APPENDIX 4E

Preliminary Financial Report to the Australian Securities Exchange

Name of Entity	Carnegie Clean Energy Limited
ABN	69 009 237 736
Financial Year Ended	30 June 2026
Previous Corresponding Reporting Period	30 June 2025

Results for Announcement to the Market

	$	Percentage increase / (decrease) over previous corresponding period
Revenue from Ordinary activities	608,635	50.1%
Profit / (loss) from ordinary activities after tax attributable to members	(2,765,868)	18.8%
Net profit / (loss) for the period attributable to members	(2,765,868)	18.8%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	n/a
Interim Dividend	Nil	n/a
Record date for determining entitlements to the dividends (if any)	n/a	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:
Net loss from ordinary activities was $2,765,868.

The Directors do not intend to declare a dividend as no profit was made during the year ended 30 June 2026. No dividends were paid during the financial year.

Dividends

Date the dividend is payable	n/a
Record date to determine entitlement to the dividend	n/a
Amount per security	n/a
Total Dividend	Nil
Amount per security of foreign sourced dividend or distribution	n/a
Details of any dividend reinvestment plans in operation	None
The last date for receipt of an election notice for participation in any dividend reinvestment plans	n/a

Net Tangible Asset Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security (cents per share)	(0.01) cent	0.41 cent

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

The carrying value of the CETO intellectual property is tested periodically or when there is a significant change in the model, by an independent accounting firm. For the financial year 2026, the CETO Intellectual Property valuation methodology continues to use a '*relief from royalty*' method to test the carrying value. There was an increase in the carrying value of the CETO IP from $17.7 million to $18.8 million during the year, this is due to expenditure related to activities on ACHIEVE Programme but this has been offset by receiving 2025 financial year R&D tax refund and grant income.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:
During the 2026 year:

- A Share Purchase Plan (SPP) was completed with eligible Shareholders (September 2025). Through the SPP a total of $2,116,902 was raised to support Carnegie to deliver the first European CETO deployment at BiMEP and for working capital.
- During the year, the exercise of unlisted options to the value of $214,520 was added to the Company's cash reserves, providing additional funding to deliver on the technology pathway.
- Net expenditure (calculated after R&D Tax refunds and grant funding) on R&D related to CETO totalled $1,125,705.
- The Company generated $453,774 in revenue from the electricity sales from the Garden Island Micro Grid.

Further details about the Company's performance can be found in the below *Discussion of trends in performance*.

Returns to shareholders including distributions and buy backs:

n/a

Significant features of operating performance:

n/a

The results of segments that are significant to an understanding of the business as a whole:
The segment losses after tax for the year were:

- ($2,765,868) loss for the continuing operations.

Discussion of trends in performance:
During the financial year, Carnegie progressed its wave energy products in line with the Product Validation Roadmap for core CETO and MoorPower technologies. The validation of our products in real operating environments is an important stage in their commercialisation pathways.

Carnegie has made strong progress to validate its core CETO and MoorPower technologies through delivery of projects that have support from key partners and funders. CETO Wave Energy Ireland's contract through the EuropeWave PCP Programme, Carnegie Technologies Spain's RENMARINAS DEMOS grant and Basque Energy Agency (EVE) grant, and Carnegie's MoorPower Projects are key mechanisms being utilised to validate the technologies. These activities are supported by the Company's strong partner ecosystem, which includes Hewlett Packard Enterprise and Blue Economy Cooperative Research Centre (BE CRC).

During the Year, the team advanced the CETO technology towards commercialisation with key activities undertaken as part of the Company's ACHIEVE Programme. The ACHIEVE Programme is an initiative being delivered by Carnegie's subsidiaries CETO Wave Energy Ireland under contract from the EuropeWave Buyers Group (ACHIEVE Project) and Carnegie Technologies Spain with 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). The ACHIEVE team delivered key activities related to fabrication of the ACHIEVE CETO unit and onshore testing campaigns, providing opportunities to test components and sub-systems onshore before being deployed offshore. The Company commenced development of a 6MW CETO wave energy array in Europe and signed a Memorandum of Understanding (MOU) with the Biscay Marine Energy Platform (BiMEP) as the potential site of the array project. This array would include 6 of the 1 MW commercial scale CETO units, all connected to the grid via BiMEP's existing offshore cable and grid connection. The COIN (Control Oriented Innovations for future wave energy farms) Project officially commenced during the period. The €4m collaborative COIN 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.

The other core product focus during the year was MoorPower, a CETO derived wave energy product designed to deliver a sustainable energy supply for marine industries operating at a fixed moored location, reducing the reliance on diesel. The initial target market is Aquaculture. During the period, the team was focused on the preliminary design for a commercial scale MoorPower unit in collaboration with industry and funded by the Blue Economy CRC. This $335k project built on the learnings from the MoorPower Scaled Demonstrator and is driving progress towards a MoorPower Commercial Pilot system. Work completed during the period 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

During the year, 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 was awarded the Power and Energy Innovation Award at the event.

The Company was selected to proceed to the final stage of technical support under the US Testing Expertise and Access to Marine Energy Research (TEAMER) program. The Project, titled 'Development of a Finfish Array with Distributed WEC Power Integration', brings together Carnegie's industry-leading wave energy expertise with the advanced numerical modelling capabilities of Kelson Marine, a US-based specialist in dynamic ocean structures to provide insight into wave energy opportunities for fish pens

The Garden Island Microgrid continues to operate and sell power to the Department of Defence under an existing Electricity Supply Agreement. Some operational and equipment issues currently constrain the output of the system. However, the team continues to work to resolve these issues.

Entities purchased/sold during the last financial year

Name of Entity	Date Control Gain/Lost	Details

Investments in Associates and Joint Ventures

Name	**% Holding**	**Contribution to Profits / (Loss)**	
		2026	**2025**

Audit/Review Status

This report is based on accounts to which one of the following applies: (Mark with "YES" or "NO")			
The accounts have been audited	Yes	The accounts have been subject to review	No
The accounts are in the process of being audited or subject to review	No	The accounts have not yet been audited or reviewed	No
This report is based on financial accounts for the year ended 30 June 2026 which have been audited. There are no disputes or qualification to the financial accounts that the Board is aware of.			
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: n/a			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: n/a			

Attachments forming part of Appendix 4E

Attachment #	**Details**
1	Financial Report for the year ended 30 June 2026 (audited)

Print name: Jonathan Fievez
Chief Executive Officer
Date: 27 August 2026

CARNEGIE CLEAN ENERGY LIMITED
ABN 69 009 237 736
AND CONTROLLED ENTITIES

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2026

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The Directors present their report on Carnegie Clean Energy Limited ("the Company", or “Carnegie”) and its controlled entities, ("the Group") for the financial year ended 30 June 2026.

DIRECTORS

The Directors of the Company in office at any time during or since the end of the financial year are:

Anthony Shields *B.Bus (Non-Executive Chairman and Director) - appointed 25 November 2019*

Mr Shields is the Managing Director of Asymmetric Investment Management Fund Pty Ltd (Asymmetric), a Perth-based investment manager specialising in private debt, venture capital and risk management. He also sits on a number of other non-listed company boards both in Executive and Non-Executive capacities (Asymmetric Investment Management, Source Certain International, NWQ Capital and Old Perth Port). Prior to Asymmetric, Mr Shields established and managed an investment portfolio for a family office in Perth, Western Australia. He currently sits on the investment committee of Canci Group advising on investment strategy and portfolio management. Prior to his family investment roles, Mr Shields worked for Deutsche Bank in equity and derivatives sales and trading, and for Macquarie Bank as an equity analyst and in institutional equity sales and trading.

Mr Shields has not been a director of any other listed Company in the last three years.

Michael Fitzpatrick AO *B.Eng (Hons), B.A (Hons), M.A (Oxon) (Non-Executive Director) – appointed 28 November 2012*

Committed to sustainability, Mr Fitzpatrick is a pioneer in renewable investments, including investing in Pacific Hydro, developer of the first commercial windfarm in Australia in the 1990s and the Ord Hydro-Electric Scheme.

He founded the infrastructure investment firm, Hastings Funds Management Limited, managing investments of over $3.8 billion.

Mr Fitzpatrick is an Alternative Director of Foresight Australia Limited (previously Infrastructure Capital Group), manager of Australian Renewables Infrastructure Fund Limited, a billion dollar renewables fund owning wind, solar and hydro assets.

He was a former Director of Rio Tinto Limited and Chairman of the Australian Football League.

Mr Fitzpatrick is the Chairman and Director of LATAM Autos Limited which was a listed company until 8 May 2020.

Grant Mooney *B.Bus, CA (Non-executive Director and Company Secretary) – appointed 19 February 2008*

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance. Currently, Mr Mooney serves as a Director to several ASX listed companies across a variety of industries including technology and resources.

He is a Director of Gibb River Diamonds Limited, appointed 14 October 2008, Accelerate Resources Limited, appointed 1 July 2017, Talga Group Limited, appointed 20 February 2014, and CGN Resources Limited appointed 1 July 2023. He was a previous Director of Aurora Labs Limited until his resignation on 14 November 2025 and Riedel Resources Limited until his resignation on 7 April 2025. Mr Mooney is also a member of Chartered Accountants Australia and New Zealand.

At the date of this report, the direct and indirect interests of the Directors in the shares and options of the Company were:

	ORDINARY SHARES	OPTIONS
Michael Fitzpatrick (i)	20,430,709	-
Grant Mooney (ii)	7,000,000	-
Anthony Shields (iii)	14,616,415	44,485,466

i. Mr Fitzpatrick is a Director of Log Creek Pty Ltd and therefore is deemed to have an interest in 20,430,709 ordinary shares held by Log Creek Pty Ltd.
ii. Mr Mooney is a Director of Ocean Flyers Pty Ltd and is therefore deemed to have an interest in 2,000,000 ordinary shares. Mr Mooney also holds 5,000,000 ordinary shares in his own name.
iii. Mr Shields is a Director of Asymmetric Credit Partners Pty Ltd and therefore is deemed to have an interest in 14,616,415 ordinary shares and 44,485,466 options held by Asymmetric Credit Partners Pty Ltd.

COMPANY SECRETARY

Mr Grant Mooney held the position of company secretary during the financial year and to the date of this report. Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has more than 30 years experience as a Company Secretary.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the development of the CETO Wave Energy Technology.

OPERATING RESULTS

The net loss the Group for the financial year ended 30 June 2026 was $2,765,868 (2025: loss of $2,327,734).

DIVIDENDS

The Directors do not recommend the payment of a dividend for the financial year ended 30 June 2026. No dividends were paid during the financial year.

REVIEW OF OPERATIONS

During the year ended 30 June 2026, the Group's activities included the following:

Product Development

Carnegie and its subsidiaries have secured and are delivering several project contracts which are supporting the Company's core product development activities.

CETO: The Company continued development of its core wave energy technology, a submerged point absorber type wave energy converter which converts ocean waves into zero-emission electricity.

- During the period, the team advanced the CETO technology towards commercialisation with key activities undertaken as part of the Company's ACHIEVE Programme. The ACHIEVE Programme is an initiative being delivered by Carnegie's subsidiaries CETO Wave Energy Ireland Limited under contract from the EuropeWave Buyers Group (ACHIEVE Project) and Carnegie Technologies Spain S.L. with 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).

- The ACHIEVE Programme will deploy and operate a CETO prototype at the Basque Marine Energy Platform (BiMEP) in the Basque Country, with staged deployment scheduled to commence in late 2026.

- The ACHIEVE team delivered key activities related to fabrication of the ACHIEVE CETO unit and onshore testing campaigns, providing opportunities to test components and sub-systems onshore before being deployed offshore. Assembly and testing of the CETO Unit is underway with partners including specialised engineering contractor SKF in Germany.

- A staged deployment and commissioning process has been planned for the ACHIEVE CETO Unit, commencing with deployment of the foundations at Carnegie's BiMEP berth in coming months. The first stage of the CETO Unit's ocean deployment is planned for October 2026 with subsequent ocean deployment, commissioning and testing stages progressively completing the system and moving to optimisation.

- The Company commenced development of a 6MW CETO wave energy array in Europe and signed a Memorandum of Understanding (MOU) with the Biscay Marine Energy Platform (BiMEP) as the potential site of the array project. This array would include 6 of the 1 MW commercial scale CETO units, all connected to the grid via BiMEP's existing offshore cable and grid connection.

- The COIN (Control Oriented Innovations for future wave energy farms) Project officially commenced during the period. The €4m collaborative COIN 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.

- The Company's ongoing commitment to CETO technology optimisation is also evident in its participation in several ongoing research projects such as WECHULL+ and MEGA WAVE PTO.

MoorPower: A spin-off from CETO, MoorPower is a wave energy technology designed to deliver a sustainable energy supply for marine industries operating at a fixed moored location, reducing the reliance on diesel.

- During the period, the team was focused on the preliminary design for a commercial scale MoorPower unit in collaboration with industry and funded by the Blue Economy CRC. This $335,000 project builds on the learnings from the MoorPower Scaled Demonstrator and is driving progress towards a MoorPower Commercial Pilot system.

- Work completed during the period 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.

REVIEW OF OPERATIONS (CONTINUED)

- The Company is undertaking discussions with potential partners to develop the first commercial pilot project, which would integrate MoorPower units in an operating barge.

Other Products: The Company utilises its wave energy intellectual property portfolio and know-how to investigate applications and develop products for provision of remote power to markets including Defence, Aquaculture and Data Centres.

- 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 was awarded the Power and Energy Innovation Award at the event.

- The Company was selected to proceed to the final stage of technical support under the US Testing Expertise and Access to Marine Energy Research (TEAMER) program. The Project, titled 'Development of a Finfish Array with Distributed WEC Power Integration', brings together Carnegie's industry-leading wave energy expertise with the advanced numerical modelling capabilities of Kelson Marine, a US-based specialist in dynamic ocean structures to provide insight into wave energy opportunities for fish pens.

Garden Island Microgrid:

- Under Carnegie's Power Supply Agreement, the Department of Defence continues to purchase all power produced by the Garden Island Microgrid.

Corporate:

- Carnegie successfully raised $2.116 million in September 2025 from shareholders through a Share Purchase Plan. The primary use of funds was to support development of a 6MW CETO Array, ACHIEVE Programme operations, MoorPower Commercial Pilot project and to support business development and working capital.

- During the Financial Year, the Company completed several milestones for the ACHIEVE Programme which unlocked receipt of milestone payments under the EuropeWave Phase 3 Contract, a key component of the company's ACHIEVE Programme.

- The Company held its 2025 Annual General Meeting (AGM) at the Swan Yacht Club in East Fremantle in November 2025. All of the resolutions that were recommended by the Directors were passed.

- In December 2025, Carnegie Technologies Spain sold its eligible research and development (R&D) tax deductions for the Calendar year 2025 as permitted under Spanish tax legislation and received €773,163 ($1.37M AUD) as payment.

- In December 2025, Carnegie Technologies Spain S.L. received a grant payment of €287,344 which provides upfront support for its work on the COIN (Control-Oriented INnovations for future wave energy farms) Project. The Project is 100% funded by the European Commission under the Horizon Europe Programme and this upfront payment represents 75% of Carnegie's expected project funding.

- In March 2026, Carnegie Clean Energy received its Research and Development Tax Incentive cash rebate from the Australian Tax Office of $568,630 for the financial year ending 30 June 2025.

FINANCIAL POSITION

The net assets of the Group decreased by $388,824 (2025: decreased by $1,860,877) from $19.24 million to $18.85 million as at 30 June 2026. This is predominantly the result of the net loss for the period offset by the net changes in capitalised Intangibles from grants, R&D and project expenditures.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no other significant change in the state of affairs of the Group to the date of this report.

SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END

On 14 July 2026, the Company signed a Deed of Variation to extend the maturity date of the existing $2.5 million Loan Agreement with Ballamena Pty Ltd ATF Ellann Finance Unit Trust. The loan's maturity date has been extended to 30 June 2027. The fee for this loan variation was the issue of 5,000,000 options issued 15 July 2026 with and exercise price of $0.27 and expiry date of 14 July 2029.

On 22 July 2026, the Company completed a $2.5 million Private Share Placement supported by overseas investors resulting in the issuing of 13,888,888 shares at $0.18 each. Proceeds from the Placement will primarily be applied towards development of a multi-megawatt CETO array at BiMEP (Biscay Marine Energy Platform), business development activities in Europe and the US, deployment and operation of CETO via the ACHIEVE Programme, advancing the MoorPower Commercial Pilot and working capital. In addition, the Company will continue to progress recent activities to investigate applications and develop products for provision of remote power to Defence and Data Centres.

On 26 August 2026, the Company executed a Deed of Variation to increase the existing $2.5 million Loan Agreement with Ballamena Pty Ltd ATF Ellann Finance Unit Trust by a further $1 million to $3.5 million. The loan's maturity date was previously extended to 30 June 2027. The fee for this loan variation was the issue of 5,000,000 options issued 15 July 2026 with and exercise price of $0.27 and expiry date of 14 July 2029.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Strategy

As a technology developer, the Company is focused on the commercialisation of its core wave energy products, the CETO and MoorPower technologies. In the interest of astute capital management, Carnegie has looked for, and found, programmes and organisations to financially support these developments.

For CETO, the strategy has been to secure support via the EuropeWave programme (€3.75m), Spanish Government (€1.2m) and Basque Government (€2.1m) to deliver the Company's first CETO deployment in Europe through the ACHIEVE Programme. Europe is the most attractive jurisdiction for wave energy deployments currently given the targets set by the EU and the support on offer.

As Carnegie's EuropeWave bid was ranked first amongst the three finalists selected, the Company had the first choice of the deployment sites on offer. Carnegie selected the Biscay Marine Energy Platform (BiMEP) an offshore test site in the Basque Country, Spain.

The strategy going forward is to use the European deployment of CETO through the ACHIEVE Programme to attract a partner to drive development of future projects, including a first array project. This is reflected in the development of a 6 MW CETO array project at BiMEP which is planned to follow on from ACHIEVE. Importantly, being awarded top ratings in the EuropeWave programme also provides 3rd party assessment of the technology and the Company, crucial inputs to the investment decisions of future project partners.

For MoorPower, the strategy has also been to demonstrate the technology in order to build confidence with potential customers. The previous MoorPower Scaled Demonstrator project successfully validated the design and numerical models and the subsequent MoorPower Commercial Pilot: Preliminary Design project (completed during the year) built on those learnings to progress the design of a commercial prototype for an operating barge. Working with the Blue Economy CRC, Carnegie continues engaging with aquaculture partners to determine the appropriate strategic aquaculture partner to work with to deploy a MoorPower system at commercial scale installed on a working feed barge.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES (CONTINUED)

Risks

The need for renewable energy is only increasing. Governments are progressively recognising the growing risk that climate change and other related pollutants pose to health and security. There are various mechanisms in place in the major markets of the USA and Europe that support the energy transition with specific elements that focus on the emerging field of ocean energy. Whilst this support is currently growing, risks are present due the reluctance of governments and agencies to take a long-term view in the face of the worsening crisis. Technologies that are mature may potentially take a larger share of the support available as they are deployable at scale today.

At the project level, risks are present for CETO with assembly works underway, undertaking the onshore testing activities, and delivering the offshore deployment and operations at BiMEP. Current risks relate to any potential unforeseen quality issues in components provided by suppliers which could impact the assembly and integration works, vessel availability and weather conditions for offshore operations, and any unscheduled maintenance or interventions required during operations. These risks can manifest in both cost and schedule impacts.

Current risks for the MoorPower technology are related to securing and then delivering the commercial prototype on an operational barge – including finalising the commercial aquaculture host, securing funding and delivering in compliance with operational requirements of the aquaculture host.

ESG factors are predominantly positive for the Company, but some risks remain. With any deployed equipment there is a risk that they break free and do environmental damage to an area where they rest. Given there are negligible fluids or chemicals onboard both CETO and MoorPower, any damage is likely to be minor. This would however impact the social licence that wave energy acquires fairly easily due to its minimal visual impact.

As the Group continues to develop its proprietary technologies, it expects to have a net decrease in cash from operating activities until it achieves positive cash flow.

Conclusion

Carnegie is well positioned to capitalise on the global ambition to improve security of energy supply and decarbonise energy production at all levels. At utility scale, project developers and utilities are both aiming to be at the forefront of this emerging technology and are actively looking for the leading companies in the field. Governments are looking to ensure that they secure the sovereign capability that comes with the first mover advantage.

For MoorPower customers, the demands for ESG reporting, particularly around emissions, are leading them to look for diesel replacements. This is evident in the first market for MoorPower, the aquaculture feeding barge market.

With a key physical demonstration project underway in Europe, Carnegie is in a phase of high visibility which will rapidly build credibility with the supporting agencies and future customers. This is also likely to stimulate investors and build upon the strong financial position the company is in today.

As the Group continues to develop its proprietary technologies, it expects to have a net decrease in cash from operating activities until it achieves positive cash flow.

The Group cannot say with certainty when it will become profitable because of the uncertainties associated with successfully commercialising a wave energy technology. If existing resources are insufficient to satisfy the liquidity requirements, the Group may seek to sell its solar microgrid asset, issue additional equity or debt securities or obtain credit facilities. If the Group is unable to obtain required financing, it may be required to reduce the scope of its planned product development and commercialisation efforts which could adversely affect its financial position and operating results.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES (CONTINUED)

ENVIRONMENTAL ISSUES

The Group is required to carry out its activities in accordance with the laws and regulations in the areas in which it undertakes its activities. There have been no known significant breaches of these laws and regulations.

SHARE OPTIONS

At the date of this report, there were:

- 44,485,466 options outstanding in respect of unissued ordinary shares exercisable at $0.06 per share on or before 29 October 2027.
- 10,000,000 options outstanding in respect of unissued ordinary shares exercisable at $0.27 per share on or before 14 July 2029.

No person entitled to exercise options had or has any right by virtue of the option to participate in any share issue of the Company or any other body corporate.

During the year, there was a cashless exercise of 9,900,000 options with an exercise price of $0.065, resulting in 4,699,033 shares being issued, and the exercise of 3,575,326 options with an exercise price of $0.06, resulting in cash payments of $214,520.

INDEMNIFYING OFFICERS

During or since the year end, the Company has given an indemnity or entered an agreement to indemnify, the Directors against certain risks they are exposed to as Directors of the Company.

REMUNERATION REPORT - AUDITED

This report details the nature and amount of remuneration for each Director of Carnegie Clean Energy Limited and other Key Management Personnel (KMP) being the Chief Executive Officer, Mr Jonathan Fievez.

Remuneration Policy

The remuneration policy of Carnegie Clean Energy Limited has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Carnegie Clean Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best KMP to run and manage the Group, as well as create goal congruence between KMP and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Board of Directors after seeking professional advice from independent external consultants. The Board of Directors benchmarks the Company's salaries payable to senior management by reference to independent industry data to ensure that the Company is consistent with prevailing market conditions. All executives receive a base annual salary (which is based on factors such as length of service and experience). The Board of Directors has chosen to adopt an equity-based approach to remunerating executive staff and employees. The Company utilised the Employee Share Option Plan as adopted by shareholders in November 2020 and as updated in November 2024 as the mechanism by which options may be issued to executive management and staff to adequately incentivise these individuals.

The Board of Directors reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries and then considers the justification of any salary review or participation in the Employee Share Option Plan.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the past year's growth in shareholders' value over the financial year and by contrast with its peers and industry sector. All incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

REMUNERATION REPORT – AUDITED (continued)

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Executive Directors determine payments to the Non-Executive Directors and review their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No remuneration consultants were used during the year. The maximum aggregate fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group.

Company Performance, Shareholder Wealth and KMP Remuneration

	2022 $	2023 $	2024 $	2025 $	2026 $
Revenue	321,938	383,737	346,921	317,363	453,774
Net loss after tax	(1,924,680)	(630,396)	(2,320,225)	(2,327,734)	(2,765,868)
Share price at year end (pre-consolidation)	0.002	0.001	0.002	N/A	N/A
Share price at year end *(converted to consolidated)	0.10*	0.05*	0.10*	0.05	0.20

The remuneration for each KMP of the Group paid during the year was as follows:

Details of Remuneration for Year Ended 30 June 2026

	Actual rewards received in the period						
	Short-term benefits						
	Cash salary, leave paid and fees	Non Cash Benefits	Post Employment Benefits - Super	Other long term benefits	Share based payments**	Total	% of Remuneration Performance Based
Anthony Shields	$ 85,392	$ -	$ 10,247	$ -	$ -	$ 95,639	-
Michael Fitzpatrick	$ 50,000	$ -	$ 6,000	$ -	$ -	$ 56,000	-
Grant Mooney*	$ 110,000	$ -	$ 6,000	$ -	$ -	$ 116,000	-
Jonathan Fievez	$ 306,716	$ -	$ 36,806	$ -	$ -	$ 343,522	-
Total	**$ 552,108**	**$ -**	**$ 59,053**	**$ -**	**$ -**	**$ 611,161**	**-**

* Fees include $60,000 paid to Mooney & Partners Pty Ltd, a company associated with Grant Mooney, for company secretarial services.

Details of Remuneration for Year Ended 30 June 2025

	Actual rewards received in the period						
	Short-term benefits						
	Cash salary, leave paid and fees	Non Cash Benefits	Post Employment Benefits - Super	Other long term benefits	Share based payments**	Total	% of Remuneration Performance Based
Terry Stinson (retired 4 February 2025)	$ 44,961	$ -	$ 5,170	$ -	$ -	$ 50,131	-
Anthony Shields	$ 57,231	$ -	$ 6,581	$ -	$ 573,162	$ 636,974	89.98%
Michael Fitzpatrick	$ 50,000	$ -	$ 5,750	$ -	$ -	$ 55,750	-
Grant Mooney*	$ 110,000	$ -	$ 5,750	$ -	$ -	$ 115,750	-
Jonathan Fievez	$ 302,178	$ -	$ 34,751	$ -	$ 21,900	$ 358,829	6.10%
Total	**$ 564,370**	**$ -**	**$ 58,002**	**$ -**	**$ 595,062**	**$ 1,217,434**	**48.88%**

* Fees include $60,000 paid to Mooney & Partners Pty Ltd, a company associated with Grant Mooney, for company secretarial services.

**Share Based Payments relate to options issued to directors and are non-cash. The value is determined by way of calculation using a Black & Scholes formula determined at the time of issue of the options following approval by shareholders at the Annual General Meeting.

REMUNERATION REPORT – AUDITED (continued)

Employment Contracts of KMP

The employment conditions of KMP are formalised in Service Contracts.

The Company entered into an executive services agreement with Mr Jonathan Fievez on 27 September 2018 in respect of his employment as the CEO of the Company. The principal terms of the executive services agreement are as follows:

(i) Mr Fievez receives a base salary of $306,715 (revised 4 November 2024) per annum, excluding mandatory superannuation contributions;
(ii) a cash bonus of up to 30% of the annual gross salary may be payable annually at the discretion of the Directors.
(iii) Express provisions protecting the Company's confidential information and intellectual property;
(iv) Mr Fievez may terminate the agreement by giving 3 months' notice in writing to the Company; and
(v) The Company may terminate the agreement (without cause) by giving Mr Fievez 3 months' notice in writing (or make payment in lieu of notice), unless the Company is terminating as a result of serious misconduct (or other similar grounds) by Mr Fievez, in which case no notice is required.

Messrs Fitzpatrick and Mooney each receive annual remuneration of $50,000 as Non-Executive Directors (exclusive of mandatory superannuation contributions), effective from 1 January 2022. Mr Shields receives annual remuneration of $70,000 as Chairman and Non-Executive Director, together with $15,392 for additional consulting services during the period (exclusive of mandatory superannuation contributions), effective from 23 February 2026.

Their appointment shall cease if:

(a) the Non-Executive Director resigns;
(b) at the close of any general meeting of Shareholders at which a resolution of their re-election is not approved;
(c) the Non-Executive Director is removed as a Director in accordance with the Corporations Act or the Constitution.

The Company has entered into an agreement for the provision of company secretarial services by Mooney & Partners Pty Ltd, a company associated with director Mr Grant Mooney. The agreement provides for the provision of company secretarial services to the Company for $60,000 per annum plus GST. Mooney and the Company can terminate the agreement by giving 3 months' notice to either party.

Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time. Termination payments are in accordance with the Corporations Act 2001.

Other transactions with KMP and/or their related parties.

The Company has entered into an agreement for the provision of operation and maintenance services by Secure Energy Pty Ltd (Secure Energy) (Previously EMC Asset Management Pty Ltd (EMCAM)), a jointly owned solar energy microgrid operation and maintenance company. EMCAM provides services to maintain the Garden Island Solar Battery System. Secure Energy is a company jointly owned by director Mr Grant Mooney and CEO Jonathan Fievez. Secure Energy also sub leases office space from Carnegie at Rous Head Facility in Fremantle. Full details of amounts paid to Secure Energy are outlined in Note 26.

Options Holdings

	Balance 1 July 2025	Rights & Options exercised	Expired/ Forfeited	Granted	Balance 30 June 2026
Michael Fitzpatrick	-	-	-	-	-
Grant Mooney	-	-	-	-	-
Anthony Shields	50,000,000	(3,575,326)	-	-	46,424,674
Jonathan Fievez	3,000,000	(1,414,634)	(1,585,366)	-	-
Total	**53,000,000**	**(4,989,960)**	**(1,585,366)**	**-**	**46,424,674**

REMUNERATION REPORT – AUDITED (continued)

Share Holdings	Balance 1 July 2025	Rights & Options Exercised	Net Change Other	Balance 30 June 2026
Michael Fitzpatrick	20,430,709	-	-	20,430,709
Grant Mooney	7,000,000	-	-	7,000,000
Anthony Shields	15,539,710	3,575,326	(3,575,326)	15,539,710
Jonathan Fievez	800,000	1,414,634	(800,000)	1,414,634
Total	**43,770,419**	**4,989,960**	**(4,375,326)**	**44,385,053**

END OF REMUNERATION REPORT

DIRECTORS' MEETINGS

There were 5 Directors' meetings held during the financial year ended 30 June 2026. Attendances were as follows:

Director	No. Meetings attended	No. Meetings held during time in office
Grant Mooney	5	5
Michael Fitzpatrick	4	5
Anthony Shields	5	5

There were also eight (8) circular resolutions passed by the Board of Directors during the financial year.

NON-AUDIT SERVICES

The auditors were not engaged for any non-audit services during the financial year ended 30 June 2026.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2026 has been received and can be found on page 13.

Signed on 27th August 2026 in accordance with a resolution of the Board of Directors.

GRANT MOONEY
Director

ANTHONY SHIELDS
Director

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Carnegie Clean Energy Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 August 2026

M R Ohm
Partner

hlb.com.au

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	Group 2026 $	2025 $
Continuing Operations			
Revenue	2	453,774	317,363
Other income			
Other income	2	95,205	88,008
Net gain on disposal of fixed assets	2	59,656	-
Total revenue and other income		608,635	405,371
Cost of Sales			
Cost of Sales		(10,806)	(167,279)
Expenses			
Professional fees		(584,709)	(221,073)
Depreciation expense	3	(248,461)	(282,120)
Employee and Directors' expenses		(1,524,839)	(1,643,190)
Employee share-based payments	29	(54,720)	(48,523)
Finance costs		(931,171)	(600,783)
Occupancy and administration		(805,689)	(837,701)
Research expenses capitalised		790,302	1,119,059
Other expenses from ordinary activities		1,160	(40,087)
Total expenses		(3,358,127)	(2,554,418)
Loss before income tax from continuing operations		(2,760,298)	(2,316,326)
Income tax benefit/(expense)		(5,570)	(11,408)
Loss after tax from continuing operations		(2,765,868)	(2,327,734)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange gains/(losses) on translating foreign operations		25,940	(172,263)
Total comprehensive loss for the year		(2,739,928)	(2,499,997)
Loss per share from continuing operations			
Basic loss per share (cents per share)	7	(0.69)	(0.64)
Diluted loss per share (cents per share)	7	(0.69)	(0.64)

The accompanying notes form part of these financial statements.

CARNEGIE CLEAN ENERGY LIMITED
ABN 69 009 237 736
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	Group	
		2026	**2025**
		$	**$**
CURRENT ASSETS			
Cash and cash equivalents	8	996,347	2,898,643
Trade and other receivables	9	756,783	1,215,361
TOTAL CURRENT ASSETS		1,753,130	4,114,004
NON-CURRENT ASSETS			
Trade and other receivables	9	902,851	930,720
Other financial assets	10	12,414	12,414
Property, plant, and equipment	11	1,556,374	1,811,679
Leased assets – right of use	12	-	-
Intangible assets	13	18,877,098	17,751,393
TOTAL NON-CURRENT ASSETS		21,348,737	20,506,206
TOTAL ASSETS		23,101,867	24,620,210
CURRENT LIABILITIES			
Trade and other payables	14	653,704	1,168,796
Employee entitlements	15	204,816	187,089
Short-term borrowings	19	71,193	-
Short-term loan	17	2,500,000	2,125,309
Other liabilities	18	784,110	1,869,720
TOTAL CURRENT LIABILITIES		4,213,823	5,350,914
NON-CURRENT LIABILITIES			
Long-term provisions	15	39,511	31,938
TOTAL NON-CURRENT LIABILITIES		39,511	31,938
TOTAL LIABILITIES		4,253,334	5,382,852
NET ASSETS		18,848,533	19,237,358
EQUITY			
Share capital	20	213,547,233	211,159,219
Reserves	21	455,556	503,336
Accumulated losses		(195,154,256)	(192,425,197)
TOTAL EQUITY		18,848,533	19,237,358

The accompanying notes form part of these financial statements.

CARNEGIE CLEAN ENERGY LIMITED
ABN 69 009 237 736
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

Group	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Note/Option Reserve	Total
Balance at 1 July 2024	**211,159,219**	**(191,040,463)**	**69,702**	**909,836**	**21,098,294**
Comprehensive loss					
Loss for the year	-	(2,327,734)	-	-	(2,327,734)
Other comprehensive income	-	-	(172,263)	-	(172,263)
Total comprehensive loss for the year	-	(2,327,734)	(172,263)	-	(2,499,997)
Transactions with owners					
Expired options transferred	-	943,000	-	(943,000)	-
Share-based payment expense	-	-	-	639,061	639,061
Total transactions with owners	-	943,000	-	(303,939)	639,061
Balance at 30 June 2025	**211,159,219**	**(192,425,197)**	**(102,561)**	**605,897**	**19,237,358**
Balance at 1 July 2025	**211,159,219**	**(192,425,197)**	**(102,561)**	**605,897**	**19,237,358**
Comprehensive loss					
Loss for the year	-	(2,765,868)	-	-	(2,765,868)
Other comprehensive income	-	-	25,940		25,940
Total comprehensive loss for the year	-	(2,765,868)	25,940		(2,739,928)
Transactions with owners					
Options exercised	288,772	-	-	(74,255)	214,517
Options cancelled for cashless exercise	-	36,809	-	(36,809)	-
Expired options transferred					
Share issued	2,116,903	-	-	-	2,116,903
Share issue costs	(17,661)	-	-	-	(17,661)
Share-based payment expense	-	-	-	37,344	37,344
Total transactions with owners	2,388,014	36,809	-	(73,720)	2,351,103
Balance at 30 June 2026	**213,547,233**	**(195,154,256)**	**(76,621)**	**532,177**	**18,848,533**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	Group	
		2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		725,609	314,142
Interest received		43,790	67,722
Payments to suppliers and employees		(3,856,482)	(3,855,857)
Net cash provided by/ (used in) operating activities	22	(3,087,083)	(3,473,993)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for development of assets		(4,901,826)	(3,843,810)
Receipts for development of assets		4,577,744	4,417,771
Net cash provided by/ (used in) investing activities		(324,082)	573,961
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,116,900	-
Proceeds from issue of options		214,520	-
Share issue costs		(17,662)	-
Payments for lease liabilities	16	(104,500)	(104,500)
Proceeds from borrowings	17	119,765	2,500,000
Payments for borrowing costs	17	(48,572)	(316,018)
Transaction costs related to loans and borrowings		(615,965)	-
Net cash provided by financing activities		1,664,486	2,079,482
Net increase/(decrease) in cash held		(1,746,679)	(820,550)
Cash and cash equivalents at beginning of financial year		2,898,643	3,728,673
Effect of exchange rate fluctuations on cash held		(155,617)	(9,480)
Cash and cash equivalents at end of financial year		996,347	2,898,643

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

Carnegie Clean Energy Limited ("the Company") is a company domiciled in Australia. The consolidated financial statements of the Company for the year ended 30 June 2026 comprise the Company and the entities controlled by the Company ("the Group"). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

The separate financial statements of the Company have not been presented within this financial report as permitted by the Corporations Act 2001. The Group is a 'for profit' entity for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements were authorised for issue by the Board of Directors on 27th August 2026.

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASB), adopted by the Australian Accounting Standards Board and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on a going concern basis which is based on the realisation of the future potential of the Group's assets and discharge of its liabilities in the normal course of business.

As disclosed in the financial statements, the Group has incurred a net loss after tax for the year ended 30 June 2026 of $2,765,868 (2025: $2,327,734 loss) and had net cash outflows from operating activities of $3,087,083 (2025: $3,473,993). As at 30 June 2026, the Group has a net current liability position of $2,460,693 (2025: net current liability position of $1,236,910).

The net current asset position as at 30 June 2026 includes the following:
- cash at bank of $996,347 (2024: $2,898,643);

The Directors consider that the Group is a going concern however current cash flow forecasts indicate that the Group will need to generate sufficient revenue from its operations or other sources, including equity capital via capital raisings, loan extensions and grant funding, to continue as a going concern. As the Group is in the formative stages of its business model there exists circumstances that give rise to a material uncertainty in relation to going concern.

Should the Group be unsuccessful in generating sufficient revenue from operations or additional sources of funding, there is a material uncertainty that may cast significant doubt as to whether the group will able to continue as a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

Notwithstanding the above, the Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The Directors remain committed to the long-term business plan to progress the business; and
- The Directors and the business have a successful track record of capital raising and are working on submitting a FY26 R&D tax application to obtain the refund.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

New and amended accounting standards and interpretations

The Group adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of "material accounting policy information" rather than significant accounting policies in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosure.

The adoption of the amendment did not have a material impact on the financial statements. The Directors have reviewed all other Standards and Interpretations on issue not yet adopted for the period ended 30 June 2026. As a result of this review, the Directors have determined that there is no material impact of the Standards Interpretations on issue not yet adopted by the Company, and therefore no other change necessary to the Group accounting policies and no other changes from the new accounting standards have been adopted.

Accounting Policies

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. The capitalised development costs are an intangible asset not yet ready for use and are therefore not currently subject to amortisation.

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet ready for use, are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cashflows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cashflow flows are grouped together to form a cash-generating unit.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisitions of the items.

Depreciation is calculated on a straight-line basis to write off the net costs of each item of plant & equipment.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	10.0% - 33.33%
Microgrid/Battery asset	15 years

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Any item of property, plant and equipment is derecognised upon disposal or where there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the items disposed of is transferred directly to accumulated losses.

Financial Instruments
Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign Currency

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred to equity as qualifying cash flow or net investment hedge.

Share-based payments

Equity-settled and cash-settled share-based compensation are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either a Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based payments (continued)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Revenue and Other Income

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contact with a customer; identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods of service promised.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price per unit or hourly rate.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Government Grants and Research and Development Tax Incentives

Government grants and research and development tax incentives are recognised at fair value where there is reasonable assurance that the grant or tax incentive will be received, and all grant or tax incentive conditions will be met. Where grantor tax incentive conditions are not yet fully met, grants or tax incentives will be treated as unearned funding in the statement of financial position. Grants or tax incentives relating to expense items are recognised as an offset against these expenses to match the costs they are compensating. Grants or tax incentives relating to items capitalised as assets are recognised as an offset against the asset to match the costs they are compensating.

Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the Group, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares on issue throughout the reporting period.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the Group, adjusted for, the dilutive effects of any outstanding unlisted options over ordinary shares in the parent.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Financial Assets

The Group has no significant financial assets held at fair value, not did it have any in the prior period.

Financial Liabilities

The Group has no significant financial liabilities held at fair value through the profit or loss, nor did it have any in the prior period.

Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of development asset

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Annual impairment testing is also carried out for all intangible assets (refer to Note 13).

The CETO development asset is an intangible asset which is not yet available for use which the Group tests annually for impairment. Refer to Note 13 for details of the significant assumptions and judgements utilised in this assessment.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using the Black Scholes valuation method taking into consideration the terms and conditions upon which the instruments are granted (refer to Note 29).

NOTE 2. REVENUE AND OTHER INCOME

The Group derives its sales revenue from the provision of services under AASB 15.

	Group 2026 $	Group 2025 $
Sales revenue		
Garden Island Microgrid/Electricity sales (over time)	453,774	317,363
	453,774	317,363
Other income		
Interest income	42,864	70,062
Net gain on disposal of fixed assets	59,656	-
Rental income	15,851	15,851
Other income	36,490	2,095
	154,861	88,008

NOTE 3. DEPRECIATION EXPENSE

	Notes	Group 2026 $	Group 2025 $
Depreciation – property, plant, and equipment	11	22,508	18,920
Depreciation and impairment - property, plant, and equipment	11	225,953	225,953
Depreciation – right of use asset	12	-	37,247
		248,461	282,120

NOTE 4. INCOME TAX EXPENSE

a. The components of tax expense comprise:

	Group 2026 $	Group 2025 $
Current tax expense		
Current period	5,570	11,408
	5,570	11,408

b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	Group 2026 $	Group 2025 $
Total (Loss) for the year	(2,760,297)	(2,316,326)
Income tax at 25% (2025: 25%)	(690,074)	(579,082)
Add/(Deduct): Tax effect of:		
— Other non-allowable items	6,069	99,541
— Non-deductible R&D costs	-	72,707
— Share options expenses during the year	13,680	84,499
— Movement in deferred tax balances not recognised	126,699	32,091
— Current year tax losses	526,836	363,226
— Effect of lower foreign tax rates	22,360	(61,574)
	5,570	11,408

NOTE 4. INCOME TAX EXPENSE (CONTINUED)

The Group has tax revenue losses carried forward of $55,937,350 (2025: $53,587,803) and capital tax losses caried forward of $1,239,028 (2025: $1,239,028). The tax losses do not expire under current tax legislation.

A deferred tax asset has not been recognised in respect of tax losses carried forward as a formal assessment of the recoverability of the tax losses under current tax legislation has not been performed.

NOTE 5. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2026. Refer to note 26 for details of other transactions with KMP and associated balances payable and receivable.

Names and positions held by KMP in office at any time during the financial year are:

Key Management Person	*Position*
Anthony Shields	Non-Executive Chairman and Non-Executive Director
Michael Fitzpatrick	Non-Executive Director
Grant Mooney	Non-Executive Director and Company Secretary
Jonathan Fievez	Chief Executive Officer

The totals of remuneration paid to KMP of the Group during the year are as follows:

	Group	
	2026	**2025**
	$	**$**
Short term employee benefits	552,108	564,371
Share based payments	-	595,062
Post-employment benefits	59,053	58,002
	611,161	1,217,435

For details of related party payments to KMP's refer to Note 27.

NOTE 6. AUDITOR'S REMUNERATION

	Group	
	2026	**2025**
	$	**$**
Remuneration of the current auditor of the Group for auditing or reviewing the Group's financial reports	85,650	70,380
	85,650	70,380

NOTE 7. EARNINGS/(LOSS) PER SHARE

	Group 2026 $	Group 2025 $
Basic loss per share (cents per share)	(0.69)	(0.64)
Diluted loss per share (cents per share)	(0.69)	(0.64)

	Group 2026 $	Group 2025 $
(a) Loss used in the calculation of basic and diluted EPS	(2,765,868)	(2,327,734)
(b) Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	399,583,047	313,582,297

As at 30 June 2025 and 30 June 2026, the outstanding options were not dilutive as the Group made net losses in both years.

NOTE 8. CASH AND CASH EQUIVALENTS

	Group 2026 $	Group 2025 $
Cash on hand	337	167
Cash at bank	996,010	2,398,476
Term deposits	-	500,000
	996,347	2,898,643

NOTE 9. TRADE AND OTHER RECEIVABLES

Group	Gross Amount	Past due but not impaired (days overdue)			Within trade terms
2026		1-30	31-60	61+	
	$	$	$	$	$
CURRENT					
Trade receivables	191,229	22,715	-	-	168,514
Prepayments	189,879	-	-	-	189,879
Other receivables*	375,675	-	-	-	375,675
	756,783	22,715	-	-	734,068
NON-CURRENT					
Security deposits	902,851	-	-	-	902,851
	902,851	-	-	-	902,851

* Other receivables are mainly represented by compensation payments, GST receivable, and accrued income. There is no expected credit loss.

NOTE 9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Group	Gross Amount	Past due but not impaired (days overdue)			Within trade terms
2025		1-30	31-60	61+	
	$	$	$	$	$
CURRENT					
Trade receivables	738,928	38,413	44,541	-	655,974
Prepayments	89,697	-	-	-	89,697
Other receivables*	386,735	-	-	-	386,735
	1,215,360	38,413	44,541	-	1,132,406
NON-CURRENT					
Security deposits	930,720	-	-	-	930,720
	930,720	-	-	-	930,720

* Other receivables are mainly represented by compensation payments, GST receivable and accrued income.

NOTE 10. OTHER FINANCIAL ASSETS

	Group	
	2026	2025
	$	$
Unlisted investment	12,414	12,414

Financial asset comprises an investment in the ordinary issued capital of an unlisted entity.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

	Group	
	2026	2025
	$	$
At cost	3,602,422	3,633,531
Accumulated depreciation	(2,046,048)	(1,821,852)
Total plant and equipment	1,556,374	1,811,679

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Group			
	Microgrid/ Battery asset 2026 $	Plant and Equipment 2026 $	Microgrid/ Battery asset 2025 $	Restated* Plant and Equipment 2025 $
Balance at the beginning of year	1,771,097	40,582	1,997,050	59,502
Disposals	-	(35,000)	-	-
Write back accumulated depreciation on disposal	-	26,556	-	-
Additions	-	1,600	-	-
Depreciation expense	(225,953)	(22,508)	(225,953)	(18,920)
Carrying amount at the end of year	1,545,144	11,230	1,771,097	40,582

* Correction of prior year foreign exchange balance

NOTE 12. RIGHT-OF-USE ASSETS

	Group	
	2026 $	2025 $
Cost	-	37,247
Accumulated amortisation	-	(37,247)
Closing balance at end of the period	-	-

	Group	
Reconciliation - Premises	2026 $	2025 $
Balance at the beginning of period	-	37,247
Amortisation expense	-	(37,247)
Closing Balance at end of the period	-	-

NOTE 13. INTANGIBLE ASSETS

	Group	
Intangibles – CETO technology development asset	2026 $	2025 $
Movements for year ended 30 June		
Opening Balance	17,751,393	15,465,386
Subsequent development expenditure – CETO Technology	4,701,303	5,382,140
Other grants received	(1,631,731)	(2,528,322)
R&D tax incentive	(1,943,867)	(567,811)
Balance as at 30 June	18,877,098	17,751,393

The CETO technology has yet to be commercialised and is in the development phase. As it is not yet ready for use, it is necessary to test the asset annually for impairment. The recoverable amount is determined as the fair value less costs of disposal and the 'relief from royalty' methodology (RRM) is used to determine this amount. Management has considered the RRM as being the most appropriate methodology to value CETO technology as RRM is a commonly used and widely accepted method for valuing intellectual property (IP), and a cost-based approach can be used as a crosscheck using the costs required to replicate the IP. Whilst Management have details on the historical expenditure incurred in developing and maintaining the IP, it is not possible to identify what proportion of the historical expenditure is now obsolete.

A market-based approach is also rarely applied in the valuation of IP due to lack of comparable transactions of IP from which valuation metrics can be observed and deducted. The basic principle of the relief from royalty methodology (RRM) is that if the intellectual property (IP) is not owned, there would need to be payment to license it from the IP owner. By virtue of owning the asset, the IP owner is 'relieved' from the responsibility of licensing the IP from a third party. The value of that is therefore benchmarked to the hypothetical cost to license such IP from a third party.

The determination of fair value is based on 'fair value' as defined under *AASB 13: Fair Value Measurement.* In the current year management has prepared a valuation model using the RRM. The RRM utilises an estimate of the forecast royalty stream that a hypothetical third party would pay to utilise the IP less the costs of commercialisation.
The development asset in its entirety is classified as level 3 in the fair value hierarchy.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. The calculation of the fair value less cost of disposal is based on the following key assumptions:

- Expected revenue generated from the sale of CETO IP units, based on a minority share of forecast installed wave energy capacity;
- Remaining useful life of the IP will have a life beyond the remaining patent period as new technology is developed and patented. As such, a 15-year forecast period with a terminal value has been utilised in the financial model;
- A royalty rate range of 3% to 5% with a mid-point of 4% has been applied. To determine a royalty rate range, royalty rates associated with the renewable energy sector were considered and selected;
- Management estimates of the cost to Carnegie (net of grants and research & development rebates) to commercialise would require an R&D budget of $2 million per year until 2026;
- A discount rate of 19% derived by applying the capital asset pricing model (CAPM).

NOTE 14. TRADE AND OTHER PAYABLES

	Group 2026 $	2025 $
Trade creditors	461,670	856,740
Accruals	192,034	312,056
	653,704	1,168,796

NOTE 15. EMPLOYEE ENTITLEMENTS

Current	*Group* 2026 $	2025 $
Annual leave accrued	106,468	72,263
Long Service Leave and Other Employee Provisions	98,348	114,826
	204,816	187,089
Non-current		
Long Service Leave and Other Employee Provisions	39,511	31,938
	39,511	31,938

Provision for Employee Benefits A provision has been recognised for employee entitlements relating to long service leave (LSL) and annual leave. In calculating the present value of future cash flows in respect of LSL, the probability of LSL being taken is based on historical data.

NOTE 16. LEASE LIABILITY

Premises	Group 2026 $	2025 $
Current liabilities	-	-
Non-current liabilities	-	-
Total lease liability	-	-

Reconciliation	Group 2026 $	2025 $
Opening balance at beginning of period	-	34,216
Principal repayments	-	(34,216)
Closing Balance 30 June	-	-

NOTE 17. SHORT-TERM BORROWINGS

	2026 $	2025 $
Loan from Ballamena Pty Ltd ATF Ellann Finance Unit Trust	2,500,000	2,500,000
Deferred borrowing costs - options	(573,162)	(573,162)
Deferred borrowing costs - cash	(50,000)	(50,000)
less expensed up to 30 June 2026	623,162	248,471
	2,500,000	2,125,309

The Loan Agreement's key terms are as follows:

- Commitment: $2.5 million
- Lender: Ballamena Pty Ltd ATF Ellann Finance Unit Trust
- Interest: 15% per annum
- Final Repayment Date: extended to 30 June 2027
- Security: The Lender will have a Featherweight General Security Agreement which secures the loan against Company assets.

NOTE 18. OTHER LIABILITIES

	2026 $	2025 $
Prepaid Renmarinas grant	784,110	1,869,720
	784,110	1,869,720

This represents the funds not yet spent. The full amount of the grant was received in April 2025.

NOTE 19. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES NOTE

The changes in the Group's liabilities arising from the financing activities can be classified as follows:

	Short-term Borrowings	Total
Proceeds - cashflow	119,765	119,765
Repayments- cashflow	(48,572)	(48,572)
	71,193	71,193

NOTE 20. SHARE CAPITAL

	Group	
	2026 $	2024 $
411,475,015 (2025: 366,203,472) fully paid ordinary shares	213,547,233	211,159,219

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

a. Ordinary shares (number)

	2026 No.	2025 No.
At the beginning of reporting period	366,203,472	366,203,472
Shares issued during the year from option conversions	8,132,895	-
Share Purchase Plan 11 September 2025	37,138,648	-
At reporting date	411,475,015	366,203,472

b. Ordinary shares ($)

	2026 $	2025 $
At the beginning of reporting period	211,159,219	211,159,219
Share Purchase Plan 11 September 2025	2,116,903	-
Share Purchase Plan costs 11 September 2025	(17,661)	-
Shares issued during the year from option conversions	288,772	-
At reporting date	213,547,233	211,159,219

c. Capital Management

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. The Group's capital is made up of ordinary share capital. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to the changes in these risks and in the market. This includes the management of share issues. Options were exercised during the year.

NOTE 21. RESERVES

	Group 2026 $	Group 2025 $
a. Foreign Currency Translation Reserve		
The foreign currency translation reserve records exchange differences arising on translation of foreign operations.	(76,621)	(102,561)
b. Convertible Note/Option Reserve		
The reserve records items recognised as expenses on valuation of share options and share based payments. It also records amounts classified as "equity" under the requirements of AASB 132.	532,177	605,897
Total	455,556	503,336

c. Reconciliation of Convertible Note/Option Reserve	30 June 2026 Number	30 June 2026 $	30 June 2025 Number	30 June 2025 $
Balance at beginning of period	59,600,000	605,897	26,600,000	909,837
Options expensed	5,500,967	37,344	9,600,000	65,898
Options issued	-	-	50,000,000	573,162
Options exercised	(13,475,326)	(74,255)	-	-
Options forfeited from cashless exercise	(5,200,967)	(36,809)	-	-
Options expired unexercised	-	-	(26,600,000)	(943,000)
Closing Balance	46,424,674	532,177	59,600,000	605,897

The following options were on issue at 30 June 2026:

Option Code	Expiry date	Number of options	Exercise Price	Spot Price	Interest rate	Volatility	Value per option	Value $
CCEOPT17	29/10/2027	46,424,674	$0.060	$0.038	3.964%	60.6%	0.00115	$532,177
		46,424,674						

NOTE 22. BUSINESS RISK

The net loss of the Group for the financial year ended 30 June 2026 was $2,765,868 (2025: net loss $2,327,734). As at 30 June 2026, the Group had net assets of $18,848,533 (2025: 19,237,357).

NOTE 23. OPERATING SEGMENTS

The Group operates in one segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Sales	**2026 $**	**2025 $**
Customers over 10% of revenue	453,774	317,363
Other customers	-	-
Total	453,774	317,363

NOTE 24. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) AFTER INCOME TAX

Loss after income tax	(2,765,868)	(2,327,734)
Less non-cash flows in loss		
Depreciation and amortisation	248,461	282,120
Movements in non-operating cashflows	42,543	(77,959)
Grant funding capitalised	5,546,018	4,417,771
Share based payments	54,720	48,523
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	458,577	1,001,335
Increase/(decrease) in trade payables and accruals	(515,094)	127,437
Increase/(decrease) in provisions	17,726	2,500
Net cashflow from operations	3,087,083	3,473,993

NOTE 25. EVENTS AFTER THE REPORTING PERIOD

On 14 July 2026, the Company signed a Deed of Variation to extend the maturity date of the existing $2.5 million Loan Agreement with Ballamena Pty Ltd ATF Ellann Finance Unit Trust. The loan's maturity date has been extended to 30 June 2027. The fee for this loan variation was the issue of 5,000,000 options issued 15 July 2026 with and exercise price of $0.27 and expiry date of 14 July 2029.

On 22 July 2026, the Company completed a $2.5 million Private Share Placement supported by overseas investors resulting in the issuing of 13,888,888 shares at $0.18 each. Proceeds from the Placement will primarily be applied towards development of a multi-megawatt CETO array at BiMEP (Biscay Marine Energy Platform), business development activities in Europe and the US, deployment and operation of CETO via the ACHIEVE Programme, advancing the MoorPower Commercial Pilot and working capital. In addition, the Company will continue to progress recent activities to investigate applications and develop products for provision of remote power to Defence and Data Centres.

On 26 August 2026, the Company executed a Deed of Variation to increase the existing $2.5 million Loan Agreement with Ballamena Pty Ltd ATF Ellann Finance Unit Trust by a further $1 million to $3.5 million. The loan's maturity date was previously extended to 30 June 2027. The fee for this loan variation was the issue of 5,000,000 options issued 15 July 2026 with and exercise price of $0.27 and expiry date of 14 July 2029.

Other than above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 26. RELATED PARTY TRANSACTIONS

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Group has not recorded any impairment on receivables relating to amounts owed by related parties. There were no loans receivable or payable with related parties at year end.

Transactions and balances with Director related entities

Company secretarial services have been provided by Mooney & Partners Pty Ltd, a company associated with Grant Mooney during the financial year. Costs of $66,000 (2025: $66,000) were incurred for these services during the year. These transactions were undertaken on an arms-length basis under normal commercial terms.

Director Grant Mooney and Chief Executive Officer Jonathan Fievez jointly own solar energy microgrid operation and maintenance company, Secure Energy Pty Ltd (Secure Energy). Security Energy provides operation and maintenance services to Carnegie to maintain the Garden Island Solar Battery System. For the period, Secure Energy was paid $166,247 (2025: $176,308) inclusive of GST for those services.

NOTE 26. RELATED PARTY TRANSATIONS (CONTINUED)

The Company has established a Committee comprising independent directors Anthony Shields and Michael Fitzpatrick to negotiate commercial terms of contracts with Secure Energy.

Secure Energy also subleases office space from Carnegie at the Rous Head facility in Fremantle, Western Australia. The lease is on commercial terms and was negotiated between Secure Energy and the Committee. Rent and outgoings paid to Carnegie during the year totalled to $29,166 (2025: $29,952) including GST.

Balances outstanding with Director and Director related entities:

	Payable 2026 $	Payable 2025 $	Receivable 2026 $	Receivable 2025 $
Mooney & Partners Pty Ltd	-	5,500	-	-
Secure Energy Pty Ltd	21,693	11,541	2,379	7,799

NOTE 27. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Board of Directors has responsibility for, amongst other issues, monitoring and managing financial risk exposures of the Group. The board monitors the Group's financial risk management policies and exposures and approves the financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counter party credit risk, currency risk, financing risk and interest rate risk.

(a) **Interest rate risk**

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The effective weighted average interest rates in classes of financial assets and liabilities is as follows:

Group **30 June 2026:** **Financial assets:**	**Weighted Average Effective Interest Rate** **%**	**Floating Interest Rate** **$**	**Fixed Interest Rate Maturing** **Within year** **$**	 **1 to 5 years** **$**	**Non-interest Bearing** **$**	**Total** **$**
Cash and equivalents	1.93%	641,756	-	-	354,590	996,346
Receivables					756,783	756,783
Financial assets					12,414	12,414
Non-current security deposits	1.89%	902,852				902,852
		1,544,608			1,123,787	2,668,395
Financial liabilities:						
Accounts payable		-	-	-	591,980	591,980
Loans	15%	-	2,500,000	-	-	2,500,000
		-	2,500,000	-	591,980	3,091,980

NOTE 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies (continued)

(a) **Interest rate risk (continued)**

Group
30 June 2025:
Financial assets:

Cash and equivalents	0.88%	603,183	500,000	-	1,795,460	2,898,643
Receivables	-	-	-	-	1,179,663	1,179,663
Financial assets	-	-	-	-	12,414	12,414
Non-current security deposits	0.02%	930,720	-	-	-	930,720
		1,533,903	500,000	-	2,987,537	5,021,440
Financial liabilities:						
Accounts payable		-	-	-	1,168,796	1,168,796
Loans	9.62%	-	2,500,000	2,911,819	-	5,411,819
		-	2,500,000	2,911,819	1,168,796	6,580,615

(b) **Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings.

(c) **Net fair value**

The fair value of financial assets and liabilities not carried at fair value on recurring basis approximate their carrying value.

For unlisted investments, there is no material difference between carrying amount and fair value.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- 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 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2026	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets:				
— Unlisted investments	-	-	12,414	12,414
2025				
Financial assets:				
— Unlisted investments	-	-	12,414	12,414

NOTE 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) **Sensitivity Analysis**

Interest Rate Risk

The Group is not subject to any significant interest rate risk, as loans have fixed interest rates.

(e) **Liquidity Risk**

Liquidity risk arises form the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Obtaining funding from variety of sources;
- Managing credit risk related to financial assets;
- Investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

NOTE 28. SHARE BASED PAYMENTS

TYPES OF SHARE-BASED PAYMENT PLANS

Employee share option plan

Share options are granted to executives and staff at the discretion of the Board of Directors. Share options are only granted to Directors after approval by shareholders. The plan is designed to align participants' interests with those of shareholders by increasing value of the Company's shares. Under the plan, the exercise price of the options is set by the Board of Directors at the time of issue.

Consultant share options

Share options are granted to consultants at the discretion of the Board of Directors for services provided to the Group. The exercise price of the options is set by the Board of Directors at the time of issue.

Total options outstanding and exercisable during the year are as follows;

2026

Grant Date	Expiry date	Consolidated Exercise price	Balance at the start of the year	Granted	Expired/ forfeited/ other	Balance at the end of the year
24 Jul 2024	24 Jul 2026	$0.0650	3,000,000	-	(3,000,000)	-
24 Jul 2024	24 Jul 2026	$0.0650	6,600,000	-	(6,600,000)	-
19 Nov 2024	29 Oct 2027	$0.0600	50,000,000	-	(3,575,326)	46,424,674
			59,600,000	-	(13,175,326)	46,424,674
Weighted average exercise price			**$0.061**	**-**	**$0.64**	**$0.06**

NOTE 28. SHARE BASED PAYMENTS (CONTINUED)

2025

Grant Date	Expiry date	Consolidated Exercise price	Balance at the start of the year	Granted	Expired/forfeited/ other	Balance at the end of the year
28 Oct 2019	28 Oct 2024	$0.0625	5,000,000	-	5,000,000	-
13 Oct 2021	13 Oct 2024	$0.1800	3,000,000	-	3,000,000	-
23 Nov 2021	22 Nov 2024	$0.1800	8,000,000	-	8,000,000	-
23 Sep 2022	28 Sep 2024	$0.1500	3,000,000	-	3,000,000	-
28 Oct 2022	28 Sep 2024	$0.1500	5,600,000	-	5,600,000	-
22 Nov 2022	25 Nov 2024	$0.1500	2,000,000	-	2,000,000	-
24 Jul 2024	24 Jul 2026	$0.0650	-	3,000,000	-	3,000,000
24 Jul 2024	24 Jul 2026	$0.0650	-	6,600,000	-	6,600,000
19 Nov 2024	29 Oct 2027	$0.0600	-	50,000,000	-	50,000,000
			26,600,000	59,600,000	26,600,000	59,600,000
Weighted average exercise price			**$0.087**	**$0.061**	**$0.146**	**$0.061**

NOTE 29. COMPANY DETAILS

The registered office and Principal place of business of the Company is:

Carnegie Clean Energy Limited
21 North Mole Drive
NORTH FREMANTLE WA 6159

NOTE 30. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

		Percentage Owned (%)	
	Country of Incorporation	2026	2025
Carnegie Recreational Watercraft Pty Ltd	Australia	100	100
CETO IP (Australia) Pty Ltd	Australia	100	100
CETO Wave Energy Ireland Limited	Ireland	100	100
CETO Wave Energy UK Limited	United Kingdom	100	100
Carnegie Technologies Spain S.L.	Spain	100	100
CMA Nominees Pty Ltd	Australia	100	100
New Millennium Engineering Pty Ltd	Australia	100	100
Pacific Coast Wave Energy Corp [1]	Canada	95	95
Carnegie Clean Energy LLC	USA	100	100

[1]This entity has no assets or liabilities and no profit or loss to disclose.

NOTE 31. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared applying policies that are consistent with those of the Group.

STATEMENT OF FINANCIAL POSITION	2026	2025
ASSETS	**$**	**$**
Current assets	3,867,574	3,959,775
Non-current assets	13,266,615	13,036,339
TOTAL ASSETS	17,134,189	16,996,114
LIABILITIES		
Current liabilities	3,093,861	2,658,050
Non-current liabilities	39,511	31,938
TOTAL LIABILITIES	3,133,372	2,689,988
TOTAL NET ASSETS	14,000,817	14,306,126
EQUITY		
Issued capital	213,547,233	211,159,219
Reserves	532,177	588,522
Accumulated losses	(200,078,593)	(197,441,615)
TOTAL EQUITY	14,000,817	14,306,126
STATEMENT OF COMPREHENSIVE INCOME		
Profit/(loss) for the year	(2,116,831)	(2,226,031)
Total comprehensive income/(loss) for the year	(2,116,831)	(2,226,031)

The parent had no contingencies or material commitments as at 30 June 2026.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

Basis of Preparation
The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity as at the end of the financial year.

Consolidated Entity
This CEDS incudes only those entities consolidated as at the end of the financial year, in accordance with AASB10: Consolidated Financial Statements.

Determination of Tax Residency
Section 195.3A of the Corporations Act 2001 defines tax residency as having the mean in the Income Tax Assessment Act 1997. The determination of tax residency involved judgement as there are currently several different interpretations that could be adopted, and which would give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

Australian Tax Residency
The consolidated entity has applied current legislation and judicial precedent, having regard to the Tax Commissioner's public guidance.

Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisors in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

The following are the details of the consolidated entities that are included in this financial report:

ENTITY NAME	TYPE OF ENTITY	COUNTRY OF INCORPORATION	% HELD BY THE GROUP	TAX RESIDENCY
Carnegie Clean Energy Limited (Parent Entity)	Body Corporate	Australia		Australia
CETO IP (Australia) Pty Ltd	Body Corporate	Australia	100%	Australia
CETO Wave Energy Ireland Ltd	Body Corporate	Ireland	100%	Ireland #
CETO Wave Energy UK Limited	Body Corporate	United Kingdom	100%	United Kingdom **#**
Carnegie Technologies Spain S.L.	Body Corporate	Spain	100%	Spain **#**
Pacific Coast Wave Energy Canada	Body Corporate	Canada	95%	Canada
Carnegie Recreational Watercraft Pty Ltd	Body Corporate	Australia	100%	Australia
CMA Nominees Pty Ltd	Body Corporate	Australia	100%	Australia
New Millennium Engineering Pty Ltd	Body Corporate	Australia	100%	Australia
Carnegie Clean Energy LLC	Body Corporate	USA	100%	USA**#**

Company is incorporated and carries on activities overseas and is a tax resident of the relevant overseas jurisdiction. As the central management and control is located in Australia, it is also considered to be Australian tax resident.

DIRECTORS' DECLARATION

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes comply with the IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

GRANT MOONEY
Director

ANTHONY SHIELDS
Chairman and Director

Dated this 27th day of August 2026

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT

To the Members of Carnegie Clean Energy Limited.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Carnegie Clean Energy Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 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 and 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of the current period. These 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying value of intangible assets Refer to Note 13	
As at 30 June 2026, the Group has recorded intangible assets with a value of $18,887,098 which relate to the CETO technology development asset. This asset is in the development phase and is not yet available for use. Under AASB 136 *Impairment of Assets*, intangible assets that are not yet available for use are subject to an annual impairment assessment irrespective of whether indicators of impairment exist. We considered the recoverability of intangible assets to be a key audit matter as it involved complex matters including subjectivity and judgement, it is material to users' understanding of the financial statements as a whole and it required significant auditor attention and communication with those charged with governance.	Our procedures included but were not limited to the following: - Reviewing management's processes and controls and their design and implementation; - Considering the appropriateness of the methodology and assumptions used in determining the recoverable amount; - Considering the determination of the cash-generating unit; - Ensuring amounts capitalised are appropriate under accounting standards; - Considering the basis for the assumptions underlying the forecasts in the model; - Comparing the discount rate, growth rates and other economic assumptions to available internal and external data; - Determining if the recoverable amount is in excess of the carrying amount; - Performing sensitivity analyses for key assumptions; and - Assessing the adequacy of disclosures within the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's 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.

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, 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:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Carnegie Clean 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
27 August 2026