Environmental Clean Technologies Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Environmental Clean Technologies Limited
ABN:	28 009 120 405
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

	2026 $	2025 $	Change $	Change %
Revenues from ordinary activities	9,826	14,464	(4,638)	(32%)
Loss from ordinary activities after tax attributable to the owners of Environmental Clean Technologies Limited	(5,650,226)	(3,521,866)	(2,128,360)	60%
Loss for the year attributable to the owners of Environmental Clean Technologies Limited	(5,650,226)	(3,521,866)	(2,128,360)	60%

	2026 Cents	2025 Cents
Basic loss per share	(1.91)	(2.10)
Diluted loss per share	(1.91)	(2.10)

Comments
The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $5,650,226 (30 June 2025: $3,521,866).

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

3. Net tangible assets

	2026 Cents	2025 Cents
Net tangible assets per ordinary security	0.483	0.031

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

4. Control gained over entities

Name of entities (or group of entities)	Terrajoule Pty Limited 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 financial period.

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

	Reporting entity's percentage holding	
Name of associate / joint venture	**Reporting period %**	**Previous period %**
Zero Quest Pty Ltd	4.53%	50.00%

9. Foreign entities

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

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-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Environmental Clean Technologies Development and Services India Private Ltd
Terrajoule Pty Ltd

10. Audit qualification or review

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

The financial statements have been audited. The auditor's report contains an unqualified audit opinion with a paragraph addressing material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Annual Report of Environmental Clean Technologies Limited for the year ended 30 June 2026 is attached.

12. Signed

As authorised by the Board of Directors

Signed: Date: 31 August 2026

Faldi Ismail
Chairman
Perth

Environmental Clean Technologies Limited

ABN 28 009 120 405

Annual Report - 30 June 2026

Directors	Faldi Ismail - Executive Chairman Jefferson Harcourt – Non-Executive Director Justin Mouchacca – Non-Executive Director
Company secretary	Ju-Yup Lee
Registered office	Level 21, 459 Collin Street Melbourne, VIC, 3000 Australia
Principal place of business	25 Rowsley Station Road Bacchus Marsh, VIC, 3340 Australia
Share register	Automic Registry Services Suite 5, Level 12, 530 Collins Street Melbourne VIC 3000 Phone 1300 288 664 (within Australia); +61 2 9698 5414 (outside Australia) www.automic.com.au
Auditor	William Buck 20/181 William Street Melbourne, Victoria 3000
Bankers	National Australia Bank Limited 3/330 Collins Street Melbourne, VIC, 3000
Stock exchange listing	Environmental Clean Technologies Limited shares are listed on the Australian Securities Exchange (ASX code: ECT)
Website	www.ectltd.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Environmental Clean Technologies Limited in an ethical manner and in accordance with the highest standards of corporate governance. Environmental Clean Technologies 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 Company'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, as well as the ASX Appendix 4G, are released to the ASX on the same date the Annual Report is released. The Corporate Governance Statement and Committee Charters can be found on the Company's website at http://www.ectltd.com.au/about-us/corporate-governance/

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 'consolidated entity') for the year ended 30 June 2026.

Directors

The following persons were members of the board of directors ('the Board') of Environmental Clean Technologies Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Faldi Ismail - Executive Chairman
- Jefferson Harcourt – Non-Executive Director (appointed 17 March 2026)
- Justin Mouchacca - Non-Executive Director
- Joseph van den Elsen - Non-Executive Director (resigned 17 March 2026)

Principal activities

Environmental Clean Technologies' ("ECT" or "the Company") principal continuing activities for the 2026 Financial Year (FY2026) reflected its refreshed strategic direction of building a diverse portfolio of high-impact disruptive technologies with wide-ranging end-uses.

This strategic direction led to a transformational FY2026 for ECT as it secured access to the proprietary Flash Joule Heating (FJH) technology from William Marsh Rice University "Rice University" through its acquisition of Terrajoule Pty Ltd.

As part of the acquisition, the Company obtained an exclusive licence to FJH subset technology Rapid Electrothermal Mineralisation (REM) for the destruction of per and polyfluoroalkyl substances (PFAS) and heavy metals in soils.

Throughout FY2026, the Company continued building on its strategic partnerships with Rice University and Professor James Tour, resulting in an expanded licence to apply FJH to PFAS-contaminated adsorbents such as granular activated carbon (GAC).

Also, during FY2026, the Company exercised disciplined capital management, while fertiliser initiatives under the COLDry program.

Terrajoule Acquisition and REM Technology Development

A key milestone during the first half of FY2026 was the acquisition of Terrajoule Pty Ltd ("Terrajoule") and the associated exclusive option to license FJH technology developed at Rice University.

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.

Terrajoule was acquired for 73,333,332 fully paid ordinary shares and 66,666,666 performance rights subject to defined technical and commercial vesting hurdles. The transaction represented the Company's decisive shift toward high-impact environmental remediation technologies, positioning it within the rapidly expanding global remediation market.

Known as 'forever chemicals', PFAS are long-lasting and hazardous – posing a health risk to all living organisms.

REM applies a powerful, short electric pulse to soil mixed with a conductive material – rapidly heating it to 1,000°C within seconds. This extreme, but controlled, heat breaks the strong carbon-fluorine bonds in PFAS. This process destroys PFAS and converts them into harmless calcium fluoride (CaF_2) from calcium naturally present in soil.

Laboratory studies have shown over 96% defluorination efficiency and 99.98% removal of perfluorooctanoic acid (PFOA), one of the most persistent and harmful PFAS pollutants.

Unlike conventional methods that merely remove or transfer contaminants, REM delivers near-complete destruction without secondary aqueous waste, while enhancing soil quality, and is both cost and energy efficient.

On 7 April 2026, ECT announced an expanded licence agreement with Rice University to apply FJH technology to PFAS-contaminated adsorbents such as granular activated carbon (GAC).

GAC is a highly porous filtration medium which is widely used to remove water contaminants including PFAS. Once saturated, PFAS laden GAC becomes a concentrated hazardous waste that has previously been destroyed via off-site incineration. This energy-intensive method can release harmful gases, and carries transport-related risks.

Independent peer-reviewed research indicates FJH technology can achieve greater than 99.9% PFAS removal from contaminated carbon media such as GAC under controlled conditions. It converts 90-96% of fluorine into stable inorganic fluoride salts within seconds at temperatures approaching 3,000ºC.

The expanded FJH licence supports ECT's development of an on-site PFAS destruction platform targeting traditional water treatment.

Also, during the final quarter of FY2026, ECT completed the design and fabrication of its pilot REM power electronics. This marked a key milestone in the Company's progression towards commercial in-situ PFAS remediation.
The system operates without conductive additives such as biochar – which ECT believes has not previously been demonstrated by any other PFAS remediation process.

Subject to successful validation, ECT is targeting its first in-field pilot demonstration across both soil and GAC in the first half of FY2027, followed by targeting commercial licencing arrangements and OEM partnerships.

In June 2026, the Company lodged a public comment with the US Environmental Protection Agency (EPA) in response to its Interim Guidance on the destruction and disposal of PFAS, a consultation process which opens only once every four years.

The submission presented REM performance data against the EPA's Section 5 evaluation framework – covering technology readiness, destruction efficacy, mass balance, byproduct safety, and regulatory relevance.

The Company considers its REM destruction performance is a leading candidate to meet the EPA's expectations for safe, verifiable PFAS destruction and disposal.

During the final quarter of FY2026, ECT began the process of listing its shares on the OTCQB Venture Market in the United States under the ticker "ECTHF".

This step will establish the Company's presence in the United States, which is one of the largest and most significant near-term markets for its REM PFAS remediation technology platform.

ECT has engaged Viriathus Capital LLC as its US Corporate Advisor to manage the listing process, with trading expected to commence in H1 FY2027, subject to OTC Markets Group approval and satisfaction of applicable listing requirements.

COLDry
The company commenced a commercialisation review of its proprietary COLDry low-temperature lignite processing technology – examining potential pathways to bring the technology to market.

RSM Corporate Australia is undertaking the independent and financial assessment of the technology and will support Board decision-making regarding future development and deployment of COLDry.

The review follows increasing commercial interest for COLDry's ability to process lignite into a value-added product suitable for multiple downstream applications.

Lignite, or "brown coal" is often used in electricity generation, but creates more carbon dioxide than other coal types.

During FY2026, activities included:

- Continued progression of commercial discussions with prospective counterparties regarding deployment and commercialisation of COLDry.
- 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 in 2026, which will provide further data to support commercial positioning and product refinement.

Key Appointments
The appointment of a Chief Technology Officer Justin Sharp during the December quarter strengthened in-house technical leadership and provided dedicated expertise in FJH 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.

Intellectual Property
FY2026 focused on building the Company's intellectual property portfolio through its strategic relationships with Rice University and Professor James Tour.

At the end of FY2026, ECT owned or held an exclusive licenced to the following IP:

- An exclusive licence from Rice University, held through Terrajoule, to FJH technology for the remediation of soil contaminated by PFAS and heavy metals, being the technology that underpins the REM process.
- An expansion of that licence providing the right to apply FJH to PFAS-contaminated adsorbents such as GAC.
- Continued ownership of the COLDry and HydroMOR intellectual property. Aspects of the COLDry process are covered by patents in markets with significant brown coal deposits.
- In November 2017, ECT submitted a Patent Cooperation Treaty (PCT) application following an Australian provisional patent application in November 2016. This step advanced the intellectual property protection of the HydroMOR technology platform.

Yallourn & Other Opportunities
On 16 March 2026 entered an agreement to sell part of the Yallourn property for A$1.3 million. However, post FY2026 (refer to ASX announcement dated 19 August 2026), the purchaser elected to terminate the agreement.

ECT will provide an update in due course of any other potential sale agreements.

Post FY2026 Material Developments
Post FY2026, ECT expanded on its diversification strategy further by announcing it had entered into a binding agreement to acquire 100% of Xenica Materials Pty Ltd (Xenica) on 4 August 2026 (refer to ASX announcement dated 4 August 2026).

The Xenica acquisition will give ECT an exclusive right to use Rice University's proprietary FJH technology for the production of MXenes and 2D amorphous carbon.

The acquisition expands ECT's FJH platform into advanced materials, creating exposure to high-growth sectors, including defence, aerospace, energy storage and electronics, while complementing the Company's existing remediation initiatives.

At the same time, ECT executed a 12-month research & development and engineering agreement (Engineering Agreements, refer to ASX announcement dated 4 August 2026) with Metallium Ltd (ASX: MTM) and its wholly owned subsidiary Flash Metals USA Inc.

The Engineering Agreements enable ECT to progress development of its newly acquired MXene technology by producing them at Metallium's FJH Technology Campus "Gator Point Facility" in Chambers County, Texas.

ECT's Xenica acquisition combined with the Metallium Engineering Agreements will provide ECT with the exclusive commercial rights and operating platform required to accelerate development of its FJH MXenes technology.

To fast-track commercialisation of its expanding FJH platform, ECT launched a two-tranche placement (refer to ASX announcement dated 4 August 2026).

The successful completion of Tranche 1 was announced on 19 August 2026 – raising $10.6 million (before costs) through the issue of 88.7 million shares at A$0.12 per share.

Tranche 2 is subject to shareholder approval and will involve the issue of 11.3 million shares to raise a further A$1.4 million (before costs). Completion of the Xenica acquisition also remains subject to shareholder approval. Shareholder approval for both resolutions will be sought at the Company's shareholder meeting expected to be held in or around October 2026.

In addition to accelerating commercialisation of the FJH platform, once shareholder approval has been secured funds raised will also support PFAS remediation, MXene manufacturing capability and working capital for growth.

Dividends
No dividends were paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $5,650,226 (30 June 2025: $3,521,866).

During the financial period, the consolidated entity's principal continuing activities focused on expanding its portfolio of high-impact technologies, particularly the FJH platform for a range of end-uses.

The Company's mission is to build a diversified portfolio of high-impact and disruptive technologies through strategic partnerships and collaborations. Key activities included:

- Completing the acquisition of Terrajoule Pty Ltd and securing the exclusive licence to FJH subset technology REM for destruction of PFAS and heavy metals in soil.
- Advancing REM from laboratory prototype to a constructed pilot system operating without conductive additives.
- Extending its FJH licence to PFAS-laden adsorbents – broadening the addressable environmental remediation market into water treatment.
- Lodging a public comment with the United States Environmental Protection Agency.
- Commencing the process for listing on the OTCQB Venture Market.

Major highlights – FY2026

September 2025 quarter (Q1 FY2026)

- ECT launched a refreshed corporate strategy focused on building a diversified portfolio of high-impact, disruptive technologies.
- On 25 September 2025, ECT announced it had entered a binding agreement to acquire Terrajoule Pty Ltd, which holds an exclusive option with Rice University to licence its proprietary Rapid Electrothermal Mineralisation (REM) technology, which uses FJH to remediate soil contaminated by PFAS and/or heavy metals.

- During Q1, ECT received firm commitments from sophisticated, professional and institutional investors to raise $3 million (before costs) via the placement of 50 million shares at $0.06 per share. Peloton Capital was the sole lead manager.

December 2025 quarter (Q2 FY2026)

- The Company completed the Terrajoule acquisition, which provided ECT with the exclusive right to deploy REM for the remediation of PFAS and heavy metal contaminated soils.
- An Advisory Board was established to operate as working group to deliver early technical and commercial leads across key markets and jurisdictions.
- Mr Justin Sharp was appointed as Chief Technology Officer to support progression and commercialisation of the REM technology for remediating PFAS-contaminated soil.
- Following shareholder approval at the Annual General Meeting, Tranche 2 of the $3 million placement (as announced on 25 September 2025) was completed – raising $2.5 million through the issue of 41,666,667 shares at $0.06 each.
- In response to strong investor demand for the abovementioned placement, the Company facilitated additional subscriptions – facilitating a further $250,000 through the issue of 4,166,666 shares at the same issue price.

March 2026 quarter (Q3 FY2026)

- The Company continued development of a high voltage frequency REM system for PFAS destruction.
- ECT is developing the REM system to operate without conductive additives (which can limit suitability for large-scale in-situ deployment), while maintaining effectiveness.
- Throughout Q3 FY2026, ECT continued its laboratory-based scale up testing in collaboration with Rice University and expanded its technical team.
- Mr Hirokazu Minami joined ECT's Advisory Board as the final appointment.
- On 16 March 2026, the Company announced it had entered into a binding agreement to sell part of the Yallourn Property in Victoria's Latrobe Valley for $1.3 million.

June 2026 quarter (Q4 FY2026)

- On 7 April 2026, the Company announced it had expanded its licencing agreement with Rice University to apply FJH to PFAS-contaminated adsorbents such as GAC – broadening the Company's addressable market into water treatment.
- Design and fabrication of the pilot-scale REM system was completed which delivered 18 times the power output of the laboratory prototype, operating additive-free, as well as 50% smaller and 75% lighter than lab configuration.
- In June 2026, ECT lodged a public comment with the US Environmental Protection Agency (EPA) in response to its Interim Guidance on the destruction and disposal of PFAS, a consultation process which opens only once every four years.
- Announced on 17 June 2026, the Company commenced the process to list its shares on the OTCQB Venture Market under ticker "ECTHF", with trading targeted for Q1 FY2027
- The company commenced a commercialisation review of its proprietary COLDry low-temperature lignite processing technology – examining potential pathways to bring the technology to market. RSM Corporate Australia is undertaking the independent and financial assessment of the technology and will support Board decision-making regarding future development and deployment of COLDry.

Post FY2026

- Post FY2026, ECT expanded on its diversification strategy further by announcing it had entered into a binding agreement to acquire 100% of Xenica Materials Pty Ltd (Xenica) on 4 August 2026 (refer to ASX announcement dated 4 August 2026).
- The Xenica acquisition will give ECT an exclusive right to use Rice University's proprietary FJH technology for the production of MXenes and 2D amorphous carbon.
- The acquisition expands ECT's FJH platform into advanced materials, creating exposure to high-growth sectors, including defence, aerospace, energy storage and electronics, while complementing the Company's existing remediation initiatives.

Board, management and Advisory Board changes

- Mr Faldi Ismail transitioned from Non-Executive Chair to Executive Chair on 1 October 2025.
- CEO John Tranfield resigned at the end of October 2025.
- During the December quarter, ECT commenced the formation of its Advisory Board to bring together experts with experience directly relevant to its REM technology for PFAS remediation. The company has welcomed to its Advisory Board:
    - Mr Robert Bilott – US environmental attorney and Partner at US law firm Taft Stettinius & Hollister LLP, Yale lecturer and author.
    - Professor James Tour – globally recognised expert in chemistry, nanotechnology and advanced materials and the recipient of numerous awards and accolades.
    - Mr Lewis Utting – former BASF minerals processing and specialty chemicals executive with more than 20 years' experience in chemicals, water treatment and minerals processing sectors. Mr Utting is also the former CEO and Managing Director of SciDev (ASX:SDV), where he established the first PFAS remediation business on the ASX.
    - Mr Hirokazu Minami – a highly respected leader in Japan's energy and industrial sectors, with a proven track record of introducing advanced technologies and scaling complex businesses.
- Also during the December quarter, Mr Justin Sharp was appointed Chief Technology Officer following the completion of ECT's acquisition of Terrajoule.
- Mr Sharp holds a master's degree in chemical engineering from Rice University and is currently a Research Assistant at the university's Department of Chemistry. Mr Sharp has developed several patents related to FJH and joule heating technologies and has authored numerous publications on the technology and mineral separation techniques.
- On 7 January 2026, ECT announced Non-Executive Director Mr Justin Mouchacca had been appointed Company Secretary, replacing Ms Nova Taylor.

- On the 17 March 2026, Mr Jefferson Harcourt was appointed Non-Executive Director. Mr Harcourt is a seasoned technology commercialisation leader with 25+ years' experience founding, scaling and bringing research related technologies to market in collaboration with universities, research institutes and industry.

Outlook
- Looking ahead into FY2027, ECT plans to conduct its first in-field pilot demonstration for its REM technology.
- This progress is reinforced by the Company's US EPA submission data, which positions REM's performance data against the US regulatory framework authorities use to evaluate emerging PFAS destruction technologies.
- Additionally, the OTCQB listing is intended to strengthen ECT's profile and accessibility to United States investors, which it views as its largest addressable market.
- Further, the completion of the Xenica acquisition, which remains subject to shareholder approval (anticipated in October), expands ECT's FJH technology licencing and provides a broad market for MXene production, with a focus on defence.

Business risks
Provided below are the principal risks and uncertainties associated with the consolidated entity that could adversely affect its financial performance and growth potential in future years. The Company maintains a risk matrix with each risk subject to regular review by the Audit and Risk Committee. All risks on the matrix are given a risk rating to assess their probability and impact. New risks are added to the matrix as they are identified.

Environmental risks
The Company's operations are subject to a number of broader environmental risks, including (i) climate change which includes changes in weather patterns, rising sea levels, and extreme weather events. These risks could have a significant impact on the Company's operations, supply chain, and financial performance; (ii) water scarcity which could lead to increased costs for water and disruptions to operations; and (iii) waste management whereby the Company's operations could generate a significant amount of waste which could lead to environmental damage, regulatory fines, and reputational risks. With respect to specific activities, the Company is not the subject of environmental regulations. However, as the Company considers commencement of operations through the COLDry plant, this status will change. Appropriate planning is in place to manage this transition.

Social risks
The Company's operations are subject to a number of social risks, including (i) labour relations, the insufficient management of which could lead to operational disruptions; (ii) human rights, whereby the related risks could expose the Company to human rights violations, lawsuits, regulatory fines, and damage to the Company's reputation; and (iii) product safety given that the Company's pilot technologies are still in development phases and the outputs contain various volatiles associated with varying degrees of handling risk. Such risks could lead to financial losses, damage to the Company's reputation, and lawsuits. The Company engages experts in employment law on any matter deemed to present a specific risk to the Company.

Governance risks
The Company's operations are subject to a number of governance risks, including (i) corruption - this could lead to financial losses, damage to the Company's reputation, and regulatory fines; (ii) board oversight - the Company's Board oversees the Company's management. However, there is a risk that the Board may not be effective in carrying out this responsibility. This could lead to financial losses, damage to the Company's reputation, and regulatory fines; (iii) shareholder activism - the Company is exposed to the risks of shareholder activism. This could lead to changes in the Company's strategy, management, or governance structure. The Company has a number of policies and procedures in place to mitigate these risks. The Company also monitors these risks on an ongoing basis.

Macroeconomic and funding risks
The business is subject to macroeconomic risks such as a slowdown in economic growth, inflation, and rising interest rates. These can impact the Company by increasing the prices of the supplies of plant and equipment, labour and other inputs used in the construction of the Company's plant and general operations of the Company. Debt funding to the Company becomes more expensive as interest rates rise which can place cash flow pressures on operations. The business mitigates funding risks by being significantly financed using R&D incentive rebates as well as using borrowings against such receivables at favourable interest rates. It maintains close relationships with equity brokers and shareholders who have to date shown confidence in the Company's objectives to allow for significant funding via share placements, and debt funding arrangements that contain features allowing for the conversion of such debt to equity in the Company thereby preserving cash balances. The Company expects to finalise offtake and supply agreements ahead of completing construction at Bacchus Marsh and these agreements are expected to form the basis of new debt funding arrangements. In addition, should the Company's share price increase, the Company is expected to have access to funds from the repayment of ELFs.

Strategic risks
Strategic risk is the risk associated with the implementation of the consolidated entity's strategic research and development programs including the risk associated with failing to execute its strategy effectively or in a timely manner. The consolidated entity invests resources in the execution of initiatives that are aligned with its strategy, including programs focused on delivering to-market carbon emission mitigating technologies. There is a risk that these programs may not realise some or all of their anticipated benefits. The consolidated entity's response is to ensure appropriate project governance measures are in place for all major initiatives and to track associated benefits that are derived. All significant technologies are protected by copyright and patents globally. The Company updates its strategy to align future plans with available resources. This was done most recently following the recruitment of the Company's new Managing Director.

Operational risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. The consolidated entity takes a risk-based approach to the management of operational risk and obligations. This enables it to appropriately identify, assess, manage and escalate operational risk-related exposures.

Cyber risk, privacy and data breach
Safeguarding the confidentiality and protection of all data encompassing that of our partners, staff, and company, remains of paramount importance. There has been a persistent rise in cyber-attacks targeting both individuals and organisations. The character of these cyber-attacks is perpetually changing and may encompass sophisticated phishing schemes as well as attempts to penetrate essential infrastructure. Additionally, the privacy and security of our data could be compromised by violations of our information technology (IT) security, as well as unintentional or unauthorised data disclosures resulting from human error, malware, or espionage.

The consolidated entity handles personal and sensitive information through its technology systems and networks. The consolidated entity maintains continuous vigilance over cybersecurity threats and have engaged an external IT provider to implement robust security controls for our IT systems, infrastructure and data. These endeavours are based around industry best practices on how to mitigate cybersecurity risks. In addition, we also provide educational updates and training so that our people can recognise and properly respond to potential attacks.

Competitive market and changes to market trends
The consolidated entity operates in a competitive market with competition from other research and development entities around the world developing technologies that may achieve the same or better outcomes as those sought after by the consolidated entity. The consolidated entity's response is to continue to refine its developing technologies so that they achieve maximum design efficiencies and minimise capital construction outlays. The Company is in the process of completing construction of its Bacchus Marsh facility which will help mitigate the risk of a competitor commercialising a product that may be of greater appeal to our potential customers.

Workplace, health and safety ('WHS')
The consolidated entity has a zero-risk tolerance for serious safety incidents. During the financial year, the consolidated entity continued to improve its WHS practices by using the existing safety culture across the business to continue to develop and train its workforce on WHS matters. Staff responsible for WHS undertake specific training.

Reliance on key personnel
The consolidated entity engaged in activities during the financial year to develop the skills and experience of potential successors as part of its succession planning initiatives. The Company recently hired a new Managing Director but retained the services of the previous Managing Director. The Company also retained the services of our previous Chief Operating Officer who is now a non-executive director. These decisions were made to retain the considerable skills of these individuals within the Company.

Regulatory compliance
Represents the risk of failure to act in accordance with laws, regulations, industry standards and internal policies. The consolidated entity maintains sufficient internal controls to ensure continued compliance. From time to time, the Company is exposed to a regulatory compliance breach of which appropriate remedial steps are undertaken on a timely basis with employees and (if relevant) third parties. The Company regularly obtains external advice on any matter that presents specific risks to the entity on matters such as capital raising and employment law.

Significant changes in the state of affairs
On 26 August 2025, as approved in the Extraordinary General Meeting ('EGM') on 18 August 2025, the Consolidated entity 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.

On 24 December 2025, the Company issued 35,000,000 options to Peloton Capital expiring 23 December 2028 with an exercise price of $0.12. This was compensation for Peloton acting as sole lead manager on the placement tied to the Terrajoule acquisition.

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.

On 16 March 2026, the Company entered into an agreement to sell part of the Company's Yallourn Property, located in Victoria’s Latrobe Valley for $1.3 million. Completion of the sale is conditional on a 30 day due diligence period in favour of the purchaser. The purchaser is an unrelated third party.

On 17 March 2026, the Company appointed Jefferson Harcourt as a Non-Executive Director replacing Joseph van den Elsen who resigned as Non-Executive Director.

On 1 April 2026, the Company appointed Mr Ju-Yup Lee as Company Secretary replacing Mr Justin Mouchacca who resigned.

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

Matters subsequent to the end of the financial year

On 4 August 2026, the Company entered into a binding agreement to acquire 100% of Xenica Materials Pty Ltd (Xenica), securing an exclusive right to use Rice University's proprietary Flash Joule Heating (FJH) technology for the production of MXenes and 2D amorphous carbon.

On 4 August 2026 the Company announced that it has received binding and firm commitments from sophisticated, professional and institutional investors to raise up to A$12 million (before costs) through a two-tranche placement of 100 million fully paid ordinary shares (Shares) at an issue price of A$0.12 per Share (Placement), with A$10.6 million which has been issued and received on 19 August 2026.

The Placement provides ECT with the capital required to accelerate commercialisation of its expanding FJH platform.

The status of the Placement as at today's date is as follows:

- Tranche 1: 88.7 million Shares have been issued under the Company's existing Listing Rule 7.1 and 7.1A requirements, raising a total of $10.6 million before direct costs; and
- Tranche 2: the issue of the remaining 11.3 million shares to raise $1.4 million (before direct costs) which will be subject to the Company obtaining shareholder approval.

On 4 August 2026, the Company entered into a binding agreement to acquire 100% of Xenica Materials Pty Ltd (Xenica), securing an exclusive right to use Rice University's proprietary Flash Joule Heating (FJH) technology for the production of MXenes and 2D amorphous carbon.

On 4 August 2026, the Company signed R&D and Engineering Support Services Agreement with Metallium to Fast-Track MXenes Production.

No other matter or circumstance has arisen since 30 June 2026 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.

Likely developments and expected results of operations
Other than developments described in this report, further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
With respect to current activities, the Company is not the subject of environmental regulations. However, as the Company considers commencement of operations through the COLDry plant, this status will change. Appropriate planning is in place to manage this transition.

Information on directors
Information on directors is reported as at the date of this directors' report.

Name:	Faldi Ismail
Title:	Executive Chairman
Experience and expertise:	Mr Faldi Ismail is a seasoned corporate advisor and entrepreneur with over 20 years of experience in capital markets, specialising in identifying, structuring, and financing emerging growth companies. He has been instrumental in the establishment and public listing of numerous ASX-listed entities, particularly across the resources, energy, and technology sectors. Mr Ismail has a proven track record in corporate strategy, capital raising, and M&A, and has held board and advisory roles in a range of successful ventures. Mr Ismail is a Founding Director of Kaai Capital. He holds a Bachelor of Business, majoring in Accounting and Finance. He is an experienced corporate advisor with many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas and has previously served on numerous ASX boards over the years.
Other current directorships:	Simble Solutions Limited (ASX: SIS)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	12,151,518 ordinary shares
Interests in options:	1,250,000 options
Interests in rights:	7,500,000 performance rights

Name:	Justin Mouchacca
Title:	Non-Executive Director
Qualifications:	B. Comm (Acc), CA, FGIA
Experience and expertise:	Justin holds a Bachelor of Business majoring in accounting and was previously the principal of chartered accounting firm, which provided outsourced company secretarial and accounting services to public and private companies specialising in the resources, technology, bioscience and biotechnology sectors. Justin has 15 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, implementation of corporate governance, statutory financial reporting, reorganisation of companies and shareholder relations
Other current directorships:	Iltani Resources Limited (ASX:ILT)
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	1,000,000 options
Interests in rights:	Nil

Name:	Jeferson Harcourt
Title:	Non-Executive Director (appointed 17 March 2026)
Qualifications:	BCom, FFin, GAICD, MBA
Experience and expertise:	Mr Harcourt is a season technology commercialisation leader with 25+ years' experience founding, scaling and bringing research related technologies to market in collaboration with universities, research institutes and industry partners. Currently, Mr Harcourt serves as Executive Director of Eco Detection, leading the strategy and execution for development and deployment of advanced continuous water quality monitoring systems used by governments, industry and research organisations globally. Mr Harcourt was also the founder and currently Executive Chairman at Grey Innovation, a technology commercialisation consolidated entity that partners with research institutions and industry to accelerate innovation into market-ready products.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	Nil
Interests in rights:	3,500,000 performance rights

'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 (in the 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.

Company secretary

Mr Lee is an experienced compliance and corporate governance professional with over 9 years of experience. Mr Lee works closely with boards of both ASX listed and unlisted public companies across a range of industries.

Meetings of directors

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

	Full Board	
Board member	Attended	Held
Faldi Ismail	6	6
Joseph van den Elsen *	4	4
Justin Mouchacca	6	6
Jefferson Harcourt **	2	2

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

* Resigned 17 March 2026
** Appointed 17 March 2026

Retirement, election and continuation in office of directors

In accordance with the Constitution of the Company, at each AGM, one-third (or a number nearest to one-third and rounded up) of the directors (excluding a director appointed to either fill a casual vacancy or as an addition to the existing directors) must retire by rotation as well as any other director who has held office for three years or more since last being elected and any other director appointed to fill a casual vacancy or as an addition to the existing directors. Such directors can offer themselves for re-election.

At the 2025 AGM of the Company (held on 24 November 2025), Faldi Ismail was re-elected as Director.

Remuneration report (audited)

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

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated 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 key management personnel

Principles used to determine the nature and amount of remuneration

The Board's remuneration policy is to ensure the remuneration package properly reflects the KMP's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. KMP remuneration is arrived at after consideration of the level of expertise each director and executive brings to the Company, the time and commitment required to efficiently and effectively perform the required tasks and after reference to payments made to KMPs in similar positions in other companies.

The non-executive directors are responsible for the executive reward framework and making recommendations on remuneration packages and policies applicable to the Board members and senior executives of the Company. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and is consistent with market best practice. It is the aim of the Board that the executive reward structure satisfies appropriate corporate governance guidelines such that it is competitive and reasonable, acceptable to shareholders, aligns remuneration with KMP performance indicators, and is transparent to all stakeholders.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

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 that non-executive directors' remuneration is appropriate and in line with the market.

The aggregate non-executive director remuneration is determined at a general meeting. The maximum cash fee payable to non-executive directors for discharging their duties as directors is capped at $250,000 per annum.

Non-executive directors receive $50,000 per annum in director fees. During the previous year, directors agreed to take a portion of their remuneration for the current and previous year in shares (approved and agreed by the shareholders at the last AGM).

The Company maintains the following Non-Executive Directors' and Executive Directors' Remuneration Policy with respect to the provision of extra services on behalf of the Company or its business.

- Any remuneration paid to a non-executive director must be reasonable given the circumstances of the Company and the responsibilities of the non-executive director;
- Wherever practicable, the Company will obtain an independent quotation or estimate from an appropriate independent party in respect of those additional services;
- If the non-executive director is an appropriate person to perform those additional services, the remuneration must be benchmarked against any such quotation or estimate obtained by the Company;
- The Managing Director (or if absent, their delegate) must report to the Board on the budgetary impact to the Company of the proposed engagement of the non-executive director. Any engagement of a non-executive director to provide those additional services must be unanimously approved by all directors (other than the non-executive director providing services);
- The non-executive director must report in writing to the Board at the completion of the additional services in such form as the Board may reasonably require;
- All amounts paid to non-executive directors in respect of providing those additional services will be disclosed in the annual financial statements of the Company; and
- The above policy also applies to entities associated with a director, where the additional services of the non-executive director are provided through that entity.

Executive remuneration

The Board is responsible for determining remuneration and nomination policies in respect of KMP. In establishing such policies, the Board is guided by external remuneration surveys and industry practices, commensurate with the scale and size of the Company's operations. The remuneration levels are reviewed regularly to ensure the Company remains competitive as an employer.

Executive remuneration and reward framework

The executive remuneration and reward framework has four components which may comprise an executive's total remuneration:

- base pay and non-monetary benefits;
- consulting fees;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration levels.

The short-term incentives ('STI') payments in the form of incentive options may be granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved. KPIs include share price, leadership contribution and project management.

The long-term incentives ('LTI') may include long service leave and shares or options.

Consolidated entity performance and link to remuneration
Remuneration is not directly linked to the performance of the consolidated entity.

Use of remuneration consultants
A remuneration consultant was not used during the year ended 30 June 2026.

Voting and comments made at the Company's 2025 AGM
At the 2025 AGM, 97.65% 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 at the AGM regarding its remuneration practices.

The function of reviewing and approving director and executive remuneration is undertaken by the Board.

It is relevant to the discussion of remuneration that the consolidated entity is experiencing a substantial growth in the scope and complexity of its operations commensurate with implementation of its major strategic projects.

The Board reviews the Company's remuneration structures to ensure they remain appropriate in the context of both the Company's operations and the level of responsibility and accountability that resides within director and executive roles. This activity has included:
- The Company, under guidance of the Board, periodically reviews its current and future staffing structure and executive leadership which supports the Company's strategic plan.
- Any planned or additional executive recruitment programs will continue to be implemented in consultation with professional recruitment firms who, as part of this service, benchmark employee salaries to specific industries and broader market measures.

Throughout the financial year 2026, the Board has continued to assess its need for additional skilled resources and to measure this need against the additional costs of further appointments.

The Board will continue to review and assess its practices in this regard and ensure that it maintains the quality and depth of resources needed to execute its strategic plan.

The Board is confident that the Company's remuneration levels appropriately balance the need to pay competitive remuneration to attract quality personnel to a company of this nature, and retain them, against the Company's philosophy of "frugal innovation". This is a difficult balance to strike and the Board will continue to review it.

Details of remuneration
The KMP of the consolidated entity during the current financial year consisted of the following persons:
- Faldi Ismail - Executive Chairman
- Justin Mouchacca - Non-Executive Director
- Jefferson Harcourt – Non-Executive Director (appointed 17 March 2026)
- Joseph van den Elsen - Non-Executive Director (resigned 17 March 2026)
- John Tranfield - Chief Executive Officer (resigned 29 October 2025)

Amounts of remuneration
Details of the remuneration of the KMP of the consolidated entity are set out in the following tables.

2026	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Share-based payments	
	Cash salary and fees $	Consulting fees $	Non-monetary $	Superannuation $	Leave Benefits $	Equity-settled Shares $	Equity-settled Options and Performance Rights $	Total $
Non-Executive Directors:								
Justin Mouchacca	-	50,000	-	-	-	-	41,600	91,600
Jefferson Harcourt [(a)]	-	16,667	-	-	-	-	-	16,667
Joseph van den Elsen [(b)]	-	37,500	-	-	-	-	-	37,500
Executive Directors:								
Faldi Ismail	-	105,000	-	-	-	-	754,500	859,500
Other KMP:								
John Tranfield [(c)]	109,604	-	-	11,280	-	-	61,385	182,269
	109,604	209,167	-	11,280	-	-	857,485	1,187,536

(a) Appointed 17 March 2026
(b) Resigned 17 March 2026
(c) Resigned 29 October 2025

2025	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Share-based payments	
	Cash salary and fees $	Consulting fees $	Non-monetary $	Superannuation $	Leave Benefits $	Equity-settled Shares $	Equity-settled Options and Performance Rights $	Total $
Non-Executive Directors:								
Joseph van den Elsen	-	16,667	-	-	-	-	1,526	18,193
Justin Mouchacca	-	24,704	-	-	-	-	-	24,704
Faldi Ismail	-	555	-	-	-	-	-	555
James Blackburn [(a)]	30,753	-	-	3,537	-	-	8,561	42,851
Jason Marinko [(b)]	30,303	-	-	3,485	-	-	-	33,788
Executive Directors:								
Sam Rizzo [(c)]	144,318	16,667	-	14,375	(24,490)	-	36,518	187,388
Other KMP:								
John Tranfield	229,185	-	-	31,995	14,317	26,500	10,350	312,347
Martin Hill [(d)]	184,564	-	-	21,561	(12,588)	4,375	-	197,912
	619,123	58,593	-	74,953	(22,761)	30,875	56,955	817,738

(a) Resigned 17 February 2025
(b) Resigned 10 June 2025
(c) Resigned 26 June 2025
(d) Resigned 31 May 2025

For the financial year, the proportions of fixed remuneration and remuneration that is linked to performance are as follows:

Name	Fixed remuneration % 2026	Fixed remuneration % 2025	Short term incentives % 2026	Short term incentives % 2025	Long term incentives % 2026	Long term incentives % 2025
Non-Executive Directors:						
Justin Mouchacca	55%	100%	-	-	45%	-
Jefferson Harcourt	100%	-	-	-	-	-
Joseph van den Elsen	100%	92%	-	-	-	8%
James Blackburn	-	80%	-	-	-	20%
Jason Marinko	-	100%	-	-	-	-
Executive Directors:						
Faldi Ismail	12%	100%	-	-	88%	-
Sam Rizzo	-	94%	-	-	-	6%
Other KMP:						
John Tranfield	67%	91%	-	-	33%	9%
Martin Hill	-	84%	-	-	-	16%

Service agreements

The Company has no service agreements with KMP.

Share-based compensation

Issue of shares

There were no shares issued to directors and other KMP as part of their 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	Expiry date	Fair value per option at grant date
Justin Mouchacca [a]	1,000,000	18 August 2025	29 April 2028	$0.0416
John Tranfield [b]	666,667	18 December 2024	18 December 2027	$0.0213
John Tranfield [c]	666,667	18 December 2024	18 December 2027	$0.0161
John Tranfield [d]	800,000	18 December 2024	18 December 2027	$0.0041
John Tranfield [e]	800,000	18 December 2024	18 December 2027	$0.0011
John Tranfield [f]	333,333	19 December 2023	19 December 2026	$0.0185
John Tranfield [g]	333,333	19 December 2023	19 December 2026	$0.0143
John Tranfield [h]	333,333	19 December 2023	19 December 2026	$0.0119

(a) The options have vested and are exercisable with an exercise price of $0.06 and market condition of a 20 Day VWAP of 0.12 or higher
(b) The options have vested and are exercisable as at 30 June 2026, with an exercise price of $0.075 provided that if you are terminated without clause within the first 12 months then these options will vest immediately upon termination of your employment.
(c) The options have vested and are exercisable as at 30 June 2026, with an exercise price of $0.075 following the achievement of the market condition of a 20-day VWAP of $0.075 or higher.
(d) The options with an exercise price of $0.075 have not vested and are not exercisable as at 30 June 2026 as the market condition of a 20-day VWAP of $0.30 or higher has yet to be achieved.
(e) The options with an exercise price of $0.075 have not vested and are not exercisable as at 30 June 2026 as the market condition of a 20-day VWAP of $0.75 or higher has yet to be achieved.
(f) The options with an exercise price of $0.45 have not vested and are not exercisable as at 30 June 2026 as the market condition of a 20-day VWAP of $0.75 or higher has yet to be achieved.
(g) The options with an exercise price of $0.45 have not vested and are not exercisable as at 30 June 2026 as the market condition of a 20-day VWAP of $1.05 or higher has yet to be achieved.
(h) The options with an exercise price of $0.45 have not vested and are not exercisable as at 30 June 2026 as the market condition of a 20-day VWAP of $1.50 or higher has yet to be achieved.

Options granted carry no dividend or voting rights.

Performance rights
The terms and conditions of each grant of performance rights 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 rights granted	Grant date	Expiry date	Fair value per performance right
Faldi Ismail [a]	3,750,000	24 Nov 2025	23 Dec 2027	$0.0999
Faldi Ismail [b]	3,750,000	24 Nov 2025	23 Dec 2028	$0.1013

(a) The performance rights have vested and are exercisable as at 30 June 2026, with an exercise price of nil following the achievement of the market condition of a 30 day VWAP of $0.15 or higher.
(b) The performance rights have not vested and are therefore not exercisable as at 30 June 2026, with an exercise price of nil following the achievement of the market condition of a 30-day VWAP of $0.25 or higher.

Performance rights granted carry no dividend or voting rights.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2026 are summarised below:

	2026 $	2025 $	2024 $	2023 $	2022 $
Income	131,757	689,629	1,458,700	874,828	934,853
EBITDA	(4,208,631)	(2,129,242)	(2,513,683)	(3,300,741)	(4,203,329)
EBIT	(5,606,623)	(3,439,759)	(3,733,664)	(4,453,469)	(4,879,075)
Loss after income tax	(5,650,226)	(3,521,866)	(3,714,043)	(4,416,859)	(5,178,833)

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

	2026	2025	2024	2023	2022
Share price at financial year end ($)	0.105	0.004	0.004	0.007	0.014
Basic loss per share (cents per share)	(1.91)	(0.140)	(0.185)	(0.277)	(0.418)

The Company's remuneration policy seeks to reward staff members for their contribution to achieving significant milestones but there is no direct link between remuneration paid and growth in the Company's share price or financial performance given that the Company is essentially still engaged in a research and development phase of operations.

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Exercise of options	Additions	Other (i)	Balance at the end of the year
Ordinary shares					
Faldi Ismail	11,651,518	-	500,000	-	12,151,518
Justin Mouchacca	-	-	-	-	-
Jefferson Harcourt	-	-	-	-	-
Joseph van den Elsen [i]	-	1,666,667	-	(1,666,667)	-
John Tranfield [i]	-	-	-	-	-
	11,651,518	1,666,667	500,000	(1,666,667)	12,151,518

(i) No longer KMP as at 30 June 2026

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 consolidated entity, including their personally related parties, is set out below.

Options over ordinary shares	Balance at the start of the year	Other (i)	Granted during the year	Expired during the year	Exercised during the year	Balance at the end of the year	Vested and Exercisable at the end of the year
Faldi Ismail	1,250,000	-	-	-	-	1,250,000	1,250,000
Justin Mouchacca	-	-	1,000,000	-	-	1,000,000	1,000,000
Jefferson Harcourt	-	-	-	-	-	-	-
Joseph van den Elsen (i)	1,666,667	-	-	-	(1,666,667)	-	-
John Tranfield (i)	4,433,334	(4,433,334)	-	-	-	-	-
	7,350,001	(4,433,334)	1,000,000	-	(1,666,667)	2,250,000	2,250,000

(i) No longer KMP as at 30 June 2026

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Performance rights over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and Exercisable at the end of the year
Faldi Ismail	-	7,500,000	-	-	7,500,000	3,750,000
	-	7,500,000	-	-	7,500,000	3,750,000

Loans to key management personnel and their related parties
There were no loans to Key Management Personnel at any time during the financial period.

Other transactions with key management personnel and their related parties
JM Corporate Services Pty Ltd, an entity related to Mr Justin Mouchacca, was paid $120,000 for Company Secretarial and Accounting services provided to the Company.

Wolf Property Trust, an entity related to Mr Faldi Ismail, was paid $15,000 relating to office rental costs.

All fees and services noted above were conducted on an arm's length basis.

There were no other transactions with key management personnel during the year.

This concludes the remuneration report, which has been audited.

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

Option class	Expiry date	Exercise price	Number under option
Unlisted options (1)	28 August 2026	$0.165	3,333,335
Unlisted ordinary director incentive options (2)	27 November 2026	$0.450	1,333,333
Unlisted ordinary director incentive options (3)	27 November 2026	$0.450	1,333,333
Unlisted ordinary director incentive options (4)	27 November 2026	$0.450	1,333,333
Unlisted ordinary director incentive options (5)	27 November 2026	$0.450	1,333,334
Unlisted ordinary director incentive options (6)	27 November 2027	$0.450	1,333,334
Unlisted ordinary director incentive options (7)	19 December 2026	$0.450	500,001
Unlisted ordinary director incentive options (8)	19 December 2026	$0.450	333,333
Unlisted ordinary director incentive options (9)	19 December 2026	$0.450	333,333
Unlisted ordinary director incentive options (10)	19 December 2026	$0.450	333,333
Unlisted ordinary director incentive options (11)	18 December 2027	$0.075	666,667
Unlisted ordinary director incentive options (12)	18 December 2027	$0.075	666,667
Unlisted ordinary director incentive options (13)	18 December 2027	$0.075	800,000
Unlisted ordinary director incentive options (14)	18 December 2027	$0.075	800,000
Unlisted ordinary director incentive options (15)	29 April 2028	$0.030	1,000,000
Unlisted options - lead manager Kaai Capital (16)	23 May 2028	$0.030	5,000,000
Unlisted options - lead manager Peloton Capital (17)	23 December 2025	$0.120	35,000,000
			55,433,336

(1) 1,333,333 options were issued to various entities nominated by Kaai Capital Pty Ltd on 28 August 2023 exercisable at $0.45 and expiring 3 years from issue date as part remuneration for acting as lead manager for share placement.
(2) 1,333,333 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.45 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)
(3) 1,333,333 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.45 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)
(4) 1,333,333 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.75 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)
(5) 1,333,334 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $1.05 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche D)
(6) 1,333,334 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $1.50 or higher at any time prior to expiry which is 4 years from the agreement date (Tranche E)
(7) 500,001 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 unless employment is terminated without cause in which case they vest immediately and expire 3 years from the agreement date (Tranche A)
(8) 333,333 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.75 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)
(9) 333,333 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $1.05 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)
(10) 333,333 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $1.50 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche D)
(11) 666,667 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 18 December 2024 provided that if you are terminated without clause within the first 12 months then these options will vest immediately upon termination of your employment (Tranche A)
(12) 666,667 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 18 December 2024 if the 20-day VWAP is $0.075 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)
(13) 800,000 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 18 December 2024 if the 20-day VWAP is $0.30 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)
(14) 800,000 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 18 December 2024 if the 20-day VWAP is $0.75 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche D)
(15) 1,666,667 options issued to Mr Mouchacca which vest no earlier than 12 months from the agreement date of 9 September 2025 if the 20-day VWAP is $0.075 or higher at any time prior to expiry which is 3 years from the agreement date
(16 5,000,000 options were issued to Kaai Capital Pty Ltd on 23 May 2025 exercisable at $0.030 and expiring 3 years from issue date as part remuneration for acting as lead manager for a share placement.
(17) 35,000,000 options were issued to Peloton Capital on 23 Dec 2025 exercisable at $0.12 and expiring 3 years from issue date as part remuneration for acting as lead manager for a share placement.

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 under performance rights
Unissued ordinary shares of Environmental Clean Technologies Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
23 December 2025	23 December 2027	3,750,000
23 December 2025	23 December 2028	3,750,000
23 December 2025	23 December 2027	1,000,000
23 December 2025	23 December 2028	1,000,000
23 December 2025	23 December 2028	1,000,000
23 December 2025	23 December 2028	1,000,000
23 December 2025	23 December 2027	1,000,000
23 December 2025	23 December 2027	1,000,000
23 December 2025	23 December 2027	750,000
23 December 2025	23 December 2028	750,000
24 December 2025	23 December 2026	33,333,333
24 December 2025	23 December 2027	33,333,333
5 June 2026	12 January 2027	1,000,000
5 June 2026	12 January 2028	1,000,000
5 June 2026	10 June 2028	750,000
5 June 2026	10 June 2029	750,000
22 July 2026	22 July 2029	3,500,000
		88,666,666

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

Shares or interests issued on the exercise of options
Shares or interests in the Company issued during or since the end of the year as a result of the exercise of an option over unissued shares were as follows:

	Exercise price	Number of shares issued
Exercise of options by Joseph van den Elsen	$0.0300	1,666,667

Shares issued on the exercise of performance rights
There were no ordinary shares of Environmental Clean Technologies Limited issued on the exercise of performance rights 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 liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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 William Buck Audit (Vic) Pty Ltd

There are no officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Faldi Ismail
Chairman

31 August 2026
Perth

William Buck
ACCOUNTANTS & ADVISORS

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 audit of Environmental Clean Technologies Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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

William Buck

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

N. S. Benbow
Director
Melbourne, 31 August 2026

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

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 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 are:

Registered office

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

Principal place of business

25 Rowsley Station Road
Bacchus Marsh, VIC, 3340
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 31 August 2026. The directors have the power to amend and reissue the financial statements.

Environmental Clean Technologies Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Other income	4	121,931	675,165
Interest revenue calculated using the effective interest method		9,826	14,464
Total income		131,757	689,629
Expenses			
Corporate costs		(1,284,242)	(885,009)
Depreciation and amortisation expense		(1,161,168)	(1,144,652)
Engineering and design costs		(686,808)	(111,581)
Sales and marketing		(334,151)	(20,225)
Employee benefits expense	5	(1,394,859)	(1,138,214)
Occupancy expense		(567,980)	(215,321)
Legal costs		(126,515)	(127,429)
Finance costs		(236,824)	(165,865)
Travel and accommodation		(93,984)	(11,996)
Change in fair value of financial liabilities	5	154,477	(112,088)
Loss on disposal of plant and equipment		3,500	(64,941)
Share of loss of joint venture accounted for using the equity method		-	(214,174)
Impairment of joint venture		(53,429)	-
Total expenses		(5,781,983)	(4,211,495)
Operating loss		(5,650,226)	(3,521,866)
Loss before income tax expense		(5,650,226)	(3,521,866)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Environmental Clean Technologies Limited		(5,650,226)	(3,521,866)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Environmental Clean Technologies Limited		(5,650,226)	(3,521,866)
		Cents	Cents
Basic loss per share	24	(1.91)	(2.10)
Diluted loss per share	24	(1.91)	(2.10)

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

Environmental Clean Technologies Limited
Statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents		1,691,739	478,639
Trade and other receivables	6	159,220	605,158
Prepayments and deposits		-	48,286
Total current assets		1,850,959	1,132,083
Non-current assets			
Investments accounted for using the equity method		-	53,429
Property, plant and equipment	7	1,466,694	2,015,507
Right-of-use assets		-	12,561
Intangible assets	8	17,570,280	50,850
Total non-current assets		19,036,974	2,132,347
Total assets		20,887,933	3,264,430
Liabilities			
Current liabilities			
Trade and other payables	9	1,023,227	448,699
Borrowings	11	-	1,065,092
Lease liabilities		-	173,864
Employee benefit liabilities		-	21,588
Financial liabilities	10	1,540	17,052
Total current liabilities		1,024,767	1,726,295
Non-current liabilities			
Employee benefit liabilities		-	14,102
Financial liabilities	10	524,945	663,910
Total non-current liabilities		524,945	678,012
Total liabilities		1,549,712	2,404,307
Net assets		19,338,221	860,123
Equity			
Issued capital	11	105,128,015	93,097,734
Convertible note reserve		-	65,940
Share-based payments reserve	12	12,712,882	1,099,870
Accumulated losses		(98,502,676)	(93,403,421)
Total equity		19,338,221	860,123

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

Consolidated	Issued capital $	Share based payment 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 year	-	-	-	(3,521,866)	(3,521,866)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,521,866)	(3,521,866)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 11)	98,200	-	-	-	98,200
Vesting charge for share-based payments (note 25)	-	88,287	-	-	88,287
Capital raising costs	(115,766)	115,766	-	-	-
Share placement (net) (note 11)	705,000	-	-	-	705,000
Recognition of conversion option on convertible note'	-	-	65,940	-	65,940
Expiry of options (note 12)	-	(1,634,752)	-	1,634,752	-
Balance at 30 June 2025	93,097,734	1,099,870	65,940	(93,403,421)	860,123

Consolidated	Issued capital $	Share based payment 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 year	-	-	-	(5,650,226)	(5,650,226)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(5,650,226)	(5,650,226)
Transactions with owners in their capacity as owners:					
Vesting charge for share-based payments (note 25)	-	1,184,353	-	-	1,184,353
Net settlement of services with shares	210,000	-	-	-	210,000
Share placement (net) (note 11)	3,250,000	-	-	-	3,250,000
Issue of shares and performance rights for the acquisition of Terrajoule (note 8)	11,000,000	7,500,000	-	-	18,500,000
Expiry of options (note 12)	-	(550,971)	-	550,971	-
Option exercised	74,591	(24,591)	-	-	50,000
Conversion of convertible notes	1,195,940	-	(65,940)	-	1,130,000
Capital raising costs	(3,700,250)	3,504,221	-	-	(196,029)
Balance at 30 June 2026	105,128,015	12,712,882	-	(98,502,676)	19,338,221

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

Environmental Clean Technologies Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	-
Research and development tax incentive (inclusive of GST)		555,408	1,473,170
Payments to suppliers and employees (inclusive of GST)		(2,716,835)	(2,453,383)
Interest received		9,262	12,849
Other income		-	16,361
Interest and other finance costs paid		(56,351)	(73,492)
Net cash used in operating activities	23	(2,208,516)	(1,024,495)
Cash flows from investing activities			
Payments for new joint venture capital invested		-	(150,000)
Cash acquired from acquisition of Terrajoule	8	378,095	-
Proceeds from disposal of property, plant and equipment		3,500	110,000
Net cash from/(used in) investing activities		381,595	(40,000)
Cash flows from financing activities			
Proceeds from issue of shares		3,250,000	750,000
Proceeds from exercise of options		50,000	-
Proceeds from issue of convertible notes		-	1,130,000
Share issue transaction costs		(214,500)	-
Net proceeds/ (repayments) from borrowings		(47,295)	(1,099,037)
Net cash from financing activities		3,038,205	780,963
Net (decrease)/increase in cash and cash equivalents		1,211,284	(283,532)
Cash and cash equivalents at the beginning of the financial year		478,639	762,171
Effects of exchange rate changes on cash and cash equivalents		1,816	-
Cash and cash equivalents at the end of the financial year		1,691,739	478,639

Note 1. Material accounting policy information (continued)

Note 1. Material accounting policy information

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

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 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 financial assets and liabilities at fair value through profit or loss and contingent consideration that has been 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 consolidated entity'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 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Environmental Clean Technologies Limited ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Environmental Clean Technologies Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and can 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

The acquisition of subsidiaries 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 consolidated entity 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 consolidated entity 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.

Other income

Research and development tax incentive

The consolidated entity has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the consolidated entity recognises the eligible expenses. Where the incentive is directly attributable to the acquisition of property, plant and equipment, the incentive is used to offset the initial cost incurred.

Other revenue

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

Note 1. Material accounting policy information (continued)

Research and development expenditure
Expenditure in respect of research and development is charged to profit or loss as incurred. Development costs will be capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the Consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Property, plant and equipment
Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Historical cost may be reduced by amounts of research and development incentive received that are directly attributable to the acquisition of the asset.

For the purposes of establishing the expected useful life, assets are defined as either 'commercial' or 'research and development'.

Depreciation is charged to write off the net cost of each item of property, plant and equipment over its expected useful life. Depreciation of plant and equipment is calculated on a diminishing value basis whilst depreciation of furniture and fittings and office equipment is calculated on a straight-line basis. The useful life of each class of asset is as follows:

- Plant and equipment	3 to 10 years
- Furniture and fittings	3 years
- Office equipment	3 years

Depreciation of research and development assets is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life within a defined research and development program context as follows:

- COLDry research and development plant and equipment upgrades	3 - 10 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets
Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Following initial recognition, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

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 consolidated entities together to form a cash-generating unit.

Borrowings
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Note 1. Material accounting policy information (continued)

Other financial liabilities
Deferred and contingent consideration and earn-out liabilities were initially recognised at fair value. At each reporting date, the deferred and contingent consideration and earn-out liabilities are reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss.

Employee benefits
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. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either 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 consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

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.

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

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

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.

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 consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB18 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’, although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 ‘Statement of Cash Flows’. The standard requires income and expenses to be classified into five categories: ‘Operating’ (residual category if income and expenses are not classified into another category), ‘Investing’, ‘Financing’, ‘Income taxes’ and ‘Discontinued operations’. The standard introduces two mandatory sub-totals: ‘Operating profit’ and ‘Profit before finance and income taxes’. There are also new disclosure requirements for ‘management-defined performance measures’, such as earnings before interest, taxes, depreciation and amortisation (‘EBITDA’) or ‘adjusted profit’. The standard provides enhanced guidance on how to organise and consolidated entity information (aggregation and disaggregation) in the financial statements and whether to provide it in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significantly change to the layout of the statement of profit or loss.

Note 2. 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.

Acquisition of Terrajoule

1. Nature of the transaction

On 24 December 2025, Environmental Clean Technologies Limited (ECT or the Company) obtained control of Terrajoule Pty Ltd and its wholly owned subsidiary Terrajoule Inc (together, Terrajoule), acquiring 100% of the issued share capital from third-party sellers (none of whom are related parties of the Company). Through the transaction, ECT obtained an exclusive licence from William Marsh Rice University (Rice University) to use its proprietary Flash Joule Heating (FJH) technology — known as Rapid Electrothermal Mineralisation (REM) — for the remediation of soil contaminated by PFAS and/or heavy metals.

2. Assessment as an asset acquisition rather than a business combination

The Directors assessed the transaction against the definition of a business in AASB 3 Business Combinations and concluded that it should be accounted for as an acquisition of assets rather than a business combination. The transaction falls outside the scope of AASB 3 and has instead been accounted for by allocating the cost of the acquisition to the identifiable assets acquired and liabilities assumed based on their relative fair values, with no goodwill recognised.

The licence has been recognised as an intangible asset and is being amortised on a straight-line basis over 17 years, consistent with the estimated remaining life of the underlying Rice University patents.

3. Fair value determination of consideration:

Consideration of the acquisition comprised of:

- 73,333,332 fully paid ordinary shares, issued at a deemed value of $0.15 per share ($11,000,000); and
- 66,666,666 performance rights (Consideration Performance Rights), comprising:
  - Class A: 33,333,333 rights vesting if, within 12 months of completion, ECT announces it has developed the FJH technology to remediate 5kg of soil within 30 minutes using a sustained electrothermal system; and
  - Class B: 33,333,333 rights vesting if, within 24 months of completion, ECT
    - announces completion of an electrothermal remediation system and demonstrates in-situ usability via a pilot demonstration, and
    - announces either a commercial contract generating at least US$2.5 million in revenue, or non-dilutive project funding of at least US$2.5 million.

The shares and performance rights issued as consideration for the acquisition of Terrajoule transaction have been determined to meet the definition of a share-based payment arrangement under AASB 2, as the transaction is an agreement between the Entity (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, which for transaction with parties other than employees is the date at which the entity obtains the goods, being the transfer of ownership in Terrajoule Pty Ltd.
The fair value of the zero exercise price performance rights, 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.

4. Impairment trigger assessment

In accordance with AASB 136 Impairment of Assets, the Directors have considered whether any indicators of impairment exist in respect of the Terrajoule intangible asset.

Milestone achievement: The first milestone attaching to the Class A performance rights — demonstrating the FJH technology's capability to remediate 5kg of soil within 30 minutes using a sustained electrothermal system — was disclosed by management as achieved at acquisition date, evidencing technical validation of the acquired technology shortly after completion.

Market capitalisation relative to net assets: As a further external indicator under AASB 136, the Directors have compared the Company's market capitalisation to its net asset position. As at 30 June 2026, ECT's share price was $0.10, equating to a market capitalisation of approximately $35.88 million (based on 358.84 million shares on issue). As market capitalisation exceeds the carrying value of net assets, this does not represent an indicator of impairment

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity estimates the effective life of intellectual property to be 17 years and amortises these assets on a straight-line basis. Where the resulting effective life differs from that recognised, the impact will be recorded in profit or loss in the period such determinations are made.

Impairment of non-financial assets
The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity 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 fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Earn-out liability - COLDry
The earn-out liability is recognised and measured at the present value of the estimated future cash flows to be made pursuant to the agreement. In determining the present value of the liability, significant unobservable inputs are used including the discount rate applied to future cash flows, and estimates of expected timing and quantities of production using probability weightings. Refer to note 10.

Recovery of deferred tax assets
Deferred tax assets (DTA) including carry forward tax losses are recognised for deductible temporary differences and carry-forward tax losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Company has not recognised a deferred tax asset.

Research and development tax offset
Government grants, including research and development incentives are recognised at fair value when there is reasonable assurance that the grant will be received and all grant conditions will be met.

With the successful track record of the Consolidated Entity in obtaining the Research and Development rebate from the ATO, an estimated rebate of $115,844 has been accrued as income for the year ended 30 June 2026 (30 June 2025: $550,611).

The Consolidated Entity is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claims lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

Note 3. 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, with geographic segments in Australia and US.

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.

Geographic information

Notwithstanding that the Consolidated entity has a single reportable operating segment, AASB 8 Operating Segments paragraphs 33–34 require an entity to disclose specified geographic information on an entity-wide basis, irrespective of the number of operating or reportable segments identified. This requirement was not previously applicable, as the Consolidated entity's operations and assets were wholly located in Australia. Following the acquisition of Terrajoule Inc, a company incorporated in the United States, on 24 December 2025, the Consolidated entity now has operations and assets attributable to a second geographic area, being the United States, and geographic disclosures are accordingly presented for the first time in these financial statements.

Revenue from external customers

The Consolidated entity did not generate material revenue from external customers in either Australia or the United States during the period.

Note 3. Operating segments (continued)

Types of products and services
The principal products and service of the operating segment is as follows:

ECT (COLDry and HydroMOR): ECT represents the consolidated entity's primary activities of investment, research, development and commercialisation of technologies relating to COLDry and HydroMOR processes.

Terrajoule (PFAS) Terrajoule is a subsidiary of the consolidated entity and represents the consolidated entity's primary activities of research, development and commercialisation of technologies relating to Flash Joule heating technology for PFAS.

Operating segment information

Consolidated - 2026	Australia $	United States $	Total $
Assets			
Segment non-current assets	1,466,694	17,570,280	19,036,974
Total non-current assets includes:			
Property, plant and equipment	1,466,694	-	1,466,694
Intangible assets	-	17,570,280	17,570,280

Note 4. Other income

	Consolidated 2026 $	Consolidated 2025 $
Research and development tax incentive [(i)]	121,931	609,382
Other income	-	65,783
Other income	121,931	675,165

(i) Research and development tax incentive
The Company has recognised a receivable related to the research and development tax incentive of $115,844 at 30 June 2026 (2025: $550,611) which relates to eligible expenditure. Refer note 6.

Note 5. Expenses

	Consolidated 2026 $	Consolidated 2025 $
Loss before income tax includes the following specific expenses:		
Remeasurement of other financial liabilities		
Remeasurement of COLDry earn-out liability	154,477	112,088
Employee benefits expense		
Salaries and wages	165,091	928,807
Defined contribution superannuation expense	17,497	121,120
Share-based payments expense	1,184,353	88,287
Other employee expenses	27,918	-
Total employee benefits expense	1,394,859	1,138,214

Note 6. Trade and other receivables

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Trade receivables	-	33,358
Research and development tax incentive receivable	115,844	550,611
Tax credits receivable from the Australian Taxation Office	43,376	21,189
	159,220	605,158

Allowance for expected credit losses
There were no allowances for expected credit losses on receivables recognised as at reporting date. Amounts of trade and other receivables written off as not recoverable during the year were $nil (2025: $nil).

Research and development receivable
The current balance under research and development tax incentive receivable is in relation to the claim for 2026 Financial Year.

Note 7. Property, plant and equipment

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
Land and buildings	1,148,235	1,148,235
Less: Accumulated depreciation	(87,347)	(66,691)
	1,060,888	1,081,544
Leasehold improvements	91,984	91,984
Less: Accumulated depreciation	(91,984)	(89,199)
	-	2,785
Plant and equipment	7,639,663	7,659,653
Less: Accumulated depreciation	(7,236,148)	(6,733,629)
	403,515	926,024
Office equipment	26,851	26,851
Less: Accumulated depreciation	(24,560)	(21,697)
	2,291	5,154
	1,466,694	2,015,507

Note 7. Property, plant and equipment (continued)

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

Consolidated	Land and buildings $	Leasehold improvements $	Plant and equipment $	Office equipment $	Total $
Balance at 1 July 2024	1,102,199	34,952	2,088,126	14,133	3,239,410
Additions	-	-	-	8,701	8,701
Disposals	-	-	(13,808)	(11,536)	(25,344)
Write off of assets	-	-	(117,603)	-	(117,603)
Depreciation expense	(20,655)	(32,167)	(1,030,691)	(6,144)	(1,089,657)
Balance at 30 June 2025	1,081,544	2,785	926,024	5,154	2,015,507
Additions	-	-	-	-	-
Disposals	-	-	(19,990)	-	(19,990)
Depreciation expense	(20,656)	(2,785)	(502,519)	(2,863)	(528,823)
Balance at 30 June 2026	1,060,888	-	403,515	2,291	1,466,694

Note 8. Intangible assets

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
Licenses - Terrajoule Pty Ltd (i)	18,121,905	-
Less: Accumulated amortisation	(551,625)	-
	17,570,280	-
Right of access to mine	254,250	254,250
Less: Accumulated amortisation	(254,250)	(203,400)
	-	50,850
	17,570,280	50,850

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

Consolidated	Terajoule Pty Ltd $	Right of access - mining $
Balance at 1 July 2024	-	101,700
Amortisation expense	-	(50,850)
Balance at 30 June 2025	-	50,850
Additions (see below)	18,121,905	-
Amortisation expense	(551,625)	(50,850)
Balance at 30 June 2026	17,570,280	-

Note 8. Intangible assets (continued)

	Consolidated 2026 $
Additions for Licenses – Terrajoule Pty Ltd include:	
Tranche 1 - 73,333,332 shares at $0.15	11,000,000
Tranche 2 - 66,666,666 performance rights at $0.15	7,500,000
Cash received as part of acquisition	(378,095)
	18,121,905

Licenses - Terrajoule Pty Ltd

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

Through the acquisition of Terrajoule Pty Ltd, the Consolidated entity 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 Consolidated entity has determined the license agreement will have useful life of 17 years (consistent with the life of the underlying patents) and will be amortised over that period.

Under the terms of the Agreement, the Consolidated entity 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 30 June 2026, following the receipt of the acquired goods.

Right-of-access - mining
During the 2021 financial year, the Company entered into an agreement with EnergyAustralia to secure a supply of lignite. The consideration paid to EnergyAustralia was used to upgrade its plant to facilitate product supply to the Company. The agreement included the cost to repair and commission the outfeed delivery system at a cost of $450,000 of which $195,750 was claimed as part of the R&D tax incentive last financial year. The remaining balance of $254,250 is being amortised over 5 years.

Note 9. Trade and other payables

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Trade payables	423,568	154,346
Other payables	599,659	294,353
	1,023,227	448,699

Refer to note 13 for further information on financial instruments.

Note 10. Financial liabilities

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Earn-out liability - COLDry	1,540	17,052
Non-current liabilities		
Earn-out liability - COLDry	524,945	663,910
	526,485	680,962

Earn-out liability - COLDry

The earn-out liability represents deferred consideration payable related to the acquisition of the COLDry intellectual property from the Maddingley Consolidated entity. The consideration payable is calculated based on $0.50 per projected processed tonne of COLDry pellets manufactured and is discounted at a rate of 21% (2025: 21%). The total consideration payable is $3,000,000 plus applicable interest at the Reserve Bank of Australia cash rate. Refer to note 14.

	Earn-out liability COLDry $
Opening balance as at 1 July 2025	680,962
Remeasurement to fair value (charge to profit or loss)	(154,477)
Closing balance as at 30 June 2026	526,485

Note 11. Issued capital

	Consolidated 2026 Shares	Consolidated 2025 Shares	Consolidated 2026 $	Consolidated 2025 $
Ordinary shares - fully paid	358,839,251	3,256,675,419	105,128,015	93,097,734
ELF shares	-	758,759,997	-	-
	358,839,251	4,015,435,416	105,128,015	93,097,734

Note 11. 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.

Details	Date	Shares Issued	Issue price	$
Balance	1 July 2024	2,313,050,382		92,410,300
Share capital placement	February 2025	475,000,000	$0.0010	475,000
Share capital placement	May 2025	275,000,000	$0.0010	275,000
Lead manager fees	May 2025	45,000,000	$0.0010	45,000
Employee equity salary sacrifice	May 2025	39,958,357	$0.0011	44,458
Employee equity salary sacrifice	June 2025	8,666,680	$0.0010	8,667
Transfer from ELF shares to ordinary shares		100,000,000	-	-
Equity raising costs		-	-	(160,691)
Balance	30 June 2025	3,256,675,419		93,097,734
ELF shares expire	July 2025	(100,000,000)	-	-
Consolidation 1 for 15	26 August 2025	(2,946,228,323)	-	-
Share capital placements	1 October 2025	8,333,333	$0.0600	500,000
Acquisition of Terrajoule Pty Ltd (i)	24 December 2025	73,333,332	$0.1500	11,000,000
Conversion of convertible notes (ii)	24 December 2025	17,725,490	$0.0638	1,195,940
Share capital placements	24 December 2025	45,833,333	$0.0600	2,750,000
Exercise of options	24 December 2025	1,666,667	$0.0300	74,591
Issued shares for consideration of services	24 December 2025	1,500,000	$0.1400	210,000
Equity raising costs		-	-	(3,700,250)
Balance	30 June 2026	358,839,251		105,128,015

Notes:
(i) Per AASB 2 para 16, the transaction is measured by reference to the fair value of the equity instruments at measurement date, which for transaction with parties other than employees is the date at which the entity obtains the goods, being the transfer of ownership in Terrajoule Pty Ltd.
(ii) On 24 December 2025 LJ & K Thomson Pty Ltd converted their convertible notes. 17,725,490 shares were issued at a conversion price of $0.06375 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 (refer to note 12). 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.

Note 11. Issued capital (continued)

As at reporting date, there are nil (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:

	Consolidated	
	2026	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	(758,759,997)	(100,000,000)
Closing balance of ELF shares on issue	-	758,759,997

The following ELF shares were on issue at reporting date:

ELF issue details	Effective exercise price	No. of shares 2026	No. of shares 2025
Issue date 17 February 2023, expiry date 16 February 2026	$0.03	-	758,759,997
		-	758,759,997

Capital risk management
The consolidated entity's objectives when managing capital are 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 consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity monitors capital by reference to cash flow forecasts in relation the operating revenue and expenditure. The consolidated entity also monitors its capital expenditure requirements to identify any additional capital required.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain obligations in relation to its financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management strategy remains unchanged from 2025.

Note 12. Share-based payments reserve

	Consolidated	
	2026 $	2025 $
Share-based payments reserve	12,712,882	1,099,870

Share-based payments reserve
The balance of the reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration which have not fully vested in the recipient as at reporting date or otherwise represent an obligation incurred to issue ordinary shares. Refer to note 25

Note 13. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks.

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

Market risk

Interest rate risk
The consolidated entity has minimal exposure to interest rate risk for both borrowings and deposits. Fluctuations in interest rates will not have any material risk exposure to the cash held in bank deposits at variable rates. Borrowings are at a variable rate and fluctuations are not expected to have a material impact.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity 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 consolidated entity 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. The consolidated entity aims at maintaining flexibility in funding by keeping committed funding options available to meet the consolidated entity’s needs.

Remaining contractual maturities
The following tables detail the consolidated entity'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.

2026	Interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	423,568	-	-	-	423,568
Other payables	-	599,659	-	-	-	599,659
Interest-bearing - variable						
Earn-out liability (COLDry)	2.500%	-	1,540	31,488	493,457	526,485
Interest-bearing - fixed rate						
R&D funding loan	-	-	-	-	-	-
Total non-derivatives		1,023,227	1,540	31,488	493,457	1,549,712

2025	Interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	305,942	-	-	-	305,942
Other payables	-	142,757	-	-	-	142,757
Interest-bearing - variable						
Earn-out liability (COLDry)	3.850%	-	17,541	228,812	434,609	680,962
Interest-bearing - fixed rate						
Convertible Note	11.500%	1,065,092	-	-	-	1,065,092
Total non-derivatives		1,513,791	17,541	228,812	434,609	2,194,753

Note 13. Financial instruments (continued)

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

Cash flows related to settlement of the COLDry earn-out liability are based on timing of forecast production output upon which payment is calculated. Future cash flows have been discounted at 21% (2025: 21%) in determining the recognised carrying value within the financial statements.

Note 14. 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

2026	Level 1 $	Level 2 $	Level 3 $
Liabilities			
Earn-out liability - COLDry IP	-	-	524,945
Total liabilities	-	-	524,945

2025	Level 1 $	Level 2 $	Level 3 $
Liabilities			
Earn-out liability - COLDry IP	-	-	663,910
Total liabilities	-	-	663,910

There were no transfers between levels during the financial 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. Refer to note 10 and below for further details.

Level 3 assets and liabilities

Consolidated	Earn-out liability COLDry IP $	Total $
Balance at 1 July 2024	568,874	568,874
Remeasurement to fair value	112,088	112,088
Balance at 30 June 2025	680,962	680,962
Remeasurement to fair value	89,150	89,150
Balance at 30 June 2026	770,112	770,112

Note 14. Fair value measurement (continued)

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

Description	Unobservable inputs	Potential range	Sensitivity
COLDry earn-out liability	Discount rate	16% - 26% (21% used) (2025: 21% used)	A change in this rate of +/- 5% would have an effect of: +5%: decreasing the carrying value of the liability by $172,235 (and decreasing the loss); and -5%: increasing the carrying value of the liability by $305,138 (and increasing the loss).
	Timing of production to discharge liability	Jun 2029 onwards (2025: June 2026 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 next year. A change in timing of the commercial scale commencement of +1 year from that currently forecast would reduce the loss and liability by $24,821.

Note 15. Key management personnel disclosures

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

	Consolidated	
	2026 $	2025 $
Short-term benefits	318,771	677,716
Post-employment benefits	11,280	74,953
Long-term benefits	-	(22,761)
Share-based payments	857,485	87,830
	1,187,536	817,738

The share-based payment expense of $857,485 for this financial year related to the settlement of consulting invoices, director fees and the issue of unlisted options and performance rights. Refer to note 19, note 25 and the directors' report for further details.

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the Company:

	Consolidated	
	2026 $	2025 $
Audit or review of the financial statements		
William Buck	75,584	73,540

Note 17. Contingent liabilities

There were no contingent liabilities of the consolidated entity as at 30 June 2026 or 30 June 2025.

Note 18. Commitments

	Consolidated	
	2026	2025
	$	$
*Patent commitments **		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	33,650	33,650
One to five years	15,340	15,340
	48,990	48,990

* Patent commitments represent maintenance payments pursuant to the registered patents of both COLDry and HydroMOR.

Coal supply agreement with EnergyAustralia
On 28 May 2021, the Company signed a coal supply agreement with EnergyAustralia for the supply of lignite from EnergyAustralia'a Yallourn mine (refer ASX announcement dated 3 June 2021). The agreement requires that EnergyAustralia supply at least 50,000 tonnes (or other agreed amounts) to the Company for the next 5 years to support the Company's COLDry activities. There is no minimum purchase commitment incurred by the Company.

Note 19. Related party transactions

Parent entity
Environmental Clean Technologies Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 21.

Key management personnel
Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2026	2025
	$	$
Payment for goods and services:		
Payment for services from JM Corporate Services (an entity of Justin Mouchacca)	120,000	-
Payment for services from Wolf Property Trust (an entity of Faldi Ismail)	15,000	-
Payment for other expenses:		

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.

Director and KMP fees payable
The following fees payables (inclusive of GST) were owing to directors and KMP at reporting date: $15,583

	Consolidated	
	2026	2025
	$	$
Faldi Ismail	-	611
Gotham Corporate Pty Ltd (a company associated with Joseph van den Elsen)	-	18,333
JM Corporate Pty Ltd (a company associated with Justin Mouchacca)	15,583	27,174
	15,583	46,118

Note 19. Related party transactions (continued)

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:

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 30 June 2026. Under the accounting policy adopted for ELF loans, these remain unrecognised in the financial statements.

	2026 $	2025 $
Jason Marinko (i)	-	174,314
Tim Wise (ii)	-	89,157
Glenn Fozard (iii)	-	218,352
Martin Hill	-	49,011
Ashley Moore (iv)	-	198,285
Adam Giles (v)	-	32,446
	-	761,565

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 20. 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 $	Parent 2025 $
Loss after income tax	(4,957,163)	(3,521,866)
Total comprehensive loss	(4,957,163)	(3,521,866)

Note 20. Parent entity information (continued)

Statement of financial position

	Parent 2026 $	Parent 2025 $
Total current assets	1,850,959	1,132,083
Total assets	21,030,025	3,264,430
Total current liabilities	1,024,767	1,726,295
Total liabilities	1,549,712	2,404,307
Equity		
Issued capital	105,128,015	93,097,734
Convertible note reserve	-	65,940
Share-based payments reserve	12,712,882	1,099,870
Accumulated losses	(98,360,584)	(93,403,421)
Total equity	19,480,313	860,123

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Company is party to a deed of cross guarantee with its wholly-owned subsidiaries. The deed requires that both the Company and its subsidiaries guarantee the debts of each other. Refer to note 22.

Capital and other commitments
The parent entity has operating lease, patent, equipment finance and royalty commitments payable (not recognised as liabilities). Refer to note 18 for details.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries and income from associates are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.
- ELF loans receivable are recognised as an asset in the parent entity. There are no ELF loans receivable recognised on consolidation.

Note 21. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Asia Pacific Coal and Steel Pty Ltd	Australia	100%	100%
Enermode Pty Ltd	Australia	100%	100%
ECT Coldry Pty Ltd	Australia	100%	100%
A.C.N. 109 941 175 Pty Ltd	Australia	100%	100%
Environmental Clean Technologies Development and Services India Private Ltd	India	100%	100%
ECT Finance Ltd	Australia	100%	100%
ECT Waste-to-Energy Pty Ltd	Australia	100%	100%
Terrajoule Pty Ltd	Australia	100%	-
Terrajoule Inc	United States	100%	-

Note 22. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- Environmental Clean Technologies Ltd (Parent entity)
- Asia Pacific Coal and Steel Pty Ltd
- Enermode Pty Ltd
- ECT Coldry Pty Ltd
- A.C.N. 109 941 175 Pty Ltd
- ECT Finance Ltd
- ECT Waste-to-Energy Pty Ltd

By entering into the deed, the wholly-owned entities are relieved from any requirements to prepare financial statements and a directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Consolidated entity' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Environmental Clean Technologies Limited, they also represent the 'Extended Closed Consolidated entity'.

With the exception of the following assets and liabilities held in Terrajoule Inc of $17,277,274 net asset, the closed consolidated entity is substantially the same as the consolidated results presented in these financial statements which includes the following:

Intangible asset – Terrajoule of $17,570,280 (asset)

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2026 $	2025 $
Loss after income tax expense for the year	(5,650,226)	(3,521,866)
Adjustments for:		
Depreciation and amortisation	1,161,168	1,144,652
Net loss incurred on disposal of plant and equipment	(3,500)	64,941
Write-off of assets	-	117,603
Share-based payments	1,184,353	88,287
Revaluation of financial liabilities	(154,477)	112,088
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	33,358	(33,358)
Decrease in prepayments	-	4,760
Decrease in trade and other payables	1,256,498	1,040,288
Decrease in employee benefits	(35,690)	(41,890)
Net cash used in operating activities	(2,208,516)	(1,024,495)

Note 24. Earnings per share

	Consolidated	
	2026 $	2025 $
Loss after income tax attributable to the owners of Environmental Clean Technologies Limited	(5,650,226)	(3,521,866)
	Cents	Cents
Basic loss per share	(1.91)	(2.10)
Diluted loss per share	(1.91)	(2.10)

Note 24. Earnings per share (continued)

On 26 August 2025, as approved in the Extraordinary General Meeting ('EGM') on 18 August 2025, the Consolidated entity 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.

Accordingly, the comparative basic loss per share, diluted loss per share and weighted average number of ordinary share used in calculating the basic and diluted loss per share amounts have been restated.

At 30 June 2026, there were nil shares held as security which are subject to the repayment of ELF loans. For accounting purposes, these ELF loans and the related shares issued are treated as an in-substance issue of options. The ELF shares issued are therefore not included in the Basic EPS calculation. There were also 120,000,000 unlisted options on issue at reporting date. All options were considered anti-dilutive and excluded from the calculations above.

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	289,174,573	168,037,469
Weighted average number of ordinary shares used in calculating diluted loss per share	289,174,573	168,037,469

All options on issue are out-of-the-money at reporting date and therefore considered anti-dilutive for the purposes of the diluted EPS calculation and therefore not included.

Note 25. 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:

Share-based payment transactions
Net changes arising from share-based payment transactions recognised during the financial period were $12,165,012. 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 performance rights for the acquisition of Terrajoule totalling $7,500,000; and
(4) Vesting charges totalling $1,184,353 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 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 and prior year. Options were also issued to the Lead Manager as compensation for services performed.

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

Notes
(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.

Note 25. Share-based payments (continued)

Options over ordinary shares

	Consolidated 2026	Consolidated 2025
Balance at the beginning of the year	336,500,000	292,500,000
Consolidation 1 for 15	(314,066,663)	-
Options issued	36,000,000	144,000,000
Options exercised	(1,666,667)	-
Options expired	(1,333,333)	(100,000,000)
Balance at the end of the year	55,433,337	336,500,000

Option valuation methodology

The fair value of options on grant date where there was no attached market conditions was determined using a Black Scholes option valuation model. The fair value of options on grant date where there were attached market conditions was determined using a Hoadley option valuation model. 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%

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	No. Granted	Exercised	Expired	Balance at the end of the year	Number of Options Exercisable
23/08/2023	23/08/2026	$0.1700	3,333,335	-	-	-	3,333,335	3,333,335
15/08/2023	27/11/2026	$0.4500	1,333,333	-	-	-	1,333,333	1,333,333
15/08/2023	27/11/2026	$0.4500	1,333,333	-	-	-	1,333,333	1,333,333
15/08/2023	27/11/2026	$0.4500	1,333,333	-	-	-	1,333,333	1,333,333
15/08/2023	27/11/2026	$0.4500	1,333,334	-	-	-	1,333,334	1,333,334
15/08/2023	27/11/2027	$0.4500	1,333,334	-	-	-	1,333,334	1,333,334
19/12/2023	19/12/2026	$0.4500	500,000	-	-	-	500,000	500,000
19/12/2023	19/12/2026	$0.4500	333,333	-	-	-	333,333	-
19/12/2023	19/12/2026	$0.4500	333,333	-	-	-	333,333	-
19/12/2023	19/12/2026	$0.4500	333,334	-	-	-	333,334	-
18/12/2024	18/12/2027	$0.0800	2,933,334	-	-	-	2,933,334	1,333,334
23/05/2025	23/05/2028	$0.0300	5,000,000	-	-	-	5,000,000	5,000,000
18/08/2025	09/09/2028	$0.0600	-	1,000,000	-	-	1,000,000	1,000,000
24/11/2025	23/12/2028	$0.1200	-	35,000,000	-	-	35,000,000	35,000,000
			19,433,336	36,000,000	-	-	55,433,336	55,433,336
Weighted average exercise price			$0.2364	$0.1183	$0.0000	$0.0000	$0.1597	$0.1597

Performance Rights

During the period the Consolidated entity issued the following performance rights:

Note 25. Share-based payments (continued)

Name	Grant date	Performance rights type	Number of performance rights issued	Fair value per performance right	Expiry Date	Exercise price
Faldi Ismail (1)	24 Nov 2025	Tranche C	3,750,000	$0.0999	23 Dec 2027	Nil
Faldi Ismail (2)	24 Nov 2025	Tranche D	3,750,000	$0.1013	23 Dec 2028	Nil
Rob Billott (3)	28 Nov 2025	Tranche A	1,000,000	$0.1400	23 Dec 2026	Nil
Rob Billott (4)	28 Nov 2025	Tranche B	1,000,000	$0.1400	23 Dec 2027	Nil
Rob Billott (5)	28 Nov 2025	Tranche C	1,000,000	$0.1219	23 Dec 2027	Nil
Rob Billott (6)	28 Nov 2025	Tranche D	1,000,000	$0.1253	23 Dec 2028	Nil
Lewis Utting (7)	23 Dec 2025	Tranche A	1,000,000	$0.1500	23 Dec 2026	Nil
Lewis Utting (8)	23 Dec 2025	Tranche B	1,000,000	$0.1500	23 Dec 2027	Nil
Lewis Utting (9)	23 Dec 2025	Tranche C	750,000	$0.1342	23 Dec 2027	Nil
Lewis Utting (10)	23 Dec 2025	Tranche D	750,000	$0.1376	23 Dec 2028	Nil
Terrajoule Pty Ltd (11)	23 Dec 2025	Class A	33,333,333	$0.15	23 Dec 2026	Nil
Terrajoule Pty Ltd (12)	23 Dec 2025	Class B	33,333,333	$0.075	23 Dec 2027	Nil
Hirokazu Minami (13)	5 Jun 2026	Tranche A	1,000,000	$0.125	12 Jan 2027	Nil
Hirokazu Minami (14)	5 Jun 2026	Tranche B	1,000,000	$0.125	12 Jan 2028	Nil
Hirokazu Minami (15)	5 Jun 2026	Tranche C	750,000	$0.1021	10 Jun 2028	Nil
Hirokazu Minami (16)	5 Jun 2026	Tranche D	750,000	$0.125	10 Jun 2029	Nil

(1) The performance rights will vest if Company achieves a 30-day VWAP of $0.15 or more
(2) The performance rights will vest if Company achieves a 30-day VWAP of $0.25 or more
(3) 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
(4) 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
(5) 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
(6) 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
(7) 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
(8) 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
(9) 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
(10) 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
(11) 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
(12) 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, management's assessment was a 50% probability of a vesting achievement at measurement date; and
(13) 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
(14) 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
(15) The performance rights will vest if Hirokazu remains a member of the advisory board on the date that is one year from the commencement date
(16) The performance rights will vest if Hirokazu remains a member of the advisory board on the date that is two years from the commencement date
(17) The performance rights will vest if ECT's share price reaches a 10 day VWAP of $0.50 at any time within two years from grant and the Company achieves a binding Memorandum of Understanding with a Japanese corporation or government agency
(18) The performance rights will vest if the Company achieves a commercial PFAS remediation contract and/or a Research & Development collaboration for technology commercialisation with a Japanese corporation or government agency with a minimum value of AUD$5,000,000 within three years from grant.

Note 25. Share-based payments (continued)

Performance rights methodology

The fair value of options on grant date where there was no attached market conditions was determined using a Black Scholes option valuation model. The fair value of options on grant date where there were attached market conditions was determined using a Hoadley option valuation model. 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:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	No. Granted	Exercised	Expired	Balance at the end of the year	Number of Performance Rights Exercisable
24/11/2025	23/12/2027	-	-	3,750,000	-	-	3,750,000	3,750,000
24/11/2025	23/12/2028	-	-	3,750,000	-	-	3,750,000	-
28/11/2025	23/12/2026	-	-	1,000,000	-	-	1,000,000	-
28/11/2025	23/12/2027	-	-	1,000,000	-	-	1,000,000	-
28/11/2025	23/12/2027	-	-	1,000,000	-	-	1,000,000	-
28/11/2025	23/12/2028	-	-	1,000,000	-	-	1,000,000	-
23/12/2025	23/12/2026	-	-	1,000,000	-	-	1,000,000	-
23/12/2025	23/12/2027	-	-	1,000,000	-	-	1,000,000	-
23/12/2025	23/12/2027	-	-	750,000	-	-	750,000	-
23/12/2025	23/12/2028	-	-	750,000	-	-	750,000	-
23/12/2025	23/12/2026	-	-	33,333,333	-	-	33,333,333	33,333,333
23/12/2025	23/12/2027	-	-	33,333,333	-	-	33,333,333	-
5/06/2026	12/01/2027	-	-	1,000,000	-	-	1,000,000	-
5/06/2026	12/01/2028	-	-	1,000,000	-	-	1,000,000	-
5/06/2026	10/06/2028	-	-	750,000	-	-	750,000	-
5/06/2026	10/06/2029	-	-	750,000	-	-	750,000	-
			-	85,166,666	-	-	85,166,666	37,083,333
Weighted average exercise price			$0.000	$0.000	$0.000	$0.000	$0.000	$0.000

Note 25. Share-based payments (continued)

<u>Faldi Ismail performance rights</u>

Share price at grant date: $0.105
Share price volatility: 193%
Risk-free rate: 3.61-3.67%

<u>Rob Bilott performance rights</u>

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

<u>Lewis Utting performance rights</u>

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

<u>Terrajoule Pty Ltd performance rights</u>

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.

<u>Hirokazu Minami performance rights</u>

Share price at grant date: $0.125
Share price volatility: 162%
Risk-free rate: 4.49%

Note 26. Events after the reporting period

On 4 August 2026 the Company announced that it has received binding and firm commitments from sophisticated, professional and institutional investors to raise up to A$12 million (before costs) through a two-tranche placement of 100 million fully paid ordinary shares (Shares) at an issue price of A$0.12 per Share (Placement), with A$10.6 million which has been issued and received on 19 August 2026.

The Placement provides ECT with the capital required to accelerate commercialisation of its expanding FJH platform.

The status of the Placement as at today's date is as follows:

- Tranche 1: 88.7 million Shares have been issued under the Company's existing Listing Rule 7.1 and 7.1A requirements, raising a total of $10.6 million before direct costs; and
- Tranche 2: the issue of the remaining 11.3 million shares to raise $1.4 million (before direct costs) which will be subject to the Company obtaining shareholder approval.

On 4 August 2026, the Company signed R&D and Engineering Support Services Agreement with Metallium to Fast-Track MXenes Production.

No other matter or circumstance has arisen since 30 June 2026 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.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Environmental Clean Technologies Limited *	Body Corporate	Australia	-	Australia **
Asia Pacific Coal and Steel Pty Ltd	Body Corporate	Australia	100.00%	Australia **
Enermode Pty Ltd	Body Corporate	Australia	100.00%	Australia **
ECT Coldry Pty Ltd	Body Corporate	Australia	100.00%	Australia **
A.C.N. 109 941 175 Pty Ltd	Body Corporate	Australia	100.00%	Australia **
Environmental Clean Technologies Development and Services India Private Ltd	Body Corporate	India	100.00%	India
ECT Finance Ltd	Body Corporate	Australia	100.00%	Australia **
ECT Waste-to-Energy Pty Ltd	Body Corporate	Australia	100.00%	Australia **
Terrajoule Pty Ltd	Body Corporate	Australia	100.00%	Australia **
Terrajoule Inc	Body Corporate	United States	100.00%	United States

* Parent entity
** Environmental Clean Technologies Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated entity under the tax consolidation regime.

Basis of preparation
This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency
Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated entity has applied the following interpretations:

Australian tax residency
The Consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the Consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts
None of the entities noted above were trustees of trusts within the Consolidated entity, partners in a partnership within the Consolidated entity or participants in a joint venture within the Consolidated entity

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 IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

- subject to the matters disclosed in note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Consolidated entity will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 22 to the financial statements; 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

Faldi Ismail
Chairman

31 August 2026
Perth

WilliamBuck
ACCOUNTANTS & ADVISORS

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

Report on the audit of the financial report

Opinion

In our opinion, the accompanying financial report of Environmental Clean Technologies Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

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

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of 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 for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Terrajoule acquisition and Valuation of intangible assets	Area of focus (refer also to notes 1, 2, & 8)	How our audit addressed the key audit matter
	In December 2025, the Group acquired 100% of the shares in Terrajoule Pty Ltd for upfront consideration of $18.50m through the issue of shares and performance rights. This acquisition has been accounted for as an asset acquisition and resulted in the recognition of intangible assets, in the form of amortizing licences, of $18.12m. The accounting for this acquisition required management to: — Determine whether the transaction constituted a business combination or asset acquisition in accordance with the requirements of AASB 3 *Business Combinations*; — Identify and measure the components of the cost of the identifiable acquired assets on initial recognition; — Determine the useful life of the acquired assets; and — Determine the disclosure requirements with respect to the asset acquisition. As disclosed in Note 8, the carrying value of the Company's intangible assets was $17.57 million. This amount is reflective of the Terrajoule licenses acquired during the year, less accumulated amortisation since acquisition date. As required by Australian Accounting Standards, the Group assesses at the end of each reporting period whether there is any indication that its non-current assets may be impaired. The Group concluded that the asset was not impaired as at 30 June 2026.	Our audit procedures included: — Reviewing the purchase agreement to gain an understanding of the key terms and conditions including the appropriateness for the treatment of the transaction as an asset acquisition; — Testing the appropriateness and accuracy of the additions capitalised during the period, including the attribution of the purchased intangible asset to the licence, in line with AASB 138 Intangible assets and the assessment and recalculation of the fair value of the purchase consideration in line with AASB 2 Share-based payments; — Assessed the reasonableness of management's assessment for indicators of impairment, including key assumptions applied; — Assessed the reasonableness of management's useful life determination and applicable amortisation rate; and — Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standards

	This area was considered a Key Audit Matter due to complexity of judgements involved in the process for assessing for indicators of impairment and the significance of the carrying amounts of the balances.	

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

— 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Environmental Clean Technologies Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

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.

William Buck

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

N. S. Benbow
Director
Melbourne, 31 August 2026

The shareholder and option holder information set out below was applicable as at 25 August 2026.

Distribution of equitable securities

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

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	175	0.01
1,001 to 5,000	238	0.15
5,001 to 10,000	517	0.84
10,001 to 100,000	792	6.01
100,001 and over	344	92.99
	2,066	100.00
Holding less than a marketable parcel	363	0.12

Equity security holders

Twenty largest quoted equity security holders

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

	Number of ordinary shares held	% of total ordinary shares issued
LJ & K Thomson Pty Ltd (LJT & KT Super Fund A/C)	43,466,667	9.73
J P Morgan Nominees Australia Pty Limited	38,270,382	8.57
Citicorp Nominees Pty Limited	24,639,972	5.51
Investjtech LLC	13,333,333	2.98
DC & PC Holdings Pty Ltd (DC & PC Neesham Super A/C)	11,453,334	2.56
Merril Lynch (Australia) Nominees Pty Ltd	9,840,418	2.20
UBS Nominees Pty Ltd	9,531,667	2.13
Mr Samuel Boyd Williams	8,843,971	1.98
Godin Corp Pty Ltd (Seven A/C)	6,487,839	1.45
Arkyn Pty Ltd (Kovani A/C)	5,059,042	1.13
Emerald River Pty Ltd (Kenny Family A/C)	5,000,000	1.12
Conspicuous Capital Pty Ltd (Conspicuous A/C)	4,971,333	1.11
Melbourne Securities Corporation Ltd (BV1 Fund A/C)	4,969,915	1.11
Romfal Sifat Pty Ltd (The Fizmail Family A/C)	4,933,334	1.10
Berne No 132 Nominees Pty Ltd (791994 A/C)	4,791,666	1.07
Kojin Pty Ltd	4,649,472	1.04
Mr Samuel Boyd Williams	4,557,780	1.02
Evolution Capital Advisors Pty Ltd	3,900,000	0.87
Alitime Nominees Pty Ltd	3,666,862	0.82
Godin Corp Pty Ltd	3,618,777	0.81
	215,985,764	48.31

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
LJ & K Thomson Pty Ltd (LJT & KT Super Fund A/C)	43,466,667	9.73

Voting rights

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

Ordinary shares, including those held within an equity loan funding (ELF) arrangement
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.

Options
Options do not convey any rights to the holder with respect to voting unless such options are exercised and ordinary shares

Unquoted securities

Class	Expiry date	Number of securities
Performance rights	Various	88,666,666
Options expiring exercisable at $0.075	18 December 2027	2,933,334
Options expiring exercisable at $0.45	19 December 2026	1,500,000
Options expiring exercisable at $0.06	9 September 2028	1,000,000
Options expiring exercisable at $0.03	23 May 2028	5,000,000
Options expiring exercisable at $0.45	27 November 2026	5,333,334
Options expiring exercisable at $0.45	27 November 2027	1,333,334
Options expiring exercisable at $0.12	23 December 2028	35,000,000
		140,766,668