario. AGL would need to adapt its energy sourcing plans, enabling AGL to continue to power our customers' demand.

1. High-warming transition scenario corresponds to Scenario 4 disclosed in our 2025 CTAP.

Under the high-warming transition scenario, to address challenges to the delivery of our portfolio rebuild ambition, AGL would potentially need to adapt our long-term plans, leveraging our existing trading and hedging strategies to avoid price exposure risk. AGL continuously monitors the market outlook and maintains the flexibility to adapt to evolving market conditions as required. AGL considers our strategy would be able to adapt to remain resilient to these transition-related effects under this scenario over the short, medium and long term, subject to supportive policy and regulatory settings for AGL's business model, and market conditions that enable delivery of our energy portfolio transition in the planned timeframe, with AGL's planned investments in new renewable and firming capacity remaining viable despite changed wholesale price settings.

A significant delay to Australia's energy transition could also result in extended operational lifetimes across the country's coal-fired generation fleet beyond currently planned closure dates, including via government or regulatory intervention to ensure system reliability and demand requirements are met. Extended reliance on ageing coal-fired generation assets may pose additional system reliability and operational challenges. Our experience with Liddell Power Station (which was 52 years old at the time of retirement) showed that the reliability of ageing coal-fired power stations is expected to decline substantially. Our Bayswater and Loy Yang A power stations will be approximately 50 years old by their targeted closure dates.

A greater temperature rise would increase physical risks to AGL's assets and broader business. To inform our understanding of the physical risks presented to our business, we have undertaken physical climate hazard modelling (see Section 17.3.2 for details), considering physical climate scenarios under a range of temperature warming outcomes. The modelling highlights flood, bushfire, extreme heat and drought as the key hazards to which AGL's asset locations are exposed. Key physical risks arising from climate-related hazards are discussed in Section 14.2.

In terms of adaptation plans to address physical impacts of climate change, AGL has robust business resilience and continuity plans, asset management and maintenance strategies, and insurance and hedging strategies in place. The technological and geographical diversity of our generation fleet further mitigates the risk of widespread disruption from individual physical hazards.

16. Climate-related governance

AGL's approach to corporate governance is disclosed in the Corporate Governance Statement and in the Governance Summary on pages 68-72 of the Directors Report. This section provides additional information on the governance and oversight of climate-related matters.

16.1 Board and Board Committees

AGL's Board maintains close oversight over climate-related matters, consistent with its role in safeguarding AGL's interests and fostering sustainable value creation. The Board reviews and approves AGL's strategic direction, taking into account financial and non-financial risks and opportunities. This includes consideration of the implications of climate-related risks and opportunities on AGL's business model, financial position, financial performance and cash flows over the short, medium and long term.

Responsibilities of the Board and Board Committees are set out in formal Charters, which the Board reviews at least every two years. The Board and each Board Committee have particular responsibilities in relation to climate matters as outlined below.

- The Safety & Sustainability Committee (SSC) has been established by the Board to review and oversee the development and implementation of policies and procedures to enable AGL to operate its business safely and sustainably and to monitor the decisions and actions of management to achieve AGL's objective of being a safe, socially responsible and sustainable organisation. The SSC's particular responsibilities in relation to climate matters include overseeing (in conjunction with the Audit & Risk Management Committee as appropriate) the processes for identifying, assessing, prioritising, monitoring and managing AGL's material sustainability and climate-related risks and opportunities. This includes reviewing, and recommending to the Board for approval, AGL's material climate-related targets, monitoring progress against those targets and overseeing the preparation of AGL's climate-related disclosures (including the Sustainability Report).
- The Audit & Risk Management Committee (ARMC) is responsible for overseeing AGL's statutory reporting processes and AGL's processes for the effective identification, assessment, monitoring and management of risks and compliance with legal and regulatory requirements. The ARMC's particular responsibilities in relation to climate-related matters include reviewing the financial components of AGL's climate-related financial disclosures and oversight of AGL's risk management and internal controls framework, including the framework for assessing and managing climate-related risks and opportunities.
- The People & Performance Committee's (P&PC) primary responsibilities relate to overseeing the processes for the recruitment, retention and remuneration of senior managers and other employees with the capabilities and skills necessary to execute AGL's strategy. The P&PC's particular responsibilities in relation to climate-related matters include considering, and making recommendations to the Board, on how climate-related considerations should be factored into AGL's remuneration framework and metrics. Further information on how AGL's remuneration framework is set and evaluated by the P&PC is available in the Remuneration Report.
- The Nominations Committee is responsible for reviewing the composition of the Board, including assessing and recommending to the Board the appropriate mix of skills, competencies, knowledge, experience, independence and diversity to enable the Board to discharge its responsibilities effectively. Understanding the risk and opportunities associated with the energy transition, and broader ESG considerations, is a core area that has been identified by the Nominations Committee, as outlined in the Board Skills Matrix in Section 8.1.

As outlined above, the Board oversees and considers recommendations from the SSC, ARMC, P&PC and Nominations Committee in relation to sustainability-related matters including AGL's material climate-related targets, the Sustainability Report and the inclusion of climate-related considerations in AGL's remuneration framework.

The Board also regularly considers AGL's climate and sustainability strategy and climate-related risks and opportunities. This includes AGL's response to climate change and performance against key climate targets (quarterly), market trends and insights (quarterly), and approval of Tier 1 risks, including those related to climate change (bi-annually). A holistic consideration of the company's key climate risks, opportunities and response is also undertaken as part of the preparation of AGL's Sustainability Report.

AGL has implemented an ESG decision-making framework to facilitate consideration of ESG matters by the Board and management, which is applied in respect of all new material projects and initiatives proposed to be undertaken. The framework integrates ESG considerations, including climate-related risks and opportunities and trade-offs, into approval processes to ensure that ESG considerations form part of decision making.

During FY26, a key focus of the Board was oversight and guidance in relation to the approach to adopting AASB S2. The Board also provided oversight and guidance in relation to the delivery of AGL's CTAP, which was last updated in August 2025, and was approved by shareholders at the 2025 Annual General Meeting in October 2025.

More information about the role of the Board and its Board Committees can be found in the 2026 Corporate Governance Statement.

16.1.1 Board climate-related skills and competencies

AGL seeks to maintain a Board with a broad range of skills, knowledge and experience necessary to provide effective oversight of management and guide the strategic direction of the company. In this regard, the Board seeks to ensure that adequate skills and experience are in place to allow it to appropriately oversee AGL's key risks and opportunities, including those associated with decarbonisation, the energy transition and broader ESG considerations.

AGL's Non-Executive Directors have a broad range of operational, project delivery and energy industry experience, as well as knowledge and experience in customer and financial markets, strategy and transformation, in addition to people, ESG, safety, risk and compliance and other sustainability-related matters that are important to AGL.

AGL's Board undertakes a program of ongoing Director education to remain up to date on the material risks and opportunities facing AGL's business. This year's Director education program included meeting with a number of key industry experts and regulators on the energy transition and a session with a professional consultant on climate risks and opportunities and reporting under the new climate-related financial disclosures regime. In addition, the Board supplements its knowledge by seeking the input of executives, external advisers and specialists to further inform its decisions.

The Board uses a skills matrix to identify the key skills and experience the AGL Board is seeking to achieve in its membership. During FY26, the Board undertook a review of the Board Skills Matrix, which included a benchmarking exercise conducted by a professional consultant, to ensure that the Board Skills Matrix is reflective of AGL's strategy and the skills needed to effectively oversee the risks and opportunities that are facing AGL's existing and future business. The updated Board Skills Matrix is set out on page 68 of the Governance Summary in the Directors' Report.

Following this exercise, AGL identified *Energy Transition and ESG* as a priority area for the Board's competency, as well as other areas that are directly relevant to AGL's key climate-related risks and opportunities, including *Customer Markets, Stakeholder management and communications, Transformation and change, Energy assets and markets* and *Financial/ Capital Markets*.

The Board's experience in these areas is set out in Section 8.1. Further details including biographies of AGL's Board members are outlined on page 73 of the Governance Summary in the Directors' Report.

16.2 Management

AGL's Managing Director & CEO is responsible for ensuring management's focus on AGL's strategic direction within the changing landscape of climate-related policies, regulations, and market dynamics. This includes our response to climate-related issues through our two key strategic pillars of 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio'.

The Managing Director & CEO is also responsible for translating AGL's strategy into actionable plans to address the risks and opportunities associated with climate change, including through the pursuit of these strategic pillars.

The Managing Director & CEO has, and exercises, authority to delegate to the Executive Team, which comprises senior executives who report directly to the CEO. While Executive Team members have individual accountability for their respective business functions, the Executive Team collectively has accountability for managing risks (including those that are climate-related) across AGL.

In particular, the management of climate-related risks and opportunities across AGL involves:

- processes to identify, assess, monitor and manage climate-related risks and opportunities, as part of AGL's enterprise risk management framework and Climate Risk Management Program as described in Section 14.1. This includes climate-related risk assessments, climate scenario analysis activities, risk reporting and escalation processes, and the periodic reassessment of material climate-related risks and opportunities; and
- implementing appropriate controls and procedures to support climate-related disclosures and decision-making, including the governance of climate-related data, review processes supporting key assumptions and judgements, and oversight of assurance activities where applicable.

As part of AGL's risk management model, which is based on the "three lines" model, all employees are empowered to own and manage the risks that arise within their area of responsibility. Our central enterprise risk function is our second line of defence, providing objective challenge, oversight and support. Our Group Internal Audit function provides independent assurance on governance, risk management and internal control processes. Where required by law, or where deemed appropriate, we also engage third parties to provide independent assurance.

These processes are supported by regular discussions and oversight by the Executive Team on emerging risks and key decisions affecting the business at monthly meetings, and other priorities meetings, where, amongst other items, these matters are reviewed and agreed.

Given the nature of AGL's business and strategy, each member of the Executive Team has a role to play in managing AGL's climate-related risks and opportunities, including through the pursuit of our strategic pillars of 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio'. This encompasses but is not limited to the development, delivery and operation of our renewable and firming generation portfolio, planning for and undertaking the closure, decommissioning, demolition and rehabilitation of AGL's coal-fired generation assets, delivering products and services that enable customers to decarbonise the way they live, move and work, prudent capital management to fund the energy transition and advocating for positive market and customer outcomes.

The Executive Team considers sustainability in decision making, including through AGL's ESG decision-making framework (as outlined in Section 12.2). This ESG decision-making framework incorporates climate-related risks and opportunities, including considering the potential cost of abatement for projects that generate emissions into the future.

Material climate-related matters are reported through established governance and risk reporting processes and escalated to the Board and relevant Board Committees as appropriate. In particular, AGL's Tier 1 risks are reviewed by the Board, the ARMC and the Executive Team at least twice a year.

16.2.1 Executive remuneration

As outlined in the Remuneration Report, AGL's executive remuneration framework is designed to create long-term, sustainable value for shareholders by aligning executive remuneration with the company's business strategy. Climate-related metrics are incorporated into short-term incentive (STI) and long-term incentive (LTI) plans to incentivise executives on climate change objectives and the energy transition.

- **Long-term incentive plan** - The LTI plan rewards executives for delivering against the AGL strategy (including the commitments set out in the CTAP to create long-term value for shareholders and other stakeholders). The performance metrics are selected each year to align with AGL's strategic pillars of 'connecting every customer to a sustainable future' and 'transitioning our energy portfolio' to drive shareholder value. AGL's LTI plan has included climate transition metrics since the FY21 LTI grant. Climate transition metrics are included in all LTI plans which are due to be performance tested at the end of FY27 to FY29. Climate transition metrics comprised 25% of the FY23 offer which vested at the end of FY26, and 30% of the FY24-FY26 offers.
- **Short-term incentive plan** - The STI plan rewards executives for delivering financial returns and progressing AGL's strategy. The key focus is to deliver against financial and non-financial strategic objectives so that operational goals are achieved. This recognises the importance of AGL generating a sustainable cash-flow to support our energy portfolio transition, future growth and progress against our strategy. Within individual strategic objectives in the FY26 STI plan, climate-related priorities include the build of the development pipeline as well as contracting and origination priorities which align to AGL's strategic pillar of 'transitioning our energy portfolio', and customer electrification objectives, which align to AGL's strategic pillar of 'connecting every customer to a sustainable future'.

Climate-related remuneration realised in reporting year

In aggregate, 7.8% of total executive remuneration recognised in FY26 is linked to climate-related considerations, representing the proportion of total STI and LTI outcomes attributable to climate measures.

Refer to page 83 of the Remuneration Report for further details relating to the remuneration outcomes for the members of the Executive Team designated as Key Management Personnel (KMP).

17. Appendices to the Climate-Related Disclosures

17.1 Key judgements

In complying with the requirements of AASB S2, AGL has exercised judgement in our approach to reporting and the underlying assumptions and processes that support the disclosures presented within the Sustainability Report. This includes determining what information is relevant, reliable and useful to readers. The topics below represent the key areas for which AGL exercised judgement in FY26.

Topic	Key judgement
Capital deployment towards climate-related risks and opportunities	AGL's capital deployment towards its strategy in the reporting year is considered to represent AGL's capital deployment towards climate-related risks and opportunities. This capital deployment includes AGL's expenditure on climate solutions: climate solutions capital deployment includes capital deployment aligned with our customer decarbonisation opportunity, as well as our spend on renewables and firming (excluding gas-powered generation), aligned with a subset of our energy portfolio transition opportunity. Gas-powered generation is excluded to align our definition of climate solutions with the Australian Sustainable Finance Taxonomy. AGL's capital deployment on gas-powered generation also represents additional capital that is aligned to our energy portfolio transition strategy, and considered to be deployed towards managing our climate-related risks and opportunities. Investments in resilience to physical climate-related risks at our assets are an ongoing business cost that is not considered to be in scope.
Consideration of what activities and impacts are "climate-related"	AGL considers activities and impacts associated with the energy transition to be climate-related, as climate-related drivers for the energy transition cannot be reasonably separately identified from elements of the energy transition that may occur irrespective of climate-related drivers.
Disclosure threshold for key climate-related financial risks	AGL's existing enterprise-wide risk management framework is used to consider whether risks are likely to impact AGL's prospects, which requires judgement about the likelihood of the risk occurring and the consequences of the risk to the business and value chain. Refer to Section 14.1 for further details on the approach undertaken.
Disclosure threshold for key climate-related financial opportunities	AGL has exercised judgement in relation to the assessment of potential value pools associated with the energy transition that can be capitalised on through the delivery of our strategy. Refer to Section 14.1 for further details on the approach undertaken.
Scope and boundary of value chain for identifying where the effects of climate-related risks and opportunities are concentrated	The characterisation of AGL's value chain focuses on AGL's electricity and gas value chains at a high level, as these are considered to be the most financially material components of AGL's business and the areas where climate-related risks and opportunities are most concentrated.
Use of transition scenario modelling to inform resilience assessment	In FY25, AGL engaged ACIL Allen (ACIL) to undertake market modelling of Australia's electricity market under five climate-related scenarios (refer to Section 17.3.1) to inform the development of AGL's CTAP. AGL has utilised the insights from this market modelling to inform the resilience assessment (Section 15) in this report. Specifically, scenarios 1 and 4 have been chosen to represent two diverse futures comprising a low-warming, accelerated transition pathway, and a high-warming, delayed transition pathway. Since undertaking the modelling, there have been notable market developments, however AGL considers this modelling to remain relevant and useful for the purpose of the resilience assessment.
Use of physical climate hazard modelling to inform resilience assessment	In FY24, AGL engaged Aon to undertake scenario modelling of the exposure of AGL's assets to climate-related physical hazards under various warming pathways ranging from ~1.8 degrees to ~4.4 degrees (refer to Section 17.3.2). The outputs of this modelling have been used to inform AGL's resilience assessment (Section 15) and consideration of physical risks (Section 14.2). AGL considers that the scenarios, including their core assumptions, remain relevant in FY26, and that the modelling results continue to provide useful insights into climate-related physical risks.

Topic	Key judgement
Selection of “low” and “high” warming scenarios and associated carbon budgets	AGL considers that Scenario 1 (transition scenario analysis) represents a 1.5 degree-aligned scenario, on the basis that the carbon budget used for the modelling is based on the carbon budget for the NEM under the Green Energy Exports scenario from AEMO’s 2024 ISP modelling of the NEM, which is aligned to a global mean temperature increase of 1.5 degrees by 2100. This is considered to be aligned with the latest international agreement on climate change, the Paris Agreement, for which the most ambitious temperature warming objective is to limit warming to 1.5 degrees above pre-industrial levels. AGL considers Scenario 4 (transition scenario analysis) and Scenario B (physical scenario analysis) to be high-warming scenarios. Scenario 4 represents a ~2.6 degrees (RCP4.5) aligned scenario, on the basis that the carbon budget used for the modelling is based on the carbon budget for the NEM under the Progressive Change scenario from AEMO’s 2024 ISP modelling of the NEM, which is aligned to a global mean temperature increase of 2.6 degrees by 2100. Scenario B represents a ~2.7 degrees (SSP-2-4.5) physical warming scenario, based on IPCC’s AR6. These are both considered to be high-warming temperature outcomes, and are consistent with the Corporations Act requirement to assess a scenario in which global average temperature increase well exceeds the increase mentioned in subparagraph 3(a)(i) of the Climate Change Act. As noted in the AASB S2 standard, Paragraph 2.17 of the supplementary Explanatory Memorandum accompanying the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 states that an increase of 2.5°C or higher would be considered to well exceed the increase mentioned in subparagraph 3(a)(i) of the Climate Change Act. Whilst the carbon budgets used have not been updated in FY26, these scenarios are considered to remain relevant for the purpose of the resilience assessment.
Approach to considering the resilience of AGL’s business and strategy to climate change	The assessment of resilience is based on management’s judgement of the capacity of AGL to respond under the conditions in the scenarios considered. This relies on scenario assumptions and key dependencies, as noted in Section 17.3 and Section 17.2. Management has exercised judgement about which key uncertainties to explore through the resilience assessment, based on the nature of our business and our climate-related risks, and about how certain risks may change under different scenarios and how this may impact business resilience.
Selection of inputs and assumptions for quantification of climate-related financial risks and opportunities	The estimation of potential financial effects arising from climate-related risks and opportunities in future periods is influenced by AGL’s business plans and financial models, which include estimates, assumptions and judgements. Management has applied judgement in relation to modelling inputs and how modelling outputs are represented in the Sustainability Report, including the representation of potential effects in ranges.
Risks where financial effects are not quantified	For certain risks, AGL determined that the financial effects arising are not separately identifiable and/or the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. Instances where this judgement has been applied are identified in Section 14.2.
Vulnerability to climate-related risks and alignment with climate-related opportunities	Management has exercised judgement in assessing which components of our business are directionally more or less vulnerable to climate-related risks and exposed to climate-related opportunities.
Capital allocation	Capital allocation represents the deliberate allocation of capital resources. It is calculated as the total forecasted capital allocation including expenditure on thermal and firming projects, retail electrification expenditure, project finance for renewable projects and offtake-linked renewable project expenditure by third parties pro-rated for AGL's proportion of offtake capacity.
Regulatory targets and other obligations	AGL’s grid-connected electricity generation facilities are covered by sectoral baseline under the Safeguard Mechanism (198 $MtCO_2e$), and as such no facility-level emissions reduction targets apply to these assets under the Safeguard Mechanism unless the total emissions from all grid-connected electricity generators collectively exceed the sectoral baseline. AGL also has obligations under other national and state-based schemes designed to encourage renewable energy uptake, improve energy efficiency, and/or reduce peak demand, which may have the effect of reducing greenhouse gas emissions. These schemes impose market-wide compliance obligations on liable retail electricity participants rather than entity-specific climate-related targets. As the schemes do not impose entity-specific targets, AGL has not classified these obligations as targets for the purposes of AASB S2 reporting.

17.2 Key dependencies and assumptions used in developing AGL's CTAP

Key dependencies and assumptions[1] used in developing AGL's 2025 CTAP are outlined below. Further information is available on page 60 of the 2025 CTAP.

Key dependencies in our CTAP	Key assumptions used in developing our CTAP
Timing of third-party owned coal-fired power station closures, and the rate at which the electricity grid decarbonises	Coal-fired generation exits the system according to the planned schedule (as at end of FY25), enabling AGL's coal assets to close according to their scheduled closure dates. The rate of decarbonisation of the electricity grid over time, driven by coal-fired generator closures and delivery of additional renewable and firming assets, supports AGL to reduce Scope 3 emissions associated with the electricity sold to customers.
Stable, supportive energy policy, regulatory and market environment	Current government energy and climate targets are met, enabled by stable and supportive policy and regulatory frameworks, and system security and reliability is maintained.
Unlocking of non-market barriers	Non-market barriers which may slow the pace of project delivery, including planning approvals, connection processes, supply chain constraints including project construction workforce availability, and social licence issues, are unlocked, enabling timely project delivery.
Investment appetite and availability of funding for renewable and firming projects	Supportive capital markets conditions enable AGL's energy portfolio transition strategy, and Australia's broader energy transition.
Energy demand growth	Electricity demand growth, driven by electrification and other new demand sources, occurs at a sustainable rate that does not result in significant delays to the closure of coal-fired power stations and/or increased emissions from the electricity sector.
Consumer electrification uptake	Strengthened government support and the unlocking of barriers to consumer electrification enable continued electrification uptake.
Energy affordability	The cost and equity impacts of the energy transition for energy consumers and taxpayers do not impede the required energy infrastructure build-out program.
Technology development and costs	Capital costs for new renewable and firming assets continue to decline in line with forecasts.
Use of offsets	The future availability, commercial viability and integrity of carbon offsets or similar instruments enable the use of offsets for residual emissions to meet AGL's net zero Scope 1 and 2 target. Issues around integrity, liquidity and affordability of carbon offsets do not impede AGL's ability to follow this approach.
Supportive geopolitical and macroeconomic environment	Stable geopolitical, policy and macroeconomic conditions that support investment, project development and efficient operation of energy assets.

1. Refer to AGL's 2025 CTAP for details of assumptions used.

17.3 Scenario modelling approach

Scenario modelling informed our climate resilience assessment (Section 15) to explore key areas of uncertainty relating to climate-related impacts facing our business, including climate and energy policy, the pace of the energy transition, overall energy demand outlook, rate of CER uptake and electrification and level of coordination of these assets, and physical climate hazard impacts. The scenarios modelled are based on assumptions around each of these variables, noting there are many possible permutations which could give rise to diverse outcomes.

Further information on the approach taken and assumptions used in scenario modelling is detailed below. This covers both market modelling to explore climate-related transition impacts, and climate hazard modelling to explore climate-related physical impacts.

17.3.1 Transition scenario modelling

During FY25, AGL undertook scenario modelling of the Australian electricity market to gain insights into potential transition pathways for the Australian energy system, including exploring climate-related transition risks. Five scenarios were modelled, depicting a wide range of potential future pathways for the Australian energy sector, with the modelled scenarios reflecting a range of paces at which the energy transition could unfold. The scenarios and modelling outcomes are presented in AGL's 2025 CTAP. AGL's FY26 climate resilience assessment (Section 15) considers Scenario 1 and Scenario 4 from this modelling. Scenario 1 illustrates a pathway for the NEM to achieve rapid, deep emissions reductions consistent with a 1.5 degrees temperature rise outcome, whilst Scenario 4 explores a pathway for the NEM where the pace of energy infrastructure build-out is constrained, resulting in delay to the delivery of national renewable energy policy targets, and consistent with an above 2 degrees temperature warming outcome. AGL considers that Scenario 1 and Scenario 4 represent two diverse futures, comprising a low-warming accelerated transition pathway, and a high-warming delayed transition pathway.

AGL engaged ACIL to undertake market modelling of the NEM and the Western Australian Electricity Market (WEM). ACIL's market modelling utilises 'PowerMark', a simulation model that includes a program to dispatch and settle the electricity market in a similar way to how Australian electricity markets operate to ensure that demand is met in an optimum fashion. PowerMark introduces new investment when prices are sufficient to meet the hurdle rate of different new investment technologies, factoring in government incentives where required to meet assumed renewable energy policy, and retires capacity at set retirement dates or when prices are insufficient for the economic viability of the given generator.

The scenarios were developed in partnership with ACIL and primarily utilise externally sourced and referenceable assumptions for credibility and robustness of approach. These scenarios were aligned with AEMO's 2024 Integrated System Plan (ISP) scenario modelling assumptions for key assumptions including underlying electricity demand, carbon budgets and capital costs. Additional disclosures on the modelling outcomes across the range of scenarios modelled, and implications for AGL, are presented in our 2025 CTAP.

The analysis demonstrates that AGL's electricity generation operational outlook, including the targeted closure dates for our coal-fired power stations, is consistent with the modelled decarbonisation pathway illustrated in Scenario 3 where the NEM achieves an outcome consistent with limiting warming to below 2 degrees in line with the Paris Agreement. This consideration of the objectives of the Paris Agreement, and relevant Australian jurisdictional commitments arising from it including energy and emissions policy commitments, alongside business strategy and operational requirements, were considered in setting the ambition, timeframes and scope for AGL's emissions reduction pathway.

Since undertaking the modelling, notable market developments include announced extensions of third-party coal-fired power stations in the NEM, accelerated behind-the-meter battery uptake in response to a new subsidy scheme, and updated NEM carbon budgets and demand projections by AEMO. Despite these developments, AGL considers this modelling to remain relevant and useful for the purpose of the resilience assessment in this report.

Key information about each scenario is outlined in the table below.

Parameter	Low-warming transition scenario: 1.5° rapid transition[1]	High-warming transition scenario: Above 2° with build constraints[2]
Scenario information		
Narrative	Rapid decarbonisation and transformation of the Australian energy system to align to 1.5 degrees pathway, with the development of a hydrogen export industry.	Renewable build rates have been constrained to historical levels, resulting in delay to Australia's renewable energy target delivery and an above 2 degrees-aligned emissions pathway. Australia still achieves net zero energy emissions by 2050.
Scenario source	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Progressive Change
Temperature outcome[3]	**1.5° (RCP 1.9)** – aligned with latest international agreement on climate change (the most ambitious objective of the Paris Agreement, to limit warming to 1.5 degrees.)	**~2.6°** (RCP 4.5)
Relevance to assessing AGL's resilience to climate-related changes and uncertainties	AEMO's ISP scenarios are widely considered to reflect book-end scenarios for Australia's energy transition. The low-warming scenario represents the book-end scenario for an accelerated energy transition, which is a fundamental driver for AGL's climate-related risk exposure.	
Time horizons used	Modelling of impacts over the short (FY26-FY30), medium (FY31-FY35) and long (FY36–FY50) term.	
Scope of AGL's operations used in the analysis	Considers implications for AGL's energy portfolio and energy retail business.	

Parameter	Low-warming transition scenario: 1.5° rapid transition[1]	High-warming transition scenario: Above 2° with build constraints[2]
Key assumptions		
NEM Carbon budget (2026 – 2052)[4,5]	AEMO 2024 ISP Green Energy Exports: 357 $MtCO_2e$	AEMO 2024 ISP Progressive Change: 1203 $MtCO_2e$
Electricity demand	**High** – aligned to AEMO 2024 ISP Green Energy exports, but modified to delay hydrogen demand 5 years.	**Medium** – aligned to AEMO 2024 ISP Step Change but demand from electrification is per Progressive Change.
AGL coal plant assumptions[6]	**Modelled outcome** – Bayswater Sep 2029, Loy Yang A Sep 2029	**Aligned to AGL targeted closure dates** – Bayswater Dec 2033, Loy Yang A June 2035
Renewable and firming build-out	Unconstrained	Moderate constraints
New entrant capital costs – NEM[7,8]	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Progressive Change
Fuel costs - NEM[8]	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Progressive Change
H_2 for power generation[9]	Available from 2030	Available from 2040
Timing of major transmission projects	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2027) Humelink/VNI West (Apr 2029) QNI connect (Jul 2029) CopperString (Jul 2029) QNI medium upgrade (Jul 2030) Marinus Link 1 (Jul 2030) Marinus Link 2 (Jul 2032)	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2030) Humelink/VNI West (Apr 2032) QNI connect (Jul 2032) CopperString (Jul 2029) QNI medium upgrade (Jul 2032) Marinus Link 1 (Jul 2033) Marinus Link 2 (not developed)
CER Uptake (Rooftop PV, BTM batteries)	**High** - AEMO 2024 ISP Green Energy Exports	**Low** - AEMO 2024 Progressive change rate, except for Solar PV uptake growth being aligned with 2024 Step Change for the period FY26-FY30 due to current trajectory.

1. Low-warming scenario corresponds to Scenario 1 disclosed in the 2025 CTAP.
2. High-warming scenario corresponds to Scenario 4 disclosed in the 2025 CTAP.
3. Temperature rise relative to pre-industrial levels, by 2100.
4. Carbon budgets are estimates of emissions levels over a period of time, which are expected to lead to a particular temperature range outcome, expressed within a likelihood range. These estimates are inherently uncertain and subject to revision over time.
5. NEM carbon budgets are based on reference ISP scenarios. WEM carbon budgets were estimated by ACIL, based on the corresponding NEM trajectory.
6. There is variability across scenarios in the outlook for the load profiles of coal-fired power stations, with flexible operations including a greater proportion of operations at minimum generation levels and some seasonal mothballing under scenarios 1-3.
7. Potential new entrant technologies included in the modelling: onshore wind, offshore wind, solar, BESS (2hr, 4hr and 8hr), pumped hydro (8hr), CCGT (natural gas and H_2) and aeroderivative/reciprocating turbine (natural gas and H_2).
8. New entrant capital costs and fuel costs for the WEM are per NEM assumption, with a cost premium for the WEM as defined by ACIL.
9. The model assumes green hydrogen is available as a viable fuel for power generation from the assumed date, and that GPG investments are able to switch to running on green hydrogen. In reality this would require substantial government support and grid-scale infrastructure upgrades. Hydrogen generation in the modelling may be viewed as a proxy for GPG that uses carbon offsets, or other low-carbon technologies.

Carbon budgets
For the high and low-warming scenarios, the carbon budget was achieved via iterative modelling of an implicit carbon price. While the implementation of a carbon price to Australia's electricity sector is not considered likely to eventuate, for the purposes of scenario analysis it provides a useful proxy for a variety of potential market mechanisms and policy drivers that could be put in place to drive decarbonisation outcomes. The assumed carbon budget for a given scenario is a key driver of modelled market outcomes.

The assumed carbon budget for the low-warming Scenario aligns to AEMO's 2024 ISP Green Energy Exports scenario, which aligns to representative concentration pathway RCP1.9; the ISP states "AEMO's Green Energy Exports scenario sees a global drive to limit temperature rise to 1.5°C by the end of the century, and is best aligned to RCP 1.9 which targets that 1.5°C outcome". For the carbon budgets for Australia as determined for use by the CSIRO in their 2022 multi sector modelling that underpins the 2024 AEMO ISP Green Energy Exports scenario, the uncertainty is presented as a 50% chance of limiting warming to 1.5 degrees above pre-industrial levels, with no temperature overshoot.

The assumed carbon budget for the high-warming Scenario aligns to AEMO's 2024 ISP Progressive Change scenario, which aligns to representative concentration pathway RCP4.5; the ISP states that this scenario is "aligned to RCP 4.5, which is consistent with a temperature rise of approximately 2.6°C by the end of the century".

Modelling limitations
The disclosures in this report have been made considering a low-warming and a high-warming scenario, which are not predictions or reflections of AGL's preferences or projections. Rather, they explore the possible implications of different interpretations and assumptions about the nature and pace of Australia's energy transition. Scenario modelling and associated analysis have inherent limitations. Assumptions may or may not be, or prove to be, correct; and may or may not eventuate, and scenarios may be impacted by factors beyond the assumptions made. Additionally, these scenarios do not cover all possible outcomes comprehensively. The scenarios present a range of

possible outcomes to help form judgements about the uncertainty surrounding the energy transition in Australia. AGL considers a broad range of other analyses and information when developing our long-term strategy.

17.3.2 Physical climate hazard scenario modelling

In FY24 AGL engaged Aon, an external risk specialist, to undertake climate-related physical hazard modelling to assess potential hazards facing our assets under different warming scenarios. 'Scenario B' represents a ~2.7 degree warming scenario, and has been used as the high-warming physical climate hazard scenario in AGL's climate resilience assessment (see Section 15).

The key assumption made in defining Scenario B is the warming outcome: the scenario is aligned with RCP4.5 / SSP2-4.5, representing a ~2.7 degree warming scenario.

For acute hazards, the modelling covered bushfire, flood, cyclone, hail and storm. The current exposure to acute hazards for asset locations was analysed using a proprietary model, containing seven billion data cells and over 200 risk variables. For assessing future exposure to acute hazards, the model was extended by integrating climate science from the CSIRO, Bureau of Meteorology, and the Climate Measurement Standards Initiative. This model forecasts changes in hazard exposure at an asset level for various emissions pathways over intervals to 2090.

For chronic hazards, the modelling covered drought, extreme heat and extreme rainfall. The analysis of current and future exposure to chronic physical hazards utilised a proprietary model incorporating data from the Coupled Model Intercomparison Project Phase 6 (CMIP6), which informed the IPCC Sixth Assessment Report. This model provides climate projections at 10-year intervals relative to the historical baseline period (1995-2014) extending to 2100.

It is noted that the analysis is centred on changes in exposure to physical hazards based on the asset's location. It does not consider the type of asset, its vulnerability to the hazards, or any mitigation actions that might be implemented. As such, the *impact* of the hazard has not been assessed. Additionally, the scenarios modelled are not predictions or forecasts but indicators of potential outcomes. This analysis has enabled AGL to develop a better understanding of the current physical hazards facing our assets and supports a more informed assessment of areas where exposure to hazards may increase under different climate scenarios in the future.

17.4 Measurement of greenhouse gas emissions

The table below outlines the boundary, methodology, inputs and assumptions associated with calculating the Scope 1, 2 and 3 greenhouse gas emissions for AGL's material sources, as set out in Section 13.1. Scope 1 and 2 emissions are prepared in accordance with AASB S2 and the *National Greenhouse and Energy Reporting Act 2007* (NGER Act). Scope 1 and Scope 2 emissions arise from facilities over which AGL (at the consolidated entity level) had operational control during the reporting period. Operational control is defined by the NGER Act. There are no material non-consolidated entities excluded from AGL's Scope 1 and Scope 2 reporting boundary. Scope 3 emissions use methodologies which are aligned with the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.[1] In adopting the transition relief provided under AASB S2 paragraph C4(b), AGL has elected to voluntarily report selected Scope 3 greenhouse gas emissions, in alignment with voluntary disclosures made in prior years.

Category	Measurement approach, key inputs, assumptions and rationale
Scope 1	Scope 1 greenhouse gas emissions are calculated in accordance with the NGER (Measurement) Determination (the Determination). Method 2 is used for material fuel combustion at AGL's coal– and gas–fired power stations, involving emissions factors derived from facility-specific fuel sampling and analysis data. This includes: • Coal volumes measured using weightometer data measured from coal conveyors. Weightometers are maintained and calibrated in line with industry standards. • Third-party coal quality reports, based on direct coal samples taken daily. • Quantity of natural gas delivered, based on invoices. • Natural gas composition reports, based on direct gas samples taken daily. Method 1 is used for immaterial Scope 1 emissions sources, including diesel and other immaterial liquid fuels, which are estimated to account for less than 1% of total Scope 1 emissions in FY26. In accordance with Schedule 1 of the Determination, this approach uses emission factors based on the applicable Department of Climate Change, Energy, the Environment and Water's Australian National Greenhouse Accounts Factors (NGA Factors) publication for the reporting period[1]. Estimates are used for some minor emissions sources where data for the reporting period is not available at the time of publication.

1. Scope 3 material emissions sources fall into the following GHG Protocol categories: supply of electricity and natural gas to customers – Category 3 (Fuel- and energy-related activities); end use of natural gas by customers – Category 11 (Use of sold products); and end use of coal sold to Loy Yang B – Category 11 (Use of sold products). Other Scope 3 emissions are immaterial and arise from GHG Protocol categories 1-9, 11-12 and 15. Category 10 (Processing of sold products), Category 13 (Downstream leased assets), and Category 14 (Franchises) are not included as these categories are not applicable to AGL's business.

Category	Measurement approach, key inputs, assumptions and rationale
Scope 2	Scope 2 greenhouse gas emissions are calculated in accordance with the Determination. The majority of AGL's Scope 2 emissions are calculated based on AEMO settlement data, with an immaterial amount of electricity consumption sourced from invoices. In FY26, estimates have been used for less than 1% of total electricity consumption, where invoice data is not available at the time of reporting. In accordance with Schedule 1 of the Determination, AGL's location-based Scope 2 emissions are calculated using location–based emission factors from the applicable NGA Factors publication, which are assumed to be representative of the grid's emissions intensity. AGL purchases and surrenders contractual instruments relating to a minor (<1%) portion of AGL's annual electricity consumption. This does not materially impact AGL's total Scope 2 emissions.
Scope 3 associated with supply of electricity to customers	For the calculation of Scope 3 emissions associated with the supply of electricity to customers, this includes emissions from upstream activities including electricity generation and transmission and distribution where, at a state level, AGL's annual operated generation volume is less than the annual sales volume. AGL's generation position relative to the sales volume is determined at a state level - this assumes no interstate distribution of electricity generated by AGL and sold between states, reflecting a simplified and transparent approach adopted due to the complexity of tracing interstate electricity flows. Emissions from electricity generated by AGL's operated assets and sold into electricity markets (i.e. operated pool generation) is excluded, as this is accounted for in AGL's Scope 1 emissions. An assumed loss factor is applied to AGL's operated pool generation, to account for the difference between pool generation and sales to customers on the same basis. This enables a simplified and consistent comparison between electricity generated and electricity sold. Emissions are estimated using the "Average data" method[2], utilising state grid intensity factors from the applicable NGA Factors publication. Historical Scope 3 emissions have been restated to align with AGL's updated Scope 3 calculation methodology for the supply of electricity to customers, which does not include electricity generation from Power Purchase Agreements towards pool generation for the purpose of the above calculation.
Scope 3 associated with supply of natural gas to customers	Scope 3 emissions associated with the supply of natural gas to customers includes emissions associated with the upstream natural gas supply and downstream use of natural gas sold to customers. Emissions are estimated using the "Average data" method[2], utilising emissions factors from the applicable NGA Factors publication. Gas sales volumes include an estimate of fugitive emissions from low-pressure distribution pipelines, estimated in accordance with Section 3.81 of the NGER (Measurement) Determination. End use of natural gas by customers assumes all gas sold is combusted by customers.
Scope 3 associated with end use of coal sold to Loy Yang B	End use of coal sold to Loy Yang B Power Station estimates emissions related only to the combustion of brown coal at Loy Yang B Power Station, and excludes all other emissions associated with the operation of Loy Yang B Power Station. To estimate these emissions, the "Fuels and feedstocks" method[2] is used, utilising Loy Yang A Power Station coal quality data as the basis for emissions factors, calculated using Method 2 in accordance with the Determination. Loy Yang A coal quality is assumed to be representative of Loy Yang B Power Station, reflecting the spatial and temporal similarities in the sourcing of coal from the Loy Yang Mine for both power stations.
Scope 3 - other	Other Scope 3 emissions are immaterial and estimated to account for less than 5% of total Scope 3 emissions in FY26. This includes upstream emissions associated with other purchased goods and services, upstream emissions associated with other fuels, emissions arising from capital goods purchases, transport-related activities in vehicles not owned or controlled by the reporting entity, outsourced activities, waste disposal, employee commuting etc. Other Scope 3 emissions for FY26 are estimated based on FY25 emissions, as this data is not yet available for FY26 and will be reported one year in arrears. However, where major capital goods purchases associated with development projects have occurred during the reporting period, the current year estimate is included in the reported figure. Other Scope 3 emissions are estimated across categories aligned to the GHG Protocol. These emissions are estimated, primarily using the "Average data" method[2], involving the use of published emissions factors, activity data and conservative assumptions where primary data is unavailable.

1. For the FY26 reporting period, NGA factors are per the Australian National Greenhouse Accounts Factors 2025 publication.
2. Calculation methods as defined in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1.0).

17.4.3 Measurement uncertainty

The calculation of emissions data reported in AGL's FY26 climate-related disclosures involved making assumptions, approximations and judgements for the estimation of quantitative measurements. The key sources of significant measurement uncertainty associated with this process are set out below.

Topic	Measurement uncertainty
Scope 1 emissions	Scope 1 and 2 emissions are calculated in accordance with the NGER (Measurement) Determination ("the Determination"), which prescribes standardised measurement methods, emission factors and uncertainty requirements. Emissions estimates are subject to inherent uncertainty arising from the use of activity data, prescribed emission factors, estimation techniques and assumptions. The use of prescribed emission factors introduces inherent uncertainty, particularly where facility–specific data is unavailable. For material Scope 1 emission sources, uncertainty is assessed in accordance with Chapter 8 of the Determination. The corresponding uncertainty for material emissions sources in FY26 is expected to be in line with previous years. Calculated uncertainty in recent years has ranged from 0.7–2.4% for emissions from coal combustion at AGL's coal-fired power stations, and 0.2–10.6% for emissions from gas combustion at AGL's gas-fired generation facilities. Uncertainty is managed through application of the Determination, the use of measured and facility-specific data where practical, and internal data governance and controls. AGL considers that reported Scope 1 emissions are not materially subject to a high level of measurement uncertainty in the context of the NGER emissions accounting framework.
Scope 2 emissions	Scope 2 emissions are calculated in accordance with the Determination, which prescribes standardised measurement methods and emission factors. Emissions estimates are subject to inherent uncertainty arising from the use of activity data, prescribed emission factors, estimation techniques and assumptions. The majority of AGL's Scope 2 emissions are calculated using AEMO settlement data, while immaterial electricity consumption is sourced from invoices. In FY26, estimates have been used for less than 1% of total electricity consumption, where data is not available at the time of reporting. AGL considers that reported Scope 2 emissions are not materially subject to a high level of measurement uncertainty in the context of the NGER emissions accounting framework.
Scope 3 emissions	Scope 3 emissions estimates are calculated in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Standard, and subject to inherent uncertainty arising from the use of standardised emission factors, estimation techniques and assumptions. While Scope 3 emissions are subject to a higher level of measurement uncertainty than Scope 1 and Scope 2 emissions, uncertainty is managed through application of the GHG Protocol Scope 3 accounting standard and guidance resources, use of activity data where practical, and internal data controls.

17.5 AASB S2 disclosures index

The following table outlines where AGL's responses to AASB S2's disclosure requirements can be found within our reporting suite.

AASB S2 disclosure requirement	Location of disclosure
Introduction	
1-4	N/A - Informative (context only)
Governance	
5-6	N/A - Informative (context only)
6a	16.1 Board and Board Committees
6a(i)	16.1 Board and Board Committees
6a(ii)	16.1 Board and Board Committees; 16.1.1 Board climate-related skills and competencies
6a(iii)	16.1 Board and Board Committees
6a(iv)	16.1 Board and Board Committees; 16.2 Management
6(v)	16.1 Board and Board Committees; 16.2.1 Executive remuneration
6b	16.2 Management
6b(i)	16.2 Management
6b(ii)	14.1 Our approach to climate-related risks and opportunities
7	N/A - Informative (context only)
Strategy	
8-9	N/A - Informative (context only)
9a	14.2 Key climate-related financial risks and opportunities
9b	14.2 Key climate-related financial risks and opportunities
9c	12 AGL's Climate Transition Action Plan; 14.2 Key climate-related financial risks and opportunities
9d	14.2 Key climate-related financial risks and opportunities 12.3 Vulnerability to climate-related risks and opportunities
9e	14.2 Key climate-related financial risks and opportunities; 17.1 Key judgements
Climate-related risks and opportunities	
10	N/A - Informative (context only)
10a	14.2 Key climate-related financial risks and opportunities
10b	14.2 Key climate-related financial risks and opportunities
10c	14.2 Key climate-related financial risks and opportunities
10d	14.2 Key climate-related financial risks and opportunities
11	N/A - Informative (context only)
12	14.2 Key climate-related financial risks and opportunities 12.3 Vulnerability to climate-related risks and opportunities
Business model and value chain	
13	N/A - Informative (context only)
13a	14.2 Key climate-related financial risks and opportunities 12.3 Vulnerability to climate-related risks and opportunities
13b	14.2 Key climate-related financial risks and opportunities 12.3 Vulnerability to climate-related risks and opportunities
Strategy and decision making	
14	N/A - Informative (context only)
14a	12 AGL's Climate Transition Action Plan; 13 Metrics and targets; 14.2 Key climate-related financial risks and opportunities
14a(i)	12 AGL's Climate Transition Action Plan; 12.1 Capital allocation to support the energy transition
14a(ii)	14.2 Key climate-related financial risks and opportunities
14a(iii)	14.2 Key climate-related financial risks and opportunities
14a(iv)	12 AGL's Climate Transition Action Plan; 17.2 Key dependencies and assumptions used in developing AGL's CTAP
14a(v)	12 AGL's Climate Transition Action Plan; 12.1 Capital allocation to support the energy transition; 13 Metrics and targets
14b	12 AGL's Climate Transition Action Plan; 12.1 Capital allocation to support the energy transition
14c	12 AGL's Climate Transition Action Plan; 13 Metrics and targets

AASB S2 disclosure requirement	Location of disclosure
Financial position, financial performance and cash flows	
15	N/A - Informative (context only)
15a	14.2 Key climate-related financial risks and opportunities
15b	14.2 Key climate-related financial risks and opportunities
16	N/A - Informative (context only)
16a	14.2 Key climate-related financial risks and opportunities
16b	14.2 Key climate-related financial risks and opportunities
16c	12.1 Capital allocation to support the energy transition
16c(i)	12.1 Capital allocation to support the energy transition
16c(ii)	12.1 Capital allocation to support the energy transition
16d	14.2 Key climate-related financial risks and opportunities
17-21c	N/A - Informative (context only)
Climate resilience and scenario analysis[1]	
22-22a	N/A - Informative (context only)
22a(i)	15 Climate resilience
22a(ii)	15 Climate resilience; 17.2 Key dependencies and assumptions used in developing AGL's CTAP; 17.3 Scenario modelling approach
22a(iii)	15 Climate resilience
22a(iii)(1)	15 Climate resilience
22a(iii)(2)	15 Climate resilience 10.1 Capital allocation to support the energy transition
22a(iii)(3)	15 Climate resilience 14.2 Key climate-related financial risks and opportunities
22b-22b(i)	N/A - Informative (context only)
22b(i)(1)	17.1 Key judgements; 17.2 Key dependencies and assumptions used in developing AGL's CTAP; 17.3 Scenario modelling approach
22b(i)(2)	17.3 Scenario modelling approach
22b(i)(3)	17.3 Scenario modelling approach; 17.3.2 Physical climate hazard scenario modelling
22b(i)(4)	17.3 Scenario modelling approach
22b(i)(5)	17.3 Scenario modelling approach
22b(i)(6)	17.3 Scenario modelling approach
22b(i)(7)	17.3 Scenario modelling approach
22b(ii)	N/A - Informative (context only)
22b(ii)(1)	17.3 Scenario modelling approach
22b(ii)(2)	17.3 Scenario modelling approach
22b(ii)(3)	17.3 Scenario modelling approach
22b(ii)(4)	17.3 Scenario modelling approach
22b(ii)(5)	17.3 Scenario modelling approach
22b(iii)	17.3 Scenario modelling approach
23	N/A - Informative (context only)
Corporations Act 2001, 296D (2B)	N/A - Informative (context only)
Corporations Act 2001, 296D(2B)(a)	15 Climate resilience; 17.3 Scenario modelling approach
Corporations Act 2001, 296D(2B)(b)	15 Climate resilience; 17.3 Scenario modelling approach
Risk management	
24-25a	N/A - Informative (context only)
25a(i)	14.1 Our approach to climate-related risks and opportunities
25a(ii)	14.1 Our approach to climate-related risks and opportunities
25a(iii)	14.1 Our approach to climate-related risks and opportunities
25a(iv)	14.1 Our approach to climate-related risks and opportunities
25a(v)	14.1 Our approach to climate-related risks and opportunities
25a(vi)	14.1 Our approach to climate-related risks and opportunities
25b	14.1 Our approach to climate-related risks and opportunities

AASB S2 disclosure requirement	Location of disclosure
25c	14.1 Our approach to climate-related risks and opportunities
26	N/A - Informative (context only)
Climate-related metrics	
27-28	N/A - Informative (context only)
28a	13 Metrics and targets; 13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
28b	N/A - Deleted by the AASB
28c	13 Metrics and targets; 13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
29-29a	N/A - Informative (context only)
29a(i)	13.1 Emissions metrics and targets
29a(i)(1)	13.1 Emissions metrics and targets
29a(i)(2)	13.1 Emissions metrics and targets
29a(i)(3)	13.1 Emissions metrics and targets
29a(ii)	17.4 Measurement of greenhouse gas emissions
29a(iii)	N/A - Informative (context only)
29a(iii)(1)	17.4 Measurement of greenhouse gas emissions
29a(iii)(2)	17.4 Measurement of greenhouse gas emissions
29a(iii)(3)	17.4 Measurement of greenhouse gas emissions
29a(iv)	N/A - Informative (context only)
29a(iv)(1)	13.1 Emissions metrics and targets
29a(iv)(2)	13.1 Emissions metrics and targets
29a(v)	13.1 Emissions metrics and targets
29a(vi)	N/A - Informative (context only)
29a(vi)(1)	13.1 Emissions metrics and targets
29a(vi)(2)	N/A - AGL's operations do not include asset management, commercial banking or insurance
29b	14.3 Exposure of business activities to climate-related risks and opportunities
29c	14.3 Exposure of business activities to climate-related risks and opportunities
29d	14.3 Exposure of business activities to climate-related risks and opportunities
29e	12.1 Capital allocation to support the energy transition
29f	N/A - Informative (context only)
29f(i)	12.2 Considering future costs of carbon; 16.2 Management
29f(ii)	12.2 Considering future costs of carbon
29g	N/A - Informative (context only)
29g(i)	16.2.1 Executive remuneration
29g(ii)	16.2.1 Executive remuneration
30-31	N/A - Informative (context only)
32	N/A - Deleted by the AASB
Climate-related targets	
33	N/A - Informative (context only)
33a	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
33b	13 Metrics and targets
33c	13 Metrics and targets
33d	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
33e	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
33f	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
33g	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
33h	13 Metrics and targets
34	N/A - Informative (context only)
34a	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
34b	13 Metrics and targets
34c	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets
34d	13 Metrics and targets
35	13.1 Emissions metrics and targets; 13.2 Other climate-related metrics and targets

AASB S2 disclosure requirement	Location of disclosure
36	N/A - Informative (context only)
36a	13.1 Emissions metrics and targets
36b	13.1 Emissions metrics and targets
36c	13.1 Emissions metrics and targets
36d	13 Metrics and targets
36e	N/A - Informative (context only)
36e(i)	13.2 Other climate-related metrics and targets
36e(ii)	13 Metrics and targets
36e(iii)	13 Metrics and targets
36e(iv)	13 Metrics and targets
37	N/A - Deleted by the AASB

1. Includes additional requirements set out within the Corporations Act 2001, 296D (2A - 2B).

Directors' declaration on the Sustainability Report

In accordance with a resolution of the Directors of AGL Energy Limited made on 12 August 2026, the Directors declare that, in the Directors' opinion, AGL Energy Limited has taken reasonable steps to ensure the substantive provisions of the Sustainability Report (as presented on pages 105-151) for the year ended 30 June 2026 are in accordance with the *Corporations Act 2001*, including:

- the requirements in section 296C (compliance with sustainability standards) and section 296D (climate statement disclosures); and
- complying with the Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures*.

Signed on behalf of the Board.

Miles George
Chair
12 August 2026

Independent Auditor's Review Report on specified Sustainability Disclosures

To the Members of AGL Energy Limited

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of AGL Energy Limited (the Company) and its controlled entities (together, the Group) for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Specified Sustainability Disclosures	**Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)**	**Location in Sustainability Report**
Governance	Paragraph 6	Contained within section 15 'Climate-related governance'.
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	The 'description' for each of the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects within section 13 'Climate-related risks and opportunities'. **<u>Transition Risks</u>** - Policy and regulatory changes - Changes to climate-related policy or regulation negatively impact AGL's outlook or operations - Access to capital - Evolving capital market expectations relating to climate change constrain AGL's access to capital - Portfolio transition delay - AGL is unable to deliver on our portfolio transition due to challenges associated with the broader energy transition - Changing customer preferences - AGL

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		fails to identify and/or respond to changing market conditions or customer preferences for low carbon products and services - Stakeholder expectations - AGL fails to identify and/or respond to competing stakeholder expectations regarding AGL's response to climate change **Physical Risks** - AGL energy assets - Vulnerability of AGL's energy assets to climate-related hazards - Non-AGL infrastructure - Vulnerability of non-AGL infrastructure to climate-related hazards **Opportunities** - Customer decarbonisation - Energy portfolio transition Applicable method and measurement approaches: Contained within section 13.1 'Our approach to climate-related risks and opportunities'
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Contained within section 12 'Metrics and targets' - Scope 1 emissions ($MtCO_2e$) – 29.1 - Scope 2 emissions ($MtCO_2e$) –0.29 Applicable method and measurement approaches: Contained within section 16.4 'Measurement of the greenhouse gas emissions' of the Annual Report

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other Matter

The comparative information with respect to Scope 1 and Scope 2 emissions of the Company for the year ended 30 June 2025 was assured by another practitioner, whose limited assurance report dated 13 August 2025, expressed an unmodified conclusion. The comparative information was not prepared in accordance with AASB S2. Our conclusion is not modified in respect of this matter.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2026, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the Financial Report including the Remuneration Report included in the Annual Report. We have also issued a separate limited assurance conclusion on selected sustainability information included in the Annual Report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases

The specified Sustainability Disclosures in relation to Strategy (risks and opportunities) have been prepared using assumptions about future events, and management's actions, that may not occur.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;
- Performed enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;
- Inspected and assessed, on a sample basis, charters, policies, minutes of meetings regarding the monitoring, management and oversight of climate-related matters, and other underlying evidence supporting the climate-related financial disclosures on governance;
- Performed enquiries of management regarding the approach taken by the Group to:
    - Identify climate-related risks and opportunities;
    - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Performed enquiries of management and examined underlying evidence to assess the completeness and accuracy of the establishment of the organisational boundary, and sources of emissions, in the context of the specified Sustainability Disclosures.
- Performed enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- Applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data, and;

Independent Auditor's Report on Specified Sustainability Disclosures

- Performed testing over the calculations of the Scope 1 and 2 emissions, including testing the activity data utilised within the calculations to third-party records, information captured by onsite measurement devices at the facilities within the organisational boundary and other relevant underlying information, on a sample basis.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Sydney
12 August 2026

Financial Report

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Consolidated Statement of Profit or Loss

For the year ended 30 June 2026

	Note	2026 $m	2025 $m[1]
Continuing operations			
Revenue	2	**13,590**	14,339
Other income	3	**347**	-
Expenses	4	**(11,718)**	(13,035)
Share of profits of associates and joint ventures	13	**20**	37
Profit before net financing costs, depreciation and amortisation		**2,239**	1,341
Depreciation and amortisation	5	**(837)**	(818)
Profit before net financing costs		**1,402**	523
Finance income	6	**12**	22
Finance costs	6	**(387)**	(368)
Net financing costs		**(375)**	(346)
Profit before tax		**1,027**	177
Income tax expense	7	**(271)**	(65)
Profit for the year		**756**	112
Earnings per share			
Basic earnings per share	24	**112.4 cents**	16.7 cents
Diluted earnings per share	24	**112.2 cents**	16.6 cents

1. Balances have been restated (refer to Note 38.e for further details).

The Consolidated Statement of Profit or Loss should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $m	2025 $m[1]
Profit for the year attributable to AGL shareholders		**756**	112
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain/(loss) on defined benefit plans	32	**31**	(9)
Fair value (loss)/gain on the revaluation of equity instrument financial assets		**(10)**	4
Income tax (expense)/benefit relating to items that will not be reclassified subsequently	7	**(9)**	1
		12	(4)
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges			
Gain/(loss) in fair value of cash flow hedges		**80**	(50)
Hedging gains reclassified to profit or loss		**(75)**	(20)
Share of gain/(loss) attributable to equity accounted investment	13	**9**	(49)
Transferred to income statement on derecognition of equity accounted investment		**71**	-
(Cost)/benefit of hedging subject to basis adjustment		**(1)**	2
Income tax (expense)/benefit relating to items that may be reclassified subsequently	7	**(25)**	34
		59	(83)
Other comprehensive gain/(loss) for the year, net of income tax		**71**	(87)
Total comprehensive income for the year attributable to AGL shareholders		**827**	25

1. Balances have been restated (refer to Note 38.e for further details).

The Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	30 June 2026 $m	30 June 2025 $m[1]	1 July 2024 $m[1]
Current assets				
Cash and cash equivalents	35	**325**	319	932
Trade and other receivables	9	**1,917**	2,440	2,204
Inventories	10	**480**	396	323
Other financial assets	11	**864**	796	1,007
Other assets	12	**477**	501	312
Assets classified as held for sale		**-**	-	83
Total current assets		**4,063**	4,452	4,861
Non-current assets				
Trade and other receivables	9	**28**	157	67
Other financial assets	11	**881**	608	734
Investments in associates and joint ventures	13	**54**	380	404
Property, plant and equipment	14	**6,309**	6,017	5,452
Right-of-use assets	15	**480**	507	531
Intangible assets	16	**3,291**	3,365	3,100
Deferred tax assets	7	**822**	1,025	905
Other assets	12	**55**	39	80
Total non-current assets		**11,920**	12,098	11,273
Total assets		**15,983**	16,550	16,134
Current liabilities				
Trade and other payables	17	**1,994**	2,634	2,083
Lease liabilities	18	**109**	96	95
Borrowings	19	**65**	219	13
Provisions	20	**471**	410	397
Current tax liabilities	7	**35**	90	167
Other financial liabilities	21	**899**	1,083	1,273
Other liabilities	22	**230**	157	448
Liabilities relating to assets classified as held for sale		**-**	-	83
Total current liabilities		**3,803**	4,689	4,559
Non-current liabilities				
Lease liabilities	18	**949**	1,020	1,065
Borrowings	19	**2,911**	2,820	2,468
Provisions	20	**1,998**	2,231	1,856
Deferred tax liabilities	7	**33**	-	-
Other financial liabilities	21	**808**	780	856
Other liabilities	22	**205**	233	190
Total non-current liabilities		**6,904**	7,084	6,435
Total liabilities		**10,707**	11,773	10,994
Net assets		**5,276**	4,777	5,140
Equity				
Issued capital	23	**5,918**	5,918	5,918
Reserves		**(9)**	(59)	19
Accumulated losses		**(633)**	(1,082)	(797)
Total equity		**5,276**	4,777	5,140

1. Balances have been restated (refer to Note 38.e for further details).

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Attributable to AGL shareholders						
	Issued capital $m	Investment revaluation reserve $m	Employee equity benefits reserve $m	Hedge reserve $m	Other reserve $m	Accumulated losses $m	Total equity $m
Balance at the beginning of the financial year[1]	**5,918**	**28**	**5**	**(46)**	**(46)**	**(1,082)**	**4,777**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**756**	**756**
Other comprehensive (loss)/income for the year, net of income tax	**-**	**(9)**	**-**	**59**	**(1)**	**22**	**71**
Total comprehensive (loss)/income for the year	**-**	**(9)**	**-**	**59**	**(1)**	**778**	**827**
Transactions with owners in their capacity as owners:							
Payment of dividends	**-**	**-**	**-**	**-**	**-**	**(329)**	**(329)**
Share-based payments	**-**	**-**	**1**	**-**	**-**	**-**	**1**
Balance at 30 June 2026	**5,918**	**19**	**6**	**13**	**(47)**	**(633)**	**5,276**
Balance at 1 July 2024[1]	5,918	25	3	39	(48)	(506)	5,431
Prior period restatement[1]	-	-	-	-	-	(291)	(291)
Restated balance at 1 July 2024	5,918	25	3	39	(48)	(797)	5,140
Profit for the period[1]	-	-	-	-	-	112	112
Other comprehensive income/(loss) for the year, net of income tax	-	3	-	(85)	2	(7)	(87)
Total comprehensive income/(loss) for the year	-	3	-	(85)	2	105	25
Transactions with owners in their capacity as owners:							
Payment of dividends	-	-	-	-	-	(390)	(390)
Share-based payments	-	-	2	-	-	-	2
Balance at 30 June 2025	5,918	28	5	(46)	(46)	(1,082)	4,777

1. Balances have been restated (refer to Note 38.e for further details).

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 $m	2025 $m[1]
Cash flows from operating activities			
Receipts from customers		**15,363**	15,052
Payments to suppliers and employees		**(13,864)**	(13,687)
Dividends received		**18**	25
Finance income received		**12**	23
Finance costs paid		**(184)**	(158)
Interest component of lease payments		**(71)**	(74)
Income taxes paid		**(126)**	(268)
Net cash provided by operating activities	35(b)	**1,148**	913
Cash flows from investing activities			
Payments for property, plant and equipment and other assets		**(1,438)**	(1,125)
Payments for investments in associates and joint ventures		**(7)**	(13)
Payments for equity instrument financial assets		**(2)**	(1)
Purchase of convertible note		**(5)**	-
Loans to joint ventures		**(3)**	(7)
Proceeds from the disposal of investment in Tilt net of transaction costs		**739**	-
Payments of deferred consideration		**(52)**	(38)
Receipts of deferred consideration		**6**	-
Return of payments for investments in associates and joint ventures		**2**	-
Payments for acquisition of a subsidiary, net of cash acquired		**-**	(220)
Payments for debt instrument financial assets	11	**-**	(151)
Payments on disposal of joint operations		**-**	(2)
Loans to equity instrument investments		**-**	(1)
Net cash used in investing activities		**(760)**	(1,558)
Cash flows from financing activities			
Purchase of shares on-market for equity based remuneration		**(10)**	(5)
Proceeds from borrowings		**3,397**	1,365
Repayment of borrowings		**(3,355)**	(868)
Principal component of lease payments		**(88)**	(75)
Dividends paid	8	**(329)**	(390)
Net cash (used in)/provided by financing activities		**(385)**	27
Net increase/(decrease) in cash and cash equivalents		**3**	(618)
Cash and cash equivalents at the beginning of the financial period		**319**	932
Effect of exchange rate changes on the balance of cash held in foreign currencies		**3**	5
Cash and cash equivalents at the end of the financial period	35(a)	**325**	319

1. Balances have been restated (refer to Note 38.e for further details).

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

1. Segment information

Operating Segments

AGL manages its business in three key operating segments:

- **Customer Markets** comprises the Consumer and Business customer portfolios responsible for the retailing of electricity, gas and energy-related products and services to residential, small and large business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with other energy costs such as those arising from environmental schemes. Customer Markets also provides sales, marketing, brand, and AGL's customer contact and call centre operations.
- **Integrated Energy** operates AGL's power generation portfolio and other key assets, including coal, gas and renewable generation facilities, grid-scale batteries, natural gas storage infrastructure, and development projects. Integrated Energy runs a large trading operation to manage price risk associated with procuring electricity and gas for AGL's customers, manages AGL's obligations in relation to renewable energy schemes, and controls the dispatch of AGL's owned and contracted generation assets, gas offtake agreements and associated portfolio of energy hedging products.
- **Investments** comprises AGL's interests in the ActewAGL Retail Partnership, Energy Impact Partners Europe[1], Aussie Broadband and other investments. AGL completed the divestment of 19.9% of its 20% equity interest in Tilt Renewables to existing shareholders in May 2026. AGL also has a strategic partnership and an investment in Kaluza, which provides the technology platform supporting AGL's Retail Transformation program.

In the segment financial results, the 'Other' category consists of various Corporate activities. These are not considered to be reportable segments.

Segment financial results

The measurement of segment results is in line with the basis of information presented to the Board of Directors for internal management reporting purposes. The performance of each segment is measured based on their Underlying earnings before interest and tax (Underlying EBIT) contribution to AGL. Certain items of income and expense are excluded from the segment results to show a measure of underlying performance. These items include changes in fair value of financial instruments and significant items. The use of Underlying Profit enhances comparability of results by excluding non-recurring events and transactions that materially affect the financial results of AGL for the reporting period.

AGL reports segment information on the same basis as the internal management structure. As a result, the Customer Markets segment reports the revenue and margin associated with satisfying the gas, electricity and telecommunication requirements of AGL consumer and business customer portfolio and Integrated Energy reports the revenue, expenses and margin related to AGL's operating sites and AGL's wholesale energy portfolio.

1. AGL holds a small equity interest in Energy Impact Partners Europe, an investment platform that funds technology startups focused on enabling the energy transition.

1. Segment information (Continued)

2026 $m	Customer Markets	Integrated Energy	Investments	Other	Total
Revenue					
Total segment revenue	**10,020**	**7,951**	**1**	**-**	**17,972**
Inter-segment revenue	**(6)**	**(4,376)**	**-**	**-**	**(4,382)**
External revenue	**10,014**	**3,575**	**1**	**-**	**13,590**
Underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA)	**392**	**2,032**	**22**	**(346)**	**2,100**
Depreciation and amortisation	**(103)**	**(664)**	**-**	**(70)**	**(837)**
Underlying EBIT	**289**	**1,368**	**22**	**(416)**	**1,263**
Net financing costs					**(375)**
Underlying profit before tax					**888**
Underlying income tax expense					**(257)**
Underlying profit after tax					**631**
Segment assets	**3,023**	**9,783**	**188**	**242**	**13,236**
Segment liabilities	**978**	**3,670**	**-**	**250**	**4,898**
Other profit or loss segment information					
Cost of sales[1]	**(8,981)**	**(5,095)**	**-**	**-**	**(14,076)**
Employee benefits expenses	**(197)**	**(403)**	**-**	**(142)**	**(742)**
Impairment	**(28)**	**(318)**	**-**	**-**	**(346)**
Other balance sheet segment information					
Investments in associates and joint ventures	**-**	**12**	**42**	**-**	**54**
Additions to non-current assets[2]	**174**	**1,234**	**109**	**76**	**1,593**

1. Total segment cost of sales of $14,076 million includes $4,382 million of inter-segment cost of sales.
2. Additions to non-current assets includes $109 million of shares in Aussie Broadband (ABB) received for the disposal of the Telco business. Refer to Note 29.

1. Segment information (Continued)

2025 $m[1]	Customer Markets	Integrated Energy	Investments	Other	Total
Revenue					
Total segment revenue	9,434	9,103	-	-	18,537
Inter-segment revenue	(20)	(4,178)	-	-	(4,198)
External revenue	9,414	4,925	-	-	14,339
Underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA)	298	2,078	13	(334)	2,055
Depreciation and amortisation	(116)	(635)	-	(67)	(818)
Underlying EBIT	182	1,443	13	(401)	1,237
Net financing costs					(346)
Underlying profit before tax					891
Underlying income tax expense					(249)
Underlying profit after tax					642
Segment assets	2,952	10,253	396	237	13,838
Segment liabilities	912	4,527	-	229	5,668
Other profit or loss segment information					
Cost of sales[2]	(8,501)	(6,210)	-	-	(14,711)
Employee benefits expenses	(206)	(403)	-	(142)	(751)
Other balance sheet segment information					
Investments in associates and joint ventures	-	18	362	-	380
Additions to non-current assets	133	1,290	-	85	1,508

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Total segment cost of sales of $14,711 million includes $4,198 million of inter-segment cost of sales.

Segment revenue reconciliation to the Consolidated Statement of Profit or Loss

Reconciliation of segment revenue to total revenue from continuing operations is as follows:

	2026 $m	2025 $m[1]
Segment revenue for reportable segments	**17,972**	18,537
Elimination of inter-segment revenue	**(4,382)**	(4,198)
Revenue for reportable segments	**13,590**	14,339
Total revenue	**13,590**	14,339

1. Restated to reflect the accounting adjustment as described in Note 38.e.

1. Segment information (Continued)

Revenue from major products and services

The following is an analysis of AGL's reportable segment revenue from continuing operations from its major products and services:

	2026 $m	2025 $m[1]
Electricity	**7,525**	7,112
Generation sales to pool	**2,439**	3,860
Gas	**2,377**	2,352
Telecommunication Services	**226**	191
Engineering, procurement and construction services	**30**	42
Other services	**244**	247
Other revenue	**749**	535
Total revenue	**13,590**	14,339

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Segment Underlying EBIT reconciliation to the Consolidated Statement of Profit or Loss

Reconciliation of segment Underlying EBIT to profit before tax for continuing operations is as follows:

	2026 $m	2025 $m[1]
Underlying EBIT for reportable segments	**1,679**	1,638
Other	**(416)**	(401)
	1,263	1,237
Amounts excluded from underlying results:		
- Gain/(loss) in fair value of financial instruments	**255**	(308)
- Significant items		
- Retail Transformation - Consumer Implementation[2]	(98)	(84)
- Other transformation costs[2]	(31)	(40)
- Impairments	(323)	(21)
- Movement in rehabilitation provision	(43)	(23)
- Movement in onerous contracts	96	(166)
- Business restructuring and transaction gain/(costs)[3]	283	(47)
- Legal penalties	-	(25)
	(116)	(406)
- Finance income	**12**	22
- Finance costs	**(387)**	(368)
Profit before tax	**1,027**	177

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Prior year has been reclassified to conform to the presentation adopted in FY26, with $40 million reclassified from Retail Transformation to Other transformation costs.
3. Inclusive of $341 million pre-tax ($268 million post-tax) gain from divestment of Tilt Renewables, refer to Note 29.

1. Segment information (Continued)

Segment assets reconciliation to the Consolidated Statement of Financial Position

Reconciliation of segment assets to total assets is as follows:

	2026 $m	2025 $m[1]
Segment assets for reportable segments	**12,994**	13,601
Other	**242**	237
	13,236	13,838
Cash and cash equivalents	**325**	319
Deferred tax assets	**822**	1,025
Derivative financial instruments	**1,113**	1,072
Debt instrument financial asset	**151**	164
Futures deposits and margin calls	**330**	121
Other	**6**	11
Total assets	**15,983**	16,550

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Segment liabilities reconciliation to the Consolidated Statement of Financial Position

Reconciliation of segment liabilities to total liabilities is as follows:

	2026 $m	2025 $m[1]
Segment liabilities for reportable segments	**4,648**	5,439
Other	**250**	229
	4,898	5,668
Borrowings	**2,976**	3,039
Lease liabilities	**1,058**	1,116
Current tax liabilities	**35**	90
Deferred tax liabilities	**33**	-
Derivative financial instruments	**1,666**	1,761
Other liabilities	**-**	13
Deferred consideration	**41**	86
Total liabilities	**10,707**	11,773

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Geographical information

AGL principally operates in one geographical area being Australia. All non-current assets and total external revenue from customers is attributed to Australia.

Information about major customers

Apart from AEMO in their role as market operator, no single customer amounts to 10 percent or more of AGL's total external revenue (2025: none).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

2. Revenue

2026	Consumer $m	Large Business $m	Wholesale $m	Other $m	Total $m
Electricity	**5,556**	**1,679**	**290**	**-**	**7,525**
Generation sales to pool	**-**	**-**	**2,439**	**-**	**2,439**
Gas	**1,899**	**252**	**226**	**-**	**2,377**
Telecommunication Services[1]	**226**	**-**	**-**	**-**	**226**
Engineering, procurement and construction services	**-**	**30**	**-**	**-**	**30**
Other services[2]	**76**	**60**	**52**	**56**	**244**
Other revenue[3]	**188**	**-**	**449**	**112**	**749**
Total revenue	**7,945**	**2,021**	**3,456**	**168**	**13,590**

1. Refer to Note 29.
2. Other services comprises revenue from metering, connection and other operating services.
3. Other revenue comprises revenue from renewable energy certificates, solar products and coal sales.

2025[1,2]	Consumer $m	Large Business $m	Wholesale $m	Other $m	Total $m
Electricity	5,240	1,630	242	-	7,112
Generation sales to pool	-	-	3,860	-	3,860
Gas	1,800	265	285	2	2,352
Telecommunication Services	191	-	-	-	191
Engineering, procurement and construction services	-	42	-	-	42
Other services[3]	47	59	93	48	247
Other revenue[4]	87	2	336	110	535
Total revenue	7,365	1,998	4,816	160	14,339

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Certain comparative balances have been reclassified to conform with the current year presentation. The largest of which are the reclassification of $374 million of electricity and gas sales from Consumer and Wholesale to Large Business segment, and $86 million of solar-related revenue from Large Business and Wholesale to Consumer.
3. Other services comprises revenue from metering, connection and other operating services.
4. Other revenue comprises revenue from renewable energy certificates, solar products and coal sales.

MATERIAL ACCOUNTING POLICY

Revenue from contracts with customers

AGL's primary revenue streams relate to the retail sale of electricity and gas to residential (consumer) and business customers in Australia, the sale of electricity and gas to wholesale customers in Australia and the sale of generated electricity to the National Electricity Market (NEM).

Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer at an amount that reflects the consideration to which AGL expects to be entitled in exchange for those goods or services. AGL does not adjust the amount of consideration for the effects of financing where the period between the transfer of goods or services and payment by the customer is expected to be one year or less.

Electricity and Gas revenue

Consumer electricity and gas sales

Consumer energy sales relate to the sale of energy (electricity and gas) to retail customers. Consumer sales are generally short term, daily contracts and are recognised as revenue upon delivery of energy to customers.

Where the customers are eligible to receive additional discounts, rebates or incentives, AGL considers these to be variable consideration, which is recognised as a reduction to revenue, unless it's highly probable that a significant revenue reversal will not occur.

AGL recognises revenue from contracts with its consumers at the electricity and gas portfolio levels. The contracts with consumers share similar characteristics and recognition at the portfolio level does not differ materially from applying the standard on a contract-by-contract basis.

Large business electricity and gas sales

Large business sales represent the sale of energy to business customers. Revenue recognition is largely consistent with consumer sales. These contracts are longer term in nature and represent a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer and are treated as one performance obligation. For business sales customers, revenue is recognised when AGL has the 'right to invoice' the customer for consideration that has been determined to correspond directly with the value of units of energy delivered to that customer.

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2. Revenue (Continued)

MATERIAL ACCOUNTING POLICY

Material right applicable to consumer and large business sales
Upfront fees such as distribution fees do not represent a distinct good or service. Such fees gives rise to a material right as the customer is effectively able to buy additional units of energy at a lower cost per unit.

The material right is valued based on its relative standalone selling price and revenue allocated to the material right is recognised when the right is exercised or the right expires.

Wholesale energy sales
Wholesale energy sales represent the sale of electricity and gas to wholesale customers. These involve a high volume of energy usually over an extended period of time. Supply of energy represents a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer. It is treated as one performance obligation which is satisfied over time. In some instances, there is an additional performance obligation in these contracts by way of a material right.

Revenue is recognised for these arrangements when AGL has the 'right to invoice' the customer for consideration that has been determined to correspond directly with the value of units of energy delivered to that customer.

Generation Sales to Pool
Pool generation sales relate to sales by AGL's generation assets to the NEM. AGL has assessed it is acting as the principal in relation to such sales of energy to the pool and therefore the transactions are recognised on a 'gross' basis. Revenue from these arrangements is recognised at the spot price achieved when control of the energy passes to the NEM.

Other revenue

Renewable energy certificates (RECs)
Under certain customer contracts, AGL supplies electricity and transfers RECs associated with renewable energy products. The RECs represent a separate performance obligation as they are distinct from the electricity supplied and can be transferred independently to the customer.

AGL determines the portion of the transaction price that it allocates to the RECs using the relative standalone selling price method.

Revenue is recognised as and when the control of the RECs are transferred to the customer, which occurs at a point in time. Where the customer is entitled to all the RECs generated at a specified power plant (e.g. in cases where power plants are located at the customer's site), transfer of control to the customer occurs as and when the RECs are generated. In other cases where the RECs are transferred to the customer from inventory, control of the RECs transfers upon receipt by the customer.

Cost sharing arrangements
AGL enters into cost sharing arrangements whereby the costs to operate and maintain assets that are shared with parties outside the AGL Group are recharged to the parties in accordance with their beneficial interest. These recharged amounts are recognised as revenue when the associated costs to which they relate impact the statement of profit or loss. The revenue and associated cost is generally recognised on a straight-line basis. Revenue is measured with reference to the fair value of the consideration received.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Revenue recognition
AGL recognises revenue from gas and electricity services once the gas and/or electricity has been consumed by the customer. Management estimates customer consumption between the last invoice date and the end of the reporting period when determining gas and electricity revenue for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption. Refer to Note 9 for the key assumptions used in determining the estimated unbilled consumption.

3. Other income

	2026 $m	2025 $m
Gain on disposal of investment in joint ventures[1]	**341**	-
Sale of Waddi Wind Farm[2]	**6**	-
Total other income	**347**	-

1. Refer to Note 29.
2. Consideration received from Waddi Wind Farm due to a contractual milestone being met in the current period.

4. Expenses

	Note	2026 $m	2025 $m[1]
Cost of sales[2]		**9,694**	10,513
Employee benefits expenses		**742**	751
Administrative expenses		**273**	263
Other expenses			
(Gain)/loss on fair value of financial instruments		**(240)**	320
Revaluation of onerous contract provision	20	**(96)**	166
Contracts and materials		**297**	299
Impairment losses on property plant & equipment	14	**284**	19
Impairment loss on trade receivables (net of bad debts recovered)		**157**	119
Retail transformation - Consumer implementation[3]		**98**	84
Marketing expenses		**66**	60
Movement in environmental rehabilitation provision[4]	20	**43**	23
Short term lease and outgoings expenses		**40**	40
Business restructuring and transaction costs		**40**	21
Impairment losses on intangible assets	16	**39**	2
Other transformation costs[3]		**31**	40
Impairment loss on investment in a joint venture		**11**	-
Impairment losses on inventory		**7**	-
Impairment losses on right-of-use assets	15	**5**	-
Legal penalties		**-**	25
Net loss on disposal of assets held for sale		**-**	13
Defined benefit termination costs		**-**	8
Impairment losses on assets held for sale		**-**	4
Other		**227**	265
Total expenses		**11,718**	13,035

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Cost of sales comprises the direct costs incurred in generating, procuring and delivering electricity and gas to customers. These costs are recognised in the statement of profit or loss as the underlying goods and services are consumed, delivered or otherwise incurred in accordance with the terms of the relevant arrangements.
3. Prior year has been reclassified to conform to the presentation adopted in FY26, with $40 million reclassified from Retail transformation to Other transformation costs.
4. Movement in environmental rehabilitation provision relates to changes in estimate recognised through the consolidated statement of profit or loss due to the associated rehabilitation asset being previously impaired. Refer to Note 20.

5. Depreciation and amortisation

	2026 $m	2025 $m[1]
Property, plant and equipment	**627**	594
Right-of-use assets	**42**	39
Intangible assets	**168**	185
Total depreciation and amortisation	**837**	818

1. Restated to reflect the accounting adjustment as described in Note 38.e.

6. Net financing costs

	Note	2026 $m	2025 $m[1]
Finance income			
Interest income		**12**	22
Total financing income		**12**	22
Finance costs			
Interest expense[2]		**154**	127
Lease interest expense		**76**	78
Unwinding of discounts on provisions	20	**139**	141
Unwinding of discount on deferred consideration		**8**	11
Other finance costs		**10**	11
Total financing costs		**387**	368
Net financing costs		**375**	346

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Interest expense for the year ended 30 June 2026 is presented net of capitalised interest of $31 million (2025: $24 million).

The weighted average capitalisation rate on funds borrowed for finance costs capitalised is 5.88% (2025: 6.16%).

7. Income tax

Income tax recognised in the Consolidated Statement of Profit or Loss

The major components of income tax expense are:

	2026 $m	2025 $m[1]
Current tax		
Current tax expense in respect of the current year	**69**	150
Deferred tax		
Relating to the origination and reversal of temporary differences	**202**	(85)
Total income tax expense	**271**	65

1. Restated to reflect the accounting adjustment as described in Note 38.e.

7. Income tax (Continued)

Numerical reconciliation between tax expense and pre-tax accounting profit

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	2026 $m	2025 $m[1]
Profit before tax	**1,027**	177
Income tax expense calculated at the Australian tax rate of 30% (2025: 30%)	**308**	53
Non-deductible expenses	**1**	10
Recognition of previously derecognised capital losses	**(28)**	-
Adjustments in relation to current tax of prior years	**(11)**	(7)
Other	**1**	9
Total income tax expense	**271**	65

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Income tax recognised in other comprehensive income

	2026 $m	2025 $m
Deferred tax		
Cash flow hedges	**25**	(34)
Remeasurement gain/(loss) on defined benefit plans	**10**	(3)
Fair value (loss)/gain on the revaluation of equity instrument financial assets	**(1)**	2
Total income tax expense/(benefit) recognised in other comprehensive income	**34**	(35)

Deferred income tax recognised in the Consolidated Statement of Profit or Loss

	2026 $m	2025 $m[1]
Temporary differences		
Tax losses and offsets	**153**	(38)
Provisions, payables and accruals	**53**	(115)
Allowance for expected credit losses	**(2)**	2
Defined benefit superannuation plans	**1**	(6)
Lease liabilities	**17**	13
Derivative financial instruments	**77**	(92)
Property, plant and equipment and intangible assets	**(113)**	137
Other	**16**	14
Total deferred income tax recognised in profit or loss	**202**	(85)

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Current tax balances

	2026 $m	2025 $m
Current tax liabilities		
Income tax payable	**35**	90

7. Income tax (Continued)

Deferred tax balances

	2026 $m	2025 $m[1]
Deferred tax assets/(liabilities) arise from the following:		
Tax losses and offsets	**126**	279
Provisions, payables and accruals	**749**	802
Allowance for expected credit losses	**55**	53
Defined benefit superannuation plans	**(11)**	(1)
Lease liabilities	**296**	313
Derivative financial instruments	**208**	309
Property, plant and equipment and intangible assets	**(667)**	(780)
Other	**33**	50
Net deferred tax assets	**789**	1,025
Recognised in the Consolidated Statement of Financial Position as follows:		
Deferred tax assets	**822**	1,025
Deferred tax liabilities	**(33)**	-
Net deferred tax assets	**789**	1,025

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Deferred tax assets of nil (2025: $25 million) remain unrecognised.

AGL has adopted the voluntary Tax Transparency Code as endorsed by the Board of Taxation and the Australian Taxation Office.

MATERIAL ACCOUNTING POLICY

Income tax

Tax consolidation

AGL Energy Limited (the Parent Entity) and its wholly-owned Australian resident subsidiaries formed a tax consolidated group pursuant to Australian taxation law with effect from 25 October 2006 and are therefore taxed as a single entity from that date. AGL Energy Limited is the head entity in the tax consolidated group.

On 23 July 2012, AGL Generation Holdco Pty Ltd, a subsidiary 99.99% owned by AGL Energy Limited, and AGL Generation Pty Ltd elected to form a tax consolidated group with Loy Yang Marketing Holdings Pty Limited and its wholly-owned subsidiary, in addition to the existing group. On 27 July 2012, Great Energy Alliance Corporation Pty Limited (GEAC) and its wholly-owned subsidiaries joined the new tax consolidated group. AGL Generation Holdco Pty Ltd is the head entity in this tax consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'standalone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the tax consolidated group are recognised by the head entity in each tax consolidated group.

The members of each of the tax consolidated groups have entered into a tax sharing and a tax funding agreement. The tax funding agreement requires contributions to/from the head entity equal to the current tax liability/asset assumed by the head entity.

OECD Pillar Two Global Anti-Base Erosion (GloBE) Model Rules

AGL is within the scope of the OECD Pillar Two Global Anti-Base Erosion (GloBE) Model Rules. The Group has applied the mandatory exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

For the financial year ended 30 June 2026, AGL has assessed the impact of the OECD's Pillar Two GloBE rules. Given that AGL's effective tax rate (ETR) is above the 15% global minimum tax threshold, there is no material exposure to the Pillar Two top-up taxes.

7. Income tax (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Deferred tax assets relating to tax losses and tax offsets
AGL recognises a deferred tax asset relating to tax losses and tax offsets. The recoverability of this deferred tax asset is dependent on the generation of sufficient taxable income, to use those tax losses and offsets. Management judgements and estimates are required in the assessment of this recoverability, including forecasting sufficient future taxable income.

8. Dividends

Recognised amounts

	2026 $m	2025 $m
Final dividend		
Final dividend for 2025 of 25.0 cents per share, fully franked, paid 25 September 2025 (2025: Final dividend for 2024 of 35.0 cents per share, unfranked, paid 24 September 2024).	**168**	235
Interim dividend		
Interim dividend for 2026 of 24.0 cents per share, fully franked, paid 26 March 2026 (2025: Interim dividend for 2025 of 23.0 cents per share, fully franked, paid 27 March 2025).	**161**	155
Dividends paid as per the Consolidated Statement of Cash Flows	**329**	390

Unrecognised amounts

	2026 $m	2025 $m
Since the end of the financial year, the Directors have declared a final dividend for 2026 of 26.0 cents per share, fully franked, payable 24 September 2026 (2025: 25.0 cents per share, fully franked, paid 25 September 2025).	**175**	168

Dividend franking account

	2026 $m	2025 $m
Adjusted franking account balance	**164**	134

MATERIAL ACCOUNTING POLICY

Dividends represent a distribution of profits that holders of ordinary shares receive from time to time. Dividends are not accrued as a liability until a dividend declaration is made by the Board of Directors. The liability is reduced when the dividend is paid. The Board of Directors takes into consideration factors including AGL's relative capital strength and the existing dividend payout ratio guidelines in determining the amount of dividends to be paid.

9. Trade and other receivables

	2026 $m	2025 $m
Current		
Trade receivables	**1,281**	1,813
Unbilled revenue	**807**	779
Allowance for expected credit loss	**(183)**	(178)
	1,905	2,414
Other receivables	**12**	26
Total current trade and other receivables	**1,917**	2,440
Non-current		
Other receivables	**3**	135
Loans to joint ventures	**25**	22
Total non-current trade and other receivables	**28**	157
Allowance for expected credit loss		
Balance as at 1 July	**178**	185
Impairment losses recognised on receivables	**222**	190
Amounts written off as uncollectible	**(217)**	(197)
Balance at end of the financial year	**183**	178

The allowance for expected credit loss associated with unbilled revenue and the ageing of trade receivables at the reporting date is detailed below:

	2026		2025	
	Total $m	Allowance $m	Total $m	Allowance $m
Unbilled revenue	**807**	**(28)**	779	(29)
Not past due	**896**	**(18)**	1,455	(27)
Past due 0 – 30 days	**113**	**(17)**	96	(17)
Past due 31 – 60 days	**44**	**(14)**	48	(14)
Past due 61 – 90 days	**36**	**(14)**	31	(11)
Past 90 days	**192**	**(92)**	183	(80)
Total	**2,088**	**(183)**	2,592	(178)

MATERIAL ACCOUNTING POLICY

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are recognised at amortised cost, less an allowance for expected credit loss. AGL's policy requires customers to pay in accordance with agreed payment terms. Depending on the customer segment, trade receivables are generally due for settlement within 30 days.

AGL assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income (FVOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, unbilled revenue, and other receivables, AGL applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Unbilled revenue

Unbilled revenue represents estimated gas and electricity services supplied to customers but unbilled at the end of the reporting period. Unbilled gas and electricity revenue is not collectible until such time as customers' meters are read and bills rendered.

9. Trade and other receivables (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Expected credit loss on trade receivables and unbilled revenue

AGL estimates expected credit losses (ECL) on trade receivables using a machine learning model. This model assesses a range of customer-specific factors, including historical payment behaviour, billing and consumption trends, and other transactional data, to assign a risk score to each customer.

For unbilled revenue, ECL is estimated using historical net bad debt expense as a percentage of revenue, adjusted for current and forward–looking information.

For customer segments where individual-level data is unavailable or not applicable, AGL applies segment-level loss rates based on historical progression of receivables to write-off as well as forward-looking factors.

Unbilled revenue

AGL recognises revenue from gas and electricity sales once the gas and/or electricity has been consumed by the customer. Management estimates customer consumption between the last invoice date and the end of the reporting period when determining gas and electricity revenue for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption.

Key accounting assumptions and estimates include:

- Volume and timing of energy consumed by the customers
- Various pricing plans prevalent and allocation of the estimated volume to such pricing plans

10. Inventories

	2026 $m	2025 $m
Current		
Raw materials and stores - at cost	**399**	331
Finished goods - at cost	**81**	65
Total current inventories	**480**	396

MATERIAL ACCOUNTING POLICY

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out or weighted average basis. Net realisable value represents the estimated selling price for inventories less the estimated costs necessary to sell the inventory.

11. Other financial assets

	2026 $m	2025 $m[1]
Current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**-**	53
Interest rate swap contracts - cash flow and fair value hedges	**19**	16
Forward foreign exchange contracts - cash flow hedges	**-**	1
Energy derivatives - economic hedges	**509**	592
	528	662
Futures deposits and margin calls	**330**	121
Other	**6**	13
Total current other financial assets	**864**	796
Non-current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**14**	33
Interest rate swap contracts - cash flow and fair value hedges	**25**	28
Energy derivatives - economic hedges	**546**	349
	585	410
Equity instrument financial assets - at fair value through other comprehensive income		
Listed equity securities[2]	**109**	-
Unlisted equity securities	**27**	24
Unlisted investment funds	**9**	10
	145	34
Debt instrument financial assets - at fair value through profit or loss	**151**	164
Total non-current other financial assets	**881**	608

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. On 15 June 2026, AGL received $116 million in shares in Aussie Broadband (ABB) for the disposal of the Telco business. These shares were valued at $109 million as at 30 June 2026. Refer to Note 29.

Refer to Note 36 for AGL's financial assets critical accounting estimates and assumptions.

12. Other assets

	Note	2026 $m	2025 $m[1]
Current			
Green commodities scheme certificates and instruments		**385**	416
Prepayments		**92**	85
Total current other assets		**477**	501
Non-current			
Defined benefit superannuation plan asset	32	**55**	39
Total non-current other assets		**55**	39

1. Restated to reflect the accounting adjustment as described in Note 38.e.

MATERIAL ACCOUNTING POLICY

Green commodity scheme certificates

AGL participates in a number of renewable energy and energy efficiency schemes administered by the Commonwealth and State governments. AGL holds green commodity scheme certificates in order to satisfy its surrender obligations under the various schemes and where applicable, for trading purposes.

Certificates held to meet regulatory compliance obligations are initially recognised at cost, determined using the weighted–average cost of internally generated certificates or the cost paid to third parties when purchased, and are subsequently measured at the lower of cost or net realisable value.

Green commodity scheme certificates held for trading purposes are measured at fair value, with changes in fair value recognised in profit or loss.

CLIMATE-RELATED IMPACTS

Acquisition and valuation of green commodity scheme certificates

Climate–related factors, including changes in emissions reduction targets, regulatory frameworks and the pace of the energy transition, may influence the volume of green commodity scheme certificates required to meet compliance obligations, as well as market prices for these instruments.

For certificates held primarily for compliance purposes, which are measured at the lower of cost or net realisable value, climate–related developments may affect the volume of certificates required and the cost of meeting compliance obligations, and therefore the timing and amount of compliance expenses recognised.

For certificates held for trading purposes and measured at fair value, climate–related factors may also influence valuation inputs, including expected future prices and market liquidity. Assumptions applied are reviewed periodically and updated to reflect prevailing regulatory and market conditions.

13. Investments in associates and joint ventures

	2026 $m	2025 $m
Investments in joint ventures - unlisted	**54**	380
Total investments in associates and joint ventures	**54**	380

Reconciliation of movements in investments in associates and joint ventures

	2026 $m	2025 $m
Balance at beginning of financial year	**380**	404
Additions[1]	**7**	13
Share of profits	**20**	37
Dividends received	**(18)**	(25)
Fair value gain/(loss) on financial instruments through other comprehensive income	**9**	(49)
Impairment recognised in profit or loss[2]	**(11)**	-
Disposal[3]	**(329)**	-
Return of capital	**(2)**	-
Other[3]	**(2)**	-
Balance at end of financial year	**54**	380

1. Additions relate to capital injections into Pottinger Renewables of $7 million (2025: Gippsland Skies $13 million).
2. AGL recognised an impairment of its investment in Gippsland Skies wind farm following the decision to withdraw from the project. AGL retains a 20% interest in the entity which is expected to be deregistered.
3. AGL completed the divestment of 19.9% of its 20% equity in Tilt Renewables in May 2026, following which the remaining 0.1% interest has been reclassified from an Investment in Joint Venture to Other Financial Assets. Refer to Note 29.

		Ownership interest		Carrying value	
	Principal activities	2026 %	2025 %	2026 $m	2025 $m
Joint ventures					
ActewAGL Retail Partnership	Gas and electricity retailer	**50**	50	**43**	41
Tilt Renewables[1]	Development and owner of renewable energy generation projects	**-**	20	**-**	321
Pottinger Renewables	Development and owner of renewable energy generation projects	**50**	50	**11**	4
Muswellbrook Pumped Hydro	Pumped hydro energy generation project	**50**	50	**-**	-
Gippsland Skies[2]	Offshore wind energy generation project	**20**	20	**-**	14
Total investments in associates and joint ventures				**54**	380

1. Refer to Note 29.
2. AGL recognised an impairment of its investment in Gippsland Skies wind farm following the decision to withdraw from the project. AGL retains a 20% interest in the entity which is expected to be deregistered.

All the above entities are incorporated and operate in Australia.

13. Investments in associates and joint ventures (Continued)

Aggregate information of joint ventures

	2026 $m	2025 $m
Current assets	**216**	362
Non-current assets	**84**	4,921
Total assets	**300**	5,283
Current liabilities	**194**	490
Non-current liabilities	**19**	3,103
Total liabilities	**213**	3,593
Net assets	**87**	1,690
Revenue	**864**	1,205
Expenses	**(821)**	(1,099)
AGL's share of joint ventures' profit after income tax	**20**	37

Commitments and contingent liabilities

AGL's share of commitments and contingent liabilities of associates and joint ventures are disclosed in Notes 25(b) and 26 respectively.

14. Property, plant and equipment

2026	Plant and equipment $m	Assets under construction $m	Land $m	Total $m
Balance at 1 July 2025, net of accumulated depreciation and impairment	**4,933**	**1,006**	**78**	**6,017**
Additions	**614**	**698**	**11**	**1,323**
Impairment loss recognised in profit or loss[1]	**(284)**	**-**	**-**	**(284)**
Change in estimate related to provision for environmental rehabilitation[2]	**(119)**	**-**	**-**	**(119)**
Disposals	**(1)**	**-**	**-**	**(1)**
Depreciation expense	**(627)**	**-**	**-**	**(627)**
Transfers	**697**	**(697)**	**-**	**-**
Balance at 30 June 2026, net of accumulated depreciation and impairment	**5,213**	**1,007**	**89**	**6,309**

1. $283m impairment loss was recognised for the Generation Fleet CGU and $1m impairment loss was recognised on the disposal of the Telco business.
2. Refer to Note 20.

Balance at 30 June 2026				
Cost (gross carrying amount)	**12,626**	**1,007**	**89**	**13,722**
Accumulated depreciation and impairment	**(7,413)**	**-**	**-**	**(7,413)**
Net carrying amount	**5,213**	**1,007**	**89**	**6,309**

2025[1]	Plant and equipment $m	Assets under construction $m	Land $m	Total $m
Balance at 1 July 2024, net of accumulated depreciation and impairment	4,779	607	66	5,452
Additions	470	547	12	1,029
Impairment loss recognised in profit or loss	(19)	-	-	(19)
Change in estimate related to provision for environmental rehabilitation[2]	148	-	-	148
Depreciation expense	(593)	-	-	(593)
Transfers	148	(148)	-	-
Balance at 30 June 2025, net of accumulated depreciation and impairment	4,933	1,006	78	6,017

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Refer to Note 20.

Balance at 30 June 2025[1]				
Cost (gross carrying amount)	11,441	1,006	78	12,525
Accumulated depreciation and impairment	(6,508)	-	-	(6,508)
Net carrying amount	4,933	1,006	78	6,017

1. Restated to reflect the accounting adjustment as described in Note 38.e.

14. Property, plant and equipment (Continued)

MATERIAL ACCOUNTING POLICY

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Finance costs related to the acquisition or construction of qualifying assets are capitalised. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Cost is capitalised as assets under construction and is transferred to property, plant and equipment and depreciation commences when the asset is available for use.

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are amortised over the period of the relevant lease or estimated useful life, whichever is the shorter. Land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment – Up to 50 years

Assets under construction

Assets under construction comprise assets that are in the process of being constructed or developed for their intended use. Costs directly attributable to the acquisition, development or construction of an asset are capitalised as assets under construction. These costs include directly attributable labour, materials and services, and finance costs related to qualifying assets. Expenditure incurred before a decision is made to acquire or construct an asset, including costs associated with assessing project feasibility and viability, is expensed as incurred.

Assets under construction are not depreciated. Upon completion, when the asset is available for its intended use, the accumulated cost is transferred to the appropriate category of property, plant and equipment and depreciation commences in accordance with the asset's estimated useful life.

Impairment of non-financial assets excluding goodwill

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Refer to Note 16 for further details on the impairment assessment during the period.

CLIMATE-RELATED IMPACTS

Estimated useful lives

The estimated useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate at the end of each annual reporting period.

For generation assets, the useful economic lives are aligned with AGL's announced planned closure dates, as outlined in the Climate Transition Action Plan (CTAP), which reflects management's current strategy and outlook for the transition to a lower-carbon energy system.

In determining asset lives, AGL considers climate-related factors that may affect the expected pattern of economic benefits, including changes in asset utilisation, regulatory developments, and market conditions. Judgement is also applied in assessing expected operating profiles in the period leading up to closure.

To the extent that AGL's assessment of the timing or pathway of the transition changes, including revisions to planned closure dates or operating profiles, the useful lives of affected assets would be updated prospectively.

15. Right-of-use assets

2026	Right-of-use plant and equipment $m	Other Right-of-use assets $m	Total $m
Balance at 1 July 2025, net of accumulated depreciation and impairment	**346**	**161**	**507**
Additions	**26**	**2**	**28**
Impairment loss recognised in profit or loss[1]	**(5)**	**-**	**(5)**
Reversal of impairment	**-**	**3**	**3**
Disposals	**(2)**	**-**	**(2)**
Depreciation expense	**(29)**	**(13)**	**(42)**
Capitalise depreciation to green assets	**(9)**	**-**	**(9)**
Balance at 30 June 2026, net of accumulated depreciation and impairment	**327**	**153**	**480**

1. $5 million impairment was recognised in relation to EV impairment.

Balance at 30 June 2026			
Cost (gross carrying amount)	**1,601**	**266**	**1,867**
Accumulated depreciation and impairment	**(1,274)**	**(113)**	**(1,387)**
Net carrying amount	**327**	**153**	**480**

2025[1]	Right-of-use plant and equipment $m	Other Right-of-use assets $m	Total $m
Balance at 1 July 2024, net of accumulated depreciation and impairment	365	166	531
Additions	18	9	27
Depreciation expense	(25)	(14)	(39)
Capitalised depreciation to green assets	(12)	-	(12)
Balance at 30 June 2025, net of accumulated depreciation and impairment	346	161	507

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Balance at 30 June 2025[1]			
Cost (gross carrying amount)	1,578	274	1,852
Accumulated depreciation and impairment	(1,232)	(113)	(1,345)
Net carrying amount	346	161	507

1. Restated to reflect the accounting adjustment as described in Note 38.e.

15. Right-of-use assets (Continued)

MATERIAL ACCOUNTING POLICY

Right-of-use assets (ROU assets)

A ROU asset is recognised in relation to each lease and is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

A ROU asset is subsequently measured using the cost model less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. AGL carries all ROU assets at cost. The ROU asset is depreciated over the shorter of the useful life of the asset and the lease term. Where the ROU asset is adjusted due to changes in the lease liability, the depreciation for the ROU asset is adjusted on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation on ROU assets:

- Plant and equipment – ROU assets: lesser of lease period or up to 15 years
- Other – ROU assets: lesser of lease period or up to 50 years

Short-term and low value leases as lessee

AGL has elected to apply the practical expedients available for short-term leases (i.e. where the lease period is 12 months or less) and low-value asset leases. As a result of application of these practical expedients, the measurement requirements of accounting standards do not apply and the expense for these leases is recognised on a straight-line basis.

16. Intangible assets

2026	Goodwill $m	Software $m	Licences $m	Development Assets $m	Contracts and Other $m	Total $m
Balance at 1 July 2025, net of accumulated amortisation and impairment	**2,593**	**338**	**251**	**148**	**35**	**3,365**
Additions	**-**	**116**	**3**	**3**	**11**	**133**
Amortisation expense	**-**	**(153)**	**(9)**	**-**	**(6)**	**(168)**
Impairment loss recognised in profit or loss[1]	**-**	**-**	**-**	**(19)**	**(20)**	**(39)**
Balance at 30 June 2026, net of accumulated amortisation and impairment	**2,593**	**301**	**245**	**132**	**20**	**3,291**

1. $19 million impairment was recognised on Development Assets for discontinued projects and $20 million impairment was recognised on Contracts and Other arising from the disposal of the Telco business.

Balance at 30 June 2026						
Cost (gross carrying amount)	**3,220**	**1,277**	**317**	**132**	**77**	**5,023**
Accumulated amortisation and impairment	**(627)**	**(976)**	**(72)**	**-**	**(57)**	**(1,732)**
Net carrying amount	**2,593**	**301**	**245**	**132**	**20**	**3,291**

16. Intangible assets (Continued)

2025	Goodwill $m	Software $m	Licences $m	Development Assets $m	Contracts and Other $m	Total $m
Balance at 1 July 2024, net of accumulated amortisation and impairment	2,446	369	260	-	25	3,100
Additions	-	131	-	18	7	156
Amortisation expense	-	(162)	(9)	-	(14)	(185)
Acquisitions through business combinations	147	-	-	130	19	296
Impairment loss recognised in profit or loss	-	-	-	-	(2)	(2)
Balance at 30 June 2025, net of accumulated amortisation and impairment	2,593	338	251	148	35	3,365
Balance at 30 June 2025						
Cost (gross carrying amount)	3,220	1,286	306	148	133	5,093
Accumulated amortisation and impairment	(627)	(948)	(55)	-	(98)	(1,728)
Net carrying amount	2,593	338	251	148	35	3,365

Intangible assets in progress

The net carrying amount of intangible assets disclosed includes expenditure recognised in relation to work in progress intangible assets of $177 million (2025: $177 million).

Impairment testing for goodwill

Goodwill has been allocated to cash-generating units (CGUs) for the purpose of impairment testing as follows:

	2026 $m	2025 $m
Customer Markets	**1,093**	1,093
Wholesale Gas	**1,353**	1,353
Generation Fleet	**-**	-
Flexible Generation	**147**	147
Wind Assets	**-**	-
Total goodwill	**2,593**	2,593

16. Intangible assets (Continued)

MATERIAL ACCOUNTING POLICY

Intangible assets

Intangible assets with finite lives are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised as an expense on a straight-line basis over the period during which economic benefits are expected to be received.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of amortisation for intangible assets with finite lives:

- Customer relationships and contracts – 3 to 20 years
- Software – 3 to 7 years
- Licences – 3 to 35 years

Goodwill and development assets are carried at cost less accumulated impairment losses, if any. Development assets relate to costs capitalised in respect of projects under development and are not amortised until the associated asset becomes available for use. Development assets are amortised once the associated project becomes operational.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment assessment for the year ended 30 June 2026

At 30 June 2026, an assessment of indications of impairment for each of AGL's cash generating unit (CGU) is performed, and if indications of impairment exist, a recoverable value assessment is performed. Indications of impairment was identified for the Generation Fleet CGU and the Wind Assets CGU and an impairment assessment was performed for these CGUs.

Notwithstanding the above, the recoverable value of a CGU containing goodwill, intangible assets with indefinite useful lives or intangible assets in development is determined at least annually in December each year.

AGL's main CGUs are:

- Generation Fleet
- Flexible Generation
- Customer Markets
- Wholesale Gas
- Wind Assets

Impairment testing methodology

AGL is subject to a number of external factors that impact the performance of its CGUs. This includes, but is not limited to, market prices, external regulatory and social factors that may impact the life of assets, competitor behaviour and new entrants and technological change. To respond to the range of potential outcomes that can result from these factors, AGL applies a scenario analysis approach in determining the recoverable amount of assets. To estimate the recoverable amount of the CGU overall, each scenario is assigned a probability weighting. The scenarios modelled represent a range of outcomes including differing wholesale market prices, expected generation volume, station closure dates, asset lives, and growth rates.

If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount with any impairment loss recognised immediately in the statement of profit or loss.

Generation Fleet CGU

For AGL's fleet of finite life generation assets, cash flow forecasts are based on discrete and long-term cash flow forecasts that reflect the life of the assets, consistent with the closure dates outlined in AGL's Climate Transition Action Plan. The financial modelling reflects AGL's view of the cash flows anticipated from operations primarily from Board approved budgets and plans, factoring in both known events such as planned outages and expectations, and allows for quantification of sensitivities and scenarios.

At 30 June 2026, impairment indicators were identified for the Generation Fleet CGU, primarily reflecting lower short-term wholesale electricity price assumptions, an increase in the discount rate applied to the CGU and an increase in the carrying value of the CGU.

The following key assumptions were considered in the value-in-use calculation to determine the recoverable amount of the Generation Fleet CGU at 30 June 2026:

- Electricity pricing and generation volume assumptions based on evenly weighted internal and external forward market price curves;
- Cost relating to emissions-abatement assumptions and sustaining capital expenditure; and
- Post-tax Weighted Average Cost of Capital (WACC) discount rate of 9.5% (Dec 25: 9.0%), the pre-tax equivalent being 15.1% (Dec 25: 14%)

As a result, the carrying value of the Generation Fleet CGU was estimated to exceed its recoverable amount at 30 June 2026 by $283 million. This amount has been recognised as an impairment expense in the Consolidated Statement of Profit or Loss.

16. Intangible assets (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Sensitivity analysis
Following the impairment expense recognised at 30 June 2026, adverse changes in one or more key assumptions, when considered in isolation and holding other assumptions constant, would result in the recoverable amount of the Generation Fleet CGU falling below its carrying value and therefore give rise to further impairment.

In practice, changes in variables are rarely mutually exclusive and the relationships and interactions between these variables are highly complex. Alterations in the external operational landscape, such as closure of major electricity consumers, substantial additions to generation capacity, postponements in the closure of power stations not owned by AGL, or modifications to government policies, have the potential to impact on the energy demand and supply dynamics leading to changes in future forward market price curves and generation volumes which may impact the valuation of the Generation Assets CGU.

Flexible Generation CGU
The following key assumptions were applied in the value-in-use calculation to determine the recoverable amount of the Flexible Generation CGU at 31 December 2025:

- Forecast cash flows over the useful life of the generation assets included in the Flexible Generation CGU, based on Board approved budgets and plans;
- Assumed cap prices derived from internal and external market modelling to reflect the ability to capture prices during high demand events;
- Useful life of the generation assets, which includes gas peaker stations and renewable generation and storage assets;
- Discount rates used are the post-tax WACC discount rate of 7.75% (Dec 24: 8.0%), the pre-tax equivalent being 10.0% (Dec 24: 9.8%);
- Generation volumes for each relevant asset based on historical and forecast generation and availability including planned maintenance; and
- Terminal growth rate of 2.50% (Dec 24: 2.75%).

The recoverable amount of the Flexible Generation CGU exceeded the carrying value at 31 December 2025.

During the period, development assets relating to Terrain Solar, Firm Power and Upper Hunter Hydro were separated from the Flexible Generation CGU and are now assessed as separate CGUs. At 30 June 2026, impairment indicators assessments were performed for each of the Development Assets CGUs, with no indicators of impairment identified.

At 30 June 2026, an impairment indicators assessment was performed for the Flexible Generation CGU. The assessment has not identified any internal or external indicator that the assets within this CGU are impaired and accordingly, no further recoverable value assessment was required.

Sensitivity analysis
Sensitivity analysis has been performed for the Flexible Generation CGU. There were no reasonable possible changes in assumptions that would result in an impairment.

Customer Markets CGU
The following key assumptions were applied in the value-in-use calculation used to determine the recoverable amount of the Customer Markets CGU at 31 December 2025:

- Forecast cash flows based on Board approved budgets and plans for the initial four-year period. Subsequent cashflows are derived by progressively transitioning to long-term expectations, with a terminal growth rate of 2.75% applied beyond 10 years (Dec 24: 2.75%);
- Gross margin outcomes based on actual regulatory decisions for the current reporting period, which are publicly available, together with AGL's expectations of regulated network prices and regulated pricing (Victorian Default Market Offer/Default Market Offer) beyond the current reset period;
- Future gross margin in unregulated markets is determined with reference to historically achieved revenue rates, AGL's expectations of future price changes and impact of expected customer discounts;
- Customer numbers and consumption volumes are estimated based on historical experience, marketing strategies for the retention and winning of customers and the expected competition from new entrants; and
- Discount rates used are the post-tax WACC discount rate of 7.75% (Dec 24: 8.0%), the pre-tax equivalent being 9.2% (Dec 24: 10.1%).

The recoverable amount of the Customer Markets CGU exceeded the carrying value at 31 December 2025 by approximately $170 million.

At 30 June 2026, an impairment indicators assessment was performed for the Customer Markets CGU. The assessment has not identified any internal or external indicator that the assets within this CGU are impaired and accordingly, no further recoverable value assessment was required.

Sensitivity analysis
The valuation of the Customer Markets CGU is most sensitive to changes in consumer gross margin, customer consumption volumes and discount rates. Reasonable possible changes that would result in a recoverable amount which is below the carrying amount are as follows:

- A sustained decrease in the gross margin from an approximate range of between 9% and 12% by approximately 2% across the forecast period and terminal year;
- A sustained decrease in annual customer consumption volume from an approximate range of between 14 TWh and 17 TWh by approximately 2% across the forecast period and terminal year; or

16. Intangible assets (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

- An increase in discount rate of 0.5%.

Notwithstanding the above analysis, the Group expects margins to remain stable at sustainable levels that are broadly consistent with historical performance and industry expectations. The analysis above considers changes in individual assumptions in isolation. In practice, changes in market conditions often affect multiple assumptions simultaneously, and the interactions between these variables are complex. A change in any of the above assumptions would have an impact on other assumptions which when considered together may offset.

Wholesale Gas CGU

The following key assumptions were applied in the value-in-use calculation used to determine the recoverable amount of the Wholesale Gas CGU at 31 December 2025:

- Probability-weighted scenarios for gas sales volumes, pricing and procurement costs with an estimate of future market and contracted margins and volumes beyond the period of the actual contracted portfolio based on expected new supply sources and demand;
- Discount rates used are the post-tax WACC discount rate of 7.75% (Dec 24: 8.0%), the pre-tax equivalent being 12.7% (Dec 24: 15.4%);
- Terminal growth rate range between 0% to 1.5% (Dec 24: 0% to 1.5%); and
- Four-year forecast period with various scenarios reflecting different assumptions regarding the operational life of the CGU were evaluated.

The recoverable amount of the Wholesale Gas CGU exceeded the carrying value at 31 December 2025 and consequently no impairment loss was recognised in relation to this CGU.

At 30 June 2026, an impairment indicators assessment was performed for the Wholesale Gas CGU. The assessment has not identified any internal or external indicator that the assets within this CGU are impaired and accordingly, no further recoverable value assessment was required.

Sensitivity analysis

The recoverable amount of the Wholesale Gas CGU is sensitive to changes in the forecast gas margin assumption.

At 31 December 2025, a reasonable possible change in this assumption will not result in an impairment. However, it is possible a significant and/or sustained change in this assumption due to changing market factors could result in impairment or reversal of previously recognised impairment in future periods.

The Wholesale Gas CGU benefits from favourable supply costs associated with existing contractual arrangements and the recoverable amount at 31 December 2025 includes probability-weighted scenarios on gross margins based on new supply sources and demand. As the existing contracts lapse and where gross margin on new supply sources are lower than forecast, the recoverable amount of the Wholesale Gas CGU could potentially decrease. A decrease in the recoverable amount could potentially give rise to an impairment loss in future periods to the extent it is lower than the carrying amount.

Wind Assets CGU

The review of accounting for a number of renewable power purchase agreements resulted in the retrospective recognition of ROU assets (Note 38.e) and the recognition of a new Wind Assets CGU.

An impairment relating to prior period arises from the retrospective recognition of these assets and has therefore been recognised as a prior–period adjustment in opening retained earnings at 1 July 2024.

At 30 June 2026, impairment indicators were identified for the Wind Assets CGU, primarily reflecting lower short-term electricity pool prices. Accordingly, an impairment assessment was performed.

The following key assumptions were considered in the value-in-use calculation at 30 June 2026 to determine the recoverable amount of the Wind Assets CGU:

- Forecast electricity pool prices over the life of the relevant wind assets based on Board approved budget and plans, short term market forecasts for electricity pricing and longer term external and internal modelled pricing outlook;
- Generation volumes for each relevant wind farm based on historical and forecast generation and availability including planned outages;
- Post-tax Weighted Average Cost of Capital (WACC) discount rate of 8.0% (Dec 25: 7.75%), pre-tax equivalent being 11.5% (Dec 25: 12.7%); and
- Assumptions associated with regulatory outcomes impacting upon operations.

The derived recoverable amount of the Wind Assets CGU was estimated to approximate its carrying value as at 30 June 2026 and resulted in no impairment charge to the carrying value of the CGU nor a requirement to reverse previously recognised impairment at 30 June 2026.

Sensitivity analysis

The valuation of the Wind Assets CGU is most sensitive to changes in electricity pool prices, generation volume and discount rate. Adverse changes in these assumptions in isolation would result in the recoverable value falling below the carrying value. In practice, changes in market conditions often affect multiple assumptions simultaneously, and the interactions between these variables are complex. A change in any of the above assumptions would have an impact on other assumptions which when considered together may offset.

16. Intangible assets (Continued)

CLIMATE-RELATED IMPACTS

Asset recoverability

Management considers climate–related risks and opportunities as part of AGL's impairment assessment where they are relevant to the recoverable value of non–current assets, including intangible assets.

In applying impairment assumptions, management incorporates its current view of the pace and pathway of the energy transition, including the potential impacts of regulatory developments, market evolution and decarbonisation strategies on asset utilisation, closure timing and forecast cash flows. Where outcomes are inherently uncertain, management considers a range of plausible scenarios and applies judgement in determining appropriate assumptions.

Assumptions used in impairment testing are aligned with AGL's climate–related strategy and current plans, including those reflected in the Climate Transition Action Plan (CTAP) and climate–related financial disclosures. Management reviews these assumptions periodically and updates impairment assessments where changes in conditions or expectations indicate that recoverable amounts may be affected.

17. Trade and other payables

	2026 $m	2025 $m[1]
Current		
Trade payables and accrued expenses	**1,146**	1,750
Accrued distribution costs	**439**	446
Green commodity scheme obligations	**368**	393
Other	**41**	45
Total trade and other payables	**1,994**	2,634

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Trade payables are unsecured and are generally settled within 32 days from end of month of the date of recognition.

MATERIAL ACCOUNTING POLICY

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to AGL prior to the end of the reporting period that are unpaid and arise when AGL becomes obliged to make future payments in respect of the purchase of these goods and services.

Green commodity scheme obligations

Green commodity scheme obligations represent liabilities to satisfy surrender obligations under the various renewable energy and energy efficiency schemes administered by the Commonwealth and State governments. Liability is recognised as energy is consumed by our customers and assets. Given the schemes are surrendered on a calendar year basis, the liability is measured using the estimated number of certificates required to satisfy the obligation and the expected weighted-average cost of certificates at the time of surrender.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued distribution costs

AGL recognises distribution costs once the gas and electricity has been delivered to the customer and is measured through a regular review of usage meters. Management estimates customer consumption between the last invoice date for distribution costs and the end of the reporting period when determining distribution costs for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption.

18. Lease liabilities

	2026 $m	2025 $m[1]
Current	**109**	96
Non-current	**949**	1,020
Total lease liabilities	**1,058**	1,116

1. Restated to reflect the accounting adjustment as described in Note 38.e.

MATERIAL ACCOUNTING POLICY

Lease liabilities

In contracts where AGL is a lessee, AGL recognises a right-of-use asset and a lease liability at the commencement date of the lease for all leases other than short-term or low-value asset leases.

AGL has elected to apply the practical expedients available for short-term leases (i.e. where the lease term is less than 12 months) and low-value asset leases. As a result of application of these practical expedients, the measurement requirements of accounting standards do not apply and the expense for these leases is recognised on a straight-line basis.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Leases

Lease term

Where lease arrangements contain options to extend the term or terminate the contract, AGL assesses whether it is 'reasonably certain' that the option to extend or terminate the contract will be made. Consideration is given to the prevalence of other contractual arrangements and/or the economic circumstances relevant to the lease contract, that may indicate the likelihood of the option being exercised. Lease liabilities and ROU assets are measured using the reasonably certain contract term.

19. Borrowings

	2026 $m	2025 $m
Current		
USD senior notes - unsecured	**50**	205
CPI bonds - unsecured	**15**	14
Total current borrowings	**65**	219
Non-current		
Bank loans - unsecured	**1,083**	1,368
USD senior notes - unsecured	**1,349**	1,457
CPI bonds - unsecured	**-**	15
Medium term notes - unsecured	**500**	-
Deferred transaction costs	**(21)**	(20)
Total non-current borrowings	**2,911**	2,820

Financing facilities

AGL has access to the following committed financing facilities comprising of bank facilities, bonds, and US Private Placements:

	Total facilities		Amounts used	
	2026 $m	2025 $m	2026 $m	2025 $m
USD senior notes - unsecured (after effect of cross currency swaps)	**1,425**	1,577	**1,425**	1,577
Bank loans - unsecured	**2,428**	2,428	**1,083**	1,368
Medium term notes - unsecured	**500**	-	**500**	-
CPI bonds - unsecured	**15**	29	**15**	29
Bank guarantees - unsecured	**1,215**	1,140	**969**	789
Total financing facilities	**5,583**	5,174	**3,992**	3,763

USD senior notes

- On 20 November 2023, AGL issued A$467 million (USD 100 million and AUD 313 million) of fixed rate unsecured senior notes in the US private placement market, with maturity ranging from 10 to 12 years.
- On 8 June 2023, AGL issued A$386 million (USD 131 million and AUD 188 million) of fixed rate unsecured senior notes in the US private placement market, with maturity ranging from 7 to 15 years.
- On 8 December 2016, AGL issued A$572 million (USD 395 million and AUD 50 million) of fixed rate unsecured senior notes in the US private placement market, with maturity ranging from 10 to 15 years.
- On 8 September 2010, AGL issued A$152 million (USD 135 million) of fixed rate unsecured senior notes in the US private placement market. These notes matured on 8 September 2025 and were settled in accordance with their terms.
- All USD senior notes are converted back to AUD through cross currency interest rate swaps.

Medium term notes

- On 30 September 2025, AGL issued A$500 million of senior unsecured fixed rate Medium Term Notes, with maturity ranging from 7 to 10 years.

19. Borrowings (Continued)

Bank loans

- On 25 May 2026, AGL executed an Amending Deed to extend the A$510 million Asian term loan facility originally executed on 14 December 2023. The facility tranches have maturities ranging from 5 to 7 years. As of 30 June 2026, A$510 million of this was utilised.
- On 10 April 2025, AGL executed an Amending Deed to upsize and extend the syndicated facility agreement originally executed on 28 April 2023. The extended syndicated facility agreement was upsized to A$1,518 million and includes a A$500 million green capital expenditure facility. The facility tranches have maturities ranging from 3 to 7 years. As of 30 June 2026, A$473 million of this was utilised.
- The remaining A$400 million of bank debt facilities comprises of bilateral facilities, with A$100 million utilised at 30 June 2026.

CPI bonds

- CPI bonds rank pari passu with other unsecured debt and will mature in May 2027.

Bank guarantees

Bank guarantees are issued to support operational and contractual obligations. No contingent liabilities arising from these guarantees require disclosure at the reporting date.

Loan covenants

The bank loans and USD senior notes are subject to financial covenants which are tested semi-annually on 30 June and 31 December each year. The covenants measure the Group's gearing ratio, FFO Interest Cover Ratio, Guarantor Group Tangible Assets as a percentage of the Consolidated Group Tangible Assets and Guarantor Group EBITDA as a percentage of the Consolidated Group EBITDA.

The Group has complied with the covenants at 30 June 2026 (and 30 June 2025).

As part of the Group's liquidity risk management framework, the Group's expected compliance with the covenants is monitored on an ongoing basis and the Group expects to remain in compliance with the covenants in the next 12 months.

The Group's other borrowings are not subject to any covenants.

MATERIAL ACCOUNTING POLICY

Borrowings

Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

20. Provisions

	2026 $m	2025 $m[1]
Current		
Employee benefits	**246**	250
Environmental rehabilitation	**116**	81
Restructuring	**6**	6
Onerous contracts	**92**	63
Other	**11**	10
Total current provisions	**471**	**410**
Non-current		
Employee benefits	**10**	6
Environmental rehabilitation	**1,603**	1,692
Onerous contracts	**358**	508
Restructuring	**27**	25
Total non-current provisions	**1,998**	2,231

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Movements in each class of provision, except employee benefits, are set out below:

	Environmental rehabilitation $m	Restructuring $m	Onerous contracts $m[1]	Total $m
Balance at 1 July 2025[2]	**1,773**	**31**	**571**	**2,375**
Changes in estimated provision	**(67)**	**-**	**(96)**	**(163)**
Additional provisions recognised	**-**	**8**	**-**	**8**
Provisions utilised and derecognised	**(87)**	**(6)**	**(64)**	**(157)**
Unwinding of discount	**100**	**-**	**39**	**139**
Balance at 30 June 2026	**1,719**	**33**	**450**	**2,202**

1. Movement in onerous contract provision in Note 4 consists of both the change in estimated provision and additional provisions recognised during the period.
2. Restated to reflect the accounting adjustment as described in Note 38.e.

MATERIAL ACCOUNTING POLICY

Provisions

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by AGL in respect of services provided by employees up to the end of the reporting period.

Environmental rehabilitation

The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the rehabilitation obligation at the end of the reporting period, based on current legal requirements and current technology. Future rehabilitation costs are reviewed periodically and any changes are reflected in the provision at the end of each reporting period.

The initial estimate of the environmental rehabilitation provision is capitalised into the cost of the related asset and depreciated/ amortised on the same basis as the related asset. Changes in the estimate of the provision for environmental rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

20. Provisions (Continued)

MATERIAL ACCOUNTING POLICY

Restructuring
A restructuring provision is recognised when AGL has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Future operating losses are not provided for.

Onerous contracts
An onerous contract provision is recognised when the unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received under that contract. The provision is measured at the excess of the unavoidable costs over the expected economic benefits. The unavoidable costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Provision for environmental rehabilitation
AGL estimates the future removal and rehabilitation costs of electricity generation assets, oil and gas production facilities, wells, pipelines, mine and related assets at the time of installation of the assets. In most instances, removal of assets will occur many years into the future. The requirement for rehabilitation is also subject to community and regulatory expectations which may evolve over time and in practice, negotiation is required to arrive at a practical rehabilitation strategy.

The calculation of this provision requires management to make assumptions regarding the removal date, application of environmental legislation, the extent of rehabilitation activities required, and available technologies. The assumptions are highly judgemental and represents management's best estimate of the present value of the expenditure required to settle the obligation, given known facts and circumstances at a point in time. We formally review our approach to rehabilitation, including intended use, no less than every five years.

The table below indicates the estimated profile of the AGL's rehabilitation provisions. The profile reflects the proportion of discounted forecast cash flows that underpin the provisions.

			Total real cash flows					
	Total Provision $m	Total Real Cash Flows $m	<1 year %	1-2 years %	2-5 years %	5-10 years %	>10 years %	Total %
At 30 June 2026	1,719	3,170	3.7	3.7	6	16.1	70.5	100
At 30 June 2025	1,773	3,340	2.4	3.6	5.7	12.2	76.1	100

At 30 June 2026, changes in estimates for the provision for environmental rehabilitation reflect revised cost estimates, updated assumptions regarding the timing of rehabilitation activities and related cash flows and changes in discount rates.

The provision largely relates to rehabilitation obligations at Loy Yang ($603m) and Macquarie ($818m). The key assumptions which drive the cost of rehabilitation at these sites include bulk water costs, transportation of ash, demolition and ongoing site maintenance post closure. These are significant assumptions impacting the rehabilitation provision.

Bayswater is scheduled to close by the end of 2033 and Loy Yang A Power Station is scheduled to close by the end of FY2035 in line with AGL's Climate Transition Action Plan. The rehabilitation activities are expected to be carried out over a significant length of time, hence the timing of the activities is highly judgemental. If all cash flows were assumed to occur 5 years later than currently anticipated, the provision would decrease by $212.5 million. If all cash flows were assumed to occur 5 years earlier than currently anticipated, the provision would increase by $252.8 million.

A weighted average credit-adjusted discount rate of 6.07% (FY25: 6.12%) and an average inflation rate of 2.5% (FY25: 2.5%) were used to calculate the present value of the rehabilitation provision at 30 June 2026. The weighted average credit-adjusted discount rate reflects the application of tenor-specific discount rates across the duration of rehabilitation obligations for individual assets.

The following table demonstrates the change in the rehabilitation provision as a result of reasonably possible changes in discount rate:

	30 June 2026
Increase of 1 percent	($204.1) million
Decrease of 1 percent	$263.4 million

AGL understand that the International Accounting Standards Board (IASB) has been developing targeted improvements to clarify the use of a risk-free rate, with no non-performance risk adjustments, when discounting future cash outflows for provisions. If this decision is finalised, we expect that this will result in a material change to the value of the rehabilitation provision.

20. Provisions (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Provision for onerous contracts

AGL's onerous contract provisions primarily arise from the procurement of renewable electricity and environmental certificates required to fulfil obligations under customer energy supply contracts. These obligations are supported by long-term power purchase agreements (PPAs) under which AGL purchases electricity and renewable energy certificates from renewable generation assets.

Certain legacy PPAs were contracted at prices that are higher than current and forecast market prices for electricity and renewable energy certificates. As a result, the forecast costs of meeting these contractual commitments may exceed the expected economic benefits to be received, giving rise to an onerous contract provision.

The measurement of onerous contract provisions requires significant judgement and estimation of the future unavoidable costs and expected benefits or revenues arising over the remaining term of the relevant contractual arrangements.

Significant assumptions include:

- Long-term electricity and renewable energy certificate prices
- Generation volume
- A discount rate of 5.7% (FY25: 6.3%)

Changes in these assumptions may materially affect the amount of the provision recognised. In particular, movements in environmental certificate prices and wholesale energy market prices may significantly affect the estimated cost of fulfilling contractual obligations.

The provision recognised at the reporting date represents management's best estimate of the expenditure required to settle the present obligation based on information available at the reporting date.

In line with AGL's accounting policy, the onerous contract provisions are reviewed on a regular basis.

CLIMATE-RELATED IMPACTS

Environmental rehabilitation costs and timing

Climate change and the energy transition may impact the future timing and cost of environmental rehabilitation activities.

Changes in the pace or pathway of the transition to lower–emissions generation, including changes to the timing of planned asset closures across AGL's thermal generation portfolio, could bring forward rehabilitation works and affect the present value of associated provision balances.

Climate–related factors may also influence assumptions applied to long–dated rehabilitation obligations, including rehabilitation methodologies, availability of required resources and site–specific conditions relevant to individual assets.

As climate change, environmental regulation and transition pathways continue to evolve, management will reassess rehabilitation assumptions where new information indicates that impacts on timing or cost may become more pronounced. The carrying amounts of environmental rehabilitation provisions are reviewed regularly and adjusted to reflect any known changes in assumptions and estimates at the reporting date

21. Other financial liabilities

	2026 $m	2025 $m[1]
Current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**19**	8
Interest rate swap contracts - cash flow and fair value hedges	**1**	3
Forward foreign exchange contracts - cash flow hedges	**10**	10
Energy derivatives - economic hedges	**828**	1,000
	858	1,021
Deferred consideration[2]	**41**	48
Other	**-**	14
Total current other financial liabilities	**899**	1,083
Non-current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**31**	6
Interest rate swap contracts - cash flow and fair value hedges	**3**	8
Forward foreign exchange contracts - cash flow hedges	**1**	-
Energy derivatives - economic hedges	**773**	728
	808	742
Deferred consideration[2]	**-**	38
Total non-current other financial liabilities	**808**	780

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Deferred consideration relates to the acquisition of Loy Yang.

Refer to Note 36 for AGL's financial assets critical accounting estimates and assumptions.

22. Other liabilities

	Note	2026 $m	2025 $m
Current			
Deferred revenue		**230**	157
Total current other liabilities		**230**	157
Non-current			
Deferred revenue		**47**	-
Defined benefit superannuation plan liability	32	**18**	36
Other		**140**	197
Total non-current other liabilities		**205**	233

23. Issued capital

	2026 Total $m	2026 Number of shares	2025 Total $m	2025 Number of shares
Balance at beginning of reporting period	**5,918**	**672,747,233**	5,918	672,747,233
Balance at reporting date	**5,918**	**672,747,233**	5,918	672,747,233

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Parent Entity in proportion to the number of shares held. Every shareholder present at a general meeting of the Parent Entity, in person or by proxy is entitled to one vote per ordinary share held.

MATERIAL ACCOUNTING POLICY

Issued capital

Ordinary shares are classified as equity. Ordinary shares issued by AGL are recorded at the proceeds received, less transaction costs directly attributable to the issue of new shares, net of any tax effects.

24. Earnings per share

	2026	2025[1]
Statutory earnings per share		
Basic earnings per share	**112.4 cents**	16.7 cents
Diluted earnings per share	**112.2 cents**	16.6 cents
Underlying earnings per share		
Basic earnings per share	**93.8 cents**	95.6 cents
Diluted earnings per share	**93.7 cents**	95.2 cents

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Earnings used in calculating basic and diluted earnings per share attributable to AGL shareholders

	2026 $m	2025 $m[1]
Statutory earnings used to calculate basic and diluted earnings per share attributable to AGL shareholders	**756**	112
Significant items after income tax	**54**	314
(Gain)/loss in fair value of financial instruments after income tax	**(179)**	216
Underlying earnings used to calculate basic and diluted earnings per share	**631**	642

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Weighted average number of ordinary shares

	30 June 2026 Number	30 June 2025 Number
Number of ordinary shares used in the calculation of basic earnings per share	**672,747,233**	672,747,233
Effect of dilution	**925,857**	2,706,476
Number of ordinary shares used in the calculation of diluted earnings per share	**673,673,090**	675,453,709

24. Earnings per share (Continued)

MATERIAL ACCOUNTING POLICY

Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Parent Entity by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of dilutive potential ordinary shares and rights including shares and rights issued under the Long-Term Incentive Plan, Share Reward Plan and Restricted Equity Plan.

25. Commitments

25.a Capital expenditure commitments

	2026 $m	2025 $m
Not later than one year	**564**	276
Later than one year and not later than five years	**129**	-
	693	276

There are nil (2025: nil) joint operations capital commitments and AGL's share of associates' commitments is nil (2025: nil).

25.b Joint venture commitments

AGL's share of commitments made jointly with other investors relating to its joint ventures is nil (2025: $2 million).

26. Contingent assets and liabilities

Regulatory reviews and investigations

AGL and its businesses are subject to a range of laws and regulations and AGL is subject to reviews and investigations by the government and regulatory bodies from time to time. Regulatory investigations and reviews may result in enforcement action, litigation, and penalties. Consideration has been given to such matters and whilst at this stage a present obligation may be possible, at this time, it is expected that the resolution of these contingent events will not have a material impact on the financial position of AGL.

Legal actions and claims

Certain entities in AGL are party to various legal actions and claims which have arisen in the ordinary course of business. Any liabilities arising from such legal actions and claims are not expected to have a material adverse effect on AGL.

27. Remuneration of auditors

Auditor of the Parent Entity

The auditor of AGL Energy Limited is PricewaterhouseCoopers Australia (PwC) (2025: Deloitte Touche Tohmatsu Australia (Deloitte)).

	2026 $000	2025 $000
PwC/Deloitte		
Audit and review of financial reports		
Group	**2,279**	2,016
Controlled entities	**90**	101
Total Audit and Review	**2,369**	2,117
Other regulatory audit services	**208**	189
Other assurance services	**158**	138
Total regulatory and other assurance	**366**	327
Other services	**182**	30
Total other services	**182**	30
Total Australian remuneration of auditors	**2,917**	2,474
Related practices		
Audit of subsidiary financial reports	**67**	70
Other	**8**	-
Total remuneration of auditors related practices	**75**	70
Total remuneration of auditors	**2,992**	2,544

28. Subsidiaries

Name of subsidiary	Note	Country of incorporation	Ownership interest and voting power held 30 June 2026 %	30 June 2025 %
AGL ACT Retail Investments Pty Limited	(a)	Australia	**100**	100
AGL Barker Inlet Pty Limited	(a)	Australia	**100**	100
AGL Corporate Services Pty Limited	(a)	Australia	**100**	100
AGL Electricity (VIC) Pty Limited	(a)	Australia	**100**	100
Ovo Energy Pty Ltd	(a)	Australia	**100**	100
Victorian Energy Pty Limited	(a)	Australia	**100**	100
AGL Sales Pty Limited	(a)	Australia	**100**	100
AGL Sales (Queensland) Pty Limited	(a)	Australia	**100**	100
AGL Sales (Queensland Electricity) Pty Limited	(a)	Australia	**100**	100
AGL Torrens Island Holdings Pty Limited	(a)	Australia	**100**	100
AGL SA Generation Pty Limited	(a)	Australia	**100**	100
AGL Torrens Island Pty Limited	(a)	Australia	**100**	100
Ampol Energy (Retail) Pty Ltd	(a)(b)	Australia	**100**	-
AGL South Australia Pty Limited	(a)	Australia	**100**	100
AGL APG Holdings Pty Limited	(a)	Australia	**100**	100
Australian Power and Gas Company Limited	(a)	Australia	**100**	100
AGL Australia Markets Pty Limited	(a)	Australia	**100**	100
Australian Power and Gas (NSW) Pty Ltd	(a)	Australia	**100**	100
AGL Torrens Island Battery Pty Limited	(a)	Australia	**100**	100
AGL Dalrymple Pty Limited	(a)	Australia	**100**	100
Energy 360 Pty Ltd	(a)	Australia	**100**	100
Epho Holding Pty Limited	(a)	Australia	**100**	100
Epho Pty Limited	(a)	Australia	**100**	100
Epho Asset Management Pty Limited	(a)	Australia	**100**	100
Everty Pty. Ltd.	(a)	Australia	**100**	100
SEGH Pty Ltd	(a)	Australia	**100**	100
Sustainable Business Energy Solutions Pty Ltd	(a)	Australia	**100**	100
Sol Distribution Pty Ltd	(a)	Australia	**100**	100
AGL Energy Sales & Marketing Limited	(a)	Australia	**100**	100
AGL Energy Services Pty Limited	(a)	Australia	**100**	100
SA VPP Project Trust	(b)	Australia	**100**	-
AGL Financial Energy Solutions Pty Limited	(a)	Australia	**100**	100
AGL Generation Holdco Pty Ltd		Australia	**99.99**	99.99
AGL Loy Yang Pty Ltd		Australia	**75**	75
AGL Loy Yang Partnership		Australia	**75**	75
AGL Loy Yang Projects Pty Ltd		Australia	**75**	75
AGL Generation Proprietary Limited		Australia	**100**	100
AGL Loy Yang Pty Ltd		Australia	**25**	25
AGL Loy Yang Partnership		Australia	**25**	25
AGL Loy Yang Projects Pty Ltd		Australia	**25**	25
Loy Yang Marketing Holdings Pty Limited		Australia	**100**	100
AGL Loy Yang Marketing Pty Ltd		Australia	**100**	100
AGL HP1 Pty Limited	(a)	Australia	**100**	100
AGL Hydro Partnership		Australia	**49.5**	49.5
AGL Southern Hydro (NSW) Pty Limited	(a)	Australia	**100**	100
AGL HP2 Pty Limited	(a)	Australia	**100**	100

28. Subsidiaries (Continued)

Name of subsidiary	Note	Country of incorporation	Ownership interest and voting power held 30 June 2026 %	30 June 2025 %
AGL Hydro Partnership		Australia	**20**	20
AGL HP3 Pty Limited	(a)	Australia	**100**	100
AGL Hydro Partnership		Australia	**30.5**	30.5
AGL Liddell BESS Pty Ltd	(a)	Australia	**100**	100
AGL Macquarie Pty Limited	(a)	Australia	**100**	100
AGL New Energy Pty Limited	(a)	Australia	**100**	100
AGL New Energy EIF Pty Limited	(a)	Australia	**100**	100
AGL PARF NSW Pty Ltd	(a)	Australia	**100**	100
AGL PARF QLD Pty Limited	(a)	Australia	**100**	100
AGL Power Generation Pty Limited	(a)	Australia	**100**	100
AGL Power Generation (Wind) Pty Limited	(a)	Australia	**100**	100
AGL Energy Hubs Pty Ltd	(a)	Australia	**100**	100
AGL Yadnarie Pty Limited	(a)	Australia	**100**	100
Barn Hill BESS Pty Ltd	(a)	Australia	**100**	100
Firm Power Assets Pty Limited	(a)	Australia	**100**	100
Abermain BESS Holding Pty Ltd	(a)	Australia	**100**	100
Abermain BESS OpCo Pty Ltd	(a)	Australia	**100**	100
Abermain BESS Hold Trust		Australia	**100**	100
Abermain BESS Operations Trust		Australia	**100**	100
Awaba BESS Pty Ltd	(a)	Australia	**100**	100
Awaba BESS Trust		Australia	**100**	100
Beresfield BESS Pty Ltd	(a)	Australia	**100**	100
Beresfield BESS Trust		Australia	**100**	100
Firm Power Pty Ltd	(a)	Australia	**100**	100
Firm Power Services Pty Limited	(a)	Australia	**100**	100
Glen Innes BESS Pty Ltd	(a)	Australia	**100**	100
Glen Innes Project Unit Trust		Australia	**100**	100
Mount Britton Battery Pty Ltd	(a)	Australia	**100**	100
Murrumburrah BESS Pty Ltd	(a)	Australia	**100**	100
Murrumburrah Project Unit Trust		Australia	**100**	100
Muswellbrook BESS Pty Ltd	(a)	Australia	**100**	100
Muswellbrook BESS Trust		Australia	**100**	100
Sun State BESS Holding Pty Ltd	(a)	Australia	**100**	100
Sun State BESS OpCo Pty Ltd	(a)	Australia	**100**	100
Sun State BESS Hold Trust		Australia	**100**	100
Sun State BESS Operations Trust		Australia	**100**	100
Terrain Solar Pty Ltd	(a)	Australia	**100**	100
Terrain Solar Holdings Pty Ltd	(a)	Australia	**100**	100
Terrain Solar AssetCo Pty Ltd	(a)	Australia	**100**	100
Terrain Solar Holdings Trust		Australia	**100**	100
Fairway Asset Pty Ltd	(a)	Australia	**100**	100
Fairway Asset Trust		Australia	**100**	100
Monaro Solar Farm Pty Ltd	(a)	Australia	**100**	100
Monaro Solar Farm Trust		Australia	**100**	100
Myrtle Creek Solar Farm Pty Ltd	(a)	Australia	**100**	100
Myrtle Creek Solar Farm Trust		Australia	**100**	100

28. Subsidiaries (Continued)

Name of subsidiary	Note	Country of incorporation	Ownership interest and voting power held 30 June 2026 %	30 June 2025 %
Singleton Solar Farm Pty Ltd	(a)	Australia	**100**	100
Singleton Solar Farm Trust		Australia	**100**	100
Terrain Solar Asset Trust		Australia	**100**	100
Terrain Solar Merino Asset Pty Ltd	(a)	Australia	**100**	100
Terrain Solar Merino Trust		Australia	**100**	100
Upper Hunter Hydro Pty Ltd	(a)	Australia	**100**	100
Upper Hunter Hydro Top Trust		Australia	**100**	100
Tuckeroo BESS Pty Ltd	(a)	Australia	**100**	100
AGL PV Solar Holdings Pty Limited	(a)	Australia	**100**	100
AGL PV Solar Developments Pty Limited	(a)	Australia	**100**	100
AGL Retail Energy Limited	(a)	Australia	**100**	100
AGL Upstream Gas (Mos) Pty Limited	(a)	Australia	**100**	100
AGL Gas Storage Pty Ltd	(a)	Australia	**100**	100
AGL Upstream Infrastructure Investments Pty Limited	(a)	Australia	**100**	100
AGL Upstream Investments Pty Limited	(a)	Australia	**100**	100
AGL Wholesale Gas Limited	(a)	Australia	**100**	100
AGL Wholesale Gas (SA) Pty Limited	(a)	Australia	**100**	100
Barker Inlet Trust		Australia	**100**	100
Barn Hill Wind Farm Pty Ltd	(a)	Australia	**100**	100
Click Energy Group Holdings Pty Ltd	(a)	Australia	**100**	100
Click Energy Pty Ltd	(a)	Australia	**100**	100
On the Move Pty Ltd	(a)	Australia	**100**	100
Connect Now Pty Ltd	(a)	Australia	**100**	100
Coopers Gap Wind Farm Pty Ltd	(a)	Australia	**100**	100
GRCI Australia Pte. Ltd.		Singapore	**100**	100
Growth Carbon Pty Ltd	(a)	Australia	**100**	100
Nature Regeneration Investments Pty Ltd	(a)	Australia	**100**	100
Perth Energy Holdings Pty. Ltd.	(a)	Australia	**100**	100
Perth Energy Pty Ltd	(a)	Australia	**100**	100
WA Power Exchange Pty Ltd	(a)	Australia	**100**	100
Western Energy Holdings Pty Ltd	(a)	Australia	**100**	100
Western Energy Pty Ltd	(a)	Australia	**100**	100
Powerdirect Pty Ltd	(a)	Australia	**100**	100
Southern Phone Company Limited	(a)	Australia	**100**	100
Tomago BESS Pty Limited	(a)	Australia	**100**	100
The Australian Gas Light Company	(a)	Australia	**100**	100

Names shown in the inset indicate that the corresponding shares are held by the entity immediately above.

(a) Parties to a Deed of Cross Guarantee with AGL Energy Limited as detailed in Note 31.

(b) Acquired on 1 July 2025.

29. Acquisition and disposal of subsidiaries and businesses

2026

Disposal of Telco business
On 15 June 2026, AGL received $115 million worth of shares in Aussie Broadband (ABB) for the disposal of the Telco business. These shares were valued at $109 million as at 30 June 2026, reflecting the decrease in ABB share price. Derecognition of the Telco business for accounting purposes is expected to occur in HY27 upon completion of customer migration.

Disposal of Tilt Renewables
AGL completed the divestment of 19.9% of its 20% equity in Tilt Renewables on 29 May 2026, resulting in a net gain on disposal of $341 million. Tilt Renewables is a joint venture that consists of renewable energy projects. The joint venture was included in the Investments operating segment.

Acquisition of SA VPP
On 1 July 2025, the Group acquired SA VPP Project Trust (SA VPP) for purchase consideration of $82 million. SA VPP is an aggregated rooftop virtual power station in South Australia owned by Tesla Group. The acquisition has been accounted for as an asset acquisition.

Capital Contribution to Pottinger Renewables
During the financial period, AGL made a $7 million capital contribution to Pottinger Renewables.

2025

Acquisition of Upper Hunter Hydro projects
On 4 April 2025, the Group acquired the Upper Hunter Hydro portfolio for purchase consideration of $18 million which includes development projects for renewable energy and storage projects. The agreed total consideration includes future milestone payments which are contingent on completion of project stage gates. The acquisition has been accounted for as an asset acquisition.

Disposal of Surat Gas Project
AGL completed the disposal of Surat Gas Project in March 2025, resulting in a net loss on disposal of $17 million (including $4 million impairment loss). Surat Gas Project consisted of upstream gas assets and liabilities located at Silver Springs and Wallumbilla. The project was included in the Integrated Energy operating segment.

Investment in Kaluza
On 28 January 2025, AGL completed the acquisition of 20% investment in Kaluza (a UK-based entity) in the form of preference shares for a consideration of $151 million. The investment is classified as debt instrument at fair value through profit or loss. Refer to Note 11.

Acquisition of Firm Power and Terrain Solar
On 12 September 2024, AGL acquired 100% of the shares and units in Firm Power and Terrain Solar.

Joint venture with Outback Carbon
In September 2024, AGL entered into an unincorporated joint venture with Outback Carbon (subsidiary of Mitsui). The joint venture will undertake carbon farming projects with a focus in the Wheatbelt region of Western Australia. The arrangement is accounted for as a joint operation.

Capital Contribution to Gippsland Skies
During the financial period, AGL made a $13 million capital contribution to Gippsland Skies. Refer to Note 13.

30. Joint operations

		Interest	
Joint operation	Principal activities	2026 %	2025 %
Bowen Basin - Queensland			
Spring Gully Project - ATP 592P, PL 195, PL 203 & PL 417	Gas production and exploration	**0.75**	0.75
Spring Gully Project - ATP 701, PL 204	Gas production	**0.0375**	0.0375
Surat Basin - Queensland[1]			
PL 15	Gas production	**-**	75
Others			
Loy Yang Mine Rehabilitation	Mine rehabilitation	**64.0**	64.0
Outback Carbon	Carbon farming	**60.0**	60.0

1. PL15 of Surat Basin was disposed of during the period ended 30 June 2026.

AGL's share of capital expenditure commitments and contingent liabilities of joint operations are disclosed in Notes 25 and 26 respectively.

31. Deeds of cross guarantee

The wholly-owned Australian subsidiaries identified in Note 28 have entered into a Deed of Cross Guarantee with AGL Energy Limited in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the *Corporations Act 2001* requirement to prepare and lodge an audited financial report and directors' report. The effect of the deed is that each party guarantees the debts of the others.

Ampol Energy (Retail) Pty Ltd became a party to the AGL Energy Limited Deed of Cross Guarantee during the year ended 30 June 2026 pursuant to an Assumption Deed dated 1 May 2026.

Set out below is the statement of profit or loss, statement of comprehensive income, statement of financial position and a summary of movements in retained earnings of the entities party to the Deed of Cross Guarantee.

Statement of profit or loss

	AGL Energy Limited	
	2026 $m	2025 $m[1]
Revenue	**11,206**	11,945
Other income	**745**	360
Expenses	**(9,274)**	(11,189)
Share of profits of associates and joint ventures	**(848)**	(144)
Profit before net financing costs, depreciation and amortisation	**1,829**	972
Depreciation and amortisation	**(516)**	(512)
Profit before net financing costs	**1,313**	460
Finance income	**3**	50
Finance costs	**(428)**	(444)
Net financing costs	**(425)**	(394)
Profit before tax	**888**	66
Income tax benefit	**(115)**	71
Profit for the year	**773**	137

1. Restated to reflect the accounting adjustment as described in Note 38.e.

31. Deeds of cross guarantee (Continued)

Statement of comprehensive income

	AGL Energy Limited	
	2026 $m	2025 $m[1]
Profit for the period	**773**	137
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement gain on defined benefit plans	**14**	8
Fair value (loss)/gain on the revaluation of equity instrument financial assets	**(10)**	4
Income tax relating to items that will not be reclassified subsequently	**(3)**	(4)
	1	8
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
Gain/(loss) in fair value of cash flow hedges	**109**	(50)
Hedging gains reclassified to profit or loss	**(104)**	(20)
Share of gain/(loss) attributable to equity accounted investment	**9**	(49)
Transferred to income statement on derecognition of equity accounted investment	**71**	-
(Cost)/benefit of hedging subject to basis adjustment	**(1)**	2
Income tax (expense)/benefit relating to items that may be reclassified subsequently	**(25)**	34
	59	(83)
Other comprehensive gain/(loss) for the year, net of income tax	**60**	(75)
Total comprehensive income for the year	**833**	62

1. Restated to reflect the accounting adjustment as described in Note 38.e.

31. Deeds of cross guarantee (Continued)

Statement of financial position

	AGL Energy Limited 2026 $m	AGL Energy Limited 2025 $m[1]
Current assets		
Cash and cash equivalents	**296**	294
Trade and other receivables	**1,734**	1,894
Inventories	**371**	289
Other financial assets	**537**	396
Other assets	**67**	101
Total current assets	**3,005**	2,974
Non-current assets		
Trade and other receivables	**28**	157
Other financial assets	**1,570**	2,271
Investments in associates and joint ventures	**58**	379
Property, plant and equipment	**3,540**	2,993
Right-of-use assets	**145**	151
Intangible assets	**3,049**	3,119
Deferred tax assets	**811**	953
Other assets	**8**	8
Total non-current assets	**9,209**	10,031
Total assets	**12,214**	13,005
Current liabilities		
Trade and other payables	**1,719**	2,308
Borrowings	**46**	124
Lease Liabilities	**24**	96
Provisions	**304**	267
Current tax liabilities	**26**	27
Other financial liabilities	**433**	731
Other liabilities	**227**	151
Total current liabilities	**2,779**	3,704
Non-current liabilities		
Trade and other payables	**26**	30
Borrowings	**2,911**	1,973
Lease Liabilities	**191**	1,020
Provisions	**895**	829
Other financial liabilities	**3,377**	3,882
Other liabilities	**75**	110
Total non-current liabilities	**7,475**	7,844
Total liabilities	**10,254**	11,548
Net assets	**1,960**	1,457
Equity		
Issued capital	**5,910**	5,910
Reserves	**(1,096)**	(1,146)
Accumulated losses	**(2,854)**	(3,307)
Total equity	**1,960**	1,457

1. Restated to reflect the accounting adjustment as described in Note 38.e.

31. Deeds of cross guarantee (Continued)

Summary of movements in (accumulated losses)/retained earnings

	AGL Energy Limited	
	2026 $m	2025 $m[1]
Accumulated losses at beginning of financial year	**(3,307)**	(3,066)
Profit for the year	**773**	137
Dividends paid	**(329)**	(390)
Adjustment for entities added to the deed of cross guarantee	**-**	8
Remeasurement gain on defined benefit plans, net of tax	**9**	4
Accumulated losses at end of financial year	**(2,854)**	(3,307)

1. Restated to reflect the accounting adjustment as described in Note 38.e.

32. Defined benefit superannuation plans

AGL contributes to superannuation plans that provide defined benefit members a lump sum on retirement, death, disablement and withdrawal. Some defined benefit members are eligible for pension benefits in some cases. Lump sum benefits are calculated based on years of service and final average salary. The defined benefit plans are closed to new members.

The plans are the Equipsuper Fund (EF), State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and the State Authorities Non-contributory Superannuation Scheme (SANCS).

The Superannuation Industry Supervision (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS regulations require an actuarial valuation to be performed for each defined benefit plan every three years, or every year if the plan pays defined benefit pensions.

The plans' trustees are responsible for the governance of the plans. The trustees have a legal obligation to act solely in the best interests of plan beneficiaries. The trustees have the following roles: administration of the plans and payment to the beneficiaries from plan assets when required in accordance with the plan rules; management and investment of the plan assets; and compliance with other applicable regulations.

There are a number of risks to which the plans expose AGL. The most significant risks are investment risk, salary growth risk, inflation risk, interest rate risk, legislative risk and changes in the life expectancy for members.

AGL also contributes to defined contribution superannuation plans for employees, which are also provided by these plans. Contributions made to these defined contribution plans are expensed as incurred.

Amounts recognised in profit or loss

	2026 $m	2025 $m
Current service cost	**9**	12
Loss from settlements	**-**	8
Net interest (income)	**-**	(2)
Expense recognised in profit or loss as part of employee benefits expenses	**9**	18

32. Defined benefit superannuation plans (Continued)

Amounts recognised in other comprehensive income

	2026 $m	2025 $m
Remeasurements		
Return on plan assets (excluding amounts included in net interest income/expense)	**(15)**	(15)
Actuarial (gain)/loss arising from changes in financial assumptions	**(23)**	31
Actuarial loss arising from experience	**7**	6
Adjustment for effect of asset ceiling	**-**	(13)
Remeasurement (gain)/loss on defined benefit plans recognised in other comprehensive income	**(31)**	9

Amounts included in the Consolidated Statement of Financial Position

	Note	2026 $m	2025 $m
Present value of funded defined benefit obligations		**397**	456
Fair value of plan assets		**(434)**	(459)
Net defined benefit asset		**(37)**	(3)
Recognised in the Consolidated Statement of Financial Position as follows:			
Defined benefit superannuation plan asset	12	**(55)**	(39)
Defined benefit superannuation plan liability	22	**18**	36
Net defined benefit asset		**(37)**	(3)
Net asset at beginning of year		**(2)**	(31)
Expense recognised in the statement of profit or loss as part of employee benefits expense		**9**	18
Amount recognised in retained earnings		**(31)**	9
Employer contributions		**(13)**	2
Net surplus at end of financial year		**(37)**	(2)

Movements in the present value of defined benefit obligations

	2026 $m	2025 $m
Opening defined benefit obligations	**456**	575
Current service cost	**9**	12
Interest expense	**23**	30
Loss on settlements	**-**	8
Contributions by plan participants	**4**	4
Actuarial (gain)/losses arising from changes in financial assumptions	**(23)**	31
Actuarial loss arising from experience	**7**	6
Benefits paid	**(77)**	(77)
Taxes and premiums paid	**(2)**	(3)
Contributions to accumulation section	**-**	(3)
Settlements	**-**	(127)
Closing defined benefit obligations	**397**	456

32. Defined benefit superannuation plans (Continued)

Movements in the fair value of plan assets

	2026 $m	2025 $m
Opening fair value of plan assets	**459**	619
Interest income	**22**	32
Actual return on plan assets less interest income	**15**	15
Employer contributions	**13**	(2)
Contributions by plan participants	**4**	4
Benefits paid	**(77)**	(77)
Taxes and premiums paid	**(2)**	(3)
Contributions to accumulation section	**-**	(3)
Settlements	**-**	(126)
Closing fair value of plan assets	**434**	459

Categories of plan assets

The major categories of plan assets as a percentage of the fair value of total plan assets at the end of the reporting period are as follows:

2026	EF %	SSS, SASS, and SANCS %
Australian equities	**16**	**12**
International equities	**23**	**43**
Fixed interest securities	**15**	**2**
Property	**6**	**7**
Cash	**9**	**8**
Alternatives/other	**31**	**28**

2025	EF %	SSS, SASS, and SANCS %
Australian equities	17	12
International equities	21	39
Fixed interest securities	15	3
Property	6	8
Cash	10	7
Alternatives/other	31	32

All plan assets are held within investment funds which do not have a quoted market price in an active market.

The fair value of plan assets excludes any amounts relating to AGL's own financial instruments, or property occupied by, or other assets used by AGL.

Principal actuarial assumptions

The principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) were as follows:

2026	EF %	SSS, SASS, & SANCS %
Discount rate active members	**5.8**	**6.0**
Discount rate pensioners	**5.8**	**-**
Expected salary increase rate	**4.5**	**3.5**
Expected pension increase rate	**2.6**	**-**

32. Defined benefit superannuation plans (Continued)

2025

Discount rate active members	5.0	5.5
Discount rate pensioners	5.0	-
Expected salary increase rate	4.5	3.5
Expected pension increase rate	2.5	-

Sensitivity analysis

The sensitivity analyses below have 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.

	Defined benefit obligation			
	Increase 2026 $m	Decrease 2026 $m	Increase 2025 $m	Decrease 2025 $m
Discount rate (0.5 percentage point movement)	**(20)**	**21**	(23)	25
Expected salary increase rate (0.5 percentage point movement)	**9**	**(8)**	11	(10)
Expected pension increase rate (0.5 percentage point movement)	**13**	**(12)**	15	(13)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analyses from prior years.

Funding arrangements and employer contributions

Employer contributions are determined based on actuarial advice and are set to target the assets of the plans exceeding the total of members' vested benefits. Funding levels are reviewed regularly. Where assets are less than vested benefits, a management plan must be established to restore the coverage to at least 100%.

AGL expects to contribute $13 million to the defined benefit plans during the year ending 30 June 2027.

The weighted average duration of the defined benefit obligation as at 30 June 2026 was EF 9 years; and SSS, SASS and SANCS 12 years.

Defined contribution superannuation plans

AGL makes contributions to a number of defined contribution superannuation plans. The amount recognised as an expense for the year ended 30 June 2026 was $74 million (2025: $50 million).

MATERIAL ACCOUNTING POLICY

Defined benefit superannuation plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognised directly in other comprehensive income, in the period in which they occur.

Changes in the net defined benefit liability, including all actuarial gains and losses that arise in calculating AGL's obligation in respect of the plan are recognised in other comprehensive income when they occur. All other expenses relating to the defined benefit plans are recognised as an expense in the profit or loss. Any defined benefit superannuation plan asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are recognised as an expense when employees have rendered service entitling them to the contributions.

32. Defined benefit superannuation plans (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Defined benefit superannuation plans

Various actuarial assumptions are utilised in the determination of AGL's defined benefit obligations. AGL uses external actuarial experts to determine these assumptions. Key accounting assumptions include the discount rate, salary increase rate and pension increase rate.

33. Share-based payment plans

AGL operates the following share-based payment plans:

- The Share Reward Plan; and
- The Long-Term Incentive plan.

AGL has the following other equity arrangements:

- The Share Purchase Plan; and
- The Restricted Equity Plan.

Share Reward Plan (SRP)

The SRP is AGL's complying broad-based employee share plan that enables eligible employees to be granted up to $1,000 of ordinary shares in AGL for no consideration each financial year. The SRP is governed by the AGL General Employee Share Plan Rules. The grant of shares is subject to the achievement of performance metrics and can therefore be scaled down in years where all objectives are not met. Shares granted pursuant to the SRP are subject to a trading restriction of the earlier of three years or the participant's cessation of employment.

Eligible participants include all AGL employees with at least 12 months service at the eligibility date (generally 1 September following the financial year end). Participants in the long-term incentive plan are excluded from any SRP grant.

Details of share movements in the SRP during the year are set out below:

Grant date	Balance at 1 July Number	Granted during the year Number	Fair Value per share $	Released during the year Number	Balance at 30 June Number
2026					
30 September 2025	**-**	**388,856**	**$8.78**	**(48,048)**	**340,808**
30 September 2024	**239,020**	**-**	**-**	**(32,300)**	**206,720**
30 September 2023	**192,548**	**-**	**-**	**(25,234)**	**167,314**
30 September 2022	**242,235**	**-**	**-**	**(242,235)**	**-**
Total Share Reward Plan shares	**673,803**	**388,856**		**(347,817)**	**714,842**
2025					
30 September 2024	-	263,492	$11.74	(24,472)	239,020
30 September 2023	219,410	-	-	(26,862)	192,548
30 September 2022	274,260	-	-	(32,025)	242,235
28 September 2021	192,809	-	-	(192,809)	-
Total Share Reward Plan shares	686,479	263,492		(276,168)	673,803

The expense recognised in profit or loss, as part of employee benefits expense during the year in relation to the SRP, was $3 million (2025: $3 million).

33. Share-based payment plans (Continued)

Long-Term Incentive (LTI) Plan

The LTI plan provides for a grant of performance rights to eligible participants subject to AGL's performance against pre-determined metrics over a four-year performance period. The LTI is governed by the AGL Energy Limited Share Plan Rules. Participation is determined annually at the discretion of the Board.

Generally, performance rights are forfeited on cessation of employment. The Board has discretion with reference to the relevant facts and circumstances of the cessation to vest all or part of the balance, or to authorise a portion of the award to be retained and assessed post-employment.

Current LTI Plans

For the FY26, FY25 and FY24 plans, the performance rights are subject to two performance hurdles, based on:

- Relative Total Shareholder Return (Relative TSR) - 70% weighted; and
- Carbon Transition metrics - 30% weighted.

For the FY23 plan, the performance rights are subject to two performance hurdles, based on:

- Relative TSR - 75% weighted; and
- Carbon Transition metrics - 25% weighted.

Relative TSR is calculated by ranking AGL's TSR on a relative basis against the peer group, being S&P/ASX100 companies.

Carbon Transition is calculated through two transition metrics for FY26 plan. These metrics are based off emissions intensity and controlled renewable capacity.

Carbon Transition is calculated through three transition metrics for the FY25, FY24 and FY23 plans. These metrics are based off emissions intensity, renewable capacity and green energy and carbon neutral revenue.

The performance period for the outstanding LTI plans as at 30 June 2026 are as follows:

- FY26: Four years from 1 July 2025 to 30 June 2029;
- FY25: Four years from 1 July 2024 to 30 June 2028;
- FY24: Four years from 1 July 2023 to 30 June 2027; and
- FY23: Four years from 1 July 2022 to 30 June 2026.

The number of shares vested are determined by the vesting schedules detailed in the tables below.

Relative TSR vesting schedule

AGL's TSR ranking against comparator group	Percentage of performance rights which vest			
LTI Plan	FY26	FY25	FY24	FY23
Below 50th percentile	Nil	Nil	Nil	Nil
50th – 75th percentile	50 – 100%	50 – 100%	50 – 100%	50 – 100%
At or above 75th percentile	100%	100%	100%	100%

Carbon Transition vesting schedule

The units of measurement for each of the carbon transition FY26 metrics are:

- Emissions intensity of electricity supplied; and
- New renewable and firming capacity from 1 July 2022 onwards.

The units of measurement for each of the carbon transition FY25 and FY24 metrics are:

- Emissions intensity of electricity supplied;
- New renewable and firming capacity from 1 July 2022 onwards; and
- Revenue uplift of green energy and carbon neutral products and services from FY19 base.

The units of measurement for each of the carbon transition FY23 metrics are:

- Operated and contracted generation intensity;
- Operated and contracted renewable generation and storage capacity; and
- Percentage of total revenue derived from green energy and carbon neutral products and services.

33. Share-based payment plans (Continued)

FY26 plan percentage of performance rights which vest:

Emissions intensity of electricity supplied in FY29		New renewable and firming capacity from 1 July 2022 to 30 June 2029	
0%	More than 0.814	0%	Less than 4.5 GW
25 - 50%	0.814 - 0.806	50- 100%	4.5 GW - 5.2 GW
50 - 90%	0.806 - 0.802	100%	More than 5.2 GW
90 - 100%	0.802 - 0.799		
100%	Less than 0.799		

FY25 plan percentage of performance rights which vest:

Emissions intensity of electricity supplied in FY28		New renewable and firming capacity from 1 July 2022 to 30 June 2028		Revenue uplift of green energy and carbon neutral products & services in FY28 from FY19 base	
0%	More than 0.838	0%	Less than 3.1 GW	0%	Less than 90%
25 - 50%	0.838 - 0.825	25 - 70%	3.1 GW - 3.5 GW	25 - 50%	90% - 96%
50 - 90%	0.825 - 0.819	70 - 90%	3.5 GW - 3.7 GW	50 - 100%	96% - 106%
90 - 100%	0.819 - 0.812	90 - 100%	3.7 GW - 4.0 GW	100%	More than 106%
100%	Less than 0.812	100%	More than 4.0 GW		

FY24 plan percentage of performance rights which vest:

Emissions intensity of electricity supplied in FY27		New total firming and renewable capacity from 1 July 2022 at 30 June 2027		Revenue uplift of green energy and carbon neutral products & services in FY27 from FY19 base	
0%	More than 0.907	0%	Less than 1.5 GW	0%	Less than 75%
25 - 50%	0.907 - 0.884	25 - 50%	1.5 GW - 1.9 GW	25 - 50%	75% - 85%
50 - 90%	0.884 - 0.871	50 - 80%	1.9 GW - 2.1 GW	50 - 100%	85% - 95%
90 - 100%	0.871 - 0.868	80 - 100%	2.1 GW - 2.4 GW	100%	More than 95%
100%	Less than 0.868	100%	More than 2.4 GW		

FY23 plan percentage of performance rights which vest:

	Operated and contracted generation intensity in FY26	% Operated and contracted renewable generation and storage capacity at 30 June 2026	Green & carbon neutral products & services in FY26
0%	More than 0.875	Less than 30.8%	Less than 22.2%
50 - 100%	0.875 - 0.800	30.8% - 39.8%	22.2% - 27.0%
100%	Less than 0.800	More than 39.8%	More than 27.0%

33. Share-based payment plans (Continued)

Details of performance rights movements in the FY26 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2026							
FY26 LTI – 20 October 2025	**Relative TSR**	**-**	**746,948**	**$3.66**	**-**	**(31,303)**	**715,645**
FY26 LTI – 15 May 2026	**Relative TSR**	**-**	**20,939**	**$4.43**	**-**	**-**	**20,939**
FY26 LTI – 20 October 2025	**Carbon Transition**	**-**	**320,121**	**$7.18**	**-**	**(13,415)**	**306,706**
FY26 LTI – 15 May 2026	**Carbon Transition**	**-**	**8,974**	**$7.63**	**-**	**-**	**8,974**
Total share rights		**-**	**1,096,982**	**$4.73**		**(44,718)**	**1,052,264**

Details of performance rights movements in the FY25 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2026							
FY25 LTI – 17 October 2024	**Relative TSR**	**737,786**	**-**	**$6.24**	**-**	**(86,961)**	**650,825**
FY25 LTI – 17 October 2024	**Carbon Transition**	**316,194**	**-**	**$9.35**	**-**	**(37,269)**	**278,925**
Total share rights		**1,053,980**	**-**	**$7.17**	**-**	**(124,230)**	**929,750**
2025							
FY25 LTI – 17 October 2024	Relative TSR	-	739,143	$6.24	-	(1,357)	737,786
FY25 LTI – 17 October 2024	Carbon Transition	-	316,776	$9.35	-	(582)	316,194
Total share rights		-	1,055,919	$7.17	-	(1,939)	1,053,980

Details of performance rights movements in the FY24 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2026							
FY24 LTI – 24 November 2023	**Relative TSR**	**641,150**	**-**	**$5.54**	**-**	**(63,668)**	**577,482**
FY24 LTI – 24 November 2023	**Carbon Transition**	**274,780**	**-**	**$8.72**	**-**	**(27,286)**	**247,494**
Total share rights		**915,930**	**-**	**$6.49**	**-**	**(90,954)**	**824,976**
2025							
FY24 LTI – 24 November 2023	Relative TSR	646,000	-	$5.54	-	(4,850)	641,150
FY24 LTI – 24 November 2023	Carbon Transition	276,858	-	$8.72	-	(2,078)	274,780
Total share rights		922,858	-	$6.49	-	(6,928)	915,930

33. Share-based payment plans (Continued)

Details of performance rights movements in the FY23 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2026							
FY23 LTI – 8 November 2022	**Relative TSR**	**584,112**	**-**	**$3.73**	**-**	**(584,112)**	**-**
FY23 LTI – 8 November 2022	**Carbon Transition**	**194,704**	**-**	**$6.63**	**(90,609)**	**(104,095)**	**-**
Total share rights		**778,816**	**-**	**$4.46**	**(90,609)**	**(688,207)**	**-**
2025							
FY23 LTI – 8 November 2022	Relative TSR	586,691	-	$3.73	-	(2,579)	584,112
FY23 LTI – 8 November 2022	Carbon Transition	195,563	-	$6.63	-	(859)	194,704
Total share rights		782,254	-	$4.46	-	(3,438)	778,816

Performance rights grant

The fair value of performance rights granted are measured by reference to the fair value. The estimate of the fair value is measured based on the Monte Carlo simulation method. The contractual life of the performance rights is used as an input into this model. Expected volatility is based on the historical share price volatility over the past three years.

	2026 FY26 LTI	2025 FY25 LTI	2024 FY24 LTI	2023 FY23 LTI
Grant date	20 October 2025 & 15 May 2026	17 October 2024	24 November 2023	8 November 2022
Weighted average fair value at grant date	$4.72	$7.17	$6.49	$4.46
Share price at grant date	$8.84	$11.74	$9.96	$7.56
Expected volatility	27.5%	29.0%	30.0%	31.0%
Expected dividend yield	5.4%	6.2%	3.7%	3.6%
Risk free interest rate (based on government bonds)	3.4%	3.8%	4.2%	3.6%

The expense recognised in profit or loss as part of employee benefits expense during the year in relation to performance rights granted to executives under the LTI Plan was $4 million (2025: $4 million).

Shares purchased on-market

During the financial year ended 30 June 2026, 905,220 (2025: 446,121) AGL shares were purchased on-market at an average of $8.75 (2025: $11.82) per share, for a total consideration of $7,918,999 (2025: $5,272,314), to satisfy employee entitlements pursuant to the SRP and LTI.

Other equity arrangements

Share Purchase Plan (SPP)

The SPP is AGL's salary sacrifice plan that enables eligible employees to contribute up to $5,000 per financial year from their ongoing fixed remuneration and/or short-term incentive (STI) award into acquiring ordinary shares in AGL. The SPP is governed under the AGL General Employee Share Plan Rules. Shares granted pursuant to the SPP are subject to a trading restriction of the earlier of four years (from the start of the financial year in which they are acquired) or the participant's cessation of employment. The holding lock is in place to provide for a deferral of income tax for participants.

Eligible participants include all permanent AGL employees. Non-Executive Directors, the Managing Director and Chief Executive Officer, and members of the executive team are excluded from SPP participation.

33. Share-based payment plans (Continued)

Details of share movements in the SPP during the year are set out below:

Share movements	Balance at 1 July Number	Granted during the year Number	Fair Value per share $	Released during the year Number	Balance at 30 June Number
2026					
Employees	**590,540**	**287,478**	**$9.28**	**(236,296)**	**641,722**
Total share purchase plan shares	**590,540**	**287,478**		**(236,296)**	**641,722**
2025					
Employees	697,273	232,285	$11.00	(339,018)	590,540
Total share purchase plan shares	697,273	232,285		(339,018)	590,540

Restricted Equity Plan (REP)

The REP provides for a grant of restricted shares, either as the deferral component of STI awards for executives, or for other purposes (for example, sign-on or retention awards).

Generally, restricted shares are forfeited on cessation of employment. The Board has discretion with reference to the relevant facts and circumstances of the cessation to vest all or part of the balance, or to authorise a portion of the award to be retained and vest post-employment.

Details of share movements in the REP during the year are set out below:

Share movements	Balance at 1 July Number	Granted during the year Number	Weighted average fair value per share $	Released/ forfeited during the year Number	Balance at 30 June Number
2026					
Current Managing Director and Chief Executive Officer - Damien Nicks	**86,721**	**71,688**	**$8.90**	**(26,737)**	**131,672**
Employees	**136,208**	**81,468**	**$8.72**	**(91,437)**	**126,239**
Total restricted equity plan shares	**222,929**	**153,156**		**(118,174)**	**257,911**
2025					
Current Managing Director and Chief Executive Officer - Damien Nicks	38,665	59,984	$11.74	(11,928)	86,721
Employees	73,257	100,316	$11.24	(37,365)	136,208
Total restricted equity plan shares	111,922	160,300		(49,293)	222,929

Shares purchased on-market

During the financial year ended 30 June 2026, 426,870 (2025: 392,585) AGL shares were purchased on-market at an average price of $9.09 (2025: $11.17) per share, for a total consideration of $3,880,593 (2025: $4,387,130), to satisfy employee entitlements pursuant to the SPP and REP.

34. Related party disclosures

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of AGL, directly or indirectly, including the Directors of the Parent Entity.

The aggregate remuneration made to key management personnel is set out below:

	2026 $000	2025 $000
Short-term employee benefits	**8,458**	8,218
Post-employment benefits	**358**	343
Termination benefits	**21**	-
Share-based payments	**2,829**	2,583
Leave accrual	**108**	21
Other payments[1]	**2**	733
Total remuneration to key management personnel	**11,776**	11,898

1. In the year ended 30 June 2025, this represented a settlement sum of $720,000 plus Medicare costs. The amount was not paid in exchange for services rendered by Ms McKenzie as a Director.

Further details are contained in the Remuneration Report attached to and forming part of the Directors' Report.

Amounts owing by joint ventures and joint operations

	2026 $000	2025 $000
ActewAGL Retail Partnership	**49,627**	57,657
Tilt Renewables[1]	**-**	13,626
Pottinger Renewables Joint Venture	**11,400**	8,400
Muswellbrook Pumped Hydro Joint Venture	**13,160**	13,160

1. Refer to Note 29.

The amount owing is unsecured, interest free and will be settled in cash. No expense has been recognised in the current or the prior period for bad or doubtful debts in respect of the amounts owed by joint ventures.

Trading transactions with joint ventures and joint operations

	2026 $000	2025 $000
ActewAGL Retail Partnership		
AGL sold gas, electricity and environmental products to the ActewAGL Retail Partnership on normal commercial terms and conditions.		
Net amounts received	**366,471**	323,305
Tilt Renewables[1]		
AGL sells/purchases electricity and environmental products with Tilt Renewables on normal commercial terms and conditions.		
Net amounts (paid)/received	**(16,141)**	54,897

1. Refer to Note 29.

35. Cash and cash equivalents

35.a Reconciliation to cash flow statement

Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2026 $m	2025 $m
Cash at bank and on hand	**308**	305
Short-term deposits	**17**	14
Total cash and cash equivalents	**325**	319

35.b Reconciliation of profit for the year to net cash flows from operating activities

	2026 $m	2025 $m[1]
Profit for the year	**756**	112
Share of (profits)/losses of associates and joint ventures	**(20)**	(37)
Dividends received from joint ventures	**18**	25
Depreciation and amortisation	**837**	818
Share-based payment expense	**8**	8
(Gain)/loss in fair value of financial instruments	**(240)**	320
Non-cash finance costs	**156**	194
Capitalised finance costs	**(31)**	(24)
Onerous contract expenses	**(96)**	167
Sale of Waddi Wind Farm	**(6)**	-
Impairment expense	**349**	25
Gain on disposal of investments	**(341)**	-
Net loss on the disposal of assets held for sale	**-**	13
Other non-cash expenses	**(10)**	(5)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	**656**	(327)
(Increase) in inventories	**(89)**	(69)
Decrease/(increase) in derivative financial instruments	**10**	(14)
(Increase) in other financial assets	**(209)**	(95)
Decrease/(increase) in other assets	**16**	(145)
(Decrease)/increase in trade and other payables	**(671)**	562
(Decrease) in provisions	**(107)**	(114)
(Decrease)/increase in other financial liabilities	**(3)**	14
Increase/(decrease) in other liabilities	**19**	(313)
Decrease/(increase) in net tax assets	**146**	(202)
Net cash provided by operating activities	**1,148**	913

1. Restated to reflect the accounting adjustment as described in Note 38.e.

35. Cash and cash equivalents (Continued)

35.c Reconciliation of changes in liabilities arising from financing activities

Year ended 30 June 2026	Balance at beginning of financial year $m	Net proceeds/ (repayments) $m	Non-cash movements $m	Balance at end of financial year $m
Liabilities arising from financing activities				
USD senior notes	**1,662**	**(152)**	**(111)**	**1,399**
Medium term notes	**-**	**500**	**-**	**500**
Bank loans	**1,368**	**(285)**	**-**	**1,083**
CPI bonds	**29**	**(13)**	**(1)**	**15**
Lease liabilities	**1,116**	**(88)**	**30**	**1,058**
Deferred transaction costs	**(20)**	**(8)**	**7**	**(21)**
	4,155	**(46)**	**(75)**	**4,034**

Year ended 30 June 2025[1]	Balance at beginning of financial year $m	Net proceeds/ (repayments) $m	Non-cash movements $m	Balance at end of financial year $m
Liabilities arising from financing activities				
USD senior notes	1,604	-	58	1,662
Bank loans	853	515	-	1,368
CPI bonds	41	(12)	-	29
Lease liabilities	1,160	(75)	31	1,116
Deferred transaction costs	(17)	(7)	4	(20)
	3,641	421	93	4,155

1. Restated to reflect the accounting adjustment as described in Note 38.e.

MATERIAL ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. The carrying amount represents fair value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts and accounts relating to dividend payments held in escrow.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

36. Financial instruments

36.a Classes and categories of financial instruments and their fair values

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
  - Amortised cost
  - Fair value through profit or loss ('FVTPL')
  - Fair value through other comprehensive income ('FVOCI')
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

	Carrying value								
	Financial assets				Financial liabilities				
2026 $m	FVTPL	FVOCI	Amortised cost	Hedges	FVTPL	FVOCI	Amortised cost	Hedges	Total
Cash and cash equivalents	-	-	325	-	-	-	-	-	325
Other financial assets	151	145	6	-	-	-	-	-	302
Trade and other receivables	-	-	1,945	-	-	-	-	-	1,945
Future deposits and margin calls	-	-	330	-	-	-	-	-	330
Derivative financial instruments	1,055	-	-	58	(1,601)	-	-	(65)	(553)
Borrowings	-	-	-	-	(849)	-	(2,127)	-	(2,976)
Lease liabilities	-	-	-	-	-	-	(1,058)	-	(1,058)
Trade and other payables	-	-	-	-	-	-	(1,994)	-	(1,994)
Deferred consideration	-	-	-	-	-	-	(41)	-	(41)
Total	**1,206**	**145**	**2,606**	**58**	**(2,450)**	**-**	**(5,220)**	**(65)**	**(3,720)**

	Carrying value								
	Financial assets				Financial liabilities				
2025 $m[1]	FVTPL	FVOCI	Amortised cost	Hedges	FVTPL	FVOCI	Amortised cost	Hedges	Total
Cash and cash equivalents	-	-	319	-	-	-	-	-	319
Other financial assets	164	34	13	-	-	-	-	-	211
Trade and other receivables	-	-	2,597	-	-	-	-	-	2,597
Future deposits and margin calls	-	-	121	-	-	-	-	-	121
Derivative financial instruments	941	-	-	131	(1,726)	-	-	(35)	(689)
Borrowings	-	-	-	-	(1,112)	-	(1,927)	-	(3,039)
Lease liabilities	-	-	-	-	-	-	(1,116)	-	(1,116)
Other financial liabilities	-	-	-	-	-	-	(14)	-	(14)
Trade and other payables	-	-	-	-	-	-	(2,634)	-	(2,634)
Deferred consideration	-	-	-	-	-	-	(86)	-	(86)
Total	1,105	34	3,050	131	(2,838)	-	(5,777)	(35)	(4,330)

1. Restated to reflect the accounting adjustment as described in Note 38.e.

36. Financial instruments (Continued)

36.b Fair value measurements

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.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no material transfers between Level 1 and Level 2 during the year.

2026	Carrying Amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets					
Debt instrument financial assets at FVTPL					
Debt instruments	**157**	**-**	**-**	**157**	**157**
Equity instruments at FVOCI					
Listed equity securities	**109**	**109**	**-**	**-**	**109**
Unlisted equity securities	**27**	**-**	**-**	**27**	**27**
Other	**9**	**-**	**-**	**9**	**9**
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	**14**	**-**	**14**	**-**	**14**
Interest rate swap contracts - cash flow and fair value hedges	**44**	**-**	**44**	**-**	**44**
Energy derivatives - economic hedges	**1,055**	**191**	**179**	**685**	**1,055**
Total financial assets	**1,415**	**300**	**237**	**878**	**1,415**
Financial liabilities					
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	**(50)**	**-**	**(50)**	**-**	**(50)**
Interest rate swap contracts - cash flow and fair value hedges	**(4)**	**-**	**(4)**	**-**	**(4)**
Forward foreign exchange contracts - cash flow hedges	**(11)**	**-**	**(11)**	**-**	**(11)**
Energy derivatives - economic hedges	**(1,601)**	**(460)**	**(477)**	**(664)**	**(1,601)**
Total financial liabilities	**(1,666)**	**(460)**	**(542)**	**(664)**	**(1,666)**

36. Financial instruments (Continued)

2025[1]	Carrying Amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets					
Debt instrument financial assets at FVTPL					
Debt instruments	164	-	-	164	164
Equity instruments at FVOCI					
Unlisted equity securities	24	-	-	24	24
Other	10	-	-	10	10
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	86	-	86	-	86
Interest rate swap contracts - cash flow and fair value hedges	44	-	44	-	44
Forward foreign exchange contracts - cash flow hedges	1	-	1	-	1
Energy derivatives - economic hedges	941	165	142	634	941
Total financial assets	1,270	165	273	832	1,270
Financial liabilities					
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	(14)	-	(14)	-	(14)
Interest rate swap contracts - cash flow and fair value hedges	(11)	-	(11)	-	(11)
Forward foreign exchange contracts - cash flow hedges	(10)	-	(10)	-	(10)
Energy derivatives - economic hedges	(1,726)	(277)	(303)	(1,146)	(1,726)
Total financial liabilities	(1,761)	(277)	(338)	(1,146)	(1,761)

1. Restated to reflect the accounting adjustment as described in Note 38.e.

Management has assessed that the carrying value of financial assets and financial liabilities to be comparable to fair value.

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:

- Receivables/payables with a remaining life of less than six months, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value if the effect of discounting is material.
- The fair value of forward foreign exchange contracts, interest rate and cross currency swaps is calculated as the present value of expected future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates that reflect the credit risk of various counterparties.
- The fair value of borrowings, energy derivatives and deferred consideration is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.
- Level 3 energy derivatives incorporate a calibration adjustment where a similar transaction exists, ensuring the valuation input continues to reflect observable market data.
- The fair value of debt instrument is calculated using a valuation methodology based on key assumptions such as customer volume, unit pricing, and market multiples in line with industry standards.
- The fair value of lease liabilities is estimated as the present value of future cash flows discounted where the effect of discounting is material.

36. Financial instruments (Continued)

The inputs used in the estimating the fair values of financial instruments include:

- Forward prices and calibration adjustment
- Market volatilities
- Discount factors
- Credit risk factors
- Forecast customer load, curtailment and asset generation

The following table provides a reconciliation of fair value movements in Level 3 financial instruments.

	2026 $m	2025 $m[1]
Opening balance	**(314)**	(379)
Total gains or losses recognised in profit or loss		
Settlements during the year	**381**	(444)
Changes in fair value	**152**	366
Premiums	**-**	(18)
Purchases	**(7)**	161
Other[2]	**2**	-
Closing balance	**214**	(314)

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. AGL completed the divestment of 19.9% of its 20% equity in Tilt Renewables in May 2026, following which the remaining 0.1% interest has been reclassified from an Investment in Joint Venture to Other Financial Assets. Refer to Note 29.

The total gains or losses for the year included a gain of $165 million relating to energy derivative Level 3 contracts held at the end of the reporting period (2025: a gain of $357 million). Fair value gains or losses on energy derivatives are included in other expenses in the line item 'Loss on fair value of financial instruments' in Note 4.

The Level 3 financial instruments are sensitive to changes in forward prices. Input changes were applied to forward prices with references to electricity market and emissions schemes, cost-based indexes, contract volumes, contract unit pricing and management's assumptions on long-term commodity curves. The sensitivity of Level 3 financial instruments with significant unobservable inputs, where the inputs are higher by 10 percent is $(133) million and lower by 10 percent is $133 million (profit after tax (decrease)/increase)).

36.c Capital risk management

AGL's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an appropriate capital structure of debt and equity.

In order to maintain or adjust the capital structure, AGL may adjust the amount of dividends paid to shareholders, return capital to shareholders, fund incremental projects with debt or issue new shares.

The capital structure of AGL consists of net debt (borrowings offset by cash and cash equivalents) and total equity (comprising issued capital, reserves and retained earnings).

During the period, AGL reassessed the accounting treatment for certain renewable Power Purchase Agreements (PPAs). As outlined in Note 38.e, this reassessment resulted in some of these contracts being accounted for as leases under AASB 16 *Leases*, leading to a restatement of lease liabilities, including both current and non–current balances.

AGL monitors capital on the basis of the gearing ratio and funds from operations (FFO) to interest expense cover.

The gearing ratio is calculated as net debt divided by adjusted total capital. Net debt is calculated as total borrowings and adjusted lease liabilities, adjusted for cross currency swap hedges and deferred borrowing costs, less cash and cash equivalents. Under AGL's lending agreements, changes arising from the adoption of AASB 16 *Leases* do not affect the definitions used in the calculation of debt covenants including gearing ratio. The adjustments presented in the table reflect the application of this exemption. Adjusted total capital is calculated as total equity less the hedge reserve and adjusted retained earnings plus net debt. AGL remains compliant with all debt covenants.

36. Financial instruments (Continued)

The gearing ratio at the end of the reporting period was as follows:

	2026 $m	2025 $m[1]
Current borrowings	**65**	219
Non-current borrowings	**2,911**	2,820
Total borrowings	**2,976**	3,039
Adjustment to lease liabilities[2]	**186**	185
Adjustment for cross currency swap hedges and deferred borrowing costs	**26**	(85)
Adjusted total borrowings	**3,188**	3,139
Cash and cash equivalents	**325**	319
Net debt	**2,863**	2,820
Total equity	**5,276**	4,777
Adjustment to retained earnings[2]	**402**	430
Hedge reserve	**(13)**	46
Adjusted equity	**5,665**	5,253
Net debt	**2,863**	2,820
Adjusted total capital	**8,528**	8,073
Gearing ratio	**33.6%**	34.9%

1. Restated to reflect the accounting adjustment as described in Note 38.e.
2. Lease liabilities and retained earnings adjustment as a result of adoption of AASB 16 Leases.

36.d Financial risk management

AGL's activities expose it to a variety of financial risks, including market risk (interest rate risk, foreign currency risk and energy price risk), credit risk and liquidity risk. AGL's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on its financial performance. AGL uses a range of derivative financial instruments to hedge these risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management policy and framework. The Board has established the Audit & Risk Management Committee (the Committee), which is responsible for approving AGL's risk management policy and framework for identifying, assessing and managing risk. The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing at least annually the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.

AGL has written policies covering specific areas, such as interest rate risk, foreign currency risk, energy price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

36.e Interest rate risk management

AGL is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts or other hedging instruments.

AGL regularly analyses its interest rate exposure, by taking into consideration forecast debt positions, refinancing, renewals of existing positions, alternative financing, hedging positions and the mix of fixed and floating interest rates.

At the end of the reporting period, AGL had the following financial assets and liabilities exposed to floating interest rate risk:

Floating rate instruments	2026 $m	2025 $m
Financial assets		
Cash and cash equivalents	**325**	319
Total financial assets	**325**	319
Financial liabilities		
USD senior notes (after effect of cross currency swaps)	**875**	1,027
Bank loans	**1,083**	1,368
Interest rate swap contracts	**(1,400)**	(1,350)
Total financial liabilities	**558**	1,045

36. Financial instruments (Continued)

Interest rate swap contracts - cash flow hedges

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period:

Outstanding hedging instruments cash flow hedge - receive floating, pay fixed contracts	Average contracted fixed interest rate		Notional principal amount		Carrying value of outstanding hedging instruments	
	2026 %	2025 %	2026 $m	2025 $m	2026 $m	2025 $m
Less than 1 year	**1.50**	1.24	**500**	50	**5**	-
1 to 2 years	**2.76**	1.50	**425**	500	**8**	11
2 to 3 years	**3.74**	1.26	**425**	175	**7**	8
3 to 4 years	**2.58**	3.74	**370**	425	**20**	(7)
4 to 5 years	**4.14**	2.58	**35**	370	**-**	12
5 years or more	**4.67**	4.14	**250**	35	**(3)**	(1)
Total			**2,005**	1,555	**37**	23

	Financial year	2026 $m	2025 $m
Aggregate notional amount of variable rate borrowings		**2,005**	1,555
Aggregate notional principal of the outstanding interest rate swaps		**2,005**	1,555
Included in this amount:			
Forward interest rate swap contracts		**605**	205
Of which:			
Commences in	**2027**	**605**	105

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the Australian Bank Bill Swap (BBSW) reference rate. AGL will settle the difference between the fixed and floating interest rate on a net basis. During the year, no hedges were de-designated. All underlying forecast transactions remain highly probable.

Interest rate sensitivity

The following sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the end of the reporting period, if interest rates had been 50 basis points higher or lower and all other variables were held constant, AGL's profit after tax and other comprehensive income would have been affected as follows:

	Profit/(loss) after tax increase/(decrease)		Other comprehensive income increase/(decrease)	
	2026 $m	2025 $m	2026 $m	2025 $m
Interest rates +0.5% (50 basis points)	**(1)**	(3)	**9**	6
Interest rates -0.5% (50 basis points)	**1**	3	**(9)**	(6)

36. Financial instruments (Continued)

36.f Foreign currency risk management

AGL undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Foreign currency risk arises primarily from overseas term borrowings and firm commitments for the purchase of plant and equipment which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and cross currency swap contracts.

Forward foreign exchange contracts - cash flow hedges

AGL's Corporate Treasury policy requires the hedging of foreign currency risk using forward foreign exchange contracts. The Corporate Treasury's policy is to hedge currency exposures of anticipated cash flows in excess of $3 million and to not enter into forward foreign exchange contracts until a firm commitment is in place. The forward foreign exchange contracts are designated as cash flow hedges. During the year, no hedges were de-designated and all underlying forecast transactions remain highly probable as per original forecast.

There were $169 million of forward foreign exchange contracts outstanding at the end of the reporting period (2025: $496 million). The fair value of those contracts was $11 million liability (2025: $10 million liability).

The following table details the Forward foreign exchange contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Forward foreign exchange contracts assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position:

	Average exchange rate		Contract value (foreign currency)		Contract value (local currency)		Carrying value of outstanding hedging instruments	
Cash Flow Hedge - Outstanding contracts	2026	2025	2026 $m	2025 $m	2026 $m	2025 $m	2026 $m	2025 $m
Buy Euro								
0 to 6 months	**0.63**	0.64	**2**	1	**3**	1	**-**	-
6 to 12 months	**-**	0.63	**-**	2	**-**	3	**-**	-
Buy USD								
0 to 6 months	**0.66**	0.64	**10**	293	**15**	455	**(1)**	(10)
6 - 12 months	**0.68**	0.65	**10**	12	**15**	18	**-**	-
1 - 2 years	**0.67**	0.66	**18**	12	**27**	19	**(1)**	-
Buy SEK								
0 to 6 months	**6.03**	-	**303**	-	**50**	-	**(5)**	-
6 to 12 months	**6.00**	-	**296**	-	**49**	-	**(4)**	-
1 to 5 years	**5.92**	-	**63**	-	**11**	-	**(1)**	-

Cross currency swap contracts

Under cross currency swap contracts, AGL has agreed to exchange specified foreign currency loan principal and interest amounts at agreed future dates at fixed exchange rates. Such contracts enable AGL to eliminate the risk of movements in foreign exchange rates related to foreign currency denominated borrowings.

The fair value of cross currency swaps at 30 June 2026 was a liability of $36 million (2025: asset of $72 million), of which $41 million (2025: $127 million) is in a cash flow hedge relationship, $(78) million (2025: $(55) million) is in a fair value hedge relationship and $1 million (2025: $1 million) relates to the currency basis of the cross currency swaps.

The following table details the cross currency swap contracts in hedges outstanding at the end of the reporting period:

	Average interest rate		Average exchange rate		Contract value (foreign currency)		Contract value (local currency)		Fair value/ carrying amount	
Outstanding contracts	2026 %	2025 %	2026	2025	2026 $m	2025 $m	2026 $m	2025 $m	2026 $m	2025 $m
Buy US dollars										
0 to 6 months	**-**	6.82	**-**	0.888	**-**	135	**-**	152	**-**	52
1 to 5 years	**6.80**	7.01	**0.737**	0.737	**270**	270	**366**	366	**-**	20
5 years or more	**7.28**	7.49	**0.700**	0.700	**356**	356	**509**	509	**(36)**	-

36. Financial instruments (Continued)

Foreign currency exchange rate sensitivity

The following sensitivity analysis has been determined based on the exposure to foreign currency exchange rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the end of the reporting period, if the Australian dollar had weakened or strengthened by 10% against the respective foreign currencies where all other variables remain constant, AGL's profit after tax and other comprehensive income would have been affected as follows:

	Profit/(loss) after tax increase/(decrease)		Other comprehensive income increase/(decrease)	
	2026 $m	2025 $m	2026 $m	2025 $m
AUD exchange rates +10.0%	**-**	-	**(18)**	(41)
AUD exchange rates -10.0%	**-**	-	**22**	50

36.g Energy price risk management

AGL is exposed to energy price risk associated with the purchase and/or sale of electricity, gas, oil and environmental products. AGL manages energy risk through an established risk management framework consisting of policies to place appropriate risk limits on overall energy market exposures and transaction limits for approved energy commodities, requirements for delegations of authority on trading, regular reporting of exposures and segregation of duties.

It is AGL's policy to actively manage the energy price exposure arising from both forecast energy supply and customer energy load. AGL's risk management policy for energy price risk is to hedge forecast future positions for up to five years into the future.

Exposures to fluctuations in the wholesale market energy prices are managed through the use of various types of hedge contracts including derivative financial instruments.

Energy derivatives – economic hedges

AGL has entered into certain derivative instruments for economic hedging purposes under the Board-approved risk management policies, which do not satisfy the requirements for hedge accounting under AASB 9 *Financial Instruments*. These derivatives are therefore required to be categorised as held for trading and are classified in the Consolidated Statement of Financial Position as economic hedges. Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss as part of (loss)/gain on fair value of financial instruments.

Energy price sensitivity

The following table details the sensitivity to a 10 percent increase or decrease in the energy contract market forward prices. A sensitivity of 10 percent has been used as this is considered reasonably possible, based on historical data relating to the level of volatility in market prices.

At the end of the reporting period, if the forward prices had been 10 percent higher or lower and all other variables were held constant, AGL's profit after tax and other comprehensive income would have been affected as follows:

	Profit/(loss) after tax increase/(decrease)		Other comprehensive income increase/(decrease)	
	2026 $m	2025 $m[1]	2026 $m	2025 $m[1]
Energy forward price +10%	**(124)**	(197)	**-**	-
Energy forward price -10%	**119**	197	**-**	-

1. Restated to reflect the accounting adjustment as described in Note 38.e.

The movement in profit after tax is mainly attributable to an increase/decrease in the fair value of certain energy derivative instruments which are not hedge accounted by AGL. The movement in other comprehensive income is due to the reclassification and/or amortisation of historical hedge accounted derivatives.

36. Financial instruments (Continued)

36.h Hedge effectiveness

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

2026	Cash flow hedges USD CCIRS $m	IRS $m	FX $m	Fair Value Hedges IRS $m	USD CCIRS $m
Carrying amount of the hedging instrument					
- Assets	**41**	**44**	**-**	**2**	**-**
- Liabilities	**-**	**(4)**	**(11)**	**-**	**(78)**
Total carrying amount of the hedging instrument	**41**	**40**	**(11)**	**2**	**(78)**
Change in value of hedging instrument	**(86)**	**(3)**	**(1)**	**-**	**(21)**
Change in value of hedged item	**86**	**3**	**1**	**-**	**21**
Change in value of the hedging instrument recognised in reserve	**45**	**36**	**(11)**	**-**	**-**
Amount recognised in profit or loss on discontinued hedge relationships	**-**	**(4)**	**-**	**-**	**-**
Hedge ineffectiveness recognised in profit or loss[1]	**-**	**3**	**-**	**-**	**1**
Amount reclassified from hedge reserve to profit or loss[2]	**(131)**	**(39)**	**-**	**-**	**-**
Balance in cash flow hedge reserve for continuing hedges	**(8)**	**38**	**(11)**	**-**	**-**

1. Included in the line item '(Gain)/loss on fair value of financial instruments' within other expenses in the Consolidated Statement of Profit or Loss.
2. The profit or loss from foreign exchange movement of hedging instrument is largely offset by the profit or loss from the foreign exchange movement of the borrowings in an effective hedge relationship.

2025	Cash flow hedges USD CCIRS $m	IRS $m	FX $m	Fair Value Hedges IRS $m	USD CCIRS $m
Carrying amount of the hedging instrument					
- Assets	127	34	1	10	-
- Liabilities	-	(11)	(10)	-	(57)
Total carrying amount of the hedging instrument	127	23	(9)	10	(57)
Change in value of hedging instrument	12	(58)	(8)	6	40
Change in value of hedged item	(12)	58	8	(6)	(40)
Change in value of the hedging instrument recognised in reserve	(14)	(29)	(10)	n/a	n/a
Amount recognised in profit or loss on discontinued hedge relationships	-	(3)	-	-	-
Hedge ineffectiveness recognised in profit or loss[1]	-	1	-	-	2
Amount reclassified from hedge reserve to profit or loss[2]	26	(29)	-	n/a	n/a
Balance in cash flow hedge reserve for continuing hedges	(4)	28	(10)	n/a	n/a

1. Included in the line item '(Gain)/loss on fair value of financial instruments' within other expenses in the Consolidated Statement of Profit or Loss.
2. The profit or loss from foreign exchange movement of hedging instrument is largely offset by the profit or loss from the foreign exchange movement of the borrowings in an effective hedge relationship.

36. Financial instruments (Continued)

36.i Credit risk management

AGL manages its exposure to credit risk using credit risk management policies which provide credit exposure limits and contract maturity limits based on the credit worthiness of counterparties. AGL's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties.

Trade and other receivables consist of approximately 4.57 million residential, small business and large commercial and industrial services to customers, in New South Wales, Victoria, South Australia, Queensland and Western Australia. Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, an allowance for expected credit loss is raised. AGL does not have any significant credit risk exposure to any single customer or any group of customers.

AGL limits its exposure to credit risk by investing surplus funds and entering into derivative financial instruments only with approved financial institutions that have a credit rating of at least A from Standard & Poor's and within credit limits assigned to each financial institution. Derivative counterparties are limited to high creditworthy financial institutions and other organisations in the energy industry. AGL also utilises International Swaps and Derivative Association (ISDA) agreements with derivative counterparties in order to limit exposure to credit risk through the netting of amounts receivable from and amounts payable to individual counterparties.

At the end of the reporting period, there was a significant concentration of credit risk with certain counterparties, carrying a credit rating of at least A, in relation to energy derivatives undertaken in accordance with the AGL's hedging and risk management activities. The carrying amount of the financial assets recognised in the financial statements, which is net of impairment losses, represents the maximum exposure to credit risk.

AGL does not hold any collateral or other credit enhancements to cover this credit risk.

36.j Liquidity risk management

Liquidity risk is the risk that AGL will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have established an appropriate liquidity risk management framework for the management of AGL's short, medium and long-term funding and liquidity management requirements.

AGL manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details AGL's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts are based on the undiscounted cash flows of financial liabilities on the earliest date on which AGL can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

2026	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Non-derivative financial liabilities					
Trade and other payables[1]	1,994	-	-	-	1,994
USD senior notes	139	88	663	1,188	2,078
Medium term notes	28	28	83	580	719
Bank loans	65	160	811	241	1,277
CPI bonds	15	-	-	-	15
Lease liabilities	174	181	519	622	1,496
Deferred consideration	42	-	-	-	42
	2,457	457	2,076	2,631	7,621

1. Trade payables are generally settled within 32 days of the date of recognition.

36. Financial instruments (Continued)

2025[1]	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Non-derivative financial liabilities					
Trade and other payables	2,634	-	-	-	2,634
USD senior notes	290	128	701	1,061	2,180
Bank loans	65	231	744	629	1,669
CPI bonds	15	15	-	-	30
Lease liabilities	168	169	544	746	1,627
Deferred consideration	53	42	-	-	95
	3,225	585	1,989	2,436	8,235

1. Restated to reflect the accounting adjustment as described in Note 38.e.

The following table details AGL's liquidity analysis for its derivative financial instruments. The amounts are based on the undiscounted net cash inflows and outflows by settlement period on those derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. For interest rate swaps, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

2026	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Derivative financial instruments					
Gross settled					
Cross currency swap contracts - pay leg	**(66)**	**(68)**	**(517)**	**(624)**	**(1,275)**
Cross currency swap contracts - receive leg	**46**	**46**	**504**	**628**	**1,224**
Forward foreign exchange contracts - pay leg	**(132)**	**(37)**	**-**	**-**	**(169)**
Forward foreign exchange contracts - receive leg	**134**	**38**	**-**	**-**	**172**
Net receive/(pay)	**(18)**	**(21)**	**(13)**	**4**	**(48)**
Net settled					
Interest rate swap contracts	**(30)**	**(21)**	**(14)**	**4**	**(61)**
Energy derivatives	**(697)**	**(413)**	**(602)**	**(1,469)**	**(3,181)**
	(745)	**(455)**	**(629)**	**(1,461)**	**(3,290)**

2025[1]	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Derivative financial instruments					
Gross settled					
Cross currency swap contracts - pay leg	(270)	(55)	(522)	(657)	(1,504)
Cross currency swap contracts - receive leg	317	48	540	680	1,585
Forward foreign exchange contracts - pay leg	(478)	(20)	-	-	(498)
Forward foreign exchange contracts - receive leg	468	18	-	-	486
Net receive/(pay)	37	(9)	18	23	69
Net settled					
Interest rate swap contracts	(5)	(4)	(4)	-	(13)
Energy derivatives	(1,058)	(711)	(815)	(1,469)	(4,053)
	(1,026)	(724)	(801)	(1,446)	(3,997)

1. Restated to reflect the accounting adjustment as described in Note 38.e.

36. Financial instruments (Continued)

MATERIAL ACCOUNTING POLICY

Financial assets

Non-derivative financial assets

Classification
AGL classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on AGL's business model for managing financial assets and the contractual terms of the cash flows.

Equity instruments
All of AGL's equity financial instruments are classified as FVOCI. Dividends from such investments continue to be recognised in profit or loss as other income when AGL's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Fair value of financial instruments
Management applies judgement in selecting appropriate valuation techniques for financial instruments not quoted in an active market.

For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. For debt instruments, key assumptions to valuation include customer volume, unit pricing, and market multiples in line with industry standards. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices and rates.

CLIMATE-RELATED IMPACTS

Valuation of renewable power purchase agreements
As part of AGL's strategy to transition its generation portfolio and support the Group's decarbonisation objectives, AGL enters into long-term renewable power purchase agreements (PPAs) to secure electricity and associated environmental attributes from renewable energy projects.

Climate-related factors may influence renewable generation volumes and long-term electricity price assumptions relevant to the assessment and valuation of these arrangements. These factors include variability in renewable resource availability and changes in market conditions arising from the energy transition.

Where renewable PPAs are measured at fair value, valuation techniques incorporate assumptions regarding expected generation profiles and forward electricity prices. These assumptions are reviewed periodically and updated to reflect prevailing market conditions and observable evidence.

37. 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.

Financial position

	2026 $m	2025 $m
Assets		
Current assets	**299**	384
Non-current assets	**13,676**	13,313
Total assets	**13,975**	13,697
Liabilities		
Current liabilities	**422**	534
Non-current liabilities	**9,118**	8,996
Total liabilities	**9,540**	9,530
Equity		
Issued capital	**5,918**	5,918
Reserves		
Loss reserve	**(2,191)**	(2,191)
Employee equity benefits reserve	**7**	6
Hedge reserve	**14**	(46)
Retained earnings	**687**	480
Total equity	**4,435**	4,167

Financial performance

Profit for the year	**537**	378
Other comprehensive (loss)/income	**59**	(81)
Total comprehensive income for the year	**596**	297

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Parent Entity has entered into a Deed of Cross Guarantee with the effect that it guarantees the debts in respect of its wholly owned Australian subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Notes 31 and 28 and respectively.

Contingent liabilities
The Parent Entity is a party to various legal actions and claims which have arisen in the ordinary course of business. The Parent Entity has provided warranties and indemnities to certain third parties in relation to the performance of contracts by various wholly owned subsidiaries.

Capital expenditure commitments
As at 30 June 2026, the Parent Entity had commitments for the acquisition of property, plant and equipment of nil (2025: nil) and its share of joint operations capital commitments was nil (2025: nil).

38. Other material accounting policies

AGL Energy Limited (the Parent Entity) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The address of its registered office is Level 24, 200 George Street, Sydney NSW 2000 Australia.

The consolidated financial statements comprise the Parent Entity and its controlled entities (together referred to as AGL). For the purposes of preparing the consolidated financial statements, the Parent Entity is a for-profit entity.

The principal activities of AGL are described in Note 1.

38.a Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Directors on 12 August 2026.

38.b Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments and equity instrument financial assets, which are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the functional and presentation currency of AGL, unless otherwise noted.

The Company is of a kind referred to in ASIC Legislative Instrument 2026/183, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest million dollars, or in certain cases, the nearest thousand dollar.

38.c Adoption of new and revised accounting standards and Interpretations

AGL has applied the required amendments to Standards and Interpretations that are relevant to its operations and effective for the current reporting period for the first time for the period commencing 1 July 2025. These did not have any material impact on the disclosures or on the amounts recognised in AGL's consolidated financial statements.

38.d Standards and Interpretations on issue not yet adopted

The following accounting standards, accounting standard amendments and interpretations are due for adoption for the year ending 30 June 2027 or later:

- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments;*
- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11;*
- AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity;*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- AASB 2024-4b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128;*
- *IFRIC Agenda Decision on Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-Market' Contracts;*
- *IFRIC Agenda Decision on Recognition of Intangible Assets from Climate-related Expenditure; and*
- *IFRIC Agenda Decision on Guarantees Issued on Obligations of Other Entities.*

The standards and interpretations listed above are not expected to have a material impact on AGL's financial results or financial position on adoption but will affect presentation and disclosure in the consolidated financial statements.

AASB 18 *Presentation and Disclosure in Financial Statements* was also issued which is due for adoption for the year ending 30 June 2028. It will not change the recognition and measurement of items in the financial statements but will affect presentation and disclosure in the consolidated financial statements. AGL is currently assessing the impact of AASB 18 *Presentation and Disclosure in Financial Statements* on its financial statements and is not yet in a position to quantify the effects.

38. Other material accounting policies (Continued)

38.e Restatement of comparative balances for the year ended 30 June 2025

During the period, the Group reviewed and restated its accounting relating to the classification of a number of renewable Power Purchase Agreements (PPAs). These PPAs have historically been accounted for as executory contracts with an associated onerous contract provision for both the electricity component and the green certificates of these contracts.

As a result of this review:

- four PPAs have been restated as leases, resulting in the recognition of a lease liability, and a right of use asset together with an associated impairment; and
- the electricity component of four PPAs have been restated as derivative financial instruments. The onerous contract provision for green energy certificates associated with these contracts has been retained.

Together with the corresponding reduction in the onerous contract provisions, the above restatements resulted in an overall net asset impact of ($81) million at 30 June 2025 and ($291) million at 1 July 2024.

Changes arising from the restatement and adoption of AASB 16 *Leases* do not affect the definitions used in the calculation of debt covenants including gearing ratio. AGL remains compliant with all debt covenants.

The following tables summarise the retrospective impacts of these changes on the Group's consolidated financial statements.

i. Impact on Consolidated Statement of Financial Position

	30 Jun 2025 Reported $m	Adjustment $m	30 Jun 2025 Restated $m	1 July 2024 Reported $m	Adjustment $m	1 Jul 2024 Restated $m
Current assets						
Other financial assets[1]	774	22	796	988	19	1,007
Other assets	508	(7)	501	330	(18)	312
Non-current assets						
Other financial assets[1]	559	49	608	653	81	734
Right-of-use assets[2,3]	260	247	507	265	266	531
Deferred tax assets	990	35	1,025	780	125	905
Current liabilities						
Trade and other payables	2,641	(7)	2,634	2,101	(18)	2,083
Other financial liabilities[1]	1,063	20	1,083	1,257	16	1,273
Lease liabilities[4]	19	77	96	22	73	95
Provisions[5]	488	(78)	410	466	(69)	397
Non-current liabilities						
Lease liabilities[4]	249	771	1,020	225	840	1,065
Provisions[5]	2,958	(727)	2,231	2,231	(375)	1,856
Other financial liabilities[1]	409	371	780	559	297	856
Net assets	**4,858**	**(81)**	**4,777**	**5,431**	**(291)**	**5,140**
Equity						
Retained earnings	(1,001)	(81)	(1,082)	(506)	(291)	(797)
Total equity	**4,858**	**(81)**	**4,777**	**5,431**	**(291)**	**5,140**

1. 'Other financial assets' and 'Other financial liabilities' have been adjusted, with a net impact of $320 million recognised as at 30 June 2025 and $213 million as at 1 July 2024, reflecting the restatement of four PPA related contracts as derivatives.
2. 'Right–of–use assets' are now presented as a separate line item in the Consolidated Statement of Financial Position. In prior periods, these assets were reported within the 'Property, plant and equipment' line item. Right-of-use assets have been adjusted by $247 million as at 30 June 2025 and $266 million as at 1 July 2024, reflecting the restatement of certain PPA-related contracts as leases.
3. Movement from prior reported balance includes a $6 million reclassification from right-of-use assets to property, plant and equipment.
4. In prior periods, lease liabilities were included within 'Borrowings'. Following the restatement, all lease liabilities including those arising from the four restated PPA contracts have been presented within 'Lease liabilities'. Lease liabilities of $848 million have been recognised as at 30 June 2025, and $913 million as at 1 July 2024.
5. 'Provisions' have been adjusted to reflect the derecognition of the onerous contract provision as a result of change in accounting treatment for certain PPA-related contracts. The adjustment reflects a total reduction of $805 million as at 30 June 2025 and $444 million as at 1 July 2024 in Onerous contract provision.

38. Other material accounting policies (Continued)

ii. Impact on Consolidated Statement of Profit or Loss

	Year ended 30 Jun 2025 Reported $m	Adjustment $m	Year ended 30 Jun 2025 Restated $m
Revenue	14,393	(54)	14,339
Expenses	(13,432)	397	(13,035)
Share of profits of joint venture	37	-	37
Profit before net financing costs, depreciation and amortisation	998	343	1,341
Depreciation and amortisation	(803)	(15)	(818)
Profit before net financing costs	**195**	**328**	**523**
Finance income	22	-	22
Finance costs	(341)	(27)	(368)
Net financing costs	**(319)**	**(27)**	**(346)**
(Loss)/profit before tax	**(124)**	**301**	**177**
Income tax benefit/(expense)	26	(91)	(65)
(Loss)/profit for the period	**(98)**	**210**	**112**

iii. Impact on Consolidated Statement of Cash Flows

	Year ended 30 Jun 2025 Reported $m	Adjustment $m	Year ended 30 Jun 2025 Restated $m
Cash flows from operating activities			
Receipts from customers	15,106	(54)	**15,052**
Payments to suppliers and employees	(13,875)	188	**(13,687)**
Interest component of lease payments[1]	(12)	(62)	**(74)**
Net cash provided by operating activities	841	72	**913**
Cash flows used in investing activities			
Net cash used in investing activities	(1,558)	-	**(1,558)**
Cash flows from financing activities			
Principal component of lease payments[2]	(3)	(72)	**(75)**
Net cash provided by/(used in) financing activities	99	(72)	**27**
Net decrease in cash and cash equivalents	(618)	-	**(618)**
Cash and cash equivalents at the beginning of the financial period	932	-	**932**
Effect of exchange rate changes on the balance of cash held in foreign currencies	5	-	**5**
Cash and cash equivalents at the end of the financial period	319	**-**	**319**

1. Cash outflows relating to the 'Interest component of lease payments' are now presented separately in the Consolidated Statement of Cash Flows. In prior periods, these amounts were included within the 'Finance costs paid' line item.
2. Cash outflows relating to the 'Principal component of lease payments' are now presented separately in the Consolidated Statement of Cash Flows. In prior periods, these amounts were included within the 'Repayment of borrowings' line item.

38. Other material accounting policies (Continued)

iv. Impact on total earnings per share

	Year ended 30 Jun 2025 Reported	Adjustment	Year ended 30 Jun 2025 Restated
Statutory earnings per share			
Basic earnings per share	(14.6 cents)	31.3 cents	16.7 cents
Diluted earnings per share	(14.6 cents)	31.2 cents	16.6 cents
Underlying earnings per share			
Basic earnings per share	95.1 cents	0.5 cents	95.6 cents
Diluted earnings per share	94.8 cents	0.4 cents	95.2 cents

39. Subsequent events

Apart from the matters identified in the financial statements or notes thereto, there has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of AGL, the results of those operations, or the state of affairs of AGL in future financial periods.

Consolidated Entity Disclosure Statement
As at 30 June 2026

			Body corporates		Tax residency	
Entity name	Entity type	Trustee, partner or participant in JV	Place formed or incorporated	% of share capital held	Australian tax resident	Foreign jurisdiction
AGL Energy Limited (the Company)	Body Corporate	N/A	Australia		Yes	N/A
AGL ACT Retail Investments Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Barker Inlet Pty Limited	Body Corporate	Trustee of Barker Inlet Trust	Australia	100	Yes	N/A
AGL Corporate Services Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Electricity (VIC) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Ovo Energy Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Victorian Energy Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Sales Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Sales (Queensland) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Sales (Queensland Electricity) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Torrens Island Holdings Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL SA Generation Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Torrens Island Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Ampol Energy (Retail) Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL South Australia Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL APG Holdings Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Australian Power and Gas Company Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Australia Markets Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Australian Power and Gas (NSW) Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Torrens Island Battery Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Dalrymple Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Energy 360 Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Epho Holding Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Epho Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Epho Asset Management Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Everty Pty. Ltd.	Body Corporate	N/A	Australia	100	Yes	N/A
SEGH Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Sustainable Business Energy Solutions Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Sol Distribution Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Energy Sales & Marketing Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Energy Services Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
SA VPP Project Trust	Trust	N/A	N/A	N/A	Yes	N/A
AGL Financial Energy Solutions Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Generation Holdco Pty Ltd	Body Corporate	Partner in the Loy Yang Partnership	Australia	99.99	Yes	N/A
AGL Loy Yang Pty Ltd	Body Corporate	N/A	Australia	75	Yes	N/A
AGL Loy Yang Partnership	Partnership	N/A	Australia	75	Yes	N/A
AGL Loy Yang Projects Pty Ltd	Body Corporate	N/A	Australia	75	Yes	N/A
AGL Generation Proprietary Limited	Body Corporate	Partner in the Loy Yang Partnership	Australia	100	Yes	N/A
AGL Loy Yang Pty Ltd	Body Corporate	N/A	Australia	25	Yes	N/A
AGL Loy Yang Partnership	Partnership	N/A	Australia	25	Yes	N/A

Consolidated Entity Disclosure Statement
As at 30 June 2026

			Body corporates		Tax residency	
Entity name	Entity type	Trustee, partner or participant in JV	Place formed or incorporated	% of share capital held	Australian tax resident	Foreign jurisdiction
AGL Loy Yang Projects Pty Ltd	Body Corporate	N/A	Australia	25	Yes	N/A
Loy Yang Marketing Holdings Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Loy Yang Marketing Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL HP1 Pty Limited	Body Corporate	Partner in the AGL Hydro Partnership	Australia	100	Yes	N/A
AGL Hydro Partnership	Partnership	N/A	Australia	49.5	Yes	N/A
AGL Southern Hydro (NSW) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL HP2 Pty Limited	Body Corporate	Partner in the AGL Hydro Partnership	Australia	100	Yes	N/A
AGL Hydro Partnership	Partnership	N/A	Australia	20	Yes	N/A
AGL HP3 Pty Limited	Body Corporate	Partner in the AGL Hydro Partnership	Australia	100	Yes	N/A
AGL Hydro Partnership	Partnership	N/A	Australia	30.5	Yes	N/A
AGL Liddell BESS Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Macquarie Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL New Energy Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL New Energy EIF Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL PARF NSW Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL PARF QLD Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Power Generation Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Power Generation (Wind) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Energy Hubs Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Yadnarie Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Barn Hill BESS Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Firm Power Assets Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Abermain BESS Holding Pty Ltd	Body Corporate	Trustee of Abermain BESS Hold Trust	Australia	100	Yes	N/A
Abermain BESS OpCo Pty Ltd	Body Corporate	Trustee of Abermain BESS Operations Trust	Australia	100	Yes	N/A
Abermain BESS Hold Trust	Trust	N/A	N/A	N/A	Yes	N/A
Abermain BESS Operations Trust	Trust	N/A	N/A	N/A	Yes	N/A
Awaba BESS Pty Ltd	Body Corporate	Trustee of Awaba BESS Trust	Australia	100	Yes	N/A
Awaba BESS Trust	Trust	N/A	N/A	N/A	Yes	N/A
Beresfield BESS Pty Ltd	Body Corporate	Trustee of Beresfield BESS Trust	Australia	100	Yes	N/A
Beresfield BESS Trust	Trust	N/A	N/A	N/A	Yes	N/A
Firm Power Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Firm Power Services Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Glen Innes BESS Pty Ltd	Body Corporate	Trustee of Glen Innes Project Unit Trust	Australia	100	Yes	N/A
Glen Innes Project Unit Trust	Trust	N/A	N/A	N/A	Yes	N/A
Mount Britton Battery Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Murrumburrah BESS Pty Ltd	Body Corporate	Trustee of Murrumburrah Project Unit Trust	Australia	100	Yes	N/A
Murrumburrah Project Unit Trust	Trust	N/A	N/A	N/A	Yes	N/A
Muswellbrook BESS Pty Ltd	Body Corporate	Trustee of Muswellbrook BESS Trust	Australia	100	Yes	N/A

Consolidated Entity Disclosure Statement
As at 30 June 2026

			Body corporates		Tax residency	
Entity name	Entity type	Trustee, partner or participant in JV	Place formed or incorporated	% of share capital held	Australian tax resident	Foreign jurisdiction
Muswellbrook BESS Trust	Trust	N/A	N/A	N/A	Yes	N/A
Sun State BESS Holding Pty Ltd	Body Corporate	Trustee of Sun State BESS Hold Trust	Australia	100	Yes	N/A
Sun State BESS OpCo Pty Ltd	Body Corporate	Trustee of Sun State BESS Operations Trust	Australia	100	Yes	N/A
Sun State BESS Hold Trust	Trust	N/A	N/A	N/A	Yes	N/A
Sun State BESS Operations Trust	Trust	N/A	N/A	N/A	Yes	N/A
Terrain Solar Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Terrain Solar Holdings Pty Ltd	Body Corporate	Trustee of Terrain Solar Holdings Trust	Australia	100	Yes	N/A
Terrain Solar AssetCo Pty Ltd	Body Corporate	Trustee of Terrain Solar Asset Trust	Australia	100	Yes	N/A
Terrain Solar Holdings Trust	Trust	N/A	N/A	N/A	Yes	N/A
Fairway Asset Pty Ltd	Body Corporate	Trustee of Fairway Asset Trust	Australia	100	Yes	N/A
Fairway Asset Trust	Trust	N/A	N/A	N/A	Yes	N/A
Monaro Solar Farm Pty Ltd	Body Corporate	Trustee of Monaro Solar Farm Trust	Australia	100	Yes	N/A
Monaro Solar Farm Trust	Trust	N/A	N/A	N/A	Yes	N/A
Myrtle Creek Solar Farm Pty Ltd	Body Corporate	Trustee of Myrtle Creek Solar Farm Trust	Australia	100	Yes	N/A
Myrtle Creek Solar Farm Trust	Trust	N/A	N/A	N/A	Yes	N/A
Singleton Solar Farm Pty Ltd	Body Corporate	Trustee of Singleton Solar Farm Trust	Australia	100	Yes	N/A
Singleton Solar Farm Trust	Trust	N/A	N/A	N/A	Yes	N/A
Terrain Solar Asset Trust	Trust	N/A	N/A	N/A	Yes	N/A
Terrain Solar Merino Asset Pty Ltd	Body Corporate	Trustee of Terrain Solar Merino Trust	Australia	100	Yes	N/A
Terrain Solar Merino Trust	Trust	N/A	N/A	N/A	Yes	N/A
Upper Hunter Hydro Pty Ltd	Body Corporate	Trustee of Upper Hunter Hydro Top Trust	Australia	100	Yes	N/A
Upper Hunter Hydro Top Trust	Trust	N/A	N/A	N/A	Yes	N/A
Tuckeroo BESS Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL PV Solar Holdings Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL PV Solar Developments Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Retail Energy Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Upstream Gas (Mos) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Gas Storage Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Upstream Infrastructure Investments Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Upstream Investments Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Wholesale Gas Limited	Body Corporate	N/A	Australia	100	Yes	N/A
AGL Wholesale Gas (SA) Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Barker Inlet Trust	Trust	N/A	N/A	N/A	Yes	N/A
Barn Hill Wind Farm Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Click Energy Group Holdings Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Click Energy Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
On the Move Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Connect Now Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A

Consolidated Entity Disclosure Statement

As at 30 June 2026

			Body corporates		Tax residency	
Entity name	Entity type	Trustee, partner or participant in JV	Place formed or incorporated	% of share capital held	Australian tax resident	Foreign jurisdiction
Coopers Gap Wind Farm Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
GRCI Australia Pte. Ltd.	Body Corporate	N/A	Singapore	100	No	Singapore
Growth Carbon Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Nature Regeneration Investments Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Perth Energy Holdings Pty. Ltd.	Body Corporate	N/A	Australia	100	Yes	N/A
Perth Energy Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
WA Power Exchange Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Western Energy Holdings Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Western Energy Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Powerdirect Pty Ltd	Body Corporate	N/A	Australia	100	Yes	N/A
Southern Phone Company Limited	Body Corporate	N/A	Australia	100	Yes	N/A
Tomago BESS Pty Limited	Body Corporate	N/A	Australia	100	Yes	N/A
The Australian Gas Light Company	Body Corporate	Trustee of SA VPP Project Trust	Australia	100	Yes	N/A

Names inset indicate that shares are held by the entity immediately above the inset.

Directors’ Declaration

For the year ended 30 June 2026

In accordance with a resolution of the Directors of AGL Energy Limited, the Directors declare that:

a. in their opinion, there are reasonable grounds to believe that AGL Energy Limited will be able to pay its debts as and when they fall due and payable;

b. the financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 38(a) to the financial statements;

c. in their opinion, the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the consolidated entity’s financial position and performance for the year ended 30 June 2026;

d. there are reasonable grounds to believe that AGL Energy Limited and the subsidiaries identified in Note 28 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 between the Parent Entity and those subsidiaries pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785; and

e. the Directors have received the declarations required by s.295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2026.

f. in the directors’ opinion, the attached Consolidated Entity Disclosure Statement is true and correct.

Signed on behalf of the Board.

Miles George
Chair
12 August 2026

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Auditor's Independence Declaration

As lead auditor of AGL Energy Limited's financial report and lead auditor of the specified sustainability disclosures within the sustainability report for the year ended 30 June 2026, respectively, we each declare that, having regard to our responsibilities in relation to the respective audit of the financial report and review of the specified sustainability disclosures within the sustainability report, to the best of our knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the respective audit of the financial report or the review of the specified sustainability disclosures; and

b) no contraventions of any applicable code of professional conduct in relation to the respective audit of the financial report or the review of the specified sustainability disclosures.

Trevor Johnston
Lead auditor (financial report)
Partner
PricewaterhouseCoopers

C. Mara

Caroline Mara
Lead auditor (sustainability report)
Partner
PricewaterhouseCoopers

Melbourne
12 August 2026

PricewaterhouseCoopers, ABN 52 780 433 757
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Independent auditor's report

To the members of AGL Energy Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of AGL Energy Limited (the Company) and its controlled entities (together 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 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Management Committee.

Key audit matter	*How our audit addressed the key audit matter*
Estimated recoverable amount of Cash Generating Units Refer to Note 14 and Note 16 Under Australian Accounting Standards, the Group is required to test Cash Generating Units (CGUs) containing goodwill and intangible assets with indefinite useful lives for impairment at least annually. For other CGUs, the Group performs an impairment assessment where indicators of impairment exist. The Group assessed the recoverable amount of its CGUs during the year ended 30 June 2026. The recoverable amount was determined using a value in use methodology based on management's forecasts and assumptions. The Group's recoverable amount assessment was considered a key audit matter because: • the carrying value of the related assets is financially significant; • the determination of recoverable amount involves significant judgement. Key areas of judgement include forecast operating cash flows, assumptions about future market and operating conditions, discount rates and terminal growth rates; and • The Group recognised an impairment loss of $283 million relating to the Generation Fleet CGU.	Assisted by our PwC valuation experts in aspects of our work, our audit procedures included, amongst others: • Assessing the identification of CGUs and the carrying value of assets and liabilities and cash flows to those CGUs for consistency with our knowledge of the Group; • Assessing whether the value in use models used by the Group for impairment testing were prepared in accordance with the requirements of Australian Accounting Standards; • Assessing the appropriateness of cash flow forecasts and key assumptions included in the value in use models with reference to historical earnings and budget accuracy, Board approved budgets, future strategic plans and available market information; • Testing the mathematical accuracy, on a sample basis, of the calculations within the value in use models; • Assessing the appropriateness of the discount rates and terminal growth rates applied in the value in use models; • Performing sensitivity analysis over the key assumptions used in the value in use models to understand the impact of reasonably possible changes to key assumptions; and • Assessing the appropriateness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards.
Unbilled revenue - consumer electricity and gas Refer to Note 9 As at 30 June 2026, the Group recognised unbilled revenue of $807 million, which includes amounts relating to consumer electricity and gas usage. Unbilled revenue relating to consumer electricity and gas represents the estimated value of electricity and gas supplied by the Group and consumed by customers, but not yet billed, between each customer's last invoice date and the end of the reporting period.	Our procedures over unbilled revenue included, amongst others: • Assessing whether the Group's methodology and accounting policy used to recognise unbilled revenue is in line with the requirements of Australian Accounting Standards;

Independent Auditor's Report of the Financial Report

Key audit matter	***How our audit addressed the key audit matter***

Unbilled revenue is considered a key audit matter due to the materiality of the balance, and the level of estimation uncertainty involved in determining the amount to be recognised.
 	
The key assumptions on which management have based their unbilled revenue estimate include:
• the volume and timing of energy consumed by customers between the last invoice date and the end of the reporting period; and
• the various customer pricing plans, and the allocation of estimated volumes to those pricing plans.
	• Developing an understanding and evaluating the design and implementation of key controls associated with the estimate of unbilled revenue;
	
	• Evaluating the appropriateness of key assumptions included within the unbilled revenue calculation by testing, on a sample basis, aspects of the unbilled revenue calculation, including:
	  ○ Agreeing data inputs, including energy consumption and billing data, to supporting source systems and, where relevant, external market data; and
	  ○ Comparing prices applied in the calculation to billing data.

Valuation of level 3 energy derivative financial instruments
Refer to Note 36
 	
As at 30 June 2026, the Group recognised $685 million of level 3 energy derivative financial assets and $664 million of level 3 energy derivative financial liabilities in the Consolidated Statement of Financial Position.
 	
These level 3 energy derivative financial instruments are measured at fair value. The fair value of these instruments is determined using valuation techniques that include significant inputs for which observable market data is unavailable.
 	
The valuation of level 3 energy derivative financial instruments is a key audit matter given the judgement involved in estimating unobservable inputs incorporated in the valuations.
	Assisted by our PwC valuation experts in aspects of our work, our audit procedures included, amongst others:
	
	• Developing an understanding and evaluating the design and implementation of key controls associated with the valuation of level 3 energy derivative financial instruments;
	
	• Assessing whether the Group's valuation methodology and accounting policy is in line with the requirements of Australian Accounting Standards;
	
	• On a sample basis:
	  ○ Agreeing key contractual inputs in the valuations to the underlying contracts;
	  ○ Evaluating the appropriateness of the valuation models used by management;
	  ○ Testing the mathematical accuracy of the valuation models; and
	  ○ Assessing the appropriateness of significant unobservable inputs and assumptions used in the valuations.
	
	• Assessing the appropriateness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report. We have also issued a separate limited assurance conclusion on selected sustainability information included in the Sustainability Report section of the Annual Report and a separate review conclusion on specified sustainability disclosures included in the Sustainability Report section of the Annual Report, in accordance with the scope of Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2026.

In our opinion, the remuneration report of AGL Energy Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Trevor Johnston
Partner

Melbourne
12 August 2026

Independent practitioner's limited assurance report on AGL Energy Limited's selected metrics

To the Directors of AGL Energy Limited ('AGL')

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the selected metrics (together the "Selected Sustainability Information") as defined below and in AGL (the "Company") and its controlled entities (together, the Group) Annual Report for the year ended 30 June 2026 (the "Report").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Selected Sustainability Information for the year ended 30 June 2026 is not prepared, in all material respects, in accordance with the Glossary set out on pages 140 to 146 and Section 16.4 – Measurement of greenhouse gas emission, of the Report (together the 'Reporting Criteria') and referenced in the 'Selected Sustainability Information and Reporting Criteria' section below.

Selected Sustainability Information and Reporting Criteria

The Selected Sustainability Information is set out in the tables below (Table 1 and Table 2). The Reporting Criteria is set out on page 140 to 146 in the "Glossary" section and section 16.4 – Measurement of greenhouse gas emissions, of the Report.

Table 1 – Selected Sustainability Information (contained within the Business Value Driver key performance indicators section of the Annual Report)

Metric Name (and unit of measure)	Value
Customers	
Number of customers on Staying Connected (#)	40,839
Average level of debt of customers on Staying Connected ($)	2,488
Total average debt across mass market customer portfolio ($)	463
Green revenue as a % of total revenue (%)	22.9
Cumulative customer assets installed (behind the meter) (MW)	196
Assets	
Operated and contracted renewable generation and storage capacity (%)	39.5
New renewable and firming capacity in construction, delivery or contracted (MW)	2,126

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Grid-scale batteries installed and managed (MW)	930
Total grid-scale batteries operated, contracted or in delivery (MW)	1,700
People	
TIFR employees and contractors (#)	2.2
TIFR employees (#)	0.8
Relationships	
Community contribution ($)	6.1
Environment	
Total Scope 1 and 2 (location-based) emissions ($MtCO_2e$)	29.4
Reduction in annual Scope 1 and 2 emissions compared to FY19 baseline (%)	31.9
Total Scope 3 emissions ($MtCO_2e$)	23.8
Operated and contracted generation intensity (tCO_2e/MWh)	0.888
Environmental Regulatory Reportable incidents (#)	15
Business Intelligence	
Major IT incidents (#)	56
Reportable privacy incidents (#)	0

Table 2 – Selected Sustainability Information (contained within Annual Report section 12.1 – Emissions metrics and targets)

Metric Name (and unit of measure)	Value
Environment	
Scope 3 emissions associated with supply of electricity to customers ($MtCO_2e$)	8.3
Scope 3 emissions associated with supply of natural gas to customers ($MtCO_2e$)	5.4
Scope 3 emissions associated with end use of coal sold to Loy Yang B ($MtCO_2e$)	9.4
Reduction in total Scope 3 emissions compared to FY19 baseline (%)	2.5

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the Australian Auditing and Assurance Standards Board.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the *Practitioner's Responsibilities* section of our report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), that are relevant to our limited assurance of the Selected Sustainability Information and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other Matter

The comparative information disclosed for the selected sustainability information within the scope of our assurance is not covered by our conclusion. This comparative information has either not been subject to any assurance engagement or been subject to an assurance engagement performed by a predecessor practitioner. Further details for each comparative metric and period, including the level of assurance provided, and where assured by a predecessor practitioner the type of conclusion issued, and the date of that report, are set out in Appendix 1 to this assurance report. Our conclusion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Annual Report and sustainability information in respect of earlier periods and any other information included in, or linked from, the Annual Report but does not include the Selected Sustainability Information and our assurance report thereon.

Our conclusion on the Selected Sustainability Information does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the

Financial Report including the Remuneration Report included in the Annual Report. We have issued a separate review conclusion on specified Sustainability Disclosures included in the Sustainability Report.

In connection with our assurance engagement on the Selected Sustainability Information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Selected Sustainability Information or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the Selected Sustainability Information

Management of AGL is responsible for:

- Determining the appropriateness of the Selected Sustainability Information and the suitability of the Reporting Criteria for the evaluation and measurement of that information, including the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances,
- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Selected Sustainability Information, in accordance with the Reporting Criteria, that is free from material misstatement, whether due to fraud or error, and
- The preparation of the Selected Sustainability Information in accordance with the Reporting Criteria.

Inherent Limitations in Preparing the Selected Sustainability Information

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's Responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected Sustainability Information.

As part of a limited assurance engagement in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosures level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, and
- Consider the suitability in the circumstances of AGL's use of the Reporting Criteria as the basis for the preparation of the Selected Sustainability Information.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Reviewed AGL's Reporting Criteria to evaluate its relevance and suitability for assurance purposes;
- Made inquiries of relevant management of AGL regarding the processes and controls for capturing, collating, calculating and reporting the Selected Sustainability Information;
- Assessed processes and procedures that Management performed to determine the completeness of sources of the Selected Sustainability Information at facilities deemed to be under the operational control of AGL;
- Assessed the appropriateness of the greenhouse gas emission factors and methodologies applied in calculating the Selected Sustainability Information;

- Assessed the appropriateness of estimates and assumptions applied by management in the preparation of the Selected Sustainability Information;
- Tested the arithmetic accuracy of calculations of the Selected Sustainability Information;
- Undertook analytical procedures over the performance data used in the calculation and preparation of the Selected Sustainability Information and obtained explanations from management regarding unusual or unexpected amounts;
- Agreed the Selected Sustainability Information to underlying data sources and calculations on a sample basis; and
- Considered the disclosure and presentation of the Selected Sustainability Information.

Use and distribution of our report

We were engaged by the board of directors of AGL to prepare this independent assurance report having regard to the Reporting Criteria specified by the directors and set out in this report. This report was prepared solely for AGL to assist the directors in obtaining independent limited assurance over the Selected Sustainability Information that will be reported within AGL's Annual Report for the year ended 30 June 2026.

We accept no duty, responsibility or liability to anyone other than AGL in connection with this report or to AGL for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than AGL and if anyone other than AGL chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than AGL receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Sydney
12 August 2026

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Appendix 1 – Comparative information

The following selected sustainability information is reported with comparative information that has been subject to assurance by another practitioner.

Metric Name (and unit of measure)	2025	2024	2023	2022
Number of customers on Staying Connected (#)	A	B	C	D
Average level of debt of customers on Staying Connected ($)	A	B	C	D
Green revenue as a % of total revenue (%)	A	B	C	D
Operated and contracted renewable generation and storage capacity (%)	A	B	C	NC
New renewable and firming capacity in construction, delivery or contracted (MW)	A	B	NA	NC
TIFR employees and contractors (#)	A	B	C	D
TIFR employees (#)	A	B	C	D
Community contribution ($)	A	B	C	D
Total Scope 1 and 2 (location-based) emissions ($MtCO_2e$)	A	B	C	D
Reduction in annual Scope 1 and 2 emissions compared to FY19 baseline (%)	A	B	NA	NC
Operated and contracted generation intensity (tCO_2e/MWh)	A	B	C	NC
Environmental Regulatory Reportable incidents (#)	A	B	C	D
Major IT incidents (#)	A	B	C	D
Reportable privacy incidents (#)	A	B	C	D

Where:
NA = Not subject to an independent assurance engagement
NC = No comparatives noted
Deloitte Australia provided an unmodified limited assurance conclusion for the following years:

- A: For the year ending 30 June 2025, dated 13 August 2025
- B: For the year ending 30 June 2024, dated 14 August 2024
- C: For the year ending 30 June 2023, dated 10 August 2023
- D: For the year ending 30 June 2022, dated 19 August 2022

The following selected sustainability information is reported with comparative information that has not been subject to assurance:

- Total average debt across mass market customer portfolio ($)
- Cumulative customer assets installed (behind the meter) (MW)
- Grid-scale batteries installed and managed (MW)
- Total grid-scale batteries operated, contracted or in delivery (MW)
- Total Scope 3 emissions ($MtCO_2e$)
- Reduction in total Scope 3 emissions compared to FY19 baseline (%)

Shareholding Information

The following information is provided regarding the Issued Capital of AGL as at 17 July 2026:

1. The Issued Capital consisted of 672,747,233 fully-paid ordinary shares. AGL's fully paid ordinary shares are listed on the Australian Securities Exchange under the code "AGL". Holders of AGL's fully paid ordinary shares have, at general meetings, one vote on a show of hands and, upon a poll, one vote for each fully paid ordinary share held by them.
2. There were 120,219 holders of ordinary shares.
3. There were 8,349 holders of less than a marketable parcel of 60 shares.
4. There were 86 holders of 3,529,380 performance rights.

Distribution schedule of ordinary shares

	Securities	%	No. of Holders	%
100,001 and over	414,280,240	61.58	138	0.11
10,001 - 100,000	86,928,317	12.92	4,151	3.45
5,001 - 10,000	52,275,019	7.77	7,337	6.10
1,001 - 5,000	94,415,970	14.03	39,761	33.07
1 - 1,000	24,847,687	3.69	68,832	57.26
Total	**672,747,233**	**100.00**	**120,219**	**100.00**

Substantial shareholders of AGL

In a substantial holding notice updated on 27 May 2022, Michael Alexander Cannon-Brookes, Galipea Partnership and certain affiliated entities advised that as at 17 May 2022, they had an interest in 75,883,390 ordinary shares, which represented 11.28% of AGL's ordinary shares at this time. On 21 June 2023, Galipea Partnership provided a notice, in accordance with Takeovers Panel Guidance Note 20 - Equity Derivatives, of an equity collar transaction and other transactions entered into by Galipea Partnership which affect the interest notified in the previous substantial holding notice, including the reduction in its relevant interest to 70,037,429 ordinary shares, which represented 10.41% of AGL's ordinary shares at this time.

In a substantial holding notice dated 25 October 2023, Vanguard Group advised that it had a relevant interest in 33,639,498 ordinary shares, which represented 5.0003% of AGL's ordinary shares at this time.

Shareholdings by geographic region

	Securities	%	No. of Holders	%
Australia	667,957,043	99.29	118,075	98.22
Hong Kong	246,053	0.04	51	0.04
New Zealand	3,454,391	0.51	1,258	1.05
United Kingdom	285,421	0.04	227	0.19
USA and Canada	390,998	0.06	430	0.36
Others	413,327	0.06	178	0.15
Total	**672,747,233**	**100.00**	**120,219**	**100.00**

Shareholding Information

20 largest holders of ordinary shares

Twenty Largest Holders as at 17 July 2026	Fully-Paid Ordinary Shares	% of Total Issued Shares
Citicorp Nominees Pty Limited	127,237,628	18.91
HSBC Custody Nominees (Australia) Limited	102,586,640	15.25
J P Morgan Nominees Australia Pty Limited	68,431,520	10.17
NEWECONOMY COM AU Nominees Pty Limited <Cb Nominees Account>	19,859,875	2.95
BNP Paribas Noms Pty Ltd	12,744,229	1.89
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	6,820,577	1.01
Netwealth Investments Limited <Wrap Services A/C>	6,577,254	0.98
HSBC Custody Nominees (Australia) Limited	6,292,725	0.94
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	5,880,432	0.87
Merrill Lynch (Australia) Nominees Pty Limited	4,872,962	0.72
BNP Paribas Nominees Pty Ltd <Agency Lending Collateral >	4,361,368	0.65
Maxfill Australia Pty Ltd	3,199,536	0.48
BNP Paribas Noms Pty Ltd <Global Markets>	1,875,156	0.28
Automic Markets Pty Ltd <AGL Vested Share A/C>	1,680,911	0.25
UBS Nominees Pty Ltd	1,662,804	0.25
Automic Markets Pty Ltd <AGL Plans A/C>	1,614,474	0.24
Prudential Nominees Pty Ltd	1,600,000	0.24
Carlton Hotel Limited	1,593,716	0.24
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	1,539,590	0.23
Netwealth Investments Limited <Super Services A/C>	1,524,503	0.23
	381,955,900	**56.78**

Investor Information

Website access

AGL's Investor Centre is available online at **agl.com.au/investors**. The Investor Centre provides you with easy access to important information about AGL's performance, including annual reports, investor presentations, share price graphs and general security holder information.

The Shareholder Services section in the Investor Centre also provides access to update your details with the Share Registry, Computershare, including:

- checking your holding balance;
- viewing, saving or printing interest payment summaries, transaction summaries and dividend statements for shareholders;
- updating or amending your bank account;
- electing to receive communications electronically; and
- downloading a variety of forms.

Computershare also offers shareholders the ability to register and create a portfolio view of their holdings. Registration is free and enables shareholders to view and update multiple holdings in AGL (or other clients Computershare act as registry for) using a single login. To create a portfolio, please go to www-au.computershare.com/investor.

Share Registry

Shareholders with enquiries about their shareholdings can also contact AGL's Share Registry:
Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001 Australia

Telephone:	1800 824 513 (free call within Australia)
International:	+61 3 9415 4253
Email:	aglenergy@computershare.com.au
Website:	www-au.computershare.com/Investor

When communicating with the Share Registry, it will assist if you can quote your current address together with your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements.

Final share dividend

The final dividend of 26.0 cents per share, fully franked, will be paid on 24 September 2026. As the final dividend will only be paid via direct credit, Australian and New Zealand shareholders need to nominate a bank, building society or credit union account within these jurisdictions. Payments are electronically credited on the dividend payment date and confirmed by a mailed or electronic payment advice. Payment instructions can either be lodged online or an appropriate form can be downloaded from Computershare's website.

Dividend Reinvestment Plan

AGL's Dividend Reinvestment Plan (DRP) has been suspended indefinitely and will not operate for the final FY26 dividend.

On-market share buy-back and shares purchased on-market

AGL is not currently undertaking an on-market share buy-back.

During the financial year ended 30 June 2026, 1,332,090 AGL shares were purchased on-market at an average price of $8.86 per share to satisfy employee entitlements under the AGL Share Reward Plan, AGL Share Purchase Plan, AGL Restricted Equity Plan and AGL Long-Term Incentive Plan.

Reporting to shareholders

The Corporations Act requires AGL to provide shareholders with access to this Annual Report on AGL's website, unless a shareholder has specifically requested to be sent a printed copy. Shareholders seeking a printed copy of the Annual Report should contact Computershare. AGL's current and past Annual Reports are available online at agl.com.au/about-agl/investors/annual-reports.

Change of name, address or banking details

Shareholders who are Issuer Sponsored should advise the Share Registry immediately of a change of name, address or banking details for dividends electronically credited to a bank account. All such changes must be advised online or in writing and cannot be accepted by telephone. For a change of name, supporting documentation must accompany your written advice. Appropriate forms can also be downloaded from the Share Registry's website.

Shareholders who are CHESS Sponsored should instruct their sponsoring broker in writing to notify the Share Registry of any change.

Tax File Number (TFN)/Australian Business Number (ABN)

It is not compulsory to provide a TFN or ABN. However AGL will be required to deduct tax at the top marginal rate from the unfranked portion of any dividend paid to shareholders who have not provided either a TFN/ABN or details of a relevant TFN exemption. TFN/ABN notification forms can be obtained by contacting the Share Registry, by lodging your details online or by downloading the appropriate form from the Share Registry's website.

Consolidation of shareholdings

Shareholders who wish to consolidate multiple shareholdings into a single shareholding should advise the Share Registry or their sponsoring broker, whichever is applicable, in writing.

Glossary

Glossary applies to metrics used in the Business Value Driver scorecards and Sustainability Report (Climate-related disclosures).

Where a definition indicates that data, businesses or assets are included 'from' a particular year, this indicates that the data, business or asset was included in the reporting boundary for the first time in the year referenced.

Term	Explanation
Attrition (total workforce)	Calculated based on the total number of voluntary departures during the period as a proportion of total headcount and includes fixed term, permanent full-time, and permanent part-time employees; excludes casuals, labour hire and contract workers. From FY25, data includes Energy360 employees. Data does not include employees from Southern Phone Company (18) or Ovo Energy Australia (14) as they were not fully integrated into AGL's human resource systems as of 30 June 2026, and accordingly comparable data is not readily available.
Average level of debt of customers on Staying Connected	Average level of debt of customers on Staying Connected represents the average outstanding energy debt (per customer) of residential customers enrolled in AGL's Staying Connected financial hardship program, measured at the customer level as at 30 June for the reporting year. The metric is calculated as the total outstanding debt of Staying Connected customers divided by the number of customers enrolled in the program as at 30 June of the reporting year. Debt reflects the outstanding amount owed for energy services at the reporting date, inclusive of GST. Customers are counted once, regardless of the number of accounts held. The metric excludes commercial and industrial customers and unknown customers. An unknown customer is a person/s consuming energy at the property without a registered AGL account. Some business customers may be included where the business operates from the same address as a residential contract. No estimates or assumptions are applied.
Community contribution	Community contribution ($m) represents AGL's voluntary investment in charitable organisations, social enterprises, community groups and programs that deliver a benefit to the broader community, measured in monetary terms and reported from inputs aligned to the Business for Social Impact (B4SI) framework. Community contributions include cash contributions, in–kind contributions, and employee volunteering costs. Volunteering costs comprise the cost of employee time spent volunteering during company time. Community contributions include the AGL-matched component only of employee donations made through AGL's employee giving program. From FY25, Community contributions exclude the management costs associated with pro-rata salaries for community related roles, B4SI annual membership, and social impact assessment costs but includes cost of managing programs such as advertising grants, photography, catering etc. Contributions are based on amounts paid during the period from 1 July to 30 June for the reporting year, excluding GST, regardless of when the associated program or activity is delivered. If an invoice has been received but not paid, it may also be included where the expense has been accrued in the reporting period's financial year. For workplace giving matched donations from AGL, matched amounts are included in the financial year in which the employee donations were made (though the matched payment may have been made after the close of the financial year). Contributions included must be voluntary and deliver a benefit to the broader community beyond AGL's customer base aligned to B4SI definitions. Excluded from community contributions are mandated hardship programs, customer–only assistance, and sponsorships undertaken primarily for commercial, branding or naming–rights purposes. Community contribution data is compiled from corporate–level and asset–level community investment records, program budgets, Good2Give extracts, payroll records, invoices, and procurement spend reports and is aligned to B4SI definitions.
Cumulative customer assets installed (behind the meter)	Cumulative customer assets installed (behind the meter) represents the total installed capacity of customer energy assets installed by AGL up to and including 30 June for the reporting year. The metric is cumulative and reflects all completed installations delivered by AGL since 1 July 2023, excluding assets completed prior to acquisition or installations not delivered or controlled by AGL. Behind–the–meter customer assets include energy infrastructure installed on the customer side of the electricity meter, such as solar photovoltaic systems, battery energy storage systems, electric vehicle chargers, and biogas systems. Assets are included where installation activities have reached practical completion and or by customer invoice dates for EV chargers. All other assets are included based on either practical completion or on the appointment date for the installation (which may be delayed). These are recorded in AGL's internal project and financial systems. Capacity is measured using the installed asset's rated capacity, including solar system size (kW), battery continuous power capacity (kW), and EV charger rated capacity (kW), aggregated and converted to MW.

Glossary

Term	Explanation
Customer Satisfaction Score (CSAT)	CSAT measures how satisfied customers are with their interactions with a retailer. The aim of the CSAT is to gain immediate insights into customer experiences following interactions with AGL. CSAT is measured as the % of customers that provide a score of 5 to the question "On a scale of 1 to 5, how satisfied were you with the service provided by the representative today?" after an interaction with our contact centre. This survey is provided to all customers following the end of an inbound phone call with AGL, for all call types including such as debt collection, complaints, bill shock, payment arrangements, and feedback regarding energy and telecommunications services.
Decentralised assets under orchestration	Decentralised assets under orchestration refers to the aggregation of flexible load and generation assets managed as a part of AGL's virtual power plant. Most of these assets are installed behind the connection point, and include assets such as residential batteries and solar, as well as flexible loads and backup generation systems at commercial and industrial customer sites. This includes smelters.
Demand-side flexibility	Refers to the capacity (MW) that can respond to AGL-initiated signals to orchestrate assets and the customer-led capacity that may respond to AGL's incentives to time-shift electricity or asset use (e.g. customer products that feature those incentives).
Digital only customers	Digital only refers to the percentage of residential customers who, in the last 90 days, have only interacted with AGL via AGL's Digital ecosystem, including agl.com.au, help and support, MyAccount and the Mobile App. This includes customers on both ebill and direct debit.
Emissions intensity of electricity supplied	Measured as the emissions (tCO_2e) associated with the maximum of AGL's electricity supply to the wholesale or retail market by state, as a proportion of that same volume (MWh).
Employee engagement	Engagement scores are calculated using the Aon Hewitt's Employee Engagement Model, utilising the ORC International methodology. Engagement is measured using the CultureAmp platform to evaluate outcomes through a questionnaire including themes such as employee motivation, commitment, leadership, enablement, alignment, and development. From FY25, data includes employees from Energy360. From FY26, data includes OVO employees (acquired during FY25).
Environmental regulatory reportable incidents (ERR)	Environmental regulatory reportable incidents (ERR) represent the number of environmental incidents that are required by legislation to be notified to a relevant environmental regulatory authority during the reporting year to 30 June. ERR includes incidents occurring on AGL–controlled sites (Category 1) and, AGL–monitored sites (Category 2) where an AGL environmental approval or licence is breached. Administrative non–compliances that do not result in reportable events under the relevant legislation are excluded.
Equivalent availability factor (EAF) - all fleet	EAF measures the percentage of rated capacity available to the market. In FY26 the fleet comprises Bayswater, Loy Yang A, Torrens Island B, Somerton, Barker Inlet and Kwinana Swift power stations, AGL's hydroelectric power stations, AGL-operated wind farms, and AGL-operated storage assets. EAF is weighted by asset capacity installed (MW).
Equivalent availability factor (EAF) - thermal and gas generation fleet	EAF measures the percentage of rated capacity available to the market. In FY26 the thermal and gas generation fleet comprises Bayswater, Loy Yang A, Torrens Island B, Somerton, Barker Inlet and Kwinana Swift power stations. EAF is weighted by asset capacity installed (MW).
Gender mix in senior leadership pipeline (SLP)	The SLP refers to employees in Management Groups A, B and ELT in accordance with AGL's Position Framework. These are equivalent to Hay Level roles 18 and above. Employees from Energy360 (acquired during FY22) are included from FY25. Data does not include employees from Ovo Energy Australia (acquired during FY25), as the payroll data system used by this business is not fully integrated with AGL's systems. Data up to and including FY22 included the Executive Team.
Green revenue as a % of total revenue	Green revenue as a percentage of total revenue is the proportion of AGL's total Group revenue derived from green energy and carbon neutral products and services, calculated for the financial year to 30 June. Green revenue includes revenue recognised during the reporting period from renewable electricity generation, revenue attributed to residential and SME rooftop solar generation, based on customer-generated solar volumes, including electricity exported to the grid and credited to customers, green electricity products, carbon neutral energy products, and environmental and renewable certificate activities. Total revenue represents AGL's total reported Group revenue for the same reporting period. The metric is calculated as: Green revenue as a % of total revenue = (Total revenue derived from green energy and carbon neutral products and services for the reporting period / Total AGL Group revenue for the same period) × 100

Glossary

Term	Explanation
Grid-scale batteries installed and managed	Grid–scale batteries managed and installed represent the battery capacity within AGL's portfolio that AGL owns and manages, or for which AGL has a contracted right to control dispatch. The metric includes grid–scale battery assets with capacity ≥ 30 MW. Capacity is based on the maximum capacity registered with the Australian Energy Market Operator (AEMO). The metric excludes assets that are under development, contracted but not yet installed, or where AGL does not have ownership or dispatch control. The metric excludes behind–the–meter battery assets, and other battery assets included in AGL's Virtual Power Plant (VPP).
Increase in green revenue from FY19 / Revenue uplift of green energy and carbon neutral products & services from FY19 base	Increase in AGL's revenue from green energy and carbon neutral products and services compared to FY19 baseline. Green energy revenue represents: green revenue including state-based green schemes; Renewable Energy Target (RET) revenue from green charges passed through to customers; and other revenue from state-based charges passed through to customers. AGL's FY19 green revenue was 10.8% of total revenue, which has been taken as the baseline year.
Key talent retention	The performance measure relates to employees identified as key talent per AGL's talent processes from AGL's enterprise leadership team (ELT) and direct reports. The retention rate reflects the percentage of those individuals who were included in the key talent cohort baseline who are still employed as at 30 June of the reporting year. Employees from Southern Phone Company and Ovo Energy Australia are not included as they were not fully integrated into AGL's human resource systems as of 30 June 2026. Employees from Energy360 are included from FY25. Talent identification and classification processes are subject to change from year to year.
Major IT incidents	Major IT incidents represent the number of confirmed Priority 1 (Critical) and Priority 2 (High) incidents that materially disrupt, or have the potential to disrupt, systems that AGL management judges to be business-critical IT services. • (P1) Critical - Complete interruption of service, system, network, application or configuration item identified as critical. The event has one (or a combination) of the following: Enterprise wide unavailability of one or more services e.g. SAP, Network, Email, Skype for Business, Voice, Citrix. • (P2) High - Applies when the service, system, network, application or configuration item can perform but where performance is significantly reduced and/or with very limited functionality. Operations can continue in a restricted mode. The event has one (or a combination) of the following: Enterprise or site wide service/ Performance degradation of one or more services e.g. SAP, Network, Email, Skype for Business, Voice, Citrix, Video Conferencing, Wi-Fi. The metric is reported for the reporting year to 30 June and reflects the count of unique incidents recorded in AGL's IT service management system. Incidents are included based on confirmed classification following internal validation and review against AGL's severity framework. The metric excludes downgraded incidents (incidents initially classified as critical or high but reassessed as lower) and those below P2 (High).No estimates or assumptions are applied.
Material breaches of Code of Conduct	Performance measure relates to the number of substantiated material breaches of AGL's Code of Conduct. Utilising AGL's Risk Management System, breaches are assessed, classified and reported based on their materiality. Material breaches are those ranked 'High' or above according to AGL's FIRM framework Where the investigation of a potential breach has not been concluded at the time of reporting, this breach (if confirmed) will be reported in the next period as a restatement for the year where the breach occurred.
New renewable and firming capacity (MW)	Measured as new renewable and firming capacity in construction, delivery or contracted from 1 July 2022 onwards, based on capacity at 30 June for the reporting year. Includes facilities which fit within AGL's operated and contracted boundary[1]. Excludes projects that were operational at 30 June 2022. For AGL-operated generation assets in the NEM the capacity is the registered capacity as per AEMO's NEM Registration and Exemption List; for AGL-operated storage assets in the NEM the capacity is the maximum capacity as per AEMO's NEM Registration and Exemption List; for assets located in Western Australia the capacity is the maximum capacity as per AEMO's Wholesale Electricity Market (WEM) Market Data; for contracted assets (e.g. Virtual Batteries or Purchase Power Agreements), the capacity is as detailed in the contract.

Glossary

Term	Explanation
Number of customers on Staying Connected	Number of customers on Staying Connected represents the number of AGL energy customers enrolled in AGL's Staying Connected hardship program. The metric is reported on a customer basis (not account basis) and reflects customers recorded as actively participating in the Staying Connected program as at 30 June. Customers exit the Staying Connected program automatically once they meet the relevant eligibility criteria. For non-Victorian customers, this occurs after they have been on the program for at least 30 days, their payments are keeping pace with or exceeding their energy consumption, and any outstanding debt has been fully repaid. For Victorian customers, participation ceases automatically after six months. These outcomes are system-generated and do not require manual intervention once the criteria have been met. The metric excludes commercial and industrial customers, and 'unknown' customers (i.e. customers defined as a person/s consuming energy at the property without a registered AGL account). No estimates or assumptions are applied.
Ombudsman complaints	Reported figures represent complaints to the various state energy Ombudsman offices that are provided to AGL for resolution. Enquiries and complaints referred to other agencies or instances where the customer has been advised by the Ombudsman to contact AGL directly are not included. Numbers are based on complaints figures provided by the Ombudsmen of New South Wales, Victoria, Western Australia, Queensland and South Australia. Ombudsman complaint volumes exclude telecommunications-related complaints. Data excludes Ovo Energy Australia complaint volumes.
Operated and contracted generation intensity	Total Scope 1 and 2 emissions divided by total sent out generation for grid-connected electricity generation facilities which fit within AGL's operated and contracted boundary[1]. Emissions data is based on measured emissions from material sources, which make up over 95% of total Scope 1 and 2 emissions, with estimates for minor sources. Emissions and generation data for third-party operated generation assets AGL contracts from is prorated for AGL's proportion of offtake capacity.
Operated and contracted renewable generation and storage capacity	The proportion of total operated and contracted[1] renewable and storage capacity in AGL's total operated and contracted generation and storage capacity, based on the capacity at 30 June in the reporting year. For AGL-operated generation assets in the NEM the capacity is the registered capacity as per AEMO's NEM Registration and Exemption List; for AGL-operated storage assets in the NEM the capacity is the maximum capacity as per AEMO's NEM Registration and Exemption List; for assets located in Western Australia the capacity is the maximum capacity as per AEMO's Wholesale Electricity Market (WEM) data; for contracted assets, the capacity is as detailed in the contract. Capacity for assets which were not operational at 30 June is excluded.
Operated generation intensity	Total Scope 1 and 2 emissions divided by total sent out generation for grid-connected electricity generation facilities which AGL operates[2]. Emissions data is based on measured emissions from material sources, which make up over 95% of total Scope 1 and 2 emissions, with estimates for minor sources.
Reduction in annual Scope 1 and 2 emissions compared to FY19 baseline	Reduction (%) in annual Scope 1 and 2 emissions compared to the FY19 baseline. The FY19 Scope 1 and 2 emissions baseline is 43.2 MtCO_2e, comprising total Scope 1 and 2 (location-based) emissions for AGL's operated facilities in FY19.
Reduction in total Scope 3 emissions compared to FY19 baseline	Reduction (%) in annual Scope 3 emissions compared to the FY19 baseline. The FY19 Scope 3 emissions baseline is 24.4 MtCO_2e. FY19 Scope 3 emissions have been restated to align with updates to AGL's Scope 3 calculation methods, including the treatment of PPAs for the calculation of Scope 3 emissions associated with supply of electricity to customers, and the estimation of emissions from gas distribution for the calculation of Scope 3 emissions associated with supply of natural gas to customers – see Section 17.4 for further information.
Reportable privacy incidents	Reportable privacy incidents are comprised of 'eligible data breaches' as defined under the Privacy Act 1988 as at 30 June for the reporting year. An eligible data breach occurs where there is unauthorised access to, unauthorised disclosure of, or loss of personal information for which AGL is responsible, and where remedial action has not prevented a likely risk of serious harm in accordance with s26WF of the Privacy Act. Only incidents assessed and determined to be eligible data breaches are included. Suspected privacy incidents are escalated through AGL's customer markets and cyber teams and investigated for potential breach and notification to the OAIC. Details and evidence of these reportable and non-reportable events are recorded in a central repository and managed by AGL's Privacy Officer.
RepTrak score	The RepTrak score reflects the most recent score reported to AGL by RepTrak at the time of publication of the Annual Report. FY22 to FY26 results reflect the score for the June quarter for the relevant reporting year.
Scope 1 emissions	Scope 1 emissions are the direct greenhouse gas emissions occurring from AGL's operated facilities[2]. Unless otherwise stated, emissions are on a gross basis (i.e. the use of carbon offsets has not been accounted for). Data is based on measured quantities and emissions factors derived from facility-specific fuel sampling and analysis data for material fuel combustion sources, which make up approximately 99% of total Scope 1 emissions, with estimates for minor sources. For further information, refer to Section 17.4 (Measurement of greenhouse gas emissions).

Glossary

Term	Explanation
Scope 1 and 2 emissions	Total Scope 1 and location-based Scope 2 greenhouse gas emissions from AGL's operated facilities[2]. Unless otherwise stated, emissions are on a gross basis (i.e. the use of carbon offsets has not been accounted for). Data is based on measured quantities and emissions factors derived from facility-specific fuel sampling and analysis data for material fuel combustion sources, which make up approximately 99% of total Scope 1 and 2 emissions, with estimates for minor sources. For further information, refer to Section 17.4 (Measurement of greenhouse gas emissions).
Scope 2 emissions	Location-based Scope 2 greenhouse gas emissions are emissions from the generation of purchased electricity consumed by AGL's operated facilities[2]. For further information, refer to Section 17.4 (Measurement of greenhouse gas emissions).
Scope 3 emissions	Scope 3 greenhouse gas emissions are other indirect emissions that occur in AGL's value chain, occurring from sources that AGL does not account for in its Scope 1 and 2 emissions boundary. AGL's material Scope 3 emissions sources comprise Scope 3 emissions associated with electricity supplied to customers; Scope 3 emissions associated with natural gas supplied to customers; and Scope 3 emissions associated with end use of coal sold to Loy Yang B Power Station, which make up more than 95% of total Scope 3 emissions. Further information on the measurement approach for AGL's Scope 3 emissions sources is provided in Section 17.4 (Measurement of greenhouse gas emissions). Scope 3 emissions are estimated. AGL continues to prioritise improvements in the underlying data and assumptions used to increase the accuracy of its Scope 3 calculations. Unless otherwise stated, emissions are on a gross basis (i.e. the use of carbon offsets has not been accounted for).
SIF Actual (Environment)	A Serious Impact or Fatality (SIF) Actual (Environment) event results from a sudden, immediate threat impact to human health or the natural environment, arising from an unauthorised activity or the release of pollutants into the air, land, or water. A SIF Actual (Environment) event generally has an actual consequence that corresponds to the prescribed definitions of FIRM Consequence level 4 or higher (this is likely to be driven by the Environment consequence ranking).
Strategic Net Promoter Score (NPS)	NPS is a measure of overall brand performance and is based on how likely a customer would be to recommend AGL as an energy provider. AGL's NPS is measured quarterly via an external survey that asks customers across all energy retailers "On a scale of 0-10, how likely is it that you would recommend Retailer X to a friend or colleague?" The NPS is calculated by subtracting the proportion of responses of zeros to sixes from the proportion of responses of nines and tens. The performance measure relates to the NPS measured in Q4 of the reporting year.
Total average debt across mass market customer portfolio	Total average debt across the mass market customer portfolio represents the average level of outstanding energy debt for AGL's mass market customers as at 30 June for the reporting year. Mass market customers include small business and residential customers. The metric is calculated as the total outstanding debt of mass market customers divided by the number of customers in the mass market portfolio. The metric is reported at the customer level (rather than the account level) and includes GST. Debt represents the outstanding amount owed for energy services as at 30 June for the reporting year. Each customer is counted once, irrespective of the number of accounts held. The metric excludes clearing restricted debt (where a bill has been issued but the invoice has not yet been presented to customers).
Total grid-scale batteries operated, contracted or in delivery	This represents capacity of grid–scale batteries that are in delivery, operated or contracted by AGL as at 30 June for the reporting year. The metric comprises grid–scale battery assets with a capacity ≥ 30 MW. Capacity is based on maximum capacity as published by AEMO. Battery assets are included where AGL has operational control or virtual or physical offtake or nomination rights, in proportion to AGL's share of those rights. Battery assets are included from the date of execution of the EPC contract or offtake agreement. The metric excludes behind–the–meter battery assets, and other battery assets included in AGL's Virtual Power Plant (VPP).

Glossary

Term	Explanation
Total Injury Frequency Rate (TIFR) (employees)	The number of Lost Time Injuries (LTIs) and Medical Treatment Injuries (MTIs) sustained by AGL employees in a 12–month rolling period, expressed per one million hours worked in that same 12–month period. FTE is calculated using monthly FTE numbers multiplied by the (industry-standard) assumption that the average employee works 2,000 hours in a 12-month period, which equates to 166.67 hours a month. Employees refers to AGL employees only, comprising fixed term full–time, fixed term part–time, permanent full–time, and permanent part–time employees. TIFR is based on MTIs and LTIs occurring at Category 1 sites, where AGL has direct management and control of the work environment and activities. Category 2 and Category 3 sites are excluded from the TIFR calculation. Injuries captured (LTI / MTI): Injuries included in TIFR are work–related injuries that result in either: • A Lost Time Injury (LTI) is reported when a worker incurs a physical injury that requires medical treatment (in accordance with the definition of a MTI below) and a qualified medical doctor certifies the worker is unfit for work for at least one scheduled day or full shift following the event; or • A Medical Treatment Injury (MTI) is reported where medical treatment is provided by a medical professional that does not meet the definition of a 'qualified medical doctor' then these instances will be considered on a case-by-case basis to determine if the injury meets the medical treatment classification. First aid, assessment and observations by a qualified medical doctor are not classified as Medical Treatment Injuries. Injuries are included where they are reported, recorded and classified as recordable events within AGL's safety incident management systems. Only injuries meeting the above LTI or MTI criteria contribute to the TIFR calculation. First aid–only cases are excluded.
Total Injury Frequency Rate (TIFR) (employees + contractors)	The number of Lost Time Injuries (LTIs) and Medical Treatment Injuries (MTIs) sustained by AGL employees and contractors in a 12–month rolling period, expressed per one million hours worked in that same 12–month period. Employees refers to AGL employees only, comprising fixed term full–time, fixed term part–time, permanent full–time, and permanent part–time employees. AGL defines a contractor as a person or entity engaged by AGL under purchase order or contract to perform work or deliver services to, or on behalf of, AGL. TIFR is based on MTIs and LTIs occurring at Category 1 sites, where AGL has direct management and control of the work environment and activities. Category 2 and Category 3 sites are excluded from the TIFR calculation. Injuries captured (LTI / MTI): Injuries included in TIFR are work–related injuries that result in either: • A Lost Time Injury (LTI) is reported when a worker incurs a physical injury that requires medical treatment (in accordance with the definition of a MTI below) and a qualified medical doctor certifies the worker is unfit for work for at least one scheduled day or full shift following the event; or • A Medical Treatment Injury (MTI) is reported where medical treatment is provided by a medical professional that does not meet the definition of a 'qualified medical doctor' then these instances will be considered on a case-by-case basis to determine if the injury meets the medical treatment classification. First aid, assessment and observations by a qualified medical doctor are not classified as Medical Treatment Injuries. Injuries are included where they are reported, recorded and classified as recordable events within AGL's safety incident management systems. Only injuries meeting the above LTI or MTI criteria contribute to the TIFR calculation. First aid–only cases are excluded.
Underlying effective tax rate	AGL's underlying income tax expense expressed as a percentage of AGL's underlying profit.

1. AGL's operated and contracted boundary comprises any grid-connected electricity asset (generation or storage asset excluding behind the meter assets) which AGL has operational control of, as defined by the National Greenhouse and Energy Reporting Act 2007; or in respect of which AGL has virtual or physical offtake or nomination rights, in proportion to AGL's share of such rights.
2. AGL's operated facilities comprises facilities over which AGL had operational control, as defined by the National Greenhouse and Energy Reporting Act 2007, during the reporting period.

The following definitions also apply where targets and/or ambitions have been expressed in relation to these or other metrics in the report:

- **Target** - The word 'target' is used to refer to a commitment which is underpinned by plans, meaning we have a higher degree of certainty over the outcome. Where a target is expressed as "by [year]" this relates to the end of the specified year unless otherwise specified i.e. 30 June for financial year targets or 31 December for calendar year targets.
- **Ambition** - The word 'ambition' is used to refer to an intention to achieve an outcome, where outcomes are less certain or depend more strongly on external factors, and there may not be a specific plan of how this outcome will be achieved. Where an ambition is expressed as "by [year]" this relates to the end of the specified year unless otherwise specified i.e. 30 June for financial year ambitions or 31 December for calendar year ambitions.

Corporate Directory and Financial Calendar

Directory

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Financial calendar

12 August 2026
Full Year result and final dividend announced

26 August 2026
Record date of final dividend

24 September 2026
Payment date of final dividend

1 October 2026
Annual General Meeting

agl.com.au