Carbonxt Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Carbonxt Group Limited
ABN:	59 097 247 464
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	3.1%	to	15,694
Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')	up	123.9%	to	(1,041)
Loss from ordinary activities after tax attributable to the owners of Carbonxt Group Limited	down	31.5%	to	(4,629)
Loss for the year attributable to the owners of Carbonxt Group Limited	down	31.5%	to	(4,629)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $4,629,000 (30 June 2025: loss for the Group of $6,761,000).

The decrease in loss for the Group compared to prior year is primarily due to the gain on remeasurement of royalty payables of $2,262,000.

Revenues decreased 3.1% compared to prior year primarily due to the lower foreign exchange rate of Australian Dollar against US Dollar.

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The directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') and Underlying EBIT to reflect the core earnings of the Group. Underlying EBITDA and underlying EBIT are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the profit or loss under AAS adjusted for non-cash and significant items. The following table summarises key reconciling items between statutory loss after income tax and underlying EBITDA for the current and previous year period:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue	15,694	16,195
Gross margin	7,422	8,481
Other income	150	269
Shipping and distribution costs	(1,970)	(1,984)
Operating expenses	(6,643)	(7,231)
Underlying EBITDA	(1,041)	(465)
Depreciation and amortisation	(1,870)	(2,275)
Underlying Earnings before interest and tax ('EBIT')	(2,911)	(2,740)
Net Interest expense	(4,639)	(3,335)
Share-based payment expense	(74)	(104)
Fair value movement on embedded derivatives	733	-
Net remeasurement (loss)/gain on royalty payables	2,262	(582)
Loss before income tax expense	(4,629)	(6,761)

For further commentary refer to 'Review of operations' section within the Directors' report of the Annual Report and the attached market announcement.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(1.51)	(0.55)

The net tangible assets calculation does not include rights-of-use assets of $7,532,000 (30 June 2025: $6,230,000) but include the lease liabilities of $2,509,000 (30 June 2025: $1,264,000).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

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Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period $'000	Previous period $'000
NewCarbon Processing, LLC	48.05%	43.66%	-	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			-	-
Income tax on operating activities			-	-

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued with a paragraph addressing material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Annual Report of Carbonxt Group Limited for the year ended 30 June 2026 is attached.

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Carbonxt Group Limited
Appendix 4E
Preliminary final report

12. Signed

As authorised by the Board of Directors



Signed _____ Date: 31 August 2026

Warren Murphy
Managing Director
Sydney

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Carbonxt Group Limited

ABN 59 097 247 464

Annual Report - 30 June 2026

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Carbonxt Group Limited
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30 June 2026

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Carbonxt Group Limited
Corporate directory
30 June 2026

Directors	Matthew Driscoll - Chairman Warren Murphy - Managing Director David Mazyck - Director of Technology Nicholas Andrews – Non-Executive Director
Company secretary	Laura Newell
Registered office	Level 8, 210 George Street Sydney NSW 2000 Australia Tel: +61 2 8072 8271
Principal place of business	Suite 111 3951 NW 48th Terrace Gainesville FL 32606 United States of America
Share register	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia Tel: +61 2 9290 9600
Auditor	Ernst & Young 200 George Street Sydney NSW 2000 Australia
Solicitors	Thomson Geer Level 14 60 Martin Place Sydney NSW 2000 Australia
Stock exchange listing	Carbonxt Group Limited shares are listed on the Australian Securities Exchange (ASX code: CG1)
Website	www.cglimited.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Carbonxt Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Carbonxt Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Company's website at www.cglimited.com.au

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Carbonxt Group Limited
Chairman's letter
30 June 2026

Dear Shareholders,

FY26 has been a year of real and measurable progress for Carbonxt. Our established operations delivered positive operating cash flow across the full year on gross margins of approximately 50%; we secured significant new commercial contracts that underpin FY27 revenue growth, and, subsequent to the end of the reporting period, we agreed to a two-stage restructuring of the Company's balance sheet with our two largest financial stakeholders. As at the date of this letter, the Kentucky facility is in the final stages of kiln finalisation and commissioning has recommenced.

Kentucky has taken longer to bring online than we anticipated at the start of the year, caused by an equipment issue that is being resolved with the full support of the kiln manufacturer.

The Company enters FY27 in a materially stronger position than a year ago: existing operations substantially improved, with an agreed pathway to lower senior debt subject to the conditions set out below, and with our flagship growth asset close to first production.

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Kentucky – Approaching Commercial Production

Our Kentucky activated carbon facility, developed alongside our partners at Kentucky Carbon Processing, LLC through our jointly owned company New Carbon Processing, LLC, progressed substantially during FY26. Construction of the kiln was completed, refractory lining installed and heat treatment undertaken. The back-end infrastructure, bagging station, conveyors, additional storage silos, and the onsite power station were installed and brought online. All outside works are now complete.

We had targeted first revenues from the facility in early calendar 2026 and have not met that timetable. As the plant moved into early commissioning, remediation requirements were identified in the kiln, and further inspection established that the affected equipment needed to be replaced rather than repaired. The kiln manufacturer agreed to replace the equipment at their cost and facilitate the repairs and has remained constructive and supportive throughout.

Replacement parts began arriving during the June quarter. Subsequent to the end of the reporting period, kiln finalisation has continued and is nearing finalisation. Identifying and correcting these issues before sustained production begins is the right outcome for the plant's long-term reliability.

We continued to build our position in the project throughout the year, lifting our interest in New Carbon Processing from 43.7% at 30 June 2025 to 48.1% at 30 June 2026. Two further incremental investments of US$250,000 each, made subsequent to year-end, have since taken our interest to 49.4%, bringing us closer to our stated 50% objective.

Once operational, and on the basis of current internal estimates, the facility is expected to increase group sales by approximately 200% over two years and take Carbonxt into the liquid-phase activated carbon market, a segment several times larger than our current air-phase focus, with a corresponding uplift in both revenue and margin.

Operational Performance and Commercial Momentum

The underlying business showed further improvements over FY25. Full-year customer receipts were A$16.99 million and net operating cash flow was positive at A$492,000. Gross margins were strong at 52.4% in the June quarter, with the full year at approximately 47%.

Activated Carbon Pellet (ACP) volumes recovered strongly in the second half following a planned maintenance outage at our Black Birch plant, with June quarter sales 37% higher than the March quarter. Powdered Activated Carbon (PAC) sales rose 10% over the same period as volumes from our largest PAC customer returned to prior levels. Capacity utilisation was around 57.3% of maximum capacity at Arden Hills and 73% at Black Birch.

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Three commercial developments during the year position us well for FY27:

- A three-year extension of one of our principal ACP customer contracts on higher pricing and improved payment terms, with expected annual revenue from that contract increasing by over 30%. That customer has indicated an intention to increase volumes, which if realised would be worth approximately A$2.0 million of additional revenue in FY27.
- A first purchase order from a new customer for a new ACP product entering a new market segment. The product performed well and was well received, and, as at the date of this letter, discussions to finalise a long-term supply agreement are advancing.
- Agreement to relocate our Minnesota pellet operations to a new site, reducing monthly operating costs by over US$10,000 and enabling future expansion at a much lower cost. The move is expected to complete in the September 2026 quarter, after the end of the reporting period.

PAC volumes continue to be underpinned by long-term contracts with ReWorld and Wisconsin Public Service, providing a stable base of contracted revenue.

Balance Sheet Restructuring Agreed After the End of the Reporting Period

Shortly after year-end, on 3 July 2026, we agreed to a two-stage balance sheet restructuring with our two largest financial stakeholders - Phelbe Pty Ltd, our major shareholder and noteholder, and Pure Asset Management, our senior lender - designed to substantially strengthen the Company's balance sheet as Kentucky enters commercial production. The agreement was reached after the end of the reporting period and is not reflected in the FY26 financial statements. Refer to Note 36 Events after the reporting period.

Stage 1 completed on 3 July 2026, comprising A$3.5 million of new convertible notes: A$2.0 million of new cash from Phelbe and A$1.5 million from Pure set off against senior debt and accrued interest. Pure has also agreed to provide any required covenant waivers to 31 December 2026 i.e. the next covenant test date is 31 December 2026.

Stage 2 is conditional on (a) shareholder approval at an Extraordinary General Meeting expected in September 2026 (b) the Company's share price closing at or above $0.09 for five consecutive trading days before 31 December 2026 (c) on the commencement of Kentucky operations (defined as receipt of an independent engineer certification attesting to the plant being operational, together with the achievement of US$1 million in initial revenue from the facility) and (d) no material adverse effect. On satisfaction of those conditions, Phelbe will convert existing notes and exercise options, and Pure will exercise its warrants and options. Pure's proceeds of approximately A$5.0 million will be applied directly to reduce the senior facility from A$15.0 million to approximately A$10.0 million, with all financial covenants removed for the remaining life of that loan, which matures on 31 May 2027.

In aggregate, the plan, if both stages complete, would deliver a cash injection of up to A$11 million and a net reduction in debt of approximately A$5 million, while simplifying the Company's capital structure. Every conversion and exercise price sits above the A$0.068 share price on 6 July 2026, being the date of the agreement. That both parties are committing capital at prices above the market is a clear and welcome expression of confidence in Carbonxt's strategy and in the value of the Kentucky investment.

Strategic Positioning – Ongoing Regulatory and Market Tailwinds

The regulatory case for our products was maintained during FY26. In May 2026, the US EPA proposed a rule that upholds the Maximum Contaminant Levels for PFOA and PFOS at 4 parts per trillion, together with an application-based two-year extension of the compliance deadline to April 2031 that gives utilities more time to plan, fund and deploy treatment infrastructure. In the same package the EPA proposed to rescind the drinking water regulations for PFHxS, PFNA, GenX and the related Hazard Index mixture. Neither rule is final. The PFOA and PFOS standards that drive our addressable market are unchanged. The EPA released nearly US$1 billion in new grant funding to states to address PFAS in drinking water, bringing that programme to US$5 billion over five years, alongside US$4 billion through the Drinking Water State Revolving Funds and more than US$6.5 billion in low-interest financing.

In June, the EPA signed the proposed Sixth Unregulated Contaminant Monitoring Rule, which was published in the Federal Register on 1 July 2026, widening the occurrence-monitoring net that drives future regulation. On 24 June

2026, the Department of Justice, the EPA and the West Virginia Department of Environmental Protection announced a proposed US$450 million settlement with Chemours, the first comprehensive federal enforcement settlement with a PFAS manufacturer. That settlement is a proposed consent decree and remains subject to court approval.

The standards that drive procurement in our addressable market remain in place, the proposed compliance timetable now extends to 2031, and the capital to meet those standards is flowing. Activated carbon, and powdered and granular activated carbon in particular, remains the most widely adopted treatment technology for PFOA and PFOS removal at scale. Combined with a projected 5–9% compound annual growth rate in activated carbon demand through 2030, these trends support a long and visible growth runway for Carbonxt.

Outlook for FY 27

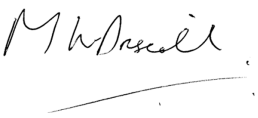
An operational base that generated positive operating cashflow during FY26, a restructured balance sheet and Kentucky approaching first production, FY27 is set to be a defining year. Our priorities are:

- Completing Kentucky commissioning, achieving the initial revenue milestone and entering the liquid-phase market.
- Completing Stage 2 of the restructuring, reducing senior debt to approximately A$10 million and removing all financial covenants.
- Converting the new ACP purchase order into a long-term supply agreement and delivering the volume growth indicated by our existing customers.
- Completing the Minnesota relocation and maintaining the operational discipline that delivered positive operating cash flow in FY26.

On behalf of the Board, I would like to thank our shareholders for their continued support and for their patience as Kentucky has worked through to completion, our lenders and noteholders at Pure Asset Management and Phelbe Pty Ltd for their substantial and constructive partnership through the restructuring, and most importantly our employees, whose expertise and dedication delivered the operational recovery and new business wins that defined the year.

FY26 has put the pieces in place for a step change in the scale of this business, and we look forward to updating you as we deliver on the opportunities ahead.

Yours sincerely,



Matthew Driscoll
Chairman

31 August 2026

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Carbonxt Group Limited
Directors' report
30 June 2026

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Carbonxt Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were directors of Carbonxt Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Matthew Driscoll - Chairman
Warren Murphy
David Mazyck
Nicholas Andrews
Imtiaz Kathawalla (resigned 02 July 2025)

Principal activities

During the financial year the principal continuing activities of the Group consisted of the development and sale of specialised Activated Carbon ('AC') products, including Powdered Activated Carbon ('PAC') and AC pellets for the removal of pollutants and toxins in industrial processes.

These products are used in industrial air purification, waste water treatment and other liquid and gas phase markets, primarily for the capture of mercury and sulphur in order to reduce harmful emissions into the atmosphere, as required by global regulations.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to $4,629,000 (30 June 2025: $6,761,000).

The decrease in loss for the Group compared to prior year is primarily due to the gain on remeasurement of royalty payables of $2,262,000.

Revenue for the year was $15,694,000 (before other income) and $15,844,000 (after other income) representing a decrease of 3.1% and 3.8% respectively on the prior year's revenue of $16,195,000 (before other income) and $16,464,000 (after other income). In US dollars, revenue was US$10,649,000 (before other income) and US$10,750,000 (after other income) representing an increase of 1.4% and 0.7% respectively on the prior year’s revenue of US$10,498,000 (before other income) and US$10,672,000 (after other income).

Revenues decreased 3.1% compared to prior year primarily due to the lower foreign exchange rate of Australian Dollar against US Dollar.

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The directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') and Underlying EBIT to reflect the core earnings of the Group. Underlying EBITDA and underlying EBIT are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the profit or loss under AAS adjusted for non-cash and significant items. The following table summarises key reconciling items between statutory loss after income tax and underlying EBITDA for the current and previous year period:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue	15,694	16,195
Gross margin	7,422	8,481
Other income	150	269
Shipping and distribution costs	(1,970)	(1,984)
Operating expenses	(6,643)	(7,231)
Underlying EBITDA	(1,041)	(465)
Depreciation and amortisation	(1,870)	(2,275)
Underlying Earnings before interest and tax ('EBIT')	(2,911)	(2,740)
Net Interest expense	(4,639)	(3,335)
Share-based payment expense	(74)	(104)
Net remeasurement (loss)/gain on royalty payables	2,262	(582)
Fair value movement on embedded derivatives	733	-
Loss before income tax expense	(4,629)	(6,761)

Liquidity

During the financial year ended 30 June 2026, the Group incurred a net loss after tax of $4,629,000 (30 June 2025: $6,761,000) and a cash inflow from operating activities of $492,000 (30 June 2025: outflow of $4,752,000). As at 30 June 2026, the Group had net assets of $5,645,000 (30 June 2025: $9,223,000), net current liability of $22,004,000 (30 June 2025: $15,120,000) and cash and cash equivalents of $553,000 (30 June 2025: $481,000).

As a result of the loss incurred for the year ended 30 June 2026 and the liquidity at the reporting date, there is a material uncertainty on whether the Group can continue as a going concern. The directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Business risks

The following is a summary of material business risks that could adversely affect the Group's financial performance and growth potential in future years and how the Group proposes to mitigate such risks:

Climate Risk

The Group takes climate risk into account in its investment decisions. There is the possibility that such decisions have underestimated the severity of climate change. The bio-char input at Black Birch is a renewable source and has a lower footprint than most Activated Carbon manufacturing facilities, but it is feasible that climate change affects the availability of the input source.

Construction Risk

The NewCarbon investment is in construction phase. As with all construction activities there is the possibility of delays to completion or issues during the start-up phase. Given the plant has operated for a number of years as a waste-to-energy plant that start-up risk is reduced, compared to a greenfields construction site, but nevertheless there is a potential for construction issues.

Competition risk

The Group operates in a dynamic AC market. There is a possibility that existing or new competitors may increase competitive pressure through technological advancements, volume increases or pricing and other strategies. Any significant advancements in technology for producing AC have the potential to change the competitive environment in which the Group operates.

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Ability to retain existing clients or attract new clients
The Group's business depends on its ability to retain contracts with existing customers and to attract further business from existing customers or attract new customers. The loss of existing customers or the inability to attract new customers would have an adverse impact on the financial position of the Group.

Regulatory risk
The Group is heavily reliant on US environmental policies and regulation. Any change to or reversal of current legislation would have a significant negative effect on the Group's business model and financial performance.

Intellectual property risk
The Group relies on its intellectual property (including technology, know how, trademarks, designs and patents) and there can be no assurance that competitors or other parties will not imitate or develop technology and know-how that challenges or competes with the Group or supersedes the Group's intellectual property. In addition, any unauthorised use or disclosure of the Group's intellectual property may also have an adverse effect on the Group's financial performance.

Reliance on key personnel
The Group employs, or engages as consultants, a number of key management and scientific personnel. The inability of the Group to retain and attract highly qualified and experienced personnel could have a material adverse impact on the Group's business and financial performance.

Safety and industrial accidents
The manufacture and supply of the Group's products are subject to safety related risks, which are managed carefully by the Group. Despite the relevant safety guards there is no guarantee a serious accident will not occur in the future, which may negatively affect the financial performance of the Group.

Brand establishment and maintenance
Establishing and maintaining its brand in the industry is critical to growing the Group's customer base and product acceptance. Prior to entering into supply agreements, the Group is required to undertake vigorous testing of its Activated Carbon solutions. Any unsuccessful tests for potential customers could adversely affect the Group's brand, and its business and operating results could be adversely affected. The Group must also maintain and support its existing customer relationships to maintain its brand and attract further customers.

Offshore operations
While the Group's corporate management is in Australia, its operations are based in the United States. The global nature of the pollution control business may result in the Group's activities extending to other countries in the future. Geographic diversity adds risk to the ability of the Group to manage its operations and employees, and introduces additional risks relating to the general economic, regulatory, legal, social and political environment in the jurisdictions in which it intends to operate, which may in turn adversely affect the Group's business and financial condition.

Exchange rate risk
The Group is exposed to movements in exchange rates as the vast majority of the Group's revenue and expenses are denominated in USD. Adverse movements in the AUD/USD exchange rate may have an adverse effect on the reported financial performance and/or financial position of the Group.

Product liability and uninsured risks
The Group is exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of its products or products that are developed in the future. Whilst the Group has liability insurance to help manage such risks, the Group may not be able to maintain insurance for product or service liability on reasonable terms in the future and/or the Group's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on any such claims.

Concentration risk
The Group has significant dependence on a limited number of customers. The loss of a major customer could materially affect revenue, operations, profitability, and cash flow. Management continuously monitors concentration exposures and seeks to mitigate these risks through customer diversification, expansion into new markets, and ongoing assessment of key business relationships.

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Significant changes in the state of affairs

Capital raising

On 17 October 2025, the Company announced the completion of the share placement of 8,000,000 fully paid shares at $0.075 per share before issue costs.

On 6 January 2026, the Company issued 6,666,667 ordinary shares at $0.09 per share raising $600,000 before issue costs.

Loyalty Option

On 22 August 2025, the Company announced a non-renounceable pro-rata entitlement offer to Eligible Shareholders of one (1) Option to acquire a fully paid ordinary share in the Company ('Loyalty Option') for every six (6) shares held by shareholders registered at 7.00pm (AEST) on 27 August 2025 ('Record Date') at an issue price of $0.01 and exercise price of $0.07 per Loyalty Option ('Entitlement Offer'). The Offer was fully underwritten by Chaleyer Holdings Pty Ltd, an existing shareholder of the Company. A total of 58,776,787 options were issued, raising a total of $587,769 before issue costs.

On 26 September 2025, the Company issued 8,000,000 Loyalty Option to the directors at an issue price of $0.01 in lieu of compensation totalling to $80,000.

Investment in NewCarbon

The contributions to NewCarbon for the year totalled to US$1,500,000 (30 June 2025: US$2,250,000) which increased the ownership in NewCarbon to 48.05% as at 30 June 2026 (30 June 2025: 43.66%).

Convertible notes

On 25 September 2025, the Company issued additional 400,000 convertible notes with a face value of $1 exercisable at $0.08 and expiring on 17 October 2027. The convertible notes will convert to a total of 5,000,000 ordinary shares. The convertible note has 1 attaching option with every 1 share issued to the noteholders upon conversion.

On 18 February 2026, the Company issued additional 500,000 convertible notes with a face value of $1 exercisable at $0.10 and expiring on 18 February 2029. The convertible notes will convert to a total of 5,000,000 ordinary shares. The convertible note has 1 attaching option with every 3 shares issued to the noteholders upon conversion.

On 9 April 2026, the Company issued additional 750,000 convertible notes with a face value of $1 exercisable at $0.10 and expiring on 9 April 2029. The convertible notes will convert to a total of 7,500,000 ordinary shares. The convertible note has 1 attaching option with every 3 shares issued to the noteholders upon conversion.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 6 July 2026, the Company announced a restructuring agreement with its major shareholders Phelbe Pty Ltd ('Phelbe') and Pure Asset Management ('Pure') to strengthen the Group's financial position to support the growth of the production facility in Kentucky through its investment in NewCarbon. This will be facilitated through issuance of $3,500,000 convertible notes. Phelbe will contribute $2,000,000 cash, while Pure's contribution of $1,500,000 will be set-off against Pure's senior debt facility.

The notes carry a three-year term and a conversion price of $0.10 per share, with 17,500,000 attaching options. Reflecting their support for the Company through this transition, Pure has agreed to provide any required covenant waivers to 31 December 2026 i.e. the next covenant test date is 31 December 2026.

In addition to the convertible notes, and subject to (a) the shareholders' approval in an EGM expected to occur in late September 2026; (b) the Company's share price closing at or above $0.09 for five consecutive trading days before 31 December 2026; (c) the commencement of Kentucky operations including independent engineer certification and US$1,000,000 of third-party revenue; and (d) no material adverse effect, Pure will exercise its outstanding warrants and options with the proceeds to be applied to reduce the debt facility from $15,000,000 to approximately $10,000,000 and Pure to waive all the covenants for the remaining life of the debt facility. Phelbe will convert the $2,000,000 convertible notes to share capital and exercise all options raising approximately $3,400,000 in cash. All options and convertible notes related to Pure and Phelbe will be offered a 10% per annum discount as early conversion incentive. Even after the discount, all conversion and exercise prices remain above the Company's current share price of $0.068.

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On 6 July 2026, the Company made a US$250,000 contribution to NewCarbon. On 13 August 2026, the Company made an additional US$250,000 contribution to NewCarbon increasing the Group's ownership to 49.4% after these contributions.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to expand its industrial AC pellet business in vapour control, liquid solvent recovery and other specific industrial uses of pellets. In line with this expansion, the Group shall make the remaining contributions of US$750,000 in stages, subject to completion of milestones, to increase its ownership in NewCarbon to 50%. The expansion will significantly increase production capacity and gross margins and will allow existing capacity to be repositioned to produce more specialised technologies.

The Group will continue to provide its PAC solution for emission capture and wastewater treatment and will leverage the competitive advantage of its non-brominated PAC, that does not cause corrosion and damage to plant equipment. Furthermore, there is a renewed and continuing emphasis from a majority of US companies on ESG objectives. Carbonxt's PAC products made at its Black Birch plant utilise renewable feedstock and thus would satisfy the needs of those who are seeking focus on renewable feedstocks.

The Group's current and prospective customers continue to emphasise a desire for US-made pellets. Carbonxt is the only activated carbon industrial pellet developer and producer located in the United States, and this is expected to continue to drive both revenue and margin growth.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Sustainability reporting

AASB S1 'General Requirements for Disclosure of Sustainability-related Financial Information' provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. AASB S2 'Climate-related Disclosures' sets out specific climate-related disclosures and is designed to be used with AASB S1.

AASB S1 and S2 apply to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and are effective for annual reporting periods beginning on or after 1 January 2025 and will be gradually phased in for different entities based on size thresholds.

- Group 1 entities (meets two of the following: consolidated revenue of at least $500million, consolidated gross assets of at least $1 billion and at least 500 employees) are required to report in Dec 2025/June 2026.
- Group 2 entities (meets two of the following: consolidated revenue of at least $200million, consolidated gross assets of at least $500 million and at least 250 employees) are required to report in Dec 2027/June 2027.
- Group 3 entities (meets two of the following: consolidated revenue of at least $50million, consolidated gross assets of at least $25 million and at least 100 employees) are required to report in Dec 2028/June 2028.

As at the reporting date, the Group has assessed that it does not meet the criteria for mandatory application of AASB S2 for the current or upcoming reporting period, based on the thresholds set out in the Corporations Act relating to revenue, gross assets, and number of employees. The Group will continue to monitor its eligibility against the criteria in future reporting periods and will implement the necessary processes to comply with the standards if and when the thresholds are met.

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Information on directors

Name:	Matthew Driscoll
Title:	Non-Executive Chairman
Qualifications:	FAICD, FCSI, MSIAA
Experience and expertise:	Matthew Driscoll is an experienced company director and capital markets professional with more than 40 years' experience across financial services, investment markets and high-growth industries. He has served on approximately 25 listed and unlisted boards in Chair and Non-Executive Director capacities, bringing extensive expertise in corporate governance, capital markets, mergers and acquisitions, restructuring, risk management and strategic oversight. Matthew's executive career includes senior roles with major Australian financial institutions and stockbroking firms, advising on equity and debt markets, corporate transactions and investment strategy. Over his career, he has facilitated more than $5 billion in equity and debt raisings and has played a significant role in listed company restructures, growth initiatives and complex stakeholder engagements. In addition to his role as Chairman of Carbonxt Group Limited (ASX: CG1), Matthew is Chairman of Energy Technologies Limited (ASX: EGY), a Non-Executive Director of Workspace Australia Limited, and Deputy Mayor and Councillor of Mount Alexander Shire Council. Matthew holds a Bachelor of Arts, a Graduate Diploma in Education and a Graduate Diploma in Applied Finance and Investment. He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Chartered Institute for Securities & Investment, and a Master of the Stockbrokers and Investment Advisers Association and a past of Member of the Australian Stock Exchange.
Other current directorships (last 3 years):	Chair of Smoke Alarms Holdings Limited, the market leader in servicing smoke alarm rental properties in Australia, Chair of Workspace Australia a multi-regional business incubator network in Central Victoria, Chair, Energy Technologies Limited (EGY) an investment company focused on Australian based manufacturing businesses, Mayor-Mount Alexander Shire, Victoria.
Former directorships (last 3 years):	Chair, Tennant Minerals (TMS)
Interests in shares:	3,276,962 ordinary shares
Interests in options:	2,230,769 unquoted options, 2,546,160 quoted options

Name:	Warren Murphy
Title:	Managing Director
Qualifications:	B.E. (Electrical and Electronic Engineering) (Hons), B.Com (Accounting and Economics)
Experience and expertise:	Warren was previously Co-Head of the Australian Infrastructure & Project Finance Group and Head of Energy at Babcock & Brown based in the Sydney office. Warren led the development of Babcock & Brown's energy sector capability in Australia and New Zealand, including the founding of Australia's largest renewable energy company, Infigen Energy (and its unlisted predecessor, Global Wind Partners).
Other current directorships (last 3 years):	None
Former directorships (last 3 years):	None
Interests in shares:	2,028,033 ordinary shares
Interests in options:	6,000,000 unquoted options, 5,338,005 quoted options

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Name:	Dr David Mazyck
Title:	Director of Technology
Qualifications:	Ph.D. from Penn State University in Environmental Engineering and Ph.D. minor in fuel science.
Experience and expertise:	David is a world-leading expert on Activated Carbon and its applications. He has developed Activated Carbon products for the major multinational Activated Carbon manufacturers and has regularly consulted for them on technical issues. David was Chairman of the Activated Carbon Standards Committee for the American Water Works Association ('AWWA') and has developed products for National Aeronautics and Space Administration ('NASA'). David is also the current president of NewCarbon Processing, LLC.
Other current directorships (last 3 years):	None
Former directorships (last 3 years):	None
Interests in shares:	426,062 ordinary shares
Interests in options:	5,250,000 unquoted options, 3,000,000 quoted options

Name:	Nicholas Andrews
Title:	Non-Executive Director
Experience and expertise:	Nic was appointed as a Director of Carbonxt Group Limited in November 2023. He has a financial services background in investment management and investment banking. From 1996 to 2005 he was a Managing Director at UBS Investment Bank and responsible for global distribution of Australian and New Zealand Equity products. From 1989 to 1996 Nic was the Chief Investment Officer at LGT Investment Management in charge of the group's investment portfolios for the Australasian region. Nic has been appointed a Member of Carbonxt's Finance and Audit Committee.
Other current directorships (last 3 years):	Executive Chairman, Magontec Limited (ASX: MGL) and Honorary Treasurer and Director of the International Magnesium Association
Former directorships (last 3 years):	None
Interests in shares:	230,000 ordinary shares
Interests in options:	1,038,333 quoted options

Name:	Imtiaz Kathawalla (resigned 02 July 2025)
Title:	Non-Executive Director
Experience and expertise:	Dr Kathawalla has extensive experience in the activated carbon and water purification industries. He was previously a Vice-President at NYSE-listed Cabot Corporation, a global chemical company where he had a 27-year career. He ran Cabot Corporation's global activated carbon business
Other current directorships (last 3 years):	None
Former directorships (last 3 years):	None
Interests in shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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Company secretary

Laura Newell is an experienced Chartered Company Secretary who has worked for a broad range of organisations, both in-house and for corporate secretarial service providers. She has over eight years of experience in company secretarial and governance management of ASX & NSX listed entities, unlisted public entities and FTSE100 entities. She has worked with Boards and executive management of listed and unlisted companies across a range of industry sectors. She is a Company Secretary of a number of ASX listed and unlisted public companies. She holds a degree with Honours in Law and Criminology and a Master's degree in Law and Corporate Governance. She is an Associate of the Governance Institute of Australia (GIA).

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held	Audit and Risk Committee Attended	Audit and Risk Committee Held	Nomination and Remuneration Committee Attended	Nomination and Remuneration Committee Held
Matthew Driscoll	5	5	3	3	1	1
Warren Murphy	5	5	3	3	1	1
David Mazyck	4	5	-	-	-	-
Nicholas Andrews	5	5	3	3	1	1

Held: represents the number of meetings held during the time the director held office.

Audit and Risk Committee has been formalised with Nic Andrews as Chairman, Matthew Driscoll and Warren Murphy as members, Nomination and Remuneration Committee consisting of Matthew Driscoll as Chairman and Warren Murphy as member.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration ('KMP') arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

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The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

On 30 November 2017, shareholders at the Annual General Meeting approved the Employee Option Plan ('EOP'). Shareholder approval is not required under the Corporations Act 2001 for the operation of the EOP, however if an offer is made to a director to participate in the EOP, then separate shareholder approval will be required to be obtained.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The non-executive directors are entitled to participate in the EOP.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the 2013 Annual General Meeting, where the shareholders approved a maximum annual aggregate remuneration of $750,000.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, non-monetary benefits and superannuation, where applicable, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, new customer acquisition, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include share-based payments. Executives are entitled to participate in the EOP.

Group performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. Cash bonuses and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return since listing.

Use of remuneration consultants
During the financial year ended 30 June 2026, the Group did not engage the use of remuneration consultants.

Voting and comments made at the Company's 2025 Annual General Meeting ('AGM')
At the 2025 Annual General Meeting, 99.79% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback on its remuneration practices at the 2025 Annual General Meeting or during the financial year.

Details of remuneration
Amounts of remuneration
The KMP of the Group consisted of the following directors of Carbonxt Group Limited:
- Matthew Driscoll - Non-Executive Chairman
- Warren Murphy - Managing Director
- David Mazyck - Director of Technology
- Nicholas Andrews - Non-Executive Director
- Imtiaz Kathawalla - Non-Executive Director (resigned 2 July 2025)

Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
2026	Cash salary and fees[iv] $	Non-monetary $	Super-annuation(ii) $	Long service leave $	Equity-settled(iii) $	Total $
Non-Executive Director:						
Matthew Driscoll	120,000	-	-	-	8,052	128,052
Nicholas Andrews	85,000	-	-	-	-	85,000
Executive Directors:						
Warren Murphy[(i)]	400,000	-	48,025	-	24,155	472,180
David Mazyck[(i)]	589,536	-	-	-	42,199	631,735
	1,194,536	-	48,025	-	74,406	1,316,967

i Fees paid to consulting firms related to the relevant KMP.
ii Superannuation and equivalent post-employment benefits are not required in the United States, and the Company does not have such benefits currently in place.
iii The amounts represent the fair value of options vested in FY26.
iv Cash salary and fees include fees amounting to $90,000 for Matthew Driscoll, $206,000 for Warren Murphy and $50,757 for Nicholas Andrews which were accrued but not paid as at 30 June 2026.

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	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
2025 Restated[v]	Cash salary and fees[iii][v] $	Non-monetary $	Super-annuation[ii] $	Long service leave $	Equity-settled[iv] $	Total $
Non-Executive Director:						
Matthew Driscoll	120,000	-	-	-	15,849	135,849
Imtiaz Kathawalla	254,538	-	-	-	-	254,538
Nicholas Andrews	85,000	-	-	-	-	85,000
Executive Directors:						
Warren Murphy[i][v]	450,000	-	34,500	-	47,547	532,047
David Mazyck[i]	722,410	-	-	-	40,415	762,825
	1,631,948	-	34,500	-	103,811	1,770,259

i Fees paid to consulting firms related to the relevant KMP.
ii Superannuation and equivalent post-employment benefits are not required in the United States, and the Company does not have such benefits currently in place.
iii Cash salary and fees include fees amounting to $107,593 for David Mazyck (accrued but not paid as at 30 June 2025) that was awarded during the year to recognise the additional responsibility for New Carbon Processing LLC.
iv The amounts represent the fair value of options vested in FY25.
v Comparative information for 2025 remuneration of Warren Murphy has been restated to correctly reflect the STIP awarded for FY25. The cash salary and fees were misstated by $150,000 representing the amount that should have been accrued for during the period. The amount remains unpaid as at 30 June 2026.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2026	2025	2026	2025	2026	2025
Non-Executive Directors:						
Matthew Driscoll	94%	88%	-	-	6%	12%
Nicholas Andrews	100%	100%	-	-	-	-
Imtiaz Kathawalla	-	100%	-	-	-	-
Executive Directors:						
Warren Murphy	95%	63%	-	28%	5%	9%
David Mazyck	93%	95%	-	-	7%	5%

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Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Warren Murphy
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	22 March 2013
Term of agreement:	Ongoing - no fixed minimum term
Details:	Annual fees of $448,025, including superannuation, via consultancy agreement.

Name:	David Mazyck
Title:	Director of Technology
Agreement commenced:	10 May 2013
Term of agreement:	Ongoing - no fixed minimum term
Details:	Annual fees US$400,000 via contractor agreement.

All contracts with KMP may be terminated early by either party within the stipulated notice period, subject to any termination payments. KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Matthew Driscoll	1,000,000	20 October 2023	The options have no exercise price, will vest on the Company achieving a VWAP of $0.30 per share over a 10-day period	20 October 2026	$0.000	$0.021
Matthew Driscoll	1,000,000	20 October 2023	The options have no exercise price, will vest on the Company achieving a VWAP of $0.45 per share over a 10-day period	20 October 2026	$0.000	$0.014
Warren Murphy	3,000,000	20 October 2023	The options have no exercise price, will vest on the Company achieving a VWAP of $0.30 per share over a 10-day period	20 October 2026	$0.000	$0.021
Warren Murphy	3,000,000	20 October 2023	The options have no exercise price, will vest on	20 October 2026	$0.000	$0.014

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Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
			the Company achieving a VWAP of $0.45 per share over a 10-day period			
David Mazyck	2,250,000	20 October 2023	The options have no exercise price, will vest on the Company achieving a VWAP of $0.30 per share over a 10-day period	20 October 2026	$0.000	$0.021
David Mazyck	3,000,000	20 October 2023	The options have no exercise price, will vest on the Company achieving a VWAP of $0.45 per share over a 10-day period	20 October 2026	$0.000	$0.014

Additional information

The earnings of the Group for the five years to 30 June 2026 are summarised below:

	2026 $'000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
Sales revenue	15,694	16,195	15,125	15,462	18,363
Net loss after tax	(4,629)	(6,761)	(8,118)	(5,984)	(4,459)
Net assets	5,645	9,223	10,735	16,277	11,124

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end ($)	0.06	0.05	0.07	0.07	0.17
Basic loss per share (cents per share)	(1.09)	(1.80)	(2.73)	(2.47)	(2.53)

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares					
Matthew Driscoll	3,276,962	-	-	-	3,276,962
Warren Murphy	2,028,033	-	-	-	2,028,033
David Mazyck	426,062	-	-	-	426,062
Nicholas Andrews	230,000	-	-	-	230,000
	5,961,057	-	-	-	5,961,057

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Matthew Driscoll	2,230,538	2,546,160	-	-	4,776,698
Warren Murphy	6,000,000	5,338,005	-	-	11,338,005
David Mazyck	5,250,000	3,000,000	-	-	8,250,000
Nicholas Andrews	-	1,038,333	-	-	1,038,333
	13,480,538	11,922,498	-	-	25,403,036

	Vested and exercisable	Not-vested and unexercisable	Balance at the end of the year
Options over ordinary shares			
Matthew Driscoll	2,776,698	2,000,000	4,776,698
Warren Murphy	5,338,005	6,000,000	11,338,005
David Mazyck	3,000,000	5,250,000	8,250,000
Nicholas Andrews	1,038,333	-	1,038,333
	12,153,036	13,250,000	25,403,036

Loans payable to key management personnel and their related parties
The Group has loan payable to directors of $100,000 payable to Matthew Driscoll and $91,292 payable to Nicholas Andrews as of 30 June 2026. The loan accrues interest at a rate of 9.5% per annum and repayable within one year.

Other transactions with KMP and their related parties
Other than the remuneration and loan interest disclosed above, there were no other transactions with key management personnel and their related parties during the current and prior period.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Carbonxt Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of shares under option
20 October 2023	20 October 2026	$0.000	6,250,000
20 October 2023	20 October 2026	$0.000	7,000,000
30 September 2024	30 October2026	$0.100	23,207,919
2 January 2025	2 January 2027	$0.100	8,573,335
27 February 2025	27 February 2027	$0.080	6,250,000
31 March 2025	31 March 2027	$0.080	6,250,000
11 April 2025	11 April 2027	$0.080	8,312,500
17 September 2025	17 September 2028	$0.070	51,435,682
26 September 2025	17 September 2028	$0.070	18,341,105
13 June 2025	13 June 2027	$0.080	12,500,000
25 September 2025	25 September 2028	$0.080	5,000,000
18 February 2026	18 February 2029	$0.100	5,000,000
9 April 2026	9 April 2029	$0.100	7,500,000
6 July 2026	6 July 2029	$0.100	10,000,000
			175,620,541

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

Shares issued on the exercise of options

There were no ordinary shares of Carbonxt Group Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Warren Murphy
Managing Director

31 August 2026
Sydney

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Auditor's independence declaration to the directors of Carbonxt Group Limited

As lead auditor for the audit of the financial report of Carbonxt Group Limited for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Carbonxt Group Limited and the entities it controlled during the financial year.

Ernst & Young

James Johnson
Partner
31 August 2026

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Carbonxt Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue			
Sales revenue	5	15,694	16,195
Cost of goods sold	7	(8,272)	(7,714)
Gross margin		7,422	8,481
Share of losses of joint ventures	12	-	(3)
Other income	6	150	269
Net remeasurement (loss)/gain on royalty payables	21	2,262	(582)
Fair value movement on embedded derivatives		733	-
Expenses			
Shipping and distribution costs		(1,970)	(1,984)
Employee benefits expense		(3,695)	(3,993)
Share-based payment expense	34	(74)	(104)
Depreciation and amortisation expense	7	(1,870)	(2,275)
Selling and marketing expenses		(581)	(642)
General and administrative expenses		(1,062)	(1,047)
Other expenses	7	(1,305)	(1,546)
Operating profit/(loss)		10	(3,426)
Interest revenue		3	10
Finance costs	7	(4,642)	(3,345)
Loss before income tax expense		(4,629)	(6,761)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Carbonxt Group Limited		(4,629)	(6,761)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,244)	73
Other comprehensive (loss)/income for the year, net of tax		(1,244)	73
Total comprehensive loss for the year attributable to the owners of Carbonxt Group Limited		(5,873)	(6,688)
		Cents	**Cents**
Basic loss per share	33	(1.09)	(1.80)
Diluted loss per share	33	(1.09)	(1.80)

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

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Carbonxt Group Limited
Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	9	553	481
Trade and other receivables	10	1,811	2,878
Inventories	11	1,251	966
Other		185	245
Total current assets		3,800	4,570
Non-current assets			
Investments accounted for using the equity method	12	13,715	12,045
Property, plant and equipment	13	3,890	4,127
Right-of-use assets	14	7,532	6,230
Intangibles	15	4,635	5,296
Total non-current assets		29,772	27,698
Total assets		33,572	32,268
Liabilities			
Current liabilities			
Trade and other payables	16	6,690	3,703
Borrowings	17	13,347	11,664
Convertible notes payable	18	3,117	1,905
Derivative financial instruments	19	951	815
Lease liabilities	20	392	1,223
Royalty payables	21	1,286	341
Employee benefits		21	39
Total current liabilities		25,804	19,690
Non-current liabilities			
Lease liabilities	20	2,117	41
Royalty payables	21	6	3,314
Total non-current liabilities		2,123	3,355
Total liabilities		27,927	23,045
Net assets		5,645	9,223
Equity			
Issued capital	22	98,831	97,236
Reserves	23	20,282	20,826
Accumulated losses		(113,468)	(108,839)
Total equity		5,645	9,223

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

Carbonxt Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	92,164	20,649	(102,078)	10,735
Loss after income tax expense for the year	-	-	(6,761)	(6,761)
Other comprehensive income for the year, net of tax	-	73	-	73
Total comprehensive income/(loss) for the year	-	73	(6,761)	(6,688)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 22)	5,072	-	-	5,072
Share-based payments (note 34)	-	104	-	104
Balance at 30 June 2025	97,236	20,826	(108,839)	9,223

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	97,236	20,826	(108,839)	9,223
Loss after income tax expense for the year	-	-	(4,629)	(4,629)
Other comprehensive loss for the year, net of tax	-	(1,244)	-	(1,244)
Total comprehensive loss for the year	-	(1,244)	(4,629)	(5,873)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 22)	1,595	-	-	1,595
Share-based payments (note 23)	-	74	-	74
Loyalty Option issued to directors in lieu of compensation (note 23)	-	80	-	80
Loyalty Option issued to shareholders (net of transaction costs) (note 23)	-	546	-	546
Balance at 30 June 2026	98,831	20,282	(113,468)	5,645

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

Carbonxt Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from customers		16,997	11,567
Payments to suppliers and employees (inclusive of GST)		(16,508)	(16,513)
Interest received		3	10
Receipts of government grants	6	-	184
Net cash from/(used in) operating activities	32	492	(4,752)
Cash flows from investing activities			
Payments for investment in NewCarbon	12	(2,227)	(3,431)
Payments for plant and equipment	13	(406)	(136)
Payments for intangible assets	15	(3)	(55)
Net cash used in investing activities		(2,636)	(3,622)
Cash flows from financing activities			
Proceeds from issue of shares	22	1,706	5,015
Proceeds from issue of Loyalty Option		546	-
Proceeds from convertible notes	18	1,650	2,665
Proceeds from director loan	29	-	100
Share issue transaction costs	22	(111)	(272)
Repayment of lease liabilities including interest	32	(1,393)	(2,257)
Interest and other finance costs paid		(222)	(713)
Net cash from financing activities		2,176	4,538
Net increase/(decrease) in cash and cash equivalents		32	(3,836)
Cash and cash equivalents at the beginning of the financial year		481	4,142
Effects of exchange rate changes on cash and cash equivalents		40	175
Cash and cash equivalents at the end of the financial year	9	553	481

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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. General information

The financial statements cover Carbonxt Group Limited as a Group consisting of Carbonxt Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Carbonxt Group Limited's functional and presentation currency.

Carbonxt Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 8, 210 George Street Sydney NSW 2000 Australia	Suite 111 3951 NW 48th Terrace Gainesville FL 32606 United States of America

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the full financial year ended 30 June 2026.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the ordinary course of business and at the amounts stated in the financial statements.

For the year ended 30 June 2026, the Group reported a net loss after tax of $4,629,000 (30 June 2025: $6,761,000) and had a net cash from operating activities of $492,000 (30 June 2025: net cash used in operating activities of $4,752,000). At 30 June 2026, the cash and cash equivalents were $553,000 (30 June 2025: $481,000), net current liabilities of $22,004,000 (30 June 2025: $15,120,000) and the Group reported net assets of $5,645,000 (30 June 2025: $9,223,000) .

The Group’s net current liabilities include the Pure Asset Management Pty Ltd (‘Pure’) senior debt facility, which matures on 31 May 2027 and has been classified as a current liability with carrying value of $13.2 million (excluding accrued interest) at reporting date. The total undiscounted principal and interest payable is $18.1 million at the reporting date.

During the year, the Group was in breach of certain financial covenants under the Pure senior debt facility, including the minimum cash balance covenant and EBITDA-related covenants. The lender has provided waivers in respect of events of default up to 30 June 2026 (refer to note 17).

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Note 2. Material accounting policy information (continued)

The Group also has $3.1 million of convertible notes on issue (refer note 18), including $0.3 million of unpaid interest as at 30 June 2026, which is included in the Group's net current liabilities. Under the terms of the convertible notes, an event of default may arise if amounts due and payable remain unpaid following notice from the relevant noteholder. As at the date of this report, no such notice has been received.

Subsequent to year end, on 3 July 2026 the Group entered into a waiver and amendment deed and recapitalisation agreement with Pure and Phelbe Pty Ltd ('Phelbe'). The first stage of the recapitalisation completed on 3 July 2026 and included the issue of $3.5 million of convertible notes, comprising $2.0 million of new cash funding from Phelbe Pty Ltd and $1.5 million in convertible notes to Pure set off against senior debt and accrued interest. Pure has also agreed to provide any required covenant waivers for the 30 September 2026 quarter.

The second stage of the recapitalisation remains conditional on shareholder approval, the Company's share price achieving the agreed threshold before 31 December 2026, commissioning of the NewCarbon Activated Carbon Plant and the generation of US$1.0 million of third-party revenue from that facility, and no material adverse event occurring. If completed, the second stage is expected to result in a reduction of the Pure senior debt facility and further cash funding from Phelbe Pty Ltd. Refer to note 36 for further details.

The Directors have prepared cash flow forecasts for the period to 30 September 2027. These forecasts indicate that the Group is expected to maintain positive cash balances throughout the forecast period. The forecasts are dependent on a number of key assumptions, including:

- Continued support from Pure Asset Management and other lenders and noteholders, including no enforcement action being taken in respect of existing or future events of default;
- Successful completion of the remaining conditions under the recapitalisation agreement;
- Commissioning of the NewCarbon Activated Carbon Plant and generation of forecast operating cash flows from NewCarbon Processing LLC commencing in the December 2026 quarter;
- Achievement of forecast revenue, gross margins and cost savings in the Group's existing activated carbon business;
- The Group's ability to raise additional debt or equity capital, if required; and
- If necessary, the ability to realise value from the Group's interest in NewCarbon Processing LLC as a contingency funding option

The Directors acknowledge that the matters described above give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will be able to realise its assets and discharge its liabilities in the ordinary course of business.

Notwithstanding this material uncertainty, the Directors have reasonable ground to believe the Group will be able to achieve the matters noted above, and consider that the going concern basis of preparation remains appropriate. In reaching this conclusion, the Directors have considered:

- The support from lenders received to date;
- The successful completion of the first stage of the recapitalisation which occurred in July 2026;
- The expected benefits of the recapitalisation if the remaining conditions are satisfied;
- The status of commissioning activities at the NewCarbon facility and expectation it will generate $1.0 million of third-party revenues by 30 November 2026 and achieve positive net cash inflows by 30 November 2026; and
- The existing customer contracts and opportunity pipeline, the Group's recent history of raising capital, and management's ability to manage operating cash flows and defer certain payments where required.

Should the Group be unable to achieve the matters described above, it may be required to seek additional funding, defer expenditure, renegotiate existing financing arrangements, realise assets, or pursue other strategic alternatives. If the Group is unable to continue as a going concern, it may not be able to realise its assets and discharge its liabilities in the ordinary course of business, and adjustments may be required to the carrying amounts and classification of assets and liabilities reported in these financial statements.

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Note 2. Material accounting policy information (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the royalty payable and derivatives measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Carbonxt Group Limited as at 30 June 2026 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of businesses is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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Note 2. Material accounting policy information (continued)

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
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 contract 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 or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of activated carbon
Revenue from the sale of activated carbon is recognised at a point in time when the activated carbon is delivered in accordance with agreements with customers.

Consultancy fees
Consultancy fees which includes on site testing are recognised at a point in time as the service has been provided.

Grant income
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Cost of goods sold
Cost of goods sold includes purchase and production testing costs, milling, blending and bagging costs.

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Note 2. Material accounting policy information (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value at average cost including haulage.

Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Cost is determined after deducting rebates and discounts received or receivable

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments

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

Derivatives are classified as current or non-current depending on the expected period of realisation.

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Note 2. Material accounting policy information (continued)

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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 acquisition of the items. Cost of property, plant and equipment constructed includes the cost of materials, direct labour and borrowing costs.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss in the period incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-20 years

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

An item plant and equipment is derecognised upon disposal or when 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. Depreciation is calculated as follows:

Plant right-of-use assets	over the useful life of 20 years or the lease term of 2-8 years
Equipment right-of-use assets	over the lease term of 3 years

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred within the cost of goods sold.

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Note 2. Material accounting policy information (continued)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Engineering Performance Solutions ('EPS') patents

Significant costs associated with the acquisition of the patents rights owned by EPS are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 16 years.

Other patents

Significant costs associated with owned, pending and licensed patents are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 20 years.

Impairment of non-financial assets

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 amount 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 cash flows 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 cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes issued by the Group include embedded derivatives that gives the holder the option to convert into a variable number of shares. The derivative liability embedded in the host contract is accounted for separately at fair value through profit or loss. On initial recognition, the difference between the fair value of the embedded derivative and the proceeds is recognised as a financial liability and is subsequently measured at amortised cost. The corresponding interest on convertible notes is expensed to profit or loss.

Warrants

Warrants issued by the Group in connection with bank loans or issued capital are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Where the warrants meet the definition of equity, they are initially measured at fair value and recognised in a warranty reserve. Where the warrants do not meet the definition of equity, they are initially measured at fair value with a corresponding reduction to the associated borrowings if associated with bank loans or as an allocation of proceeds received if associated with a share issue. Subsequent to initial recognition, the liability is fair valued until the warrant either converts or expires, with gains or losses recognised in the profit or loss.

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Note 2. Material accounting policy information (continued)

Warrants issued to compensate the lender for the set-up of the loan are recognised as share-based payment transaction.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments
Equity-settled share-based compensation benefits 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.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the 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 Group 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.

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.

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Note 2. Material accounting policy information (continued)

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

Issued capital

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 the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Carbonxt Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives

Comparatives in the statement of profit or loss and other comprehensive income have been realigned to the current year presentation. There was no effect on the results of operations for the year.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group has assessed that there will be no significant impact on adoption of these new or amended Accounting Standards and Interpretations, except for AASB 18, as explained below. The new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements'. The implementation of this standard will introduce new categories in the statement of profit and loss and will require additional disclosures about management-defined performance measures ('MPMs'). The full impact of this standard is still being considered and will first apply to the Group for the financial year ending 30 June 2028.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to AASB 9 ‘Financial Instruments’ and AASB 7 ‘Financial Instruments: Disclosures’ to clarify how the contractual cash flows from financial assets should be assessed in determining how they should be classified.

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Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Royalty payable
This is remeasured at each reporting period for changes to cashflows which requires estimation and judgement. The judgements include considerations of forecasted sales volumes and price assumptions. The Company reviews any changes in assumptions and this is done for each reporting period until the end of the contract period. Changes in assumptions about these factors could affect the reported value of the amount payable.

Development costs
The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when the product has consistently met the defined specifications at commercial-scale throughputs . At 30 June 2026, the carrying amount of capitalised development costs was $3,250,000 (2025: $3,655,000).

Impairment of non-financial assets
The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group based on known information and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

Impairment indicator assessment for investment in associate
The investments in associates are carried at the lower of the equity-accounted amount and the recoverable amount. The carrying amounts of investments in associates and joint ventures are reviewed at each reporting date to determine whether there is any indication of impairment. There is significant judgement involved in determining whether indicators of impairment exist. If any such indication exists, the Group estimates the recoverable amount of the asset. An impairment loss is recognised if the carrying amount of the investment in associates exceeds its recoverable amount.

Convertible notes
The Company has issued convertible notes payable that contain both a debt component and an embedded derivative liability associated with the conversion feature. The carrying amount of the debt component of the convertible notes is determined based on the present value of future cash flows, discounted at the market interest rate for similar debt instruments without conversion features.

The embedded derivative liabilities, representing the conversion option and free attaching options, are valued using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. Key assumptions used include: stock price volatility, expected term of the conversion option, risk-free interest rate and level of dividends expected to be paid.

Note 4. Operating segments

Identification of reportable operating segments
The Group only has one reportable segment being the development and sale of specialised Activated Carbon ('AC') products, principally in the United States of America. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

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Note 4. Operating segments (continued)

Major customers
During the year ended 30 June 2026 approximately 71% (2025: 68% from two customers) of the Group's external revenue was derived from sales to two customers.

Geographical information

	Sales to external customers		Geographical non-current assets	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Australia	-	-	422	520
United States of America	15,694	16,195	29,350	27,179
	15,694	16,195	29,772	27,699

The geographical non-current assets above are exclusive of, where applicable, financial instruments and deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2026 $'000	2025 $'000
Major product lines		
Sale of activated carbon	15,694	16,195
Geographical regions		
United States of America	15,694	16,195
Timing of revenue recognition		
Goods transferred at a point in time	15,694	16,195

Note 6. Other income

	Consolidated	
	2026 $'000	2025 $'000
Government grants	-	246
Other income	150	23
Other income	150	269

Government grants
The Group received government grants of $nil (2025: $246,000 (US$159,000)) relating to the Florida Red Tide Mitigation and Technology Development Initiative.

Note 7. Expenses

	Consolidated 2026 $'000	Consolidated 2025 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	457	706
Plant right-of-use assets	921	1,071
Equipment right-of-use assets	60	66
Total depreciation	1,438	1,843
Amortisation		
Development	238	249
Engineering Performance Solutions ('EPS') patents	96	96
Other patents	98	87
Total amortisation	432	432
Total depreciation and amortisation	1,870	2,275
Cost of goods sold		
Cost of inventory sold	6,353	6,089
Consumables and other	1,919	1,625
	8,272	7,714
Finance costs		
Interest and finance charges paid/payable on borrowings	3,741	3,008
Interest and finance charges paid/payable on lease liabilities	121	225
Convertible note interest	770	95
Other finance charges	10	17
Finance costs expensed	4,642	3,345
Other expenses		
Insurance costs	822	743
Legal costs	20	40
Technical feasibility expense	440	112
Other occupancy expense	114	43
Write-off of plant and equipment	-	561
Foreign exchange (gain)/loss	(100)	41
Other expenses	9	6
Total other expenses	1,305	1,546

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Note 8. Income tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,629)	(6,761)
Tax at the statutory tax rate of 30%	(1,389)	(2,028)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax assets not recognised	1,295	1,934
Difference in overseas tax rates	94	94
Income tax expense	-	-

	Consolidated 2026 $'000	Consolidated 2025 $'000
Tax losses not recognised		
Unused Australian tax losses for which no deferred tax asset has been recognised	33,333	29,742
Potential tax benefit @ 30%	10,000	8,923
Unused United States tax losses for which no deferred tax asset has been recognised	55,826	54,787
Potential tax benefit @ 21.0%	11,723	11,505

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future to the extent taxable profits are available and other conditions, as applicable in Australia or the USA, are met.

As of 30 June 2026, the Group also has capital losses of $3,000,000 (2025: $3,000,000).

Note 9. Cash and cash equivalents

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Cash at bank	553	481

Note 10. Trade and other receivables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Trade receivables	1,762	2,826
Related party receivables	49	52
	1,811	2,878

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Note 10. Trade and other receivables (continued)

Allowance for expected credit losses
The Group assessed that the allowance for expected credit losses is not material for the year ended 30 June 2026 and 30 June 2025.

Customers with balances past due but without provision for impairment of receivables amount to $342,000 as at 30 June 2026 (30 June 2025: $598,000).

Note 11. Inventories

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Raw materials - at cost	621	590
Activated carbon finished goods - at cost	630	376
	1,251	966

Cost of inventories sold to customers amounting to $6,353,000 was recognised as an expense during the year (30 June 2025: $6,089,000).

During the year $33,000 (30 June 2025: loss of $125,000) was recognised as a reversal of inventory provision. This is recognised in cost of goods sold.

Note 12. Investments accounted for using the equity method

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Investment in associate	13,715	12,045
Reconciliation		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	12,045	8,551
Share in losses after income tax	-	(3)
Additions	2,227	3,431
Foreign exchange difference	(557)	66
Closing carrying amount	13,715	12,045

Interests in NewCarbon
On 31 May 2023, the Group executed an agreement with KCP to establish a new state-of-the-art activated carbon plant in Kentucky, USA which resulted in the formation of a Kentucky limited liability entity named NewCarbon Processing, LLC ("NewCarbon"). The Group has agreed to contribute US$10,000,000 in cash to NewCarbon while KCP agreed to contribute US$10,000,000 in value of assets, infrastructure and equipment. The contributions will result to a 50:50 ownership between the two parties.

The contributions to NewCarbon for the year totalled to US$1,500,000 (30 June 2025: US$2,250,000) which increased the ownership in NewCarbon to 48.05% as at 30 June 2026 (30 June 2025: 43.66%). The future contributions are disclosed as commitment in note 28.

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Note 12. Investments accounted for using the equity method (continued)

The Group's interest in NewCarbon is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in NewCarbon:

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
NewCarbon Processing, LLC	USA	48.05%	43.66%

Summarised financial information

	2026 $'000	2025 $'000
Summarised statement of financial position		
Cash and cash equivalents	2	2
Non-current assets	28,024	27,099
Total assets	28,026	27,101
Current liabilities	94	99
Total liabilities	94	99
Net assets	27,932	27,002
Summarised statement of profit or loss and other comprehensive income		
Other expenses	-	(6)
Loss before income tax	-	(6)
Other comprehensive income	-	-
Total comprehensive loss	-	(6)

Impairment indicators assessment

The activated carbon plant in Kentucky ('the plant') has taken longer to bring into operation than anticipated at the start of the year, caused by an equipment issue that is being resolved with the full support of the kiln manufacturer.

As of 30 June 2026, the construction of the kiln was completed, refractory lining installed and heat treatment undertaken. The back-end infrastructure, bagging station, conveyors, additional storage silos, and the onsite power station were installed and brought online. All outside works have been completed.

The Group targeted first revenues from the plant in early calendar year 2026 and have not met that timetable. As the plant moved into early commissioning, remediation requirements were identified in the kiln, and further inspection established that certain affected equipment needed to be replaced, as well as certain equipment that needed to be repaired. The kiln manufacturer agreed to replace the equipment at their cost and facilitate the repairs and has remained constructive and supportive throughout.

Replacement parts began arriving during the June 2026 quarter. Subsequent to 30 June 2026, the kiln finalisation has continued and is nearing finalisation. Identifying and correcting these issues before sustained production begins is the right outcome for the plant's long-term reliability.

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Note 12. Investments accounted for using the equity method (continued)

The carrying amount of the equity-accounted investment in NewCarbon continues to be assessed and monitored for impairment indicators at each reporting date. Factors considered included the construction delays at the Kentucky facility, root cause analysis for the delays in commissioning, remediation and recommissioning plans, forecast operating performance post commissioning, market demand for activated carbon products, technological changes and external market conditions. The Kentucky facility is expected to function as intended once the above mentioned remediation works and commissioning have been completed. Based on this assessment, the Directors concluded that no indicators of impairment existed at the reporting date.

Note 13. Property, plant and equipment

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Plant and equipment - at cost	7,970	8,358
Less: Accumulated depreciation	(4,657)	(4,411)
	3,313	3,947
Construction in progress	577	180
	3,890	4,127

Reconciliations
Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $'000	Construction in progress $'000	Total $'000
Balance at 1 July 2024	5,024	177	5,201
Additions	135	1	136
Write-off of plant and equipment	(561)	-	(561)
Exchange differences	55	2	57
Depreciation expense	(706)	-	(706)
Balance at 30 June 2025	3,947	180	4,127
Additions	-	406	406
Exchange differences	(177)	(9)	(186)
Depreciation expense	(457)	-	(457)
Balance at 30 June 2026	3,313	577	3,890

The carrying amount of plant and equipment pledged as security for contract liabilities amounted to $nil (2025: $nil) as of 30 June 2026.

The total carrying value of property, plant and equipment as of 30 June 2026 were all pledged as security for the Pure Loan and convertible notes.

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Note 14. Right-of-use assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Plant - right-of-use	13,670	11,651
Less: Accumulated depreciation	(6,174)	(5,521)
	7,496	6,130
Equipment - right-of-use	407	427
Less: Accumulated depreciation	(371)	(327)
	36	100
	7,532	6,230

Office Space Lease: The Group has entered into a non-cancellable lease agreement for office space that has been renewed until 31 March 2028.

Blackbirch Facility Lease: On 15 July 2018, the Group entered into a lease for an industrial facility in Swainsboro, Georgia, USA which serves as one of the Group's activated carbon production sites. The facility has an annual production capacity of up to 10,000 tonnes of activated carbon products. The lease has an initial term of 50 years and includes options to extend for up to three additional 10-year periods.

Albertville Minnesota Lease: On 1 March 2026, the Group entered into a lease for an industrial facility in Albertville, Minnesota, USA which serves as one of the Group's activated carbon production sites and replaced the Arden Hills facility. The facility has an annual production capacity of up to 7,000 tonnes of activated carbon products. The lease has an initial term of eight years and includes an option to renew for a further eight-year period.

Arden Hills Facility Lease: On 1 January 2019, the Group entered into a lease for an industrial facility in Arden Hills, Minnesota, USA which served as one of the Group's activated carbon production sites. The lease term ends on the 31st of August 2026. The facility was subsequently replaced by the Albertville Minnesota facility following the expiry of the original lease term.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant-right-of use $'000	Equipment-right-of use $'000	Total $'000
Balance at 1 July 2024	7,166	163	7,329
Additions	113	-	113
Lease modifications	(171)	-	(171)
Exchange differences	93	3	96
Depreciation expense	(1,071)	(66)	(1,137)
Balance at 30 June 2025	6,130	100	6,230
Additions	2,185	-	2,185
Lease modifications	407	-	407
Exchange differences	(305)	(4)	(309)
Depreciation expense	(921)	(60)	(981)
Balance at 30 June 2026	7,496	36	7,532

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Note 14. Right-of-use assets (continued)

For other AASB 16 disclosures refer to:

- note 7 for details of depreciation on right-of-use assets, interest on lease liabilities and other lease payments;
- note 20 for lease liabilities at year end;
- note 25 for maturity analysis of lease liabilities; and
- consolidated statement of cash flow for repayment of lease liabilities.

Note 15. Intangibles

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Development - at cost	4,683	4,911
Less: Accumulated amortisation	(1,433)	(1,256)
	3,250	3,655
Engineering Performance Solutions ('EPS') patents - at cost	1,446	1,446
Less: Accumulated amortisation	(1,301)	(1,205)
	145	241
Other patents and development - at cost	2,315	2,408
Less: Accumulated amortisation	(1,075)	(1,008)
	1,240	1,400
	4,635	5,296

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Development costs $'000	EPS patents $'000	Other patents $'000	Total $'000
Balance at 1 July 2024	3,858	337	1,416	5,611
Additions	-	-	55	55
Exchange differences	46	-	16	62
Amortisation expense	(249)	(96)	(87)	(432)
Balance at 30 June 2025	3,655	241	1,400	5,296
Additions	-	-	3	3
Exchange differences	(167)	-	(65)	(232)
Amortisation expense	(238)	(96)	(98)	(432)
Balance at 30 June 2026	3,250	145	1,240	4,635

Engineering Performance Solutions ('EPS') patent

The Group has an exclusive license to a patent owned by EPS for magnetic activated carbon technology that maximises mercury capture from flue gas. As part of the agreement, EPS is entitled to royalties based on a percentage of revenue from the sale of products by the Group that uses the EPS technology. The liability is held at amortised cost and is recognised in the statement of financial position. Refer to note 21.

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Note 16. Trade and other payables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Trade payables	2,278	1,828
Accrued expenses and other payables	1,196	466
Interest payable	3,216	1,409
	6,690	3,703

Refer to note 25 for further information on financial instruments.

Note 17. Borrowings

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Pure loan payable	13,156	11,564
Loan from related party	191	100
	13,347	11,664

Reconciliation of the movement in the Pure loan payable balance follow:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Balance at the beginning of the year	11,564	10,322
Repayments	-	(713)
Interest expense	1,592	1,955
Pure loan payable balance at the end of the year	13,156	11,564

Pure loan payable
The Group entered into an agreement with Pure Asset Management Pty Ltd ('Pure') on 23 May 2023 to amend and restate the Facility Agreement dated 24 May 2019 with effect on and from 31 May 2023. Under the amended and restated loan facility agreement, the existing loan of $5,500,000 was refinanced and an additional $9,500,000 was drawn from the facility which will be used to fund the NewCarbon Processing LLC, acquisitions and product development, and for working capital purposes. In consideration of entering the amended and restated facility agreement, the Group paid establishment fee of $450,000 resulting in net proceeds from borrowings of $9,050,000 and subject to the Shareholders' Approval, the Group was required to issue warrant shares of 64,000,000 in different tranches to Pure (see note 34) which have been recognised as transaction cost of $2,339,000 and capitalised against the loan. At the inception of the loan in 2023, the Group also agreed to pay Pure a royalty for which the present value of future cash flows is of $2,957,000 and was recorded against the loan. As at 30 June 2026, the loan balance is $13,156,000 which includes accretion of interest expense of $1,592,000 during the period (2025: $983,000). As of 30 June 2026, accrued interest payable (including penalty interest) in relation to the loan amounts to $3,216,000 (2025: $1,409,000) see note 16.

The new facility is payable on 31 May 2027, which is 48 months after the date of utilisation. The facility accrues an interest of 9.5% per annum (14% per annum at the event of default).

The financial covenant includes the following:

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Note 17. Borrowings (continued)

(a) Minimum cash balance of $3,000,000 at any time.
(b) Minimum cash balance of $5,500,000 during certain periods.
(c) Beginning 30 June 2024, event of default will occur if at the end of each quarter, the net debt divided by 6-month Trailing Underlying EBITDA is greater than 8 times and review event will occur if greater than 6 times.
(d) Trailing 12-month EBITDA greater than $7 million as at 30 July 2026.

During the year, certain financial covenants were breached, including the Minimum Cash Balance requirement, that requires the Group to maintain a minimum cash balance of $5,500,000 during certain periods. An event of default provides the Lender to demand full repayment of the loan. The Lender also agrees to waive enforcement rights with regards to 31 March 2026 and 30 June 2026 Test Dates, as well as waiving the Minimum Cash Balance covenant test through to 30 June 2026. Subsequent to year end, on 6 July 2026, the Company announced a debt restructuring agreement as disclosed in note 36 whereby (a) subject to the shareholders' approval in an EGM expected to occur in late September 2026; (b) the Company's share price closing at or above $0.09 for five consecutive trading days before 31 December 2026; (c) the commencement of Kentucky operations including independent engineer certification and US$1,000,000 of third-party revenue; and (d) no material adverse effect, Pure will exercise its outstanding warrants and options with the proceeds to be applied to reduce the debt facility from $15,000,000 to approximately $10,000,000 and Pure to waive all the covenants for the remaining life of the debt facility.

Loan from related party
The loan to related party accrues interest at a rate of 9.5% per annum and repayable within one year.

Assets pledged as security
The Pure loan payable is secured by first mortgage over the Group's assets.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Total facilities		
Pure Loan facility	15,000	15,000
Used at the reporting date		
Pure Loan facility	15,000	15,000
Unused at the reporting date		
Pure Loan facility	-	-

The effective interest rate of the facility is 24.88%.

Note 18. Convertible notes payable

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Convertible notes payable	3,117	1,905

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Note 18. Convertible notes payable (continued)

Convertible notes issued during 30 June 2025
The convertible notes totalling to 2,665,000 notes at $1 face value, have a 24-month term with an interest rate of 9.5% pa. Each convertible note can be converted to share capital at 8 cents per share. The convertible notes were issued in tranches as follows:

(a) Tranche 1 - comprising of 500,000 convertible notes at an issue price of $1 per note raising a total of $500,000 which were issued on 27 February 2025. The convertible note has 1 attaching option with every 2 shares issued to the noteholders upon conversion;
(b) Tranche 2(a) - comprising of 500,000 convertible notes at an issue price of $1 per note raising a total of $500,000 which were issued on 31 March 2025. The convertible note has 1 attaching option with every 2 shares issued to the noteholders upon conversion;
(c) Tranche 2(b) - comprising of 665,000 convertible notes at an issue price of $1 per note raising a total of $665,000 which were issued on 11 April 2025. The convertible note has 1 attaching option with every 2 shares issued to the noteholders upon conversion; and
(d) Tranche 3 - comprising of 1,000,000 convertible notes at an issue price of $1 per note raising a total of $1,000,000 which were issued on 13 June 2025. The convertible note has 1 attaching option with every 1 share issued to the noteholders upon conversion.

The noteholder has the option to convert the notes to ordinary shares commencing on 22 months after the date of issue of the notes and ending 20 business days prior to the maturity date.

Convertible notes issued during 30 June 2026
On 25 September 2025, the Company issued additional 400,000 convertible notes with a face value of $1 exercisable at $0.08 and expiring on 25 September 2028. The convertible notes will convert to a total of 5,000,000 ordinary shares. The noteholder has the option to convert the notes to ordinary shares commencing on 22 months after the date of issue of the notes and ending 20 business days prior to the maturity date. The convertible note has 1 attaching option for every 1 share issued to the noteholders upon conversion.

On 18 February 2026, the Company issued additional 500,000 convertible notes with a face value of $1 exercisable at $0.10 and expiring on 18 February 2029. The convertible notes will convert to a total of 5,000,000 ordinary shares. The convertible note has 1 attaching option with every 3 shares issued to the noteholders upon conversion. The noteholder has the option to convert the notes to ordinary shares commencing on 34 months after the date of issue of the notes and ending 20 business days prior to the maturity date.

On 9 April 2026, the Company issued additional 750,000 convertible notes with a face value of $1 exercisable at $0.10 and expiring on 9 April 2029. The convertible notes will convert to a total of 7,500,000 ordinary shares. The convertible note has 1 attaching option with every 3 shares issued to the noteholders upon conversion. The noteholder has the option to convert the notes to ordinary shares commencing on 34 months after the date of issue of the notes and ending 20 business days prior to the maturity date.

The debt host contract (convertible note payable) has been measured at amortised cost and the derivative component has been measured at fair value through the profit or loss with such gains or losses presented in profit or loss as fair value movements on embedded derivatives. As at 30 June 2026, the host contracts and its related derivatives (note 19) have been classified as current. There is $291,000 unpaid interest at 30 June 2026 which is due and payable. Under the terms of the convertible notes, an event of default may arise if amounts due and payable remain unpaid following notice from the relevant noteholder. As at the date of this report, no such notice has been received. The convertible notes have been classified as current as the Group does not have a right to defer repayment beyond 12 months from 30 June 2026.

Total convertible notes face value as of 30 June 2026 is $4,315,000 that will convert to a total of 50,812,500 ordinary shares (30 June 2025: face value of $2,665,000 will convert to a total of 33,312,500 ordinary shares). Total cash raised during 30 June 2026 in relation to convertible notes amounted to $1,650,000 (2025; $2,665,000).

Assets pledged as security
The convertible notes payable is secured by first mortgage over the Group's assets.

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Note 19. Derivative financial instruments

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Derivative financial instrument	951	815

Refer to note 25 for further information on financial instruments.

Refer to note 26 for further information on fair value measurement.

Note 20. Lease liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Lease liability	392	1,223
Non-current liabilities		
Lease liability	2,117	41
	2,509	1,264

Refer to note 14 for the terms of the leases.

Refer to note 25 for maturity analysis of lease liabilities.

Refer to note 32 for the reconciliation of the carrying value.

Note 21. Royalty payables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Royalty payables	1,286	341
Non-current liabilities		
Royalty payables	6	3,314
	1,292	3,655

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening balance	3,655	3,030
Net remeasurement (gain)/loss on royalty payables	(2,262)	582
Foreign currency differences	(101)	43
Closing balance	1,292	3,655

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Note 21. Royalty payables (continued)

Royalty payable from EPS licence

The Group has an exclusive licence from EPS to use its patented technology up to 17 March 2028. Royalties are payable to EPS out of revenue received by the Group from the sale of products using the EPS technology, as follows:

- sale price below US$2,000 per ton -1% of revenue;
- sale price of US$2,000 to US$2,500 per ton - 2% of revenue;
- sale price of US$2,500 to US$3,000 per ton - 3% of revenue; and
- sale price above US$3,000 per ton - 4% of revenue.

The royalty payable balance as of 30 June 2026 from EPS license is $21,000 (2025: $39,000).

Royalty payable with Pure Asset Management
As disclosed in note 17, the Company's agreement with Pure includes a royalty payable. The term of the royalty is from 31 May 2023 until the royalty is bought out. The Group may only elect to purchase the royalty if the loan obtained from Pure including any unpaid royalty is less than $7,500,000 on the earlier of the date that is any point in time after 31 May 2026 and the date on which a board recommended takeover occurs in respect of the Group. During the term of the loan, the Company must pay Pure 5% of all cash and cash equivalents received by the Group in relation to the Group's entitlement under the investment in NewCarbon. The estimated present value of the royalty payable as of 30 June 2026 is $1,271,000 (2025: $3,616,000).

Note 22. Issued capital

	Consolidated			
	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares - fully paid	433,330,377	418,663,710	98,831	97,236

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2024	324,921,646		92,163
Shares placement (i)	30 September 2024	46,415,830	$0.065	3,017
Shares placement (ii)	20 December 2024	17,146,667	$0.060	1,019
Shares issued (iii)	17 March 2025	7,862,900		
Shares issued	8 April 2025	16,666,667	$0.060	1,000
Shares issued	11 April 2025	5,650,000	$0.060	309
Share issue costs				(272)
Balance	30 June 2025	418,663,710		97,236
Security shares sale (iii)	16 October 2025			203
Shares placement	17 October 2025	8,000,000	$0.075	600
Shares issued	5 January 2026	6,666,667	$0.090	600
Security shares sale (iii)	13 March 2026			93
Security shares sale (iii)	15 May 2026			210
Share issue costs				(111)
Balance	30 June 2026	433,330,377		98,831

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Note 22. Issued capital (continued)

(i) The share placement has 23,207,919 options attached at a strike price of $0.10 per share. As part of the share placement, the Company issued 5,234,984 shares to settle the $340,274 interest owing to Pure Asset Management.

(ii) The share placement has 8,573,333 options attached at a strike price of $0.10 per share. Actual issue date of the shares is on 2 January 2025 but the placement was completed on 20 December 2024.

(iii) In 2025 financial year, the Group entered into an amended lease agreement for its existing facility. Lease payments would be made in cash. Pursuant to the agreement security terms, the Group issued 7,862,900 shares into an escrow security account as a guarantee for the lease payment. Under the agreement, the shares will be progressively sold down to the lessor. The proceeds could be applied to any future lease cash payment shortfalls. All lease payments have been settled in cash under the agreement.

Of these shares, the following have been sold for cash:
- In October 2025 a total of 2,700,000 shares at $0.075 per share;
- In March 2026, a total of 1,162,900 shares at $0.080 per share; and
- In May 2026, a total of 3,000,3000 shares at $0.070 per share.

Accordingly, the proceeds from the sale of these shares were recognised as issued capital during the year. The remaining 1,000,000 from the total of 7,862,900 shares were sold for cash in July 2026 at $0.650 per share.

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

The capital risk management policy has not changed from the 30 June 2025 Annual Report.

Note 23. Reserves

	Consolidated	
	2026 $'000	2025 $'000
Financial liability reserve	8,854	8,854
Foreign currency translation reserve	38	1,282
Share-based payments reserve	10,281	10,127
Convertible note equity reserve	563	563
Options reserve	546	-
	20,282	20,826

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Note 23. Reserves (continued)

Financial liability reserve
This reserve records movements in the fair value of investor loans when investor loans were converted to capital in 2008.

Foreign currency translation reserve
This reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note equity reserve
This reserve is used to recognise the equity portion of the convertible notes issued.

Options reserve
This reserve is used to recognise the cash receipt from the Loyalty Option issued to shareholders.

As of 30 June 2026, a total of 69,776,787 Loyalty Options were issued. The Loyalty Options are exercisable at $0.07 per share and expire after 3 years from the date of issue on 17 September 2028.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Financial liability reserve $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Convertible note equity reserve $'000	Options reserve $'000	Total $'000
Balance at 1 July 2024	8,854	1,209	10,023	563	-	20,649
Foreign currency translation	-	73	-	-	-	73
Share-based payment expense	-	-	104	-	-	104
Balance at 30 June 2025	8,854	1,282	10,127	563	-	20,826
Foreign currency translation	-	(1,244)	-	-	-	(1,244)
Share-based payment expense	-	-	74	-	-	74
Loyalty option issued to directors in lieu of compensation	-	-	80	-	-	80
Loyalty option issued to shareholders (net of transaction costs)	-	-	-	-	546	546
Balance at 30 June 2026	8,854	38	10,281	563	546	20,282

Note 24. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

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Note 25. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a regular basis.

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Company's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2026 $'000**	**2025 $'000**	**2026 $'000**	**2025 $'000**
US dollars	-	-	1,292	3,655

		AUD strengthened			AUD weakened	
Consolidated - 2026	**% change**	**Effect on profit before tax** $'000	**Effect on equity before tax** $'000	**% change**	**Effect on profit before tax** $'000	**Effect on equity before tax** $'000
US Dollars	10%	129	129	(10%)	(129)	(129)

		AUD strengthened			AUD weakened	
Consolidated - 2025	**% change**	**Effect on profit before tax** $'000	**Effect on equity before tax** $'000	**% change**	**Effect on profit before tax** $'000	**Effect on equity before tax** $'000
US Dollars	10%	365	365	(10%)	(365)	(365)

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group's main interest rate risk arises from cash and cash equivalents. Cash and cash equivalents obtained at variable rates expose the Group to interest rate risk. Cash and cash equivalents obtained at fixed rates expose the Group to fair value interest rate risk.

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Note 25. Financial instruments (continued)

As at the reporting date, the Group had the following variable rate cash and cash equivalents outstanding:

	2026		2025	
Consolidated	**Weighted average interest rate %**	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Cash at bank	0.52%	553	1.55%	481
Net exposure to cash flow interest rate risk		553		481

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

	Basis points increase			Basis points decrease		
Consolidated - 2026	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Net exposure to cash flow interest rate risk	50	3	3	(50)	(3)	(3)

	Basis points increase			Basis points decrease		
Consolidated - 2025	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Net exposure to cash flow interest rate risk	50	2	2	(50)	(2)	(2)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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Note 25. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2026	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,278	-	-	-	2,278
Interest-bearing						
Pure loan payable	9.50%	15,000	-	-	-	15,000
Pure Royalty Payable	-	1,649	-	-	-	1,649
EPS Royalty Payable	-	15	6	-	-	21
Lease liability*	8.17%	613	498	1,200	1,161	3,472
Convertible notes payable	9.50%	4,986	-	-	-	4,986
Loan from related party	9.50%	211	-	-	-	211
Total non-derivatives		24,752	504	1,200	1,161	27,617

* Lease liability consists of property leases at 9.5% and various equipment leases ranging from 7% - 7.5%.

Consolidated - 2025	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,828	-	-	-	1,828
Interest-bearing						
Pure loan payable	9.50%	15,000	-	-	-	15,000
Pure Royalty Payable	-	397	5,558	-	-	5,955
Convertible notes payable	9.50%	3,160	-	-	-	3,160
EPS Royalty Payable	-	20	13	7	-	40
Lease liability*	8.17%	1,469	16	-	-	1,485
Lease liability - Interest	-	40	-	-	-	40
Loan from related party	9.50%	110	-	-	-	110
Total non-derivatives		22,024	5,587	7	-	27,618

* Lease liability consists of property leases at 6% and 9.5% interest rate and various equipment leases ranging from 6% - 8.5%.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 26. Fair value measurement

Fair value hierarchy
The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

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Note 26. Fair value measurement (continued)

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2026	Level 1 $'000	Level 2 $'000	Level 3 $'000
Liabilities			
Derivative financial instruments	-	-	951
Total liabilities	-	-	951

Consolidated - 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000
Liabilities			
Derivative financial instruments	-	-	815
Total liabilities	-	-	815

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 3
The embedded derivative liabilities, representing the conversion option and free attaching options, are valued using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. Key assumptions used include: stock price volatility, expected term of the conversion option, risk-free interest rate and level of dividends expected to be paid.

Level 3 assets and liabilities
The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Sensitivity
Derivative financial instruments	Expected volatility: 75% (30 June 2025: 75%)	+5%/-5% in the expected volatility would result in $112,000 higher/($112,000) (lower) fair value of the derivatives (30 June 2025: +5%/-5% in the expected volatility would result in $78,000 higher/($78,000) (lower) fair value of the derivatives).

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	Consolidated 2026 $	Consolidated 2025 $
Audit services - Ernst & Young		
Audit or review of the financial statements	296,400	293,280

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Note 28. Contingent liabilities and capital commitments

Contingent liabilities
The Group had no contingent liabilities at 30 June 2026 and 30 June 2025.

Capital commitments
The Group's share of the capital commitments of its joint venture, NewCarbon, is as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Committed at the reporting date but not recognised as liabilities:		
Investment in NewCarbon	1,092	3,435

Note 29. Related party transactions

Parent entity
Carbonxt Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Equity accounted investment
Interests in NewCarbon are set out in note 12.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

Transactions with related parties
Other than the remuneration and loan interest disclosed above, there were no other transactions with key management personnel and their related parties during the current and prior period.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2026 $	Consolidated 2025 $
Current receivables:		
Receivables from joint venture	49,343	50,758
Current payables:		
Accrued fees payable to directors	346,757	107,593

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2026 $	Consolidated 2025 $
Current borrowings:		
Loan from directors	191,292	100,000

The Group has loan payable to directors of $100,000 payable to Matthew Driscoll and $91,292 payable to Nicholas Andrews as of 30 June 2026. The loan accrues interest at a rate of 9.5% per annum and repayable within one year.

Note 29. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term employee benefits	1,194,536	1,481,948
Post-employment benefits	48,025	34,500
Share-based payments	74,406	103,811
	1,316,967	1,620,259

Note 31. 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 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Carbonxt Inc.	United States of America	100%	100%
Clear Carbon Innovations LLC	United States of America	100%	100%
Carbonxt Group Holdings LLC	United States of America	100%	100%

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Note 32. Cash flow information

Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Loss after income tax expense for the year	(4,629)	(6,761)
Adjustments for:		
Depreciation and amortisation	1,870	2,275
Write off of property, plant and equipment	-	561
Share of loss - joint ventures	-	3
Share-based payments	74	104
Items classified as investing and financing activities	2,725	2,182
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,067	(1,950)
Increase in inventories	(285)	(7)
(Increase)/decrease in other current assets	60	(114)
Increase/(decrease) in trade and other payables	779	1,185
Decrease in contract liabilities	-	(2,703)
Decrease in employee benefits	(18)	(152)
(Decrease)/increase in other operating liabilities	(1,151)	625
Net cash from/(used in) operating activities	492	(4,752)

Non-cash investing and financing activities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Additions to the right-of-use assets	2,185	113
Modifications to the right-of-use assets	407	(171)
	2,592	(58)

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Note 32. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Pure loan payable $'000	Loan from related party $'000	Convertible note and derivative financial instruments $'000	Lease liability $'000	Total $'000
Balance at 1 July 2024	10,322	-	-	3,354	13,676
Net cash (used in)/from financing activities	(713)	100	2,665	(2,257)	(205)
Interest expense	1,955	-	55	225	2,235
Acquisition of leases	-	-	-	113	113
Lease modifications	-	-	-	(171)	(171)
Balance at 30 June 2025	11,564	100	2,720	1,264	15,648
Net cash from/(used in) financing activities	-	-	1,650	(1,393)	257
Interest expense	1,592	-	431	121	2,144
Acquisition of leases	-	-	-	2,185	2,185
Lease modifications	-	-	-	407	407
Foreign exchange difference	-	-	-	(75)	(75)
Fair value movement	-	-	(733)	-	(733)
Directors fees converted to loan	-	91	-	-	91
Balance at 30 June 2026	13,156	191	4,068	2,509	19,924

Note 33. Earnings per share

	Consolidated 2026 $'000	Consolidated 2025 $'000
Loss after income tax attributable to the owners of Carbonxt Group Limited	(4,629)	(6,761)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	423,176,972	376,204,828
Weighted average number of ordinary shares used in calculating diluted earnings per share	423,176,972	376,204,828
	Cents	**Cents**
Basic loss per share	(1.09)	(1.80)
Diluted loss per share	(1.09)	(1.80)

114,808,041 options, 64,000,000 warrants and 50,812,500 convertible notes (2025: 67,937,502 options, 65,000,000 warrants and 33,312,500 convertible notes) were excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share as they were anti-dilutive.

Note 34. Share-based payments

On 30 November 2017, shareholders at the Annual General Meeting ('AGM') approved the Employee Option Plan ('EOP'), whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration.

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Note 34. Share-based payments (continued)

The Company is required to issue warrants as part of the Pure loan agreement as disclosed in note 17. The terms of the warrants are as follows:

Number of warrants	64,000,000
Exercise price	(i) Tranche 1 - 18,000,000 exercisable at $0.18
	(ii) Tranche 2 - 16,000,000 exercisable at $0.22
	(iii) Tranche 3 - 15,000,000 exercisable at $0.26
	(iv) Tranche 4 - 15,000,000 exercisable at $0.30
Exercise period	From issue date of the warrant to 30 November 2026
Expiry date	30 November 2026
Issue date of warrants	31 May 2023

On 21 October 2020, the Company obtained shareholder approval for the Company to issue 6,250,000 options to the directors: Warren Murphy (3,000,000 options), David Mazyck (2,250,000) and Matthew Driscoll (1,000,000). The options have no exercise price, will vest on the Company achieving a VWAP of $0.30 per share over a 10-day period and will expire on 20 October 2026.

On 21 October 2020, the Company obtained shareholder approval for the Company to issue 7,000,000 options to the directors: Warren Murphy (3,000,000 options), David Mazyck (3,000,000) and Matthew Driscoll (1,000,000). The options have no exercise price, will vest on the Company achieving a VWAP of $0.45 per share over a 10-day period and will expire after on 20 October 2026.

The share-based payment in relation to the warrants for 2026 is $nil (2025: $nil). Total expense arising from share-based payment transactions during the financial the year was $74,000 (30 June 2024: $104,000).

Set out below are summaries of options and warrants that existed during the year:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Additions	Exercised	Expired/ forfeited/ other	Balance at the end of the year
31/05/2023	31/05/2027	$0.180	18,000,000	-	-	-	18,000,000
31/05/2023	31/05/2027	$0.220	16,000,000	-	-	-	16,000,000
31/05/2023	31/05/2027	$0.260	15,000,000	-	-	-	15,000,000
31/05/2023	31/05/2027	$0.300	15,000,000	-	-	-	15,000,000
20/10/2023	20/10/2026	$0.000	6,250,000	-	-	-	6,250,000
20/10/2023	20/10/2026	$0.000	7,000,000	-	-	-	7,000,000
			77,250,000	-	-	-	77,250,000
Weighted average exercise price			$0.199	$0.000	$0.000	$0.000	$0.199

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Additions	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/08/2021	27/08/2024	$0.240	5,000,000	-	-	(5,000,000)	-
31/05/2023	31/05/2027	$0.180	18,000,000	-	-	-	18,000,000
31/05/2023	31/05/2027	$0.220	16,000,000	-	-	-	16,000,000
31/05/2023	31/05/2027	$0.260	15,000,000	-	-	-	15,000,000
31/05/2023	31/05/2027	$0.300	15,000,000	-	-	-	15,000,000
20/10/2023	20/10/2026	$0.000	6,250,000	-	-	-	6,250,000
20/10/2023	20/10/2026	$0.000	7,000,000	-	-	-	7,000,000
			82,250,000	-	-	(5,000,000)	77,250,000
Weighted average exercise price			$0.202	$0.000	$0.000	$0.000	$0.199

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Note 34. Share-based payments (continued)

The weighted average remaining contractual life of options and warrants outstanding at the end of the financial year was 0.79 years (2025: 2.65 years).

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $'000	2025 $'000
Loss after income tax	(5,699)	(11,667)
Total comprehensive loss	(5,699)	(11,667)

Statement of financial position

	Parent	
	2026 $'000	2025 $'000
Total current assets	149	454
Total assets	1,414	1,489
Total current liabilities	23,113	16,476
Total liabilities	23,119	19,790
Equity		
Issued capital	98,294	96,699
Financial liability reserve	8,854	8,854
Options reserve	546	-
Share-based payments reserve	10,281	10,127
Convertible note equity reserve	563	563
Accumulated losses	(140,243)	(134,544)
Total deficiency in equity	(21,705)	(18,301)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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Note 36. Events after the reporting period

On 6 July 2026, the Company announced a restructuring agreement with its major shareholders Phelbe Pty Ltd ('Phelbe') and Pure Asset Management ('Pure') to strengthen the Group's financial position to support the growth of the production facility in Kentucky through its investment in NewCarbon. This will be facilitated through issuance of $3,500,000 convertible notes. Phelbe will contribute $2,000,000 cash, while Pure's contribution of $1,500,000 will be set-off against Pure's senior debt facility.

The notes carry a three-year term and a conversion price of $0.10 per share, with 17,500,000 attaching options. Reflecting their support for the Company through this transition, Pure has agreed to provide any required covenant waivers to 31 December 2026 i.e. the next covenant test date is 31 December 2026.

In addition to the convertible notes, and subject to (a) the shareholders' approval in an EGM expected to occur in late September 2026; (b) the Company's share price closing at or above $0.09 for five consecutive trading days before 31 December 2026; (c) the commencement of Kentucky operations including independent engineer certification and US$1,000,000 of third-party revenue; and (d) no material adverse effect, Pure will exercise its outstanding warrants and options with the proceeds to be applied to reduce the debt facility from $15,000,000 to approximately $10,000,000 and Pure to waive all the covenants for the remaining life of the debt facility. Phelbe will convert the $2,000,000 convertible notes to share capital and exercise all options raising approximately $3,400,000 in cash. All options and convertible notes related to Pure and Phelbe will be offered a 10% per annum discount as early conversion incentive. Even after the discount, all conversion and exercise prices remain above the Company's current share price of $0.068.

On 6 July 2026, the Company made a US$250,000 contribution to NewCarbon. On 13 August 2026, the Company made an additional US$250,000 contribution to NewCarbon increasing the Group's ownership to 49.4% after these contributions.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Carbonxt Group Limited
Consolidated entity disclosure statement
As at 30 June 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency Australian or Foreign	Tax residency Foreign jurisdiction
Carbonxt Group Limited	Body corporate	Australia	n/a	Australian	n/a
Carbonxt Inc	Body corporate	United States of America	100	Foreign	United States of America
Clear Carbon Innovations LLC	Body corporate	United States of America	100	Foreign	United States of America
Carbonxt Group Holdings LLC	Body corporate	United States of America	100	Foreign	United States of America

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Carbonxt Group Limited
Directors' declaration
30 June 2026

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 International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group'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; and
- 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



Warren Murphy
Managing Director

31 August 2026
Sydney

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Independent auditor's report to the members of Carbonxt Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Carbonxt Group Limited (the Company) and its subsidiaries (collectively 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, consolidated statement of changes in equity and 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 consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; 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 our audit of the financial report 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 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but 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 matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying amount of Investment in Associate

Why significant	How our audit addressed the key audit matter

At 30 June 2026, the Group's consolidated statement of financial position included a $13.7m investment in associate being an investment in NewCarbon Processing LLC ("NewCarbon"). This investment represents 45.9% and 40.7% of the Group's total non-current assets and total assets respectively.
 	
As disclosed in Note 12 of the financial report, the Group assesses investments in associates for indicators of impairment at each balance date in line with the requirements of AASB 128 Investments in Associates and Joint Ventures and AASB 136 Impairment of Assets. Where such events are identified, a full impairment test is required.
 	
The Group's assessment of indicators of impairment included consideration of the construction delays, rectification plans and associated costs, expected plant functionality, whether there is any physical damage of the plant or changes in the plant's fair value and technological and market developments. At 30 June 2026, the Group concluded no impairment indicators were present.
 	
Due to the size of the investment relative to the Group's total assets, strategic importance of the investment in associate for financing and future profitability of the Group, and the significant judgement involved in the impairment indicator assessment, this was considered a key audit matter.
	Our audit procedures included the following:
	• Evaluated the appropriateness of the Group's classification of its investment in NewCarbon as an investment in associate. This included assessing the relevant contractual arrangements and considering the extent of the Group's ability to exercise significant influence over NewCarbon.
	• Validated the Group's ownership interest in NewCarbon as at 30 June 2026, with reference to executed agreements, bank records and share certificates issued to the Group.
	• Validated the carrying amount of the investment as at 30 June 2026, taking into account the Group's share of the associate's profit and loss.
	• With the assistance of our capital equipment valuation specialists, evaluated management's assessment of impairment indicators in relation to the NewCarbon facility under construction. Our procedures included:
	  ○ Performed a site visit to the Kentucky facility to understand the status of construction and assess the condition of the underlying assets;
	  ○ Held discussions with management, management's valuation specialist, and the joint venture partner's lead project engineering team from Kentucky Carbon Processing, LLC ("KCP") to understand the causes of construction delays, remediation plans and the expected completion of the facility.

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Why significant	How our audit addressed the key audit matter
	○ Evaluated the work of management's specialist, including assessment of their competence, capabilities, independence and objectivity; ○ Considered location-specific factors in consultation with our valuation specialists based in the United States of America that are familiar with the relevant market; ○ Considered the indicative valuation range determined by management's specialist in assessing whether any indicators existed, including assessing the reasonableness of valuation inputs used, as corroborative evidence or whether the valuation range provided contrary evidence to the conclusions reached by management. • We assessed whether additional capital funding obligations or cost overruns existed by reviewing contractual arrangements, correspondence with the joint venture partner responsible for constructing the facility, obtaining representations from management and solicitor representations regarding funding obligations. • We assessed the adequacy of the related disclosures included in the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report, 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, with the exception of the Remuneration Report and our related assurance opinion.

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:

- 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
- 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:

- 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
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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 to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Carbonxt Group 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.

Ernst & Young

Ernst & Young

James Johnson
Partner
Sydney
31 August 2026

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Carbonxt Group Limited
Shareholder information
30 June 2026

The shareholder information set out below was applicable as at 24 July 2026.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Listed options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	103	-	10	-
1,001 to 5,000	254	-	19	-
5,001 to 10,000	143	-	10	-
10,001 to 100,000	384	-	112	0.01
100,001 and over	332	0.10	85	0.09
	1,216	0.10	236	0.10
Holding less than a marketable parcel	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Phelbe Pty Ltd	53,504,264	12.35
BNP Paribas Nominees Pty Ltd	29,602,052	6.83
J P Morgan Nominees Australia	28,009,738	6.46
Mr Craig Graeme Chapman	15,920,524	3.67
Zanya Nominees Pty Ltd	10,974,873	2.53
Stewland Holding Pty Ltd	8,773,249	2.02
Dixson Trust Pty Limited	8,100,000	1.87
La Andrews Investments Pty Ltd	7,613,000	1.76
Berne No 132 Nominees Pty Ltd	7,603,061	1.75
Station Capital Pty Ltd	7,098,000	1.64
Filmrim Pty Ltd	6,995,000	1.61
Tranter (SA) Pty Ltd	6,166,667	1.42
Mr Victor Lorusso	6,000,000	1.38
HSBC Custody Nominees	5,973,515	1.38
Mr Luke Alexander Andrews &	5,500,000	1.27
Sutterby Investments Pty Ltd	5,010,000	1.16
Appwam Pty Ltd	4,838,462	1.12
Mr David James Azar	4,674,872	1.08
Spo Equities Pty Ltd	4,166,667	0.96
Sgi Pty Ltd	3,850,000	0.89
	230,373,944	53.15

Ordinary shares held include escrowed shares.

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Carbonxt Group Limited
Shareholder information
30 June 2026

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	87,104,171	78
Warrant over ordinary shares issued	64,000,000	12

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Phelbe Pty Ltd	53,504,264	12.35

Ordinary shares held include escrowed shares.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Share buy-back

There is no current on-market share buy-back.

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