ASX RELEASE

30 October 2026

ADVANCED CARBON PRODUCTS

September 2026 Quarterly Activities Report

HIGHLIGHTS

- September 2026 quarter revenue of $3.3 million (4Q26: $4.0 million), with customer receipts of $2.9 million (4Q26: $4.1 million). Revenue excluded $0.8 million of deferred pellet sales as a result of the relocation from Arden Hill to the new Minnesota facility.
- Net operating cash outflow of $1.0 million (4Q26: +$0.3 million) impacted by lower sales, purchases of inventory ($0.25m for the deferred sales) and the expenses of relocation ($0.25m).
- Increased Activated Carbon Pellet (ACP) order received from the Company's largest customer, Wisconsin Public Service (WPS), representing +60% increase on FY26 volumes.
- After the end of the quarter, Carbonxt secured an expanded agreement with Reworld with an expected 25% increase in sales to this customer in FY27.
- These orders, together with increased volume from another major pellet customer, will result in a 40% revenue increase in FY27.
- The FY27 guidance is drawn from the existing business and any contribution from the Kentucky facility will be in addition to this growth.
- FY27 gross margins on the additional volume expected to be at or around current performance.
- Pellet production relocated from Arden Hills to new Minnesota pellet facility will reduce monthly operating costs by ~US$10,000 and allow the facility to expand at a lower cost.
- Additional mill being installed at the Black Birch powdered activated carbon facility, which will double capacity to 12,000 tons.
- Kentucky: all replacement kiln parts arrived on-site and individually re-tested prior to installation, with the kiln manufacturer on-site from the week of 24 August 2026 to finalise the kiln electrical works with Kentucky Carbon Processing (KCP). After the end of the quarter, the final replacement parts arrived on-site in the week of 26 October 2026, with repair and testing now underway.
- Two further investments of US$250,000 each were made in NewCarbon Processing, LLC, taking Carbonxt's ownership interest to 49.4% and total investment to US$9.75 million.
- Stage 1 of the balance sheet restructure with Phelbe Pty Ltd and PURE Asset Management completed.
- Stage 2 could deliver a cash injection of up to $11 million and a debt reduction of approximately $5.0 million, subject to conditions including shareholder approval.
- Early-conversion incentive revised to apply only to the options attaching to the convertible notes issued to Phelbe, subject to ASX granting a waiver under Listing Rule 6.23.3 and shareholder approval.
- Notice of Annual General Meeting released, with resolutions to approve elements of the balance sheet restructure to be considered on 9 November 2026.

Carbonxt Group Ltd (ASX:CG1) (Carbonxt or the **Company**), a United States-focused Cleantech company, is pleased to provide its September 2026 Quarterly Activities Report. Carbonxt develops and manufactures technologies used to support compliance with air and water emission requirements and remove harmful pollutants, with primary operations in the United States across powdered activated carbon and activated carbon pellet manufacturing.

Carbonxt Managing Director, Warren Murphy, commented:

> *"Carbonxt heads into the remainder of FY27 with substantial growth, which is expected to lead to a record year. The growth is contracted, sustainable and grounded in our strategic position as the only US manufacturer of AC pellets to the industrial market, with more growth to come as the Kentucky facility comes online".*

FY27 Revenue Outlook

FY27 Revenue is expected to be at least $22.0m, a 40% increase on FY26[1] and a record for the group. This equates to 66% higher revenue for the rest of the year (2Q-4Q27) compared to the same period last year.

The growth is revenue is across multiple customers and products including:

Customer	Use	Increase	Product	Facility
Wisconsin Public Service	Power Generation	60%	Pellets	Minnesota
Reworld Waste LLC	Waste to energy	25%	Powdered	Black Birch
Undisclosed	XXXX	30%	Pellets	Minnesota
New customer	Steel	n/a	Pellets	Minnesota

- **Increased Activated Carbon Pellet Order from Wisconsin Public Service**

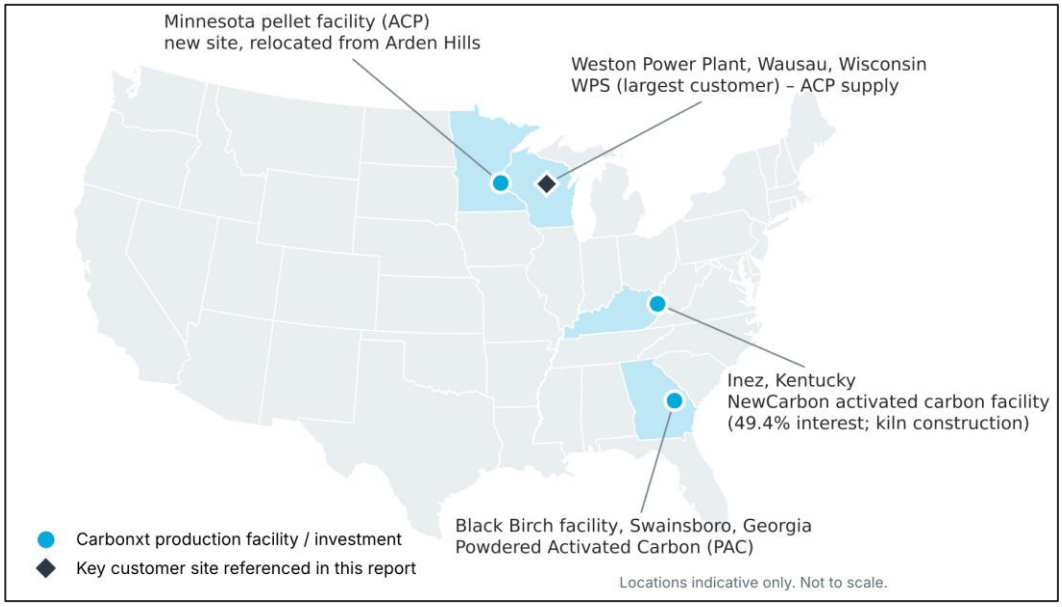
  During the quarter, Carbonxt received an increased order for Activated Carbon Pellets from its largest customer, US utilities provider Wisconsin Public Service (WPS) (refer to ASX Announcement dated 15 September 2026). The additional supply is to support increased operations at the Weston Power Plant. Deliveries under the order run through to the end of FY27, on standard 14-day payment terms.

  The AC Pellets are supplied for use in WPS' ReACT (regenerative activated coke technology) emissions control system.

  Carbonxt has supplied WPS since 2016 and holds a long-term contract to supply AC Pellets for the life of the Weston Power Plant, which WPS has publicly stated will operate until at least 2032. Production of the pellets supplied under the order commenced immediately at the Company's new Minnesota pellet facility.

[1] *ASX Announcement dated 15 September 2026. These statements are forward-looking and are subject to risks and uncertainties, many of which are outside the Company's control. Actual results may differ materially. Assumed AUD/USD exchange rate of 0.71*

Carbonxt's US production footprint and the WPS Weston Power Plant



Source: Carbonxt. Locations are indicative only. Black Birch and Minnesota facilities are owned or operated by Carbonxt; the Kentucky facility is held through NewCarbon Processing, LLC.

- **Expanded Reworld Agreement**

  On 13 October 2026, Carbonxt announced it had secured an expanded agreement with Reworld, to supply Powdered Activated Carbon (PAC) from the Company's Black Birch facility in Georgia (refer to the ASX Announcement dated 13 October 2026). Under the expanded agreement, four additional Reworld US waste-to-energy facilities will transition to Carbonxt from 1 January 2027, increasing annual PAC supply to Reworld by approximately 25%. The additional volumes will run for the remaining term of the existing contract, to December 2028.
  The 2027 revenue contribution is expected to be approximately $1.0 million, with gross margins on the additional volume expected to be at or around current Black Birch performance. Carbonxt's PAC is used in Reworld's thermomechanical treatment facilities to remove mercury, dioxins and furans from emissions. Full-scale deliveries under the existing contract commenced in October 2024, supplying 17 Reworld waste-to-energy plants across the US.

- **Undisclosed Customer**

  A contract extended: A three-year extension of a principal customer contract on higher pricing and improved payment terms, with expected annual revenue from that contract up over 30%. Indicated volume increases would be worth approximately $2.0 million of additional FY27 revenue. (refer to ASX Announcement dated 31 August 2026).

- **Sales Pipeline - New Customer**

  The Company also received and delivered on a first purchase order from a new customer for a new ACP product entering a new market segment; the product performed well and discussions to finalise a long-term supply agreement are advancing. The Company has obtained several additional purchase orders from that customer, which will be delivered in the next quarter as negotiations progress.

PRODUCTION FACILITIES

Black Birch - Additional Capacity

To support the expanded volumes and growing demand for its PAC products, Carbonxt is installing an additional mill at the Black Birch facility. Installation is expected to be completed in 3Q27. Once complete, the new mill is expected to double Black Birch's production capacity to about 12,000 tons and provide redundancy across the facility's operations. Carbonxt will fund the approximately $1.1 million investment from operating cash flow.

Minnesota Pellet Plant - Relocation

As reported in the June 2026 Quarterly Activities Report, the Company has relocated pellet production from Arden Hills to a new site in Minnesota. The relocation reduced pellet production and revenue by approximately four weeks of production in the September 2026 quarter, resulting in a one-third reduction in ACP sales for the quarter compared to the June 2026 quarter. The revenue is deferred but costs for inventory ($0.25m input costs) were expensed in the quarter. Additional one-off costs were also incurred of approximately $0.25 undertaking the move.

The new location reduces monthly operating costs by approximately US$10,000 and allows the facility to expand at a lower cost (refer to ASX Announcement dated 15 September 2026).

Kentucky Facility Update

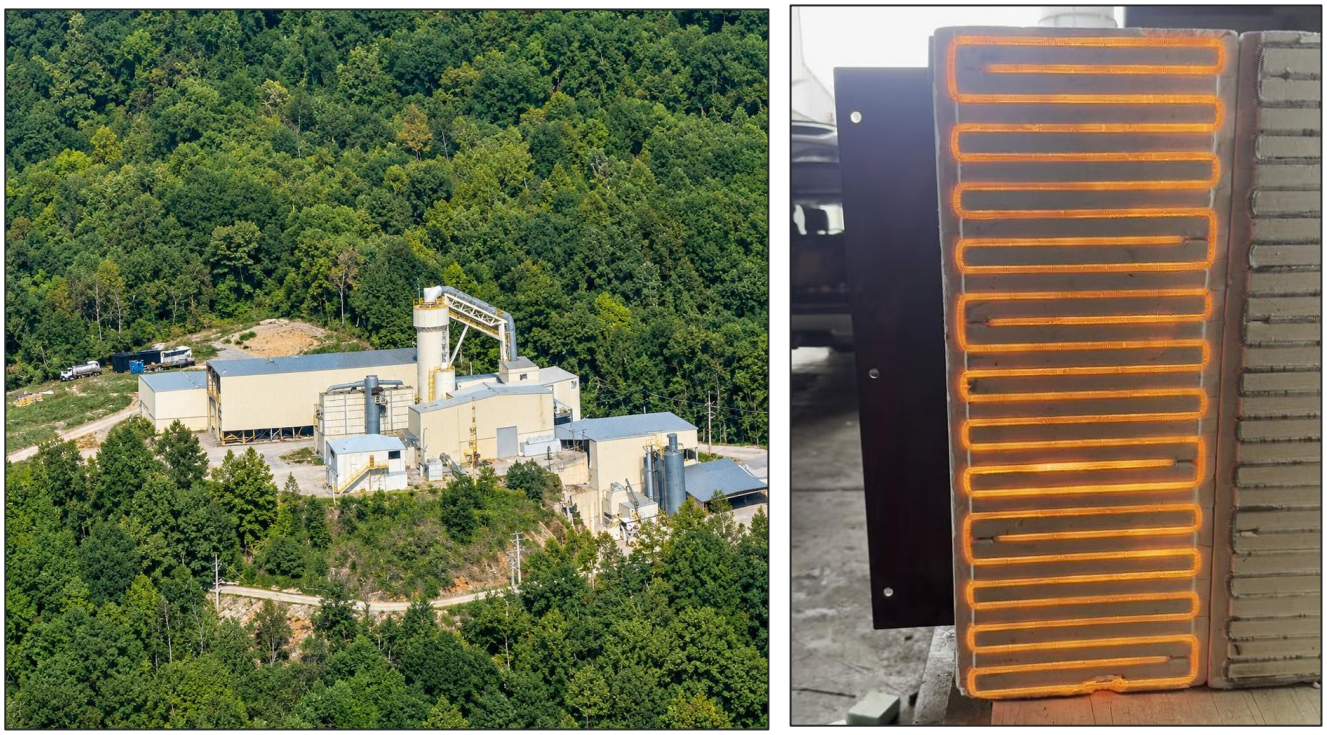
The Kentucky activated carbon facility, held through NewCarbon Processing, LLC (NewCarbon), the Company's jointly owned entity established with Kentucky Carbon Processing (KCP), remains the Company's principal operating and balance sheet challenge. Once operational, however, it is forecast to increase group sales by approximately 200% over the next two years and to provide entry into the liquid-phase activated carbon market, a segment several times larger than the air-phase market Carbonxt currently serves (refer to ASX Announcement dated 31 August 2026).

During the quarter, all replacement parts required for the kiln arrived on-site. Each part is being individually re-tested at a dedicated on-site testing station before installation (refer to ASX Announcement dated 18 August 2026). The kiln manufacturer was on-site the week of 24 August 2026 to finalise the kiln electrical works with KCP, confirm the parts function as intended, and replace all associated wiring as a precaution. The kiln manufacturer agreed to replace the affected equipment at its own cost.

On 18 August 2026, the Company advised that it expected kiln construction to be completed in the September 2026 quarter. Once kiln construction is completed, it will be followed by commissioning, independent engineer certification and the initial US$1 million revenue milestone. Kiln construction was not completed in the September 2026 quarter as a result of the faulty parts and the delays set out below.

Subsequent to the end of the quarter, the Company advised that replacement of kiln parts and testing continues at Kentucky, with the final replacement parts expected to be delivered on-site by the kiln contractor in the week of 13 October 2026. Unfortunately, mechanical issues at the manufacturer's facility delayed those replacement parts to the week of 26 October 2026. These parts have now been received and the repair and testing process has commenced. The Company will provide an update following the conclusion of this testing work.

Figure 2: NewCarbon's Kentucky facility (left) and a replacement kiln heater under test (right)



Source: Carbonxt. Aerial photograph of the NewCarbon Processing, LLC facility in Kentucky, and a replacement kiln heater being tested on-site.

Investment in NewCarbon Processing, LLC

Subsequent to 30 June 2026, the Company made two further investments of US$250,000 each in NewCarbon. The first was disclosed in the June 2026 Quarterly Activities Report released on 31 July 2026, and the second in the ASX Announcement dated 18 August 2026. These investments increased Carbonxt's ownership interest in NewCarbon to 49.4% and total investment to US$9.75 million (refer to the ASX Announcement dated 31 August 2026).

Table 2: Carbonxt ownership interest in NewCarbon Processing, LLC

Period / event	Investment	Ownership interest
30 June 2025 (prior)	US7,750,000	43.7%
Contributions during FY26 (to 30 June 2026)	US$1,500,000	48.1%
Further investment after 30 June 2026 (disclosed 31 July 2026)	US$250,000	48.7%
Further investment (disclosed 18 August 2026)	US$250,000	49.4%
Total investment to date	**US$9.75 million**	**49.4%**

Source: ASX Announcements dated 31 July 2026, 18 August 2026 and 31 August 2026.

QUARTERLY DEVELOPMENTS

Balance Sheet Restructuring

On 6 July 2026, Carbonxt announced a two-stage restructuring plan agreed with its two largest financial stakeholders, Phelbe Pty Ltd (Phelbe) and PURE Asset Management (PURE), to strengthen the Company's balance sheet as the Kentucky facility moves into commercial production (refer to ASX Announcement dated 6 July 2026). Phelbe and PURE are not considered related parties for the purposes of Chapter 10 of the ASX Listing Rules.

Stage 1: Immediate Funding

Stage 1 was agreed on 3 July 2026 and completed on 6 July 2026, comprising $3.5 million of new convertible notes: $2.0 million of new cash from Phelbe and $1.5 million from PURE, set off against senior debt and accrued interest (refer to ASX Announcement dated 31 August 2026). The notes carry a three-year term, a conversion price of $0.10 per share and an interest rate of 9.5% p.a., with one unlisted option (exercisable at $0.10) attaching for every two shares issued on conversion. PURE has agreed to provide any required covenant waivers to 31 December 2026, being the next covenant testing date.

On 6 July 2026, the Company issued 3,000,000 convertible notes, each with a face value of $1.00, and 10,000,000 unlisted options exercisable at $0.10 and expiring 6 July 2029 (refer to ASX Announcement dated 6 July 2026). Shareholder approval is required for the issue of the remaining 500,000 convertible notes and 7,500,000 attaching options to PURE (refer to the ASX Announcement dated 6 July 2026).

Stage 1. securities issued and proposed

Security	Number	Terms	Status
Convertible notes (CG1AV)	3,000,000	Face value $1.00 per note; conversion price $0.10; three-year term	Issued 6 July 2026
Unlisted options (Phelbe)	10,000,000	Exercise price $0.10; expiring 6 July 2029	Issued 6 July 2026
Convertible notes (CG1AV)	500,000	Face value $1.00 per note	Proposed; subject to shareholder approval
Unlisted options (Pure)	7,500,000	Exercise price $0.10; three-year term	Proposed; subject to shareholder approval

Source: Appendix 3G and Appendix 3B lodged with ASX on 6 July 2026.

Stage 2: Debt Reduction

Under Stage 2, Phelbe would convert A$2.0 million of existing convertible notes into equity and exercise its options, raising approximately $3.6 million in cash, and PURE would exercise its outstanding warrants and options (refer to ASX Announcement dated 9 October 2026, AGM Notice of Meeting). As set out in the FY26 Results Announcement, Stage 2 is conditional on shareholder approval; the Company's share price closing at or above $0.09 for five consecutive trading days before 31 December 2026; and the commencement of Kentucky operations, defined as independent engineering certification confirming that the plant is operational, together with an initial revenue milestone of US$1 million (refer to ASX Announcement dated 31 August 2026).

Upon satisfaction of those conditions, PURE would apply approximately $5.0 million of proceeds to reduce the senior facility from $15.0 million to approximately $10.0 million, with all financial covenants removed for the remaining life of that loan, which matures on 31 May 2027. Every conversion and exercise price sits above the A$0.068 closing share price on 3 July 2026, the date of the agreement.

Approximate maximum aggregate impact of the restructuring plan

Measure	Approximate maximum impact
Cash injection	Up to $11 million
Net reduction in debt	Approximately $5 million
Senior debt facility	Reduced from $15.0 million to approximately $10.0 million
Financial covenants	Removed for the remaining life of the senior loan (maturing 31 May 2027)

Source: ASX Announcements dated 6 July 2026 and 31 August 2026.

Early-Conversion Incentive

On 31 July 2026 (refer to ASX Announcement dated 31 July 2026) the Company advised that the ASX had indicated the proposed 10% per annum early-conversion discount in respect of all CG1 options gives rise to concerns under Listing Rule 6.23.3, which prohibits changes that reduce the exercise price of options. As a portion of the options on issue are quoted and represent more than 5% of the Company's undiluted issued share capital, the Company considered it unlikely to receive the waiver necessary to apply the discount across all options and will not seek approval to do so (refer to ASX Announcement dated 31 July 2026).

The Company confirmed that the discount will apply only to the unlisted options attaching to the convertible notes issued to Phelbe (ASX: CG1AZ, CG1AA and CG1AB). Shareholder approval will be sought for those options alone, and only if ASX grants the waiver required under Listing Rule 6.23.3 (refer to ASX Announcement dated 18 August 2026).

Annual General Meeting

On 18 August 2026, the Company advised that the Extraordinary General Meeting (EGM) to approve the restructure was expected to occur in late September 2026 (refer to ASX Announcement dated 18 August 2026). The restructure resolutions will instead be put to shareholders at the Company's AGM, as set out below.

On 9 October 2026, the Company released its Notice of Annual General Meeting (AGM). The AGM will be held in person at Level 37, 180 George Street, Sydney NSW 2000 on 9 November 2026 at 11.00am (AEDT) (refer to ASX Announcement dated 9 October 2026). In addition to the ordinary annual business, the resolutions include the following matters relating to the balance sheet restructure:

- ratification of the issue of 10,000,000 options to Phelbe and 1,000,000 convertible notes to Pure on 6 July 2026 (Resolutions 8c and 9);
- approval of the issue of 500,000 convertible notes and 7,500,000 options to Pure (Resolutions 14 and 15);
- subject to ASX granting a waiver from Listing Rule 6.23.3, approval of amendments to the terms of three classes of unlisted options (ASX: CG1AZ, CG1AA and CG1AB) issued to Phelbe to provide a 10% per annum early-exercise incentive discount, lapsing on 31 December 2026 (Resolutions 12a to 12c); and
- approval under item 7 of section 611 of the Corporations Act for Phelbe's voting power to increase from approximately 12.3% to a maximum of 29.6%, arising from Phelbe converting its remaining convertible notes and exercising its remaining options (Resolution 16).

An Independent Expert's Report prepared by Leadenhall Corporate Advisory Pty Ltd is annexed to the Notice of Meeting. The Independent Expert has concluded that the proposed acquisition of voting power and interest by Phelbe is not fair but reasonable to non-associated Shareholders. Phelbe and its associates will be excluded from voting on Resolution 16. Shareholders should read the Notice of Meeting in its entirety before voting.

September 2026 Quarter

Revenue for the September 2026 quarter was $3.3 million (June 2026 quarter: $4.0 million), and customer receipts were $2.9 million (June 2026 quarter: $4.1 million). Receipts were lower due to the relocation of pellet production to the new Minnesota facility resulting in approximately four weeks of lost pellet sales, or approximately $0.8 million of revenue.

Net cash used in operating activities was $1.0 million (June 2026 quarter: net inflow of $0.3 million). Operating payments comprised product manufacturing and operating costs of $2.0 million, staff costs of $1.3 million, administration and corporate costs of $0.5 million and advertising and marketing costs of $0.2 million.

Operating costs were largely in line with the prior quarter, as all pellet plant staff remained engaged on the move and on end-of-lease activities at Arden Hills. Black Birch continued to operate at full capacity during the move, building approximately $0.25 million (at cost) of PAC inventory for use in pellet production once the new facility was running. One off move cost of $0.25 million were incurred in the quarter.

Net cash used in investing activities was $0.9 million, comprising $0.7 million for the two further US$250,000 investments in NewCarbon and $0.2 million of property, plant and equipment associated with the new pellet facility.

Net cash from financing activities was $2.2 million, mainly reflecting $2.0 million of proceeds from the issue of convertible notes under Stage 1 of the balance sheet restructure. It also includes $0.5 million borrowed from Phelbe as an advance on expected future funding for the financial restructure. Phelbe also provided an additional $0.5 million after the quarter end. The advance forms part of a secured $1.0 million loan from Phelbe, with interest of $160,000 payable on maturity on 31 March 2027. Phelbe has agreed to exercise 5,750,000 unlisted options (exercise price $0.10, expiring 29 November 2026) and 4,250,000 unlisted options (exercise price $0.10, expiring 2 January 2027) before they expire, and the Company will repay the loan from the exercise proceeds as soon as they are received.

Cash and cash equivalents at 30 September 2026 were $0.7 million (30 June 2026: $0.6 million). The increase in sales announced is resulting in positive cash flows from operations, which, along with the funds from Phelbe noted above, is improving the cash outlook for the December 2026 quarter.

Strategic Outlook

The Company's stated priorities for FY27 are:

- completing kiln construction and commissioning at Kentucky, achieving independent engineer certification and the initial revenue milestone;
- completing Stage 2 of the restructure, reducing senior debt to approximately A$10 million and removing all financial covenants;
- converting the new ACP purchase order into a long-term supply agreement and delivering the volume growth indicated by existing customers;
- completing the Minnesota relocation in the September 2026 quarter; and
- maintaining the operational discipline that delivered positive operating cash flow in FY26.

The new ACP order continues to progress and the Company delivered the requested supply volumes in October. As noted above, the Company has obtained additional monthly orders that will be delivered in the December 2026 quarter.

The pellet plant move was completed within budget and positions the Company well to deliver materially higher revenue in the remaining quarters of FY27.

With the increased order from our largest customers the Company expects FY27 revenue to be least 40% higher than FY26 (refer to ASX Announcement dated 13 October 2026).

Market Insights

US PFAS Regulatory Backdrop

As outlined in the FY26 Results Announcement, the US EPA in May 2026 proposed a rule that would uphold the Maximum Contaminant Levels for PFOA and PFOS at 4 parts per trillion, with an application-based two-year extension of the compliance deadline to April 2031, and proposed rescinding the drinking water regulations for PFHxS, PFNA, GenX and the related Hazard Index mixture. Neither rule is final, and the PFOA and PFOS standards that drive Carbonxt's addressable market are unchanged (refer to ASX Announcement dated 31 August 2026).

On 18 May 2026, the EPA also announced nearly US$1 billion in new grant funding to states to address PFAS in drinking water through the Emerging Contaminants in Small or Disadvantaged Communities Grant, bringing that programme to US$5 billion over five years, alongside US$4 billion through the Drinking Water State Revolving Funds and more than US$6.5 billion in low-interest financing available through the Water Infrastructure Finance and Innovation Act (WIFIA) loan program (EPA news release, 18 May 2026). Activated carbon, and powdered and granular activated carbon in particular, remains the most widely adopted treatment technology for the removal of PFOA and PFOS at scale (refer to ASX Announcement dated 31 August 2026).

Corporate

Board Changes

On 17 September 2026, the Company advised that Mr David Mazyck had resigned from the Board as a Director, effective immediately. Mr Mazyck will continue as a consultant with the Company (refer to ASX Announcement dated 17 September 2026). A Final Director's Interest Notice was lodged for Mr Mazyck on the same day (refer to ASX Announcement dated 17 September 2026).

Annual Report

The Company lodged its Appendix 4E and Annual Report (refer to ASX Announcement dated 31 August 2026) and its Appendix 4G and Corporate Governance Statement (refer to ASX Announcement dated 31 August 2026) for the year ended 30 June 2026.

Payments to Related Parties

Included within staff costs (item 1.2 (e) of Cash Flow from Operating Activities and item 6.1 of Payments to related parties of the entity and their associates in the Appendix 4C) are payments to the Directors of $0.3 million. The payment rates to the continuing directors are unchanged from the remuneration set out in the last Annual Report.

- ENDS -

Authorised for release to ASX by the Board of Directors of Carbonxt Group Limited.

All amounts are in AUD unless otherwise stated.

Forward-looking statements in this report are subject to risks and uncertainties. Actual results may differ materially from expectations.

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops, and markets specialised Activated Carbon products, focused on the capture of contaminants in industrial processes that emit substantial amounts of harmful pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, wastewater treatment and other liquid and gas phase markets.

ASX Announcements

The following announcements were released to ASX during the September 2026 quarter and to the date of this report and are available on the Company's investor hub. Click on the announcement title to view.

Table 6: ASX announcements released during the quarter and to the date of this report

Date	Announcement
6 July 2026	CG1 Strengthens Balance Sheet to Support Kentucky Growth
6 July 2026	Notification regarding unquoted securities - CG1
6 July 2026	Proposed issue of securities - CG1
31 July 2026	Pause in Trading
31 July 2026	Update to early-conversion incentive
31 July 2026	Q4 FY26 Quarterly Activities Report & Appendix 4C
18 August 2026	EGM Update
18 August 2026	Kentucky Kiln and NewCarbon Investment
31 August 2026	Appendix 4E and Annual Report
31 August 2026	FY26 Results Announcement
31 August 2026	Appendix 4G and Corporate Governance Statement
15 September 2026	Increased Activated Carbon Pellet Order from WPS
17 September 2026	Resignation of Director
17 September 2026	Appendix 3Z - D Mazyck
9 October 2026	Notice of Annual General Meeting/Proxy Form
13 October 2026	Carbonxt Secures Expanded Reworld Contract

Appendix 4C

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

Name of entity

CARBONXT GROUP LIMITED

ABN	**Quarter ended ("current quarter")**
59 097 247 464	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1	**Cash flows from operating activities**		
1.1	Receipts from customers	2,934	2,934
1.2	Payments for		
	(a) research and development	(7)	(7)
	(b) product manufacturing and operating costs	(2,049)	(2,049)
	(c) advertising and marketing	(155)	(155)
	(d) leased assets		
	(e) staff costs	(1,256)	(1,256)
	(f) administration and corporate costs	(511)	(511)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
	Other (provide details if material)		
1.8	(a) Significant raw material prepayment		
	(b) Inventory build		
1.9	**Net cash from / (used in) operating activities**	**(1,043)**	**(1,043)**

2	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	(708)	(708)
	(b) businesses	-	-
	(c) property, plant and equipment	(204)	(204)
	(d) investments	-	-
	(e) intellectual property	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(912)**	**(912)**

3	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	2,000	2,000
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(62)	(62)
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	(262)	(262)
3.7	Transaction costs related to loans and borrowings	-	-

3.8	Dividends paid	-	-
3.9	Interest paid / received	-	-
3.10	**Net cash from / (used in) financing activities**	**2,176**	**2,176**

4	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	553	553
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,043)	(1,043)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(912)	(912)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,176	2,176
4.5	Effect of movement in exchange rates on cash held	(53)	(53)
4.6	**Cash and cash equivalents at end of period**	**722**	**722**

5	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	722	553
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**722**	**553**

6	**Payments to related parties of the entity and their associates**	**Current Quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	279
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

7	**Financing facilities** Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	15,000	15,000
7.2	Credit standby arrangements		
7.3	Other (Phelbe Pty Ltd)	1,000	500
7.4	**Total financing facilities**	15,000	15,000
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

The $15M facility is secured and has a 9.5% interest rate, a default rate of 14.5%, with a maturity date of 31 May 2027. The lender is Pure Asset Management. The Company also has $6.3M of Convertible Notes with a 9.5% interest rate, maturing at various dates from 14 April 2027 to 6 July 2029. The $1.0M loan from Phelbe is secured and has an interest on maturity of $160,000, with a maturity date of 31 March 2027.

8	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,043)
8.2	Cash and cash equivalents at quarter end (item 4.6)	722
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	722
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.69

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

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

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

Answer: The net cash used in operating activities was the result of the move of our pellet facility in Minnesota, which has been completed and the new plant is operating successfully.

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

Answer: The Company announced a balance sheet restructuring on 6 July 2026, subject to shareholder approval at the upcoming AGM (to be held on 9 November 2026).

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

Answer:	The company expects its operations to be materially improved following the recent contract wins (see 13 October ASX announcement) and the balance sheet to be strengthened after the completion of the upcoming balance sheet restructure mentioned above in 8.6.2.

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

Compliance statement

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

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

Date: The Board of CG1

Authorised by: 30 October 2026
(Name of body or officer authorising release – see note 4)

Notes

1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.