

1. Company details

Name of entity:	Environmental Clean Technologies Limited
ABN:	28 009 120 405
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

	31 Dec 2025 \$	31 Dec 2024 \$	Change \$	Change %
Revenues from ordinary activities	2,111	5,790	(3,679)	(64%)
Loss from ordinary activities after tax attributable to the owners of Environmental Clean Technologies Limited	(2,581,194)	(1,658,014)	(923,180)	56%
Loss for the half-year attributable to the owners of Environmental Clean Technologies Limited	(2,581,194)	(1,658,014)	(923,180)	56%
			Consolidated	
			31 Dec 2025	31 Dec 2024
			Cents	Cents
Basic loss per share			(1.136)	(1.330)
Diluted loss per share			(1.136)	(1.330)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,581,194 (31 December 2024: \$1,658,014).

Refer to the 'Review of operations and results' within the Directors' report for further commentary on the results.

3. Net tangible assets

	31 Dec 2025 Cents	31 Dec 2024 Cents
Net tangible assets per ordinary security	<u>1.074</u>	<u>0.450</u>

Net tangible assets excludes right-of-use lease assets and liabilities recognised pursuant to AASB 16 'Leases'.

4. Control gained over entities

	Terrajoule Pty Limited
Name of entities (or group of entities)	Terrajoule Inc
Date control gained	24 December 2025

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable

8. Details of associates and joint venture entities

Not applicable.

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 were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report. The review report contains a paragraph that draws attention to the use of the going concern basis for the preparation of the financial statements.

11. Attachments

Details of attachments (if any):

The Interim Financial Report of Environmental Clean Technologies Limited for the half-year ended 31 December 2025 is attached.

12. Signed

As authorised by the Board of Directors

Signed _____



Faldi Ismail
Chairman
Perth

Date: 27 February 2026

The directors present their report together with the financial statements of Environmental Clean Technologies Limited ('the Company' or 'parent entity') and its controlled entities (collectively 'the consolidated entity' or 'group') for the half-year ended 31 December 2025.

Directors

- Faldi Ismail - Executive Chairman
- Joseph van den Elsen - Non-Executive Director
- Justin Mouchacca - Non-Executive Director

Principal activities

The half year to 31 December 2025 represented a transformational period for Environmental Clean Technologies Limited ("ECT" or "the Company"), highlighted by the successful completion of the Terrajoule acquisition and the securing of an exclusive licence to the REM technology. Together, these milestones establish a strong foundation for future growth as ECT builds a diversified portfolio of high-impact, disruptive technologies.

During the period, the Company advanced from strategic negotiations and technology access to full acquisition and operational integration of its Rapid Electrothermal Mineralisation (REM) platform. This progress was achieved alongside disciplined capital management and continued development of fertiliser initiatives under the COLDry program.

Terrajoule Acquisition and REM Technology Development

A key milestone during the half year was the acquisition of Terrajoule Pty Ltd and the associated exclusive option to license flash joule heating (FJH) technology developed at Rice University. This technology underpins ECT's Rapid Electrothermal Mineralisation (REM) process for the remediation of per and polyfluoroalkyl substances (PFAS) and/or heavy metals.

The acquisition, initiated in the September quarter and completed during the December quarter, secured ECT's rights to deploy REM for the remediation of PFAS and heavy metal contaminated soils. The transaction represented a decisive shift toward high-impact environmental remediation technologies, positioning the Company within a rapidly expanding global remediation market.

Throughout the half year, activities focused on:

- Consolidation of intellectual property and technology rights
- Technical validation planning and engineering development
- Preparation for pilot and demonstration initiatives
- Industry engagement to assess commercial pathways

The appointment of a Chief Technology Officer during the December quarter strengthened in-house technical leadership and provided dedicated expertise in flash joule heating systems and scale-up engineering.

In parallel, the establishment of a Corporate Advisory Board enhanced governance oversight and introduced domain expertise in environmental regulation, advanced materials, and PFAS remediation, critical capabilities as the Company moves toward potential commercial deployment.

The half year concluded with REM positioned as ECT's primary growth platform, with groundwork laid for pilot demonstration, regulatory engagement and commercial discussions in calendar 2026.

COLDry

ECT continued to advance its proprietary COLDry technology platform through the Zero Quest joint venture during the period, maintaining development momentum while the Company executed its broader strategic transition.

During the half year, activities included:

- Ongoing laboratory testing and agronomic assessment
- Multiple crop trials, including wheat, cotton and organic farming applications
- Progression of joint venture initiatives supporting product validation
- Preparation for expanded field trials

The Company expects outcomes from these trials during 2026, which will provide further data to support commercial positioning and product refinement.

Dividends

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

Review of operations and results

The loss for the consolidated entity after providing for income tax amounted to \$2,581,194 (31 December 2024: \$1,658,014).

Major Highlights:

Environmental Clean Technologies Limited

(i) Completion Terrajoule Share Purchase Agreement

Under the terms of the Share Purchase Agreement (SPA), ECT acquired 100% of the issued shares in Terrajoule from third-party sellers (none of whom are related parties of the Company) in consideration for:

- 73,333,332 fully paid ordinary shares (Consideration Shares); and
- 66,666,666 performance rights (Consideration Performance Rights) comprising:
 - 33,333,333 performance rights which will vest and convert into Shares if, within 12 months, ECT announces that it has developed the FJH Technology such that it is able to remediate 5kg of soil within 30 minutes using a sustained electrothermal system; and
 - 33,333,333 performance rights, which will vest and convert into Shares if, within 24 months:
 - ECT announces the completion of the construction of an electrothermal remediation system, and demonstrates in-situ usability with a pilot demonstration; and
 - ECT announces that it has entered into a commercial contract with a third party under which it will generate at least US\$2.5 million in revenue from the contract, or it receives non-dilutive project funding of at least US\$2.5M.

(ii) Placement to support acquisition and development

The Company received binding firm commitments from sophisticated, professional and institutional investors to raise \$3.25M (before costs) through a strongly supported two-tranche placement of a total of 50M Shares at an issue price of \$0.06 per Share (Placement).

The Placement completed in two tranches as follows:

- Tranche 1 – 8,333,333 Shares issued under the Company's existing Listing Rule 7.1 capacity at an issue price of \$0.06 to raise \$500,000 (before costs).
- Tranche 2 – 45,000,000 Shares issued at an issue price of \$0.06 to raise \$2.75M (before costs).

Tranche 1 was completed during the September quarter, providing initial funding to progress the Terrajoule acquisition and support corporate and technical activities. Tranche 2 was finalised during the December quarter following shareholder approval, with strong investor demand resulting in incremental subscriptions beyond the original minimum target.

The funds raised strengthened the Company's balance sheet and are being deployed toward acquisition costs, REM technology development, integration expenses and general working capital.

(iii) Appointment of Advisory Board in support of PFAS remediation technology development

Refer 'Principal Activities' section above.

(iv) Appointment of Executive Chairman

Mr Faldi Ismail transitioned from the role of Non-Executive Chairman to Executive Chairman, effective 1 October 2025 reflecting the Board's view that Mr Ismail's increased involvement is appropriate as the Company advances its current strategic initiatives and operational priorities.

(v) Convertible Note

The Company received a conversion notice from LJ & K Thomson Pty Ltd (Thomson) to convert its convertible note (Note) into fully paid ordinary shares (Shares) in the Company in November 2025. Full details of the Note are set out in the Company's ASX announcements dated 17 December 2024 and 28 February 2025. In accordance with the terms of the Note, which carried a face value of \$1,130,000, Thomson received 17,725,490 Shares at a conversion price of \$0.06375 per Share.

(vi) Shareholder Sale Facility

The Company successfully completed the small shareholding sale facility (Sale Facility) for shareholders whose holding of fully paid ordinary shares in the Company (Shares) had a market value of less than A\$500 as announced on 23 September 2025. The final number of Shares sold under the Sale Facility was 3,258,625 held by 2,833 shareholders. The Company received 354 valid share retention forms from shareholders, holding 545,402 Shares,

who chose to retain their Shares. The shareholders whose Shares were sold through the Sale Facility will receive \$0.08 per Share without having to pay brokerage or other costs.

(vii) Securities consolidation

The Company completed a consolidation of its issued capital on the basis that every fifteen (15) existing shares be consolidated into one (1) share (with a corresponding consolidation of all other securities on issue) as approved at the Extraordinary General Meeting (EGM) held on 18 August 2025.

Significant changes in the state of affairs

On 26 August 2025, as approved in the Extraordinary General Meeting ('EGM') on 18 August 2025, the Group consolidated its shares on issue. The consolidation involved a reduction for every fifteen (15) fully paid ordinary shares (Shares) on issue into one (1) fully paid ordinary share, with any resulting fractions of Shares rounded up to the next whole number of Shares. All options on issue were also consolidated on a 15 to 1 basis as described with the fully paid shares, with any resulting fractions of options rounded up to the next whole number of options.

On 25 September 2025, the Company entered into a binding agreement to acquire 100% of the issued shares in Terrajoule Pty Ltd. The Company also received firm and irrevocable agreements that the capital raise price to be conducted at \$0.006.

On 1 October 2025, the Company issued 8,333,333 new fully paid shares at 0.06 (6 cents) per share via a placement (tranche 1) to raise \$0.500 million to sophisticated investors.

On 29 October 2025, John Tranfield resigned as Chief Executive officer.

On 17 November 2025, the Company appointed Mr Justin Sharp as Chief Technology Officer.

On 19 November 2025, the Company received a conversion notice from LJ & K Thomson Pty Ltd (Thomson) to convert its convertible notes into fully paid shares. In accordance with the terms of the Note, which carries a face value of \$1,130,000, Thomson was to receive 17,725,490 shares at a conversion price of \$0.06375 per share.

On 1 December 2025, the Company appointed Robert Bilott to the ECT Advisory Board.

On 8 December 2025, the Company appointed Professor James Tour to the ECT Advisory Board.

On 23 December 2025, the Company appointed Lewis Utting to the ECT Advisory Board.

On 24 December 2025, the Company issued 73,333,333 new fully paid shares at 0.06 (6 cents) as consideration for the acquisition of Terrajoule Pty Ltd.

On 24 December 2025, the Company issued 45,833,333 new fully paid shares at 0.06 (6 cents) per share via a placement (tranche 2) to raise \$2.750 million to sophisticated investors.

On 24 December 2025, the Company issued 1,666,667 new fully paid shares at 0.03 (3 cents) per share via conversion of options.

On 24 December 2025, the Company issued 1,500,000 new fully paid shares at 0.14 (14 cents) per share for consideration for services provided to the Company.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 12 January 2026, the Company appointed Hirokazu Minami to the ECT Advisory Board.

On 23 January 2026, the Company received \$556,698 relating to the R&D Tax Incentive rebate.

As announced on 27 January 2026, the Company received interest in relation to a potential sale of its property in Yallourn, Victoria. ECT initially purchased the Yallourn property in 2022 with the intention of developing its hydrogen refinery project at the site. The Company subsequently shifted its focus to development of its COLDry fertiliser product, and the Yallourn property has largely been left unused and is now surplus to the Company's strategy. The Company remains in active discussions with potential buyers.

On 16 February 2026, all the ELF shares on issue expired. A shareholder meeting will be called to cancel these ELF shares through a selective buy-back process.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Faldi Ismail', is written over a horizontal line.

Faldi Ismail
Chairman

27 February 2026
Perth

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Environmental Clean Technologies Limited

As lead auditor for the review of Environmental Clean Technologies Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Environmental Clean Technologies Limited and the entities it controlled during the period.


William Buck
William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director
Melbourne, 27 February 2026

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General information

The financial statements comprise those of Environmental Clean Technologies Limited as a consolidated entity consisting of Environmental Clean Technologies Limited ('the Company') and the entities it controlled at the end of, or during, the half-year (together referred to as 'the consolidated entity'). The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

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

Level 21, 459 Collins Street
Melbourne, VIC, 3000
Australia

A description of the nature of the consolidated entity'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 27 February 2026. The directors have the power to amend and reissue the financial statements.

	Note	Consolidated	
		31 Dec 2025	31 Dec 2024
		\$	\$
Other income			
Research and development income		6,087	437,630
Interest revenue calculated using the effective interest method		2,111	5,790
Total income		8,198	443,420
Expenses			
Corporate costs		(507,111)	(382,678)
Depreciation and amortisation expense		(314,082)	(576,237)
Engineering and design costs		(231,806)	(64,911)
Sales and marketing		(215,665)	(18,236)
Write-off of assets	4	-	(117,603)
Employee benefits expense		(995,419)	(706,957)
Occupancy expense		(77,410)	-
Legal costs		(91,960)	(87,718)
Finance costs		(227,513)	(74,180)
Travel and accommodation		(38,890)	(10,085)
Change in fair value of financial liabilities		163,893	1,735
Impairment in investment of joint venture		(53,429)	-
Loss on disposal of plant and equipment		-	(64,564)
Total expenses		(2,589,392)	(2,101,434)
Loss before income tax expense		(2,581,194)	(1,658,014)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Environmental Clean Technologies Limited		(2,581,194)	(1,658,014)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Environmental Clean Technologies Limited		(2,581,194)	(1,658,014)
		Cents	Cents
Basic loss per share		(1.136)	(1.330)
Diluted loss per share		(1.136)	(1.330)

	Consolidated	
Note	31 Dec 2025	30 Jun 2025
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,034,599	478,639
Other receivables	3 608,766	605,158
Prepayments and deposits	-	48,286
Total current assets	<u>3,643,365</u>	<u>1,132,083</u>
Non-current assets		
Investments accounted for using the equity method	-	53,429
Property, plant and equipment	4 1,736,940	2,015,507
Right-of-use assets	-	12,561
Intangible assets	5 18,147,121	50,850
Total non-current assets	<u>19,884,061</u>	<u>2,132,347</u>
Total assets	<u>23,527,426</u>	<u>3,264,430</u>
Liabilities		
Current liabilities		
Trade and other payables	938,510	448,699
Borrowings	-	1,065,092
Lease liabilities	-	173,864
Employee benefit liabilities	-	21,588
COLDry earn-out provision	1,992	17,052
Total current liabilities	<u>940,502</u>	<u>1,726,295</u>
Non-current liabilities		
Employee benefit liabilities	-	14,102
COLDry earn-out provision	515,077	663,910
Total non-current liabilities	<u>515,077</u>	<u>678,012</u>
Total liabilities	<u>1,455,579</u>	<u>2,404,307</u>
Net assets	<u>22,071,847</u>	<u>860,123</u>
Equity		
Issued capital	6 105,128,015	93,097,734
Convertible note reserve	-	65,940
Share-based payments reserve	12,928,447	1,099,870
Accumulated losses	(95,984,615)	(93,403,421)
Total equity	<u>22,071,847</u>	<u>860,123</u>

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

Consolidated

	Issued capital \$	Share based payments reserve \$	Convertible note reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	92,410,300	2,530,569	-	(91,516,307)	3,424,562
Loss after income tax expense for the half-year	-	-	-	(1,658,014)	(1,658,014)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(1,658,014)	(1,658,014)
<i>Transactions with owners in their capacity as owners:</i>					
Vesting charge for share-based payments	-	39,298	-	-	39,298
Expiry of options	-	(1,536,000)	-	1,536,000	-
Balance at 31 December 2024	<u>92,410,300</u>	<u>1,033,867</u>	<u>-</u>	<u>(91,638,321)</u>	<u>1,805,846</u>

Consolidated

	Issued capital \$	Share based payments reserve \$	Convertible note reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	93,097,734	1,099,870	65,940	(93,403,421)	860,123
Loss after income tax expense for the half-year	-	-	-	(2,581,194)	(2,581,194)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(2,581,194)	(2,581,194)
<i>Transactions with owners in their capacity as owners:</i>					
Vesting charge for share-based payments (note 9)	-	847,918	-	-	847,918
Net settlement of services with shares	210,000	-	-	-	210,000
Share placement (note 6)	3,250,000	-	-	-	3,250,000
Issue of shares and performance rights for the acquisition of Terrajoule	11,000,000	7,500,000	-	-	18,500,000
Options exercised	74,591	(24,591)	-	-	50,000
Conversion of convertible note	1,195,940	-	(65,940)	-	1,130,000
Capital raising costs	(3,700,250)	3,505,250	-	-	(195,000)
Balance at 31 December 2025	<u>105,128,015</u>	<u>12,928,447</u>	<u>-</u>	<u>(95,984,615)</u>	<u>22,071,847</u>

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

Note	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	-	53,905
Research and development tax incentive (inclusive of GST)	-	1,473,170
Payments to suppliers and employees (inclusive of GST)	(891,728)	(1,470,395)
Interest received	1,477	5,790
Interest and other finance costs paid	(56,351)	(73,438)
Net cash used in operating activities	(946,602)	(10,968)
Cash flows from investing activities		
Payments for joint venture capital invested	-	(150,000)
Cash acquired from acquisition of Terrajoule	378,095	-
Proceeds from disposal of property, plant and equipment	-	164,563
Net cash from investing activities	378,095	14,563
Cash flows from financing activities		
Proceeds from issue of shares	3,250,000	-
Proceeds from exercise of options	50,000	-
Share issue transaction costs	(128,238)	-
Repayment of borrowings	(47,295)	(984,000)
Repayment of lease liabilities	-	(22,145)
Loans from related parties	-	482,488
Net cash from/(used in) financing activities	3,124,467	(523,657)
Net increase/(decrease) in cash and cash equivalents	2,555,960	(520,062)
Cash and cash equivalents at the beginning of the financial half-year	478,639	762,171
Cash and cash equivalents at the end of the financial half-year	3,034,599	242,109

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all 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 consolidated entity for the half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

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

Going concern

For the financial half-year ended 31 December 2025, the consolidated entity had an operating net loss after tax of \$2,581,194, net cash outflows from operating activities of \$946,602, net current assets at the reporting date of \$2,702,863 and net assets of \$22,071,847. The consolidated entity currently does not have a material source of revenue and is reliant on receipt of research and development tax incentives, possible ELF loan repayments, equity capital or loans from third parties to meet its operating costs.

The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The reliance on future funding described above indicates a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared on the basis that the consolidated entity is a going concern which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business.

To this end, the consolidated entity is expecting to fund ongoing obligations as follows:

- utilisation of its current cash resources;
- receipt of the research and development tax incentive (received in February 2026);
- issuance of the Company's securities in accordance with its placement capacity available through ASX Listing Rules; and
- potential sale of the Yallourn property.

Management is focused on curtailing expenses where possible and will continue to examine all costs to achieve further savings.

Based on the above information and cash flow forecasts prepared, the directors are of the opinion that the consolidated entity is well positioned to meet its objectives and obligations going forward and therefore that the basis upon which the financial statements are prepared is appropriate in the circumstances.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board (being the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity operates predominantly in the environmental and energy industry, and a single geographic segment being Australia.

The CODM reviews operating performance of the consolidated entity based on management reports that are prepared. At regular intervals, the CODM is provided management information at a consolidated entity level for the consolidated entity's cash position, the carrying values of intangible assets and a consolidated entity cash forecast for the next 12 months of operation. On this basis, no segment information is included in these financial statements.

Note 3. Other receivables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Current assets</i>		
Trade receivables	-	33,358
Research and development tax incentive receivable ⁽ⁱ⁾	556,698	550,611
BAS receivable	52,068	21,189
	<u>608,766</u>	<u>605,158</u>

(i) The research and development tax incentive receivable as at 30 June 2025 was subsequently received on 22 January 2026.

Note 4. Property, plant and equipment

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Non-current assets</i>		
Land and buildings	1,148,235	1,148,235
Less: Accumulated depreciation	(77,104)	(66,691)
	<u>1,071,131</u>	<u>1,081,544</u>
Leasehold improvements	91,984	91,984
Less: Accumulated depreciation	(91,984)	(89,199)
	<u>-</u>	<u>2,785</u>
Plant and equipment	7,659,653	7,659,653
Less: Accumulated depreciation	(6,997,555)	(6,733,629)
	<u>662,098</u>	<u>926,024</u>
Fixtures and fittings	4,467	4,467
Less: Accumulated depreciation	(4,467)	(4,467)
	<u>-</u>	<u>-</u>
Office equipment	26,851	26,851
Less: Accumulated depreciation	(23,140)	(21,697)
	<u>3,711</u>	<u>5,154</u>
	<u>1,736,940</u>	<u>2,015,507</u>

Consolidated	Land and buildings \$	Leasehold improvements \$	Plant and equipment \$	Office equipment \$	Total \$
Balance at 1 July 2025	1,081,544	2,785	926,024	5,154	2,015,507
Depreciation expense	(10,413)	(2,785)	(263,926)	(1,443)	(278,567)
Balance at 31 December 2025	<u>1,071,131</u>	<u>-</u>	<u>662,098</u>	<u>3,711</u>	<u>1,736,940</u>

Note 5. Intangible assets

	Consolidated	
	31 Dec 2025 \$	30 Jun 2025 \$
<i>Non-current assets</i>		
Licences - Terrajoule Pty Ltd (i)	18,121,905	-
Right of access to mine	254,250	254,250
Less: Accumulated amortisation	(229,034)	(203,400)
	25,216	50,850
	<u>18,147,121</u>	<u>50,850</u>

(i) On 24 December 2025, the Group acquired 100% of the shares of Terrajoule Pty Ltd. The Group assessed the acquisition as an asset acquisition, as the Group acquired assets, comprising of cash and intangible assets (licences), that did not constitute a business.

Through the acquisition of Terrajoule Pty Ltd, the Group become a holder of an exclusive licence from William Marsh Rice University (Rice) to use its proprietary flash joule heating technology for the purposes of remediating soil which has been contaminated by Per- and polyfluoroalkyl substances (PFAS) and/or heavy metals.

The Group has determined the license agreement will have useful life of 15 years (consistent with the life of the underlying patents) and will be amortised over that period.

Under the terms of the Agreement, the Group acquired 100% of the issued shares in Terrajoule from third-party sellers (none of whom are related parties of the Company) in consideration for:

- 73,333,332 fully paid ordinary shares (Consideration Shares); and
- 66,666,666 performance rights (Consideration Performance Rights) comprising:
 - 33,333,333 performance rights which will vest and convert into Shares if, within 12 months, ECT announces that it has developed the FJH Technology such that it is able to remediate 5kg of soil within 30 minutes using a sustained electrothermal system.
The vesting conditions were achieved at measurement date; and
 - 33,333,333 performance rights, which will vest and convert into Shares if, within 24 months, ECT announces the completion of the construction of an electrothermal remediation system, and demonstrates in-situ usability with a pilot demonstration and ECT announces that it has entered into a commercial contract with a third party under which it will generate at least US\$2.5 million in revenue from the contract, or it receives non-dilutive project funding of at least US\$2.5M. Managements assessment was a 50% probability of a vesting achievement at measurement date

The shares and performance rights issued as consideration for the transaction have been determined to meet the definition of a share-based payment arrangement, as the transaction is an agreement between ECT and another party (Sellers of Terrajoule), that entitles the other parter to receive equity instruments of ECT, provided the specified vesting conditions are met.

The transaction is measured by reference to the fair value of the equity instruments at measurement date, being the date of transfer of ownership in Terrajoule Pty Ltd.

The probability assessments by management in achieving the respective vesting conditions has been factored into the Fair value of the instruments, with the instruments being treated as vested at 31 December 2025, following the receipt of the acquired goods.

Note 6. Issued capital

	Consolidated			
	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$	30 Jun 2025 \$
Ordinary shares - fully paid	358,839,251	3,156,675,419	105,128,015	93,097,734
ELF share capital	57,250,667	858,759,997	-	-
	<u>416,089,918</u>	<u>4,015,435,416</u>	<u>105,128,015</u>	<u>93,097,734</u>

Note 6. Issued capital (continued)

Ordinary share capital

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.

Movements in ordinary share capital	Date	No of shares	Issue price	\$
Balance	1 July 2025	3,156,675,419		93,097,734
Consolidation 1 for 15	26 August 2025	(2,946,228,323)		-
Share capital placements	1 October 2025	8,333,333	\$0.06	500,000
Acquisition of Terrajoule Pty Ltd	24 December 2025	73,333,332	\$0.15	11,000,000
Conversion of convertible note	24 December 2025	17,725,490	\$0.06	1,195,940
Share capital placements ⁽ⁱ⁾	24 December 2025	45,833,333	\$0.06	2,750,000
Exercise of options	24 December 2025	1,666,667	\$0.03	74,591
Issued shares for consideration of services	24 December 2025	1,500,000	\$0.14	210,000
Share issue costs		-		(3,700,250)
Balance	31 December 2025	<u>358,839,251</u>		<u>105,128,015</u>

Notes:

(i) The Company received firm and irrevocable commitments from professional and sophisticated investors for the capital raising to be conducted at an issue price of \$0.006 per share.

ELF share capital

The Company's subsidiary, ECT Finance Ltd, has entered into limited recourse loans with option-holders (Participants) allowing them to obtain finance to exercise share options issued by the Company. Shares in ECT were issued on exercise of options in accordance with the Loan and Security Agreement (the Agreement) of the ELF.

All shares issued pursuant to the ELF and which are financed by limited recourse loans are considered, for accounting purposes, to be options issued. As a result, neither the value of the loans receivable, nor the value of shares issued, are recognised in the financial statements. Where the Company receives funds from Participants in the form of principal or interest, such amounts are treated as the receipt of option premium and recognised in the option reserve until the loan is settled. Loans expire within 2-3 years from issue and interest is charged at commercial rates of interest.

Notwithstanding any other provision of the ELF, each Participant has a legal and beneficial interest in the ELF shares issued to them except that any dealings with those ELF shares by the Participant is restricted in accordance with the Agreement. ELF shares rank equally with all existing ordinary shares of the Company from the date of issue in respect of all rights issues, bonus issues, dividends and other distributions to, or entitlements of, ordinary shareholders. On termination of the loan facility, the Participant may elect to settle the loan or default on the loan and the Company's subsidiary could enforce the return of the ELF shares subject to requirements of the Corporations Act and as outlined in the Agreement signed by each borrower.

As at reporting date, there are 50,584,000 (30 June 2025: 758,759,997) shares held as security against these loans (ELF Shares) and therefore there are ELF Options of the same amount deemed to be on issue.

ELF share capital movements (i.e., number of shares) are as follows:

	31 Dec 2025	30 Jun 2025
Details		
Opening balance of ELF shares on issue	758,759,997	858,759,997
ELF shares repurposed for share-based payments on expiry of ELFs	(708,173,929)	(100,000,000)
Closing balance of ELF shares on issue	<u>50,586,068</u>	<u>758,759,997</u>

Note 7. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity'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 - 31 Dec 2025	Level 1	Level 2	Level 3
	\$	\$	\$
<i>Liabilities</i>			
Earn-out liability - COLDry IP	-	-	517,069
Total liabilities	-	-	517,069

Consolidated - 30 Jun 2025	Level 1	Level 2	Level 3
	\$	\$	\$
<i>Liabilities</i>			
Earn-out liability - COLDry IP	-	-	680,962
Total liabilities	-	-	680,962

There were no transfers between levels during the financial half-year.

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.

The fair value of financial liabilities is estimated by discounting the forecast cash flows required to discharge the liability at the current market interest rate that is available for similar financial liabilities. Movements in the fair value of the financial liabilities are disclosed in their respective notes.

Valuation techniques for fair value measurements categorised within level 3

The above financial liabilities have been valued using a discounted cash flow model and/or option pricing models.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial half-year are set out below:

Consolidated	Earn-out liability COLDry
Balance at 1 July 2025	680,962
Remeasurement to fair value (charged to profit or loss)	(163,893)
Balance at 31 December 2025	<u>517,069</u>

Note 7. Fair value measurement (continued)

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

Description	Unobservable inputs	Potential range	Sensitivity
COLDry earn-out liability	Discount rate	16% - 26% (16% to 26% used) (30 June 2025: 21% used)	A change in this rate of +/- 5% would have an effect of: +5%: decreasing the carrying value of the liability by \$165,934 (and decreasing the loss); and -5%: increasing the carrying value of the liability by \$299,603 (and increasing the loss).
	Timing of production to discharge liability	Dec 2025 onwards	The rate of payment of the earn-out liability is linked to the expected timing of plant production. Obligations are currently forecast to commence by 30 June 2029. A change in timing of the commercial scale commencement of +1 year from that currently forecast would reduce the loss and liability by \$21,130.

Note 8. Related party transactions

Transactions with related parties

The following other transactions occurred with related parties:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Payment for other expenses:		
Accounting and Company Secretarial fees paid to JM Corporate Services (entity associated with Justin Mouchacca)	60,000	-

There were no other transactions with related parties during the current and previous financial half-year.

Receivable from and payable to related parties

There were no trade receivables from, or trade payables to, related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date other than the following ELF loans:

Note 8. Related party transactions (continued)

ELF Loans

The following balances are outstanding at the reporting date in relation to ELF loans to key management personnel made on 17 February 2023 on the same terms and conditions as other ELF borrowers. Balances include interest accrued to 31 December 2024. Under the accounting policy adopted for ELF loans, these remain unrecognised in the financial statements.

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Jason Marinko ⁽ⁱ⁾	174,314	174,314
Tim Wise ⁽ⁱⁱ⁾	89,157	89,157
Glenn Fozard ⁽ⁱⁱⁱ⁾	218,352	218,352
Martin Hill	49,011	49,011
Ashley Moore ⁽ⁱⁱ⁾	198,285	198,285
Adam Giles ⁽ⁱⁱ⁾	32,446	32,446
	<u>761,565</u>	<u>761,565</u>

Notes

(i) Loan is in the name of Tessobel Pty Ltd

(ii) Loan is in the name of Finind Pty Ltd

(iii) Loans are in the name of Glenn Fozard or Anne Fozard

(iv) Loans are in the name of A & K Moore Nominees Pty Ltd and Perl M&C Pty Ltd

(v) Loan is in the name of Caracob Pty Ltd

Note 9. Share-based payments

Share-based payments made by the consolidated entity are described below. Such share-based payment arrangements were settled, or will be settled subject to shareholder approval, through delivery or issue of ECT shares and unlisted incentive options. Such transactions impacted the financial statements in the following manner:

31 Dec 2025
\$

Reflected in equity as

Share-based payments reserve	<u>12,928,447</u>
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Expenses arising from share-based payment transactions

Net changes arising from share-based payment transactions recognised during the financial period were \$11,828,577. These comprised of the following:

1. Peloton capital raise costs of \$3,505,250, being the value of options issued using a Black-Scholes valuation;
2. Joseph van den Elsen options exercised totalling \$24,591;
3. Issue of shares and performance rights for the acquisition of Terrajoule totalling \$7,500,000; and
4. Vesting charges totalling \$847,918 for share based payment arrangements issued in current and prior periods.

Further details in relation to share-based payments transactions are as follows:

Issue of unlisted incentive options

The following incentive options were issued to directors as part of an incentive scheme for directors and executives and formed part of their remuneration (corporate expenses) for the current half-year. Also included are options issued to the brokers as part of the capital raising.

Note 9. Share-based payments (continued)

Name	Grant date	Option Type	Number of options issued	Fair value per option	Expiry Date	Exercise price
Justin Mouchacca ⁽ⁱ⁾	18 Aug 2025	Tranche A	1,000,000	0.0416	9 Sep 2028	\$0.06
Peloton Capital ⁽ⁱⁱ⁾	24 Dec 2025	Tranche A	35,000,000	0.10015	23 Dec 2028	\$0.12

⁽ⁱ⁾ The Director options will vest if the 20-day VWAP of the Company is \$0.12 or higher at any time prior to expiry.

⁽ⁱⁱ⁾ No vesting conditions attached.

Consolidated
31 Dec 2025
\$

Options over ordinary shares

Balance at the beginning of the year	336,500,000
Consolidation 1 for 15	(314,066,663)
Options issued	36,000,000
Options exercised	(1,666,667)
Balance at the half-year	<u>56,766,670</u>

Option valuation methodology

The fair value of options on grant date was determined using a Black Scholes option valuation model adjusted, as applicable, for the probability of the share price reaching specified VWAP targets as determined at grant date. The inputs to the valuation model therefore include, agreement date, grant date (being date of issue and measurement), expiry date and exercise price as specified in the table above, as well as the following inputs:

Justin Mouchacca options

Share price at grant date: \$0.045

Share price volatility: 210%

Risk-free rate: 3.31%

Peloton Capital options

Share price at grant date: \$0.11

Share price volatility: 193%

Risk-free rate: 3.735%

Note 9. Share-based payments (continued)

Performance Rights

During the period the Group issued the following performance rights:

Name	Grant date	Performance rights type	Number of performance rights issued	Fair value per performance right	Expiry Date	Exercise price
Faldi Ismail (i)	24 Nov 2025	Tranche C	3,750,000	\$0.0999	23 Dec 2027	Nil
Faldi Ismail (ii)	24 Nov 2025	Tranche D	3,750,000	\$0.1013	23 Dec 2028	Nil
Rob Billott (iii)	28 Nov 2025	Tranche A	1,000,000	\$0.1400	23 Dec 2026	Nil
Rob Billott (iv)	28 Nov 2025	Tranche B	1,000,000	\$0.1400	23 Dec 2027	Nil
Rob Billott (v)	28 Nov 2025	Tranche C	1,000,000	\$0.1219	23 Dec 2027	Nil
Rob Billott (vi)	28 Nov 2025	Tranche D	1,000,000	\$0.1253	23 Dec 2028	Nil
Lewis Utting (vii)	23 Dec 2025	Tranche A	1,000,000	\$0.1500	23 Dec 2026	Nil
Lewis Utting (viii)	23 Dec 2025	Tranche B	1,000,000	\$0.1500	23 Dec 2027	Nil
Lewis Utting (ix)	23 Dec 2025	Tranche C	750,000	\$0.1342	23 Dec 2027	Nil
Lewis Utting (x)	23 Dec 2025	Tranche D	750,000	\$0.1376	23 Dec 2028	Nil
Terrajoule Pty Ltd (xi)	23 Dec 2025	Class A	33,333,333	\$0.15	23 Dec 2026	Nil
Terrajoule Pty Ltd (xii)	23 Dec 2025	Class B	33,333,333	\$0.075	23 Dec 2027	Nil

(i) The performance rights will vest if Company achieves a 30-day VWAP of \$0.15 or more

(ii) The performance rights will vest if Company achieves a 30-day VWAP of \$0.25 or more

(iii) The performance rights will vest if Rob remains a member of the advisory board on the date that is one year from the commencement date

(iv) The performance rights will vest if Rob remains a member of the advisory board on the date that is two years from the commencement date

(v) The performance rights will vest if the Company achieves a 10-day VWAP of \$0.50 or more subject to remaining a member of the advisory board

(vi) The performance rights will vest if the Company achieves a 10-day VWAP of \$1.00 or more subject to remaining a member of the advisory board

(vii) The performance rights will vest if Lewis remains a member of the advisory board on the date that is one year from the commencement date

(viii) The performance rights will vest if Lewis remains a member of the advisory board on the date that is two years from the commencement date

(ix) The performance rights will vest if the Company achieves a 10-day VWAP of \$0.50 or more subject to remaining a member of the advisory board

(x) The performance rights will vest if the Company achieves a 10-day VWAP of \$1.00 or more subject to remaining a member of the advisory board

(xi) The performance rights will vest if within 12 months, ECT announces that it has developed the FJH Technology such that it is able to remediate 5kg of soil within 30 minutes using a sustained electrothermal system, the vesting conditions were achieved at measurement date; and

(xii) The performance rights will vest if within 24 months, ECT announces the completion of the construction of an electrothermal remediation system, and demonstrates in-situ usability with a pilot demonstration, managements assessment was a 50% probability of a vesting achievement at measurement date; and

Performance rights methodology

The fair value of performance rights on grant date was determined using a Black Scholes option valuation model adjusted, as applicable, for the probability of the share price reaching specified VWAP targets as determined at grant date. The inputs to the valuation model therefore include, agreement date, grant date (being date of issue and measurement), expiry date and exercise price as specified in the table above, as well as the following inputs:

Faldi Ismail performance rights

Share price at grant date: \$0.105

Share price volatility: 193%

Risk-free rate: 3.61-3.67%

Note 9. Share-based payments (continued)

Rob Bilott performance

rights

Share price at grant date:	\$0.135
Share price volatility:	193%
Risk-free rate:	3.74-3.81%

Lewis Utting performance

rights

Share price at grant date:	\$0.15
Share price volatility:	186%
Risk-free rate:	3.95-4.04%

Terrajoule Pty Ltd performance rights

The fair value of the zero exercise price performance rights without vesting conditions, is consistent with the fair value of the underlying securities on measurement date valued using a probability weighted assessment of achieving the vesting conditions of the performance rights.

Note 10. Events after the reporting period

On 12 January 2026, the Company appointed Hirokazu Minami to the ECT Advisory Board.

On 23 January 2026, the Company received \$556,698 relating to the R&D Tax Incentive rebate.

On 27 January 2026, the Company announced it had received interest in relation to a potential sale of its property in Yallourn, Victoria. ECT initially purchased the Yallourn property in 2022 with the intention of developing its hydrogen refinery project at the site. The Company subsequently shifted its focus to development of its COLDry fertiliser product, and the Yallourn property has largely been left unused and is now surplus to the Company's strategy. The Company remains in active discussions with potential buyers.

On 16 February 2026, all the ELF shares on issue expired. A shareholder meeting will be called to cancel these ELF shares through a selective buy-back process.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Faldi Ismail', is written over a horizontal line.

Faldi Ismail
Chairman

27 February 2026
Perth

Independent auditor's review report to the members of Environmental Clean Technologies Limited

Report on the half-year financial report

Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Environmental Clean Technologies Limited (the Company), and its subsidiaries (together, the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at as at 31 December 2025,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Group incurred a net loss of \$2,581,194 and net operating cash outflows of \$946,602 during the half-year ended 31 December 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



N. S. Benbow

Director

Melbourne, 27 February 2026