REPORT TO SHAREHOLDERS

QUARTER ENDED 31 DECEMBER 2025

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QUARTER HIGHLIGHTS

- Construction of CETO scaled demonstrator advances ahead of 2026 ACHIEVE Programme deployment at BiMEP
- €4m EU funded COIN Project kicks-off to develop and validate CETO-based cost-reduction innovations
- Carnegie awarded the Power and Energy Innovation Award at the Department of Defence ASCA Pitch Day 2025, showcasing how Carnegie's technologies can provide 'Energy Autonomy at Sea' for defence applications
- 4 EuropeWave milestones completed and €762k ($1.3m AUD) in corresponding payments received from the EuropeWave Programme
- €773k ($1.3m AUD) received for sale of Basque R&D Tax Credits for 2025
- €287k ($504k AUD) pre-financing payment received for the COIN Project
- Strengthened Basque and European partnerships at Ocean Energy Europe, Enlit Europe, and the BIC 25th Anniversary

Carnegie's CEO, Mr Jonathan Fiévez, commented on the Quarter:

"During the quarter, the Company has maintained a core focus on the physical delivery of the ACHIEVE Programme, our first CETO unit in Europe. In parallel, the team also continues advancing our broader technology portfolio with the preliminary design of a MoorPower Commercial Pilot and discussions regarding providing wave energy solutions for Defence applications.

The successful commencement of the €4m COIN project in Europe is a key step in the wave energy sector's mission to drive down the cost of energy. By collaborating with world-class partners to integrate advanced control systems, we are unlocking the path towards more productive future CETO arrays.

Receiving the Power and Energy Innovation Award from the Australian Department of Defence was a great accomplishment for the Company, showing the potential for our technologies to provide reliable, renewable power for high value markets.

As we push toward commercial-scale wave energy deployment for utility scale markets, we are also pursuing opportunities for strategic market growth. The interest from the aquaculture and defence sectors are examples of how our wave energy knowledge and technologies can help address specific decarbonisation challenges. We believe that wave energy has an important role to play in the global energy transition and our technologies will be leaders in the field."

PRODUCTS

Throughout the quarter Carnegie has continued to drive the commercialisation of its wave energy technology portfolio. The MoorPower Commercial Pilot Project is focused on future commercial applications alongside Blue Economy CRC project partners, and testing is being undertaken on the ACHIEVE CETO unit in preparation for deployment at the Biscay Marine Energy Platform (BiMEP).

Products – CETO

ACHIEVE Programme

The ACHIEVE Programme has maintained steady momentum over the past quarter, transitioning from component fabrication to integrated assembly and onshore testing. Fabrication of structural elements, such as the electrical module, is nearing completion in preparation for full electrical assembly. Components such as the dynamic cables and instrumentation sensors have been delivered to their respective assembly sites.

Following delivery of power take-off (PTO) components, assembly of the full power take-off (PTO) system is scheduled to occur at SKF's facility in Schweinfurt, Germany in the current quarter. Partnering with SKF, a leader in precision manufacturing, brings a wealth of engineering and manufacturing expertise to the physical delivery of the ACHIEVE CETO Unit.

The ACHIEVE Programme includes a series of testing activities at component, system, and full CETO Unit levels. The test programme is part of Carnegie's risk management strategy and has been designed to deliver maximum technology learnings. At component level, Factory Acceptance Testing (FAT) has been successfully completed for several core components, including the CETO foundations, control cabinets, and primary mooring connectors. This confirms that these elements comply fully with design specifications prior to their integration into the ACHIEVE CETO unit.

Testing of CETO components

At system level, following PTO assembly at SKF, the PTO system will be tested in a back-to-back configuration in a controlled onshore environment. This will validate system functionality prior to final integration into the Buoyant Actuator. Following system testing, the full CETO Unit integration will be completed and the Unit will be dry and wet tested at the wharf before being installed offshore.

During the quarter, the Company continued to draw down EuropeWave milestone payments, totalling approximately €762k ($1.3m AUD) in the period. Engagement remains high through participation in industry events and the maintenance of relationships with the Basque Government and the Basque Wave Energy Cluster.

COIN Project

The COIN (Control Oriented Innovations for future wave energy farms) Project officially commenced in the final quarter of 2025, with the consortium holding its kick-off meeting in Braunschweig, Germany. Project commencement triggered a pre-financing payment of €287,344 ($504k AUD).

The €4m project, funded by the European Union, utilises Carnegie's CETO technology as the reference wave energy converter to validate innovations aimed to reduce the cost of energy by 30% for commercial scale wave arrays. Some of the key innovations include Quoceant's quick-connector system, Hewlett Packard Enterprise's advanced control systems, and Politecnico di Torino's digital-twin-based health monitoring. The activities are also drive by academic and technical expertise from TU Braunschweig, Aalborg University, IFP Energies Nouvelles, Mondragon, and WavEC.

Products – MoorPower

Following the successful completion of the MoorPower Scaled Demonstrator Project, Carnegie is currently completing preliminary design for a commercial scale MoorPower unit in collaboration with industry and funded by the Blue Economy CRC. This $335k AUD project is specifically designed to build on the learnings from the MoorPower Scaled Demonstrator and progress towards a MoorPower Commercial Pilot system, intended for deployment on an operating aquaculture barge.

Work throughout the period also refined real-time energy generation models using fresh data captured from GPS devices mounted on active feed barges in Tasmania, alongside underwater ROV footage of mooring lines. These inputs have increased Carnegie's capacity to simulate MoorPower's performance on working vessels in real-world conditions.

Carnegie's MoorPower technology superimposed onto an aquaculture feed barge in operation.

During the quarter, Carnegie's Project Manager James Walker also visited project partner Huon Aquaculture in Tasmania, where he reviewed their specific operational environments.

EVENTS

Ocean Energy Europe (OEE) 2025

In November 2025, the ocean energy sector converged in Brussels for the Ocean Energy Europe (OEE) Conference and Exhibition. Carnegie joined global industry leaders to reinforce the role of wave energy in a secure and sustainable energy transition.

Carnegie featured at OEE Conference and exhibition in Brussels, Belgium

CEO Jonathan Fievez presented an update on the ACHIEVE programme and outlined CETO's pathway towards large-scale commercialisation. Commercial Analyst Louise Richardson engaged with industry and government leaders at the exhibition to discuss the strategic value of wave energy. These discussions highlighted that continued support from EU and national bodies remains fundamental as the sector progresses towards its goal of delivering reliable, grid-ready wave power.

Defence Innovation: ASCA Pitch Day 2025

In November 2025, Carnegie was selected through a competitive tender to participate in the Australian Department of Defence's Advanced Strategic Capabilities Accelerator (ASCA) Pitch Day in Sydney. As one of only 30 companies invited, Carnegie presented its 'Energy Autonomy at Sea' solution to a panel of senior Defence officials. The pitch demonstrated how wave energy can provide reliable, renewable power for deployable and fixed offshore sites, meeting the Australian Defence Force's (ADF) needs for agile and sovereign energy sources.

Carnegie's 'Energy Autonomy At Sea' Presentation delivered by MoorPower Project Manager James Walker (image courtesy of ASCA|Dept. of Defence)

Carnegie's presentation was highly successful, with Carnegie ultimately receiving the Power and Energy Innovation Award at the event. The Defence market presents various opportunities for Carnegie's technologies, focusing on operational endurance and strategic autonomy in marine environments. Carnegie is now actively engaging with several defence industry suppliers regarding how Carnegie's wave energy technologies can assist these defence applications to provide remote power in the rapidly advancing defence sector.

Basque Engagement: Enlit Europe & BIC 25th Anniversary

Carnegie continued to build relationships within the Basque innovation sector this quarter through two events in Bilbao. At Enlit Europe 2025, CTO Alexandre Pichard presented on the "Marine Energy – Innovations & Developments" track. His presentation highlighted the strategic importance of integrating wave energy into the European grid to enhance resilience and reliability. Carnegie also participated in the 25th Anniversary of BIC Bizkaia Ezkerraldea, the business incubator that houses Carnegie's Basque office. The event was attended by the Lehendakari (President of the Basque Government), Imanol Pradales, and the General Deputy of Bizkaia, Elixabete Etxanobe.

CORPORATE

2025 Basque R&D Tax Credits Sold

In late December, Carnegie Technologies Spain (CTS) sold its eligible research and development (R&D) tax deductions for the calendar year 2025 and received €773,163 ($1.37M AUD) as payment.

During the year, CTS successfully applied for a binding tax assessment report which recognises the ACHIEVE Programme as a research and development project for the purpose of the Basque tax system for 2025, 2026 and 2027. The approved report enables CTS to create and transfer R&D tax deductions for eligible R&D expenditure. Through application of Article 64bis, the Basque Country's R&D tax incentive mechanism, CTS will transfer 2025 R&D tax deductions to third-party financiers in exchange for cash funding of €773,163.

Annual General Meeting

Carnegie held its 2025 Annual General Meeting (AGM) at the Swan Yacht Club in East Fremantle in November. The meeting offered an opportunity for leadership and shareholders to align on the Company's current trajectory and broader objectives. Discussions centred on the evolving role of CETO within the renewable sector and the strategic steps being taken to solidify our position in the industry. All of the resolutions recommended by the directors were passed.

FINANCIAL NOTES

At the end of the Quarter, Carnegie had approximately $3.955m in cash reserves.

Note 6 to Appendix 4C:

Payments to related parties of the entity and their associates were made during the Quarter. In total, approximately $67.5k was paid to Directors and associates for salaries, superannuation and contracted services.

This announcement has been authorised by the Chairman and CEO.

View and engage with this announcement on Carnegie's Investor Hub:
https://investors.carnegiece.com/link/yVwwOe

For more information

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ABOUT CARNEGIE AND ITS SUBSIDIARIES

Carnegie is a global technology leader developing advanced, wave-powered solutions that accelerate the world's transition to sustainable, reliable, and cost-competitive clean energy. Our focus is on unlocking the vast, untapped potential of ocean waves. Carnegie Technologies Spain and CETO Wave Energy Ireland are wholly owned subsidiaries of Carnegie Clean Energy.

Waves are a uniquely consistent and predictable global resource. The market opportunity is immense, with the EU targeting 40 GW of ocean energy capacity by 2050 to achieve its decarbonisation goals, positioning wave energy at the heart of the blue economy.

CETO

CETO is Carnegie's proprietary, fully submerged wave energy converter (WEC), a point absorber system that converts the kinetic energy of ocean waves into grid-ready electricity. The technology is defined by intelligent innovation, leveraging Artificial Intelligence (AI) and advanced controls to create an advanced wave energy converter for commercial applications. CETO is currently progressing towards deployment in Europe under the ACHIEVE Programme.

MoorPower

MoorPower is a CETO spin-off product designed to decarbonise offshore operations. It provides clean, autonomous electricity for moored vessels (like aquaculture barges), directly replacing high-risk diesel generators. By eliminating the need for constant refuelling, MoorPower reduces carbon emissions, operational risk, and energy costs, securing reliable power for the world's growing blue economy.

ABOUT ACHIEVE PROGRAMME

The ACHIEVE Programme is an initiative being delivered by Carnegie's subsidiaries CETO Wave Energy Ireland under contract by EuropeWave Buyers Group (ACHIEVE Project) and Carnegie Technologies Spain with the support of funding awarded by the Spanish Government through the RENMARINAS Demos Programme (AGUAMARINA Project) and the Basque Government through a grant from the Ente Vasco de la Energia (ACHIEVE+ Project).

Through this collaborative initiative, Carnegie will deploy and operate a CETO prototype at the Basque Marine Energy Platform (BiMEP) in the Basque Country, Spain, marking a key step on CETO's commercialisation pathway. The CETO Unit will operate for up to 2 years in this open ocean site and the data collected will be used to validate the performance of the CETO technology and propel it along the commercialisation pathway.

ABOUT EUROPEWAVE

EUROPEWAVE

EuropeWave PCP is an innovative R&D programme for wave energy technology, which is running from 2022 to 2027. It combines over €22.5m of national, regional and EU funding to drive a competitive Pre-Commercial Procurement (PCP) programme for wave energy.

Originally pioneered by the Wave Energy Scotland programme, the PCP model provides a structured approach, fostering greater openness, collaboration and sharing of risk between the public sector and technology developers. The programme will focus on the design, development, and demonstration of cost-effective wave energy converter (WEC) systems for electrical power production that can survive in the harsh ocean environment.

Match-funded by the EU's Horizon 2020 programme, EuropeWave is a collaboration between Wave Energy Scotland (WES), the Basque Energy Agency (EVE) and Ocean Energy Europe (OEE). This collaboration is closely aligned with the decarbonisation, industrial and competitiveness objectives of the European Green Deal, and is part of a range of actions being taken to meet the European Commission's targets of 100MW of ocean energy by 2027 and at least 1GW by 2030.

This is part of the EuropeWave project that has received funding from the European Union's Horizon 2020 Research and Innovation Programme under grant agreement No 883751.

https://www.europewave.eu/

ABOUT RENMARINAS DEMOS

The RENMARINAS DEMOS Programme was established by Spain's Ministerio para la Transición Ecológica y el Reto Demográfico (Ministry for Ecological Transition and the Demographic Challenge) to grant aid for investment in pilot projects, test platforms and port infrastructure for marine renewables. This was established within the framework of the European Union-funded Recovery, Transformation and Resilience Plan, Next Generation EU. The programme provides aid in the form of a non-refundable grant managed by IDAE, Instituto para la Diversificación y Ahorro de la Energía (Institute for Diversifcation and Energy Saving).

ABOUT ENTE VASCO DE LA ENERGIA (EVE)

The Ente Vasco de la Energía (EVE) is the Basque Country's energy agency, a public body established by the Basque Government. EVE serves as a central force in the region's energy sector, with a focus on the promotion of energy efficiency, the expansion of renewable energy sources, the development of sustainable energy policy, and the advancement of innovative energy technologies. The funding has been provided through the Grants programme for investment in the demonstration and validation of emerging marine renewable energy technologies 2023 to further support the ACHIEVE Programme.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
CARNEGIE CLEAN ENERGY LIMITED	
ABN	**Quarter ended ("current quarter")**
69 009 237 736	31 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	136	314
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(33)	(77)
	(c) advertising and marketing	-	-
	(d) leased assets		
	(e) staff costs	(642)	(1,327)
	(f) administration and corporate costs	(204)	(507)
1.3	Dividends received (see note 3)		
1.4	Interest received	20	26
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (Bank guarantees)		
1.9	**Net cash from / (used in) operating activities**	**(723)**	**(1,571)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(f) other non-current assets – subsequent development expenditure – CETO Technology	(1,418)	(3,048)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets – grants received (1)	3,218	3,906
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Net insurance less payments to replace damage)		
2.6	**Net cash from / (used in) investing activities**	**1,800**	**858**
	(1) Grants received in 2.2(f) include the previously disclosed: • sale in Spain of 2025 Basque R&D tax deductions sold for $AUD1.37M • a pre-financing 75% payment on the COIN project in Spain of totalling $AUD504k • EuropeWave Milestone payments totalling $AUD1.87M		

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,117
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(36)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(137)	(343)
3.8	Dividends paid		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
3.9	Other		
3.10	**Net cash from / (used in) financing activities**	**(137)**	**1,738**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**3,032**	2,897
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(723)	(1,571)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,800	858
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(137)	1,738
4.5	Effect of movement in exchange rates on cash held	(17)	(35)
4.6	**Cash and cash equivalents at end of period**	**3,955**	**3,955**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,955	3,032
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,955**	**3,032**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(68)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,500	2,500
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,500	2,500

7.5	**Unused financing facilities available at quarter end**	

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Lender: Ballamena Pty Ltd ATF Ellan Finance Unit Trust - $2,500,000

Interest: 15% per annum

Final Repayment Date: 30 June 2026. The Borrower can make any part or whole repayments in advance of the Final Repayment Date at its discretion with no penalty
Security: The Lender will have a Featherweight General Security Agreement

Lender: Export Growth Bond Facility (facility) with Export Finance Australia (EFA)

This has been agreed with EFA and two bonds are now in place. This has provided cash backed security on bank guarantees for Spanish RENMARINAS and EVE grants.

Bond Facility Limit: €2,497,314.89 • Establishment Fee: $41,000

Bond amount drawn down: €1,626,542

Bond Cash Security: 0% at commencement with right reserved to request in future

EFA has General Security over Carnegie and its subsidiaries

Risk Premium Fee: 5.0%

Bond Issuer Fee: estimated at 0.45%

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(723)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,955
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	3,955
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.5 quarters

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	
Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: By Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.