REPORT TO SHAREHOLDERS

QUARTER ENDED 30 June 2026

Carnegie CLEAN ENERGY

BOARD OF DIRECTORS & CEO

Non-Executive Chairman
Anthony Shields

Non-Executive Director
Grant Mooney

Non-Executive Director
Michael Fitzpatrick

Chief Executive Officer
Jonathan Fievez

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QUARTER HIGHLIGHTS

- Advanced ACHIEVE Programme's CETO Unit, commencing PTO assembly following electrical module completion and control system validation
- Secured Spanish regulatory approvals for ACHIEVE CETO deployment, granting seabed occupation and grid connection access while unlocking a €64k (~A$103k) EuropeWave milestone payment
- CETO Unit set for ocean deployment in October at BiMEP berth, Bilbao (Basque Country), Spain
- Awarded US TEAMER technical support valued at US$194k (A$270k) in collaboration with Kelson Marine Co. to adapt core wave energy technology for offshore aquaculture
- Extended existing loan facility's maturity date to June 2027 to align debt structures with upcoming project milestone cashflows
- Subsequent to quarter end, secured $2.5 million via Private Placement to support development of a multi-megawatt CETO array and other ongoing commercial expansion activities

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

This quarter has been marked by tangible ACHIEVE Programme progress as we see module fabrication completing, power take-off assembly underway with SKF in Germany and transition into pre-deployment activities ahead of the first stage of ocean deployment in October.

Importantly, this project progress is backed by strong commercial alignment and financial support from funders and investors. The recent $2.5 million Placement supports Carnegie to complete CETO's grid-connected ACHIEVE deployment, advance business development across Europe and the US, and capitalise on multi-megawatt commercial CETO project opportunities.

In parallel with CETO advancements, the Company has also been progressing opportunities to utilise our wave energy intellectual property to address energy challenges in Defence and Aquaculture markets. There is strong interest in Carnegie's technologies and know-how, as demonstrated through our selection for a US TEAMER program award to adapt our wave energy IP for offshore aquaculture.

PRODUCTS

Carnegie advanced key projects and commercial development across our technology portfolio this quarter. A primary focus was driving the ACHIEVE programme forward through CETO assembly and testing regimes in preparation for deployment at BiMEP later this year, alongside ongoing progress to commercialise complimentary technologies in Aquaculture and Defence markets.

Products – CETO

ACHIEVE Programme

Operational activity during the quarter delivered technical and regulatory milestones across the ACHIEVE Programme, progressing Carnegie's CETO technology toward phased deployment at the Biscay Marine Energy Platform (BiMEP) in the Basque Country (Spain) commencing in October.

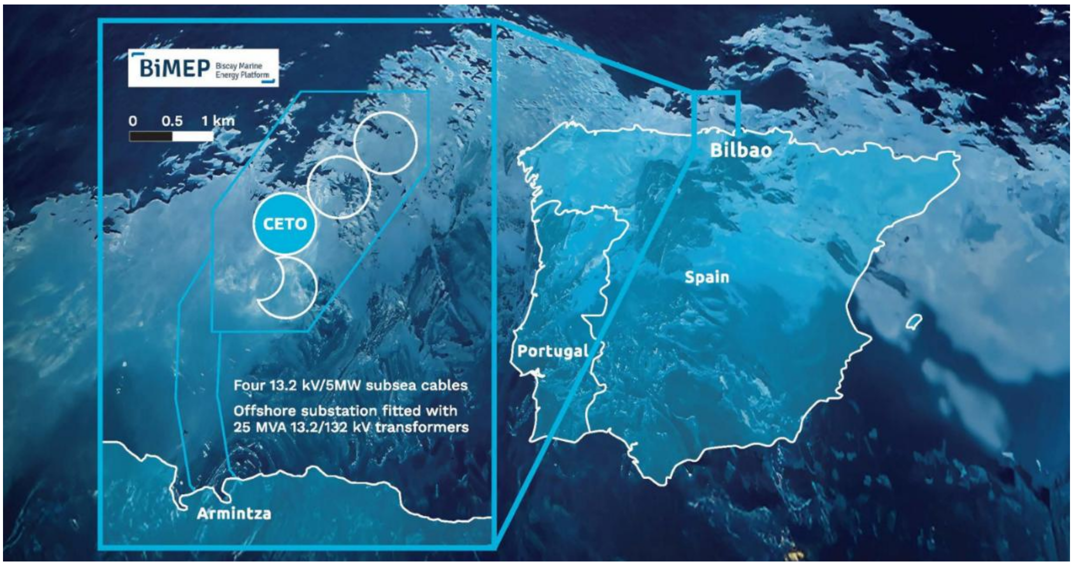
Following assembly of the Electrical Module with manufacturer SEI in the Basque Country, operations progressed to the assembly and integration of the Power Take-Off (PTO) system. Assembly of Modules, including generators, tensioners, shafts, couplings, bearings, seals, and sensors, is underway at SKF's manufacturing facility in Germany. This work connects all the power generating equipment inside the module. Following assembly, system testing will validate communication and control operations between the Electrical and PTO Modules prior to ocean deployment at BiMEP.

Top row: PTO Module arrival at SKF Germany facility, Bottom row: PTO component assembly

To derisk subsea operations, Carnegie's technical team completed specialised Remotely Operated Vehicle (ROV) training. Exploring the use of advanced robotics for monitoring, mooring, and connection procedures provides opportunities to reduce deployment and operational costs and expand internal capabilities ahead of future commercial projects.

Carnegie technical team undertaking specialised subsea ROV training

The ACHIEVE team has also secured the required approvals for CETO ocean deployment. As a test site, BiMEP already has the general authorisation from Coastal and Energy Authorities of the Spanish Government. The installation of any wave energy conversion prototype at BiMEP requires notification to two main competent authorities: the competent authority for Energy due to grid connection and the competent authority for Coastal Affairs due to occupation of the seabed. The receipt of these authorisations is an important regulatory stage gate for the ACHIEVE Programme.



BiMEP deployment site location off the Basque coast

Carnegie's wholly owned subsidiary, CETO Wave Energy Ireland, received a €64k (approx. $103k AUD) milestone payment under the EuropeWave Phase 3 contract. This payment follows approval of two deliverables: obtaining formal regulatory authorisation and finalising the control software required for upcoming back-to-back Power Take-Off (PTO) testing.

During the quarter, Carnegie also provided an update regarding the ACHIEVE Programme's staged deployment and commissioning sequence at BiMEP. Offshore works will commence with the installation of seabed foundations, mooring systems, and export cable connection at the Company's assigned berth. This will be followed by the first stage of the CETO unit's ocean deployment, targeted for October 2026, subject to vessel availability, supply chain lead times, and offshore weather conditions. Following initial deployment, the planned ocean testing, grid integration, and performance optimisation will validate three years of detailed design work, supporting CETO's commercialisation pathway.

Products – Other

During the quarter Carnegie continued to pursue development of spin-off technologies applicable to aquaculture, defence, data centres and other marine market sectors. Carnegie attended the Indian Ocean Defence and Security conference and exhibition in May with strong interest in powering remote systems with wave energy. This builds on last year's Power and Energy award won by Carnegie from the Australian Defence Force's Advanced Strategic Capabilities Accelerator (ASCA) pitch day.

Blue Economy CRC Delegation Visit to Western Australia

In July, Carnegie welcomed representatives from the Blue Economy Cooperative Research Centre (BE CRC) to its facility in Western Australia. The BE CRC's support and investment have been instrumental in advancing Carnegie's MoorPower and Mooring Tensioner technologies, leveraging partner contributions across the industry. Carnegie continues to actively explore commercial opportunities for MoorPower, made possible by the CRC's ongoing backing. Strong collaborations remain essential to advancing Australia's ocean energy sector and moving innovative technologies from the workshop into commercial reality.

Blue Economy CRC representatives with Carnegie team during visit to Carnegie's facility

Carnegie awarded US TEAMER technical support

Aligned with Carnegie's efforts to provide energy solutions for the aquaculture market, Carnegie has been selected for technical support under the United States Testing Expertise and Access for Marine Energy Research (TEAMER) programme, valued at US $194,000 (AUD $270,000).

In collaboration with Kelson Marine Co., the awarded project; titled *'Development of a Finfish Array with Distributed WEC Power Integration'*, focuses on adapting Carnegie's wave energy technology for direct integration into offshore fish pens. Funding is provided directly to Kelson Marine, enabling Carnegie to serve as the Technical Support Recipient and leverage world-class U.S. research infrastructure with minimal capital outlay.

EVENTS

Ocean Business Leaders' Summit

Carnegie represented the ocean energy sector at the 2026 Ocean Business Leaders' Summit. Chief Commercial Officer Brighid Jay participated as a panellist in the *'Unlocking the Capital: How to Make the Ocean More Investable'* session, sharing insights on driving investment into ocean technology and engaging with regional leaders on sustainable blue economy initiatives.

Left: Carnegie CCO addressing the Ocean Business Leaders' Summit. Right: University of Western Australia student tour at the North Fremantle facility.

University of Western Australia Student Visit

During the Quarter Carnegie hosted students from the University of Western Australia at its North Fremantle facility for an inside look at the Company's technology development and commercialisation pathways. The tour provided firsthand insights into how CETO captures wave energy and how MoorPower delivers sustainable power solutions directly to offshore industries.

CORPORATE

Extension of $2.5 million Loan Agreement

In July, Carnegie extended the maturity date of its $2.5 million Loan Agreement with Ballamena Pty Ltd to 30 June 2027. Originally secured in October 2024 to bridge the timing gap between project expenditure and retrospective grant receipts, the facility supported procurement expenditure for the CETO ACHIEVE deployment in the Basque Country with repayment funded by future milestone receipts and R&D tax incentives.

Carnegie Secures $2.5 Million Private Placement

Subsequent to the end of the quarter, Carnegie received firm commitments to raise $2.5 million (before costs) via a Private Placement to new investors. Capital raised will primarily fund development activities for a multi-megawatt CETO array at BiMEP, alongside execution of the ACHIEVE Programme deployment in the Basque Country. Proceeds will also support targeted business development across Europe and the US, while advancing technology adaptation for commercial opportunities in the Defence and Aquaculture sectors.

FINANCIAL NOTES

At the end of the Quarter, Carnegie had approximately $1 million in cash reserves. Funds from the Placement were received subsequent to the end of the Quarter.

Note 6 to Appendix 4C:

Payments to related parties of the entity and their associates were made during the Quarter. In total, approximately $72.5k was paid to Directors and associates for salaries, superannuation and contracted services.

This announcement has been authorised by the Chairman and CEO.

View and engage with this announcement on Carnegie's Investor Hub:
https://investors.carnegiece.com/link/yzYp3P

For more information

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ABOUT CARNEGIE AND ITS SUBSIDIARIES

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

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

CETO

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

MoorPower

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

ABOUT ACHIEVE PROGRAMME

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

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

ABOUT EUROPEWAVE

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

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

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

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

https://www.europewave.eu/

ABOUT RENMARINAS DEMOS

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

Funded by the European Union NextGenerationEU

RENOVABLES MARINAS DEMOSTRADORES

MINISTERIO PARA LA TRANSICIÓN ECOLÓGICA Y EL RETO DEMOGRÁFICO

IDAE

Plan de Recuperación, Transformación y Resiliencia

ABOUT ENTE VASCO DE LA ENERGIA (EVE)

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

ENERGIAREN EUSKAL ERAKUNDEA
ENTE VASCO DE LA ENERGÍA

Appendix 4C

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

Name of entity

CARNEGIE CLEAN ENERGY LIMITED

ABN	**Quarter ended (“current quarter”)**
69 009 237 736	30 June 2026

Consolidated statement of cash flows			**Current quarter $A’000**	**Year to date (12 months) $A’000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		204	726
1.2	Payments for			
	(a)	research and development		
	(b)	product manufacturing and operating costs	(41)	(159)
	(c)	advertising and marketing		
	(d)	leased assets		
	(e)	staff costs	(601)	(2,544)
	(f)	administration and corporate costs	(176)	(1,115)
1.3	Dividends received (see note 3)			
1.4	Interest received		12	44
1.5	Interest and other costs of finance paid			
1.6	Income taxes paid			
1.7	Government grants and tax incentives			
1.8	Other (Bank guarantees)			
1.9	**Net cash from / (used in) operating activities**		**(602)**	**(3,048)**

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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(f) other non-current assets – subsequent development expenditure – CETO Technology	(854)	(5,007)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets – grants received (1)	104	4,578
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Net insurance less payments to replace damage)		
2.6	**Net cash from / (used in) investing activities** (1) YTD Grants received in 2.2(f) include: • sale in Spain of 2025 Basque R&D tax deductions sold for $AUD1.37M • a pre-financing 75% payment on the COIN project in Spain of totalling $AUD506k • EuropeWave Milestone payments totalling $AUD1,972M • Australian R&D tax refund AUD$568K	**(750)**	**(429)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,116
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	215	215
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(18)
3.5	Proceeds from borrowings	-	120
3.6	Repayment of borrowings	(29)	(49)
3.7	Transaction costs related to loans and borrowings	(140)	(616)
3.8	Dividends paid		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
3.9	Other (leases)	(26)	(105)
3.10	**Net cash from / (used in) financing activities**	**20**	**1,663**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,354	2,964
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(602)	(3,048)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(750)	(429)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20	1,663
4.5	Effect of movement in exchange rates on cash held	(26)	(154)
4.6	**Cash and cash equivalents at end of period**	**996**	**996**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	996	2,354
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**996**	**2,354**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(72)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

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

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

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

Interest: 15% per annum

Final Repayment Date: 30 June 2027. The Borrower can make any part or whole repayments in advance of the Final Repayment Date at its discretion with no penalty
Security: The Lender will have a Featherweight General Security Agreement

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

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

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

Bond amount drawn down: €1,626,542

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

EFA has General Security over Carnegie and its subsidiaries

Risk Premium Fee: 5.0%

Bond Issuer Fee: estimated at 0.45%

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(602)
8.2	Cash and cash equivalents at quarter end (item 4.6)	996
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	996
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.65 quarters

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

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

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

Answer: Yes. However, expenditures relating to the EuropeWave project vary from quarter to quarter and receipt of funding from the EuropeWave Program lags behind expenditure.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Subsequent to the end of the quarter, the Company has raised $2.5 million in capital.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to be able to continue its operations and meet its objectives as a going concern through the raising of capital and utilisation of funding provided under the EuropeWave Program.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

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

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

Date: 28 July 2026

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.