Graphene Manufacturing Group

Management's Discussion and Analysis
For the three and six month periods ended December 31, 2025 and 2024

(in Australian dollars)

This Management's Discussion and Analysis ("**MD&A**") provides a review of Graphene Manufacturing Group Ltd.'s ("**GMG**" or the "**Company**") operations, performance and financial position as at and for the three and six month periods ended December 31, 2025 and 2024. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements as at and for the three and six month periods ended December 31, 2025 and 2024. Those financial statements and extracts of those financial statements provided in this MD&A have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company's last annual financial statements as at and for the year ended June 30, 2025. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and Interpretations (collectively "**IFRS Accounting Standards**" or "**IFRS**"). Please see the "Non-IFRS financial measures" section in respect of certain measures used in this MD&A with no standardised meaning under IFRS. The purpose of this document is to provide information on GMG's activities. The information contained herein is dated as March 2, 2026.

Further information about GMG, including the Company's Annual Information Form ("**AIF**") dated November 4, 2025 and all news releases, are available on GMG's website and on SEDAR+ at www.sedarplus.ca. The AIF does not form part of, and is not incorporated by reference into, this MD&A.

The period from October 1, 2025 to December 31, 2025 has been referred to as Q2FY26 and the period from October 1, 2024 to December 31, 2024 has been referred to as Q2FY25. The financial year ending June 30, 2026 has been referred to as FY26 and the financial year ended June 30, 2025 has been referred to as FY25. The period from January 1, 2026 to March 31, 2026 has been referred to as Q3FY26.

The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements from period to period, including the comparative figures. References to the symbol AUD or $ or A$ means the Australian dollar, the official currency of Australia. References to the symbol CAD or C$ mean the Canadian dollar. References to "K" indicate thousands. Except as otherwise set out herein, all amounts expressed herein are in Australian dollars, the functional and presentation currency of the Company. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section which follows.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward looking statements" that reflect the Company's expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified using words such as "may", or by such words as "will", "intend", "believe", "estimate", "consider", "expect", "anticipate", and "objective" and similar expressions or variations of such words. The forward-looking statements contained in this MD&A include, without limitation, statements regarding the Company's ongoing research and development of its products including the G+AI Battery pouch cell, the Company's commercialisation strategy and marketing plans of G®LUBRICANT, the G+AI Batteries and GMG's other products, GMG's belief that THERMAL-XR® ENHANCE has potential in the HVAC aftermarket, the acceleration of the BTRL of the Company's Graphene Aluminium-Ion technology, ongoing testing of SUPA G® with various battery companies and the results of such testings, the ability of the Company to continue as a going concern, fulfill by GMG of conditions under the EPA consent notice and progression of the commercialisation process of THERMAL-XR® ENHANCE pursuant to the EPA consent notice, the G®LUBRICANT patent application, the use and application of SUPA G® and G®LUBRICANT products and the Company's expectations regarding the potential performance and effects of such products, application of THERMAL-XR®_ENHANCE in data centres and mining and energy sectors and the results of discussions with prospective customers and project partners, the intended use of proceeds from the August 2025 Offering, the Company's four critical business objectives, the expectation of ongoing improvement of graphene quality from the Company's graphene production process, the work undertaken by the Company towards bolstering production capacity, the construction of the Gen 2.0 Plant on anticipated execution steps, timelines and costs and expected increases in commercial production volumes as a result of the construction of the Gen 2.0 Plant, the Company's plan to pursue large scale commercial production, offerings and distribution of the Company's products by strategic partners of the Company and the negotiation and entrance of the Company into related agreements, GMG's belief that focusing on developing and strengthening its product value chain partnerships will de-risk and accelerate GMG's energy savings and G+AI Battery technology success, the amount of proceeds that may be raised by the exercise of the warrants and options of the Company, the Company's expectations regarding its qualification for the Australian research and development tax incentive regime, the Company's expectation regarding its ability to maintain sufficient liquidity to fund its working capital, manage cash resources and complete future financings through the Base Shelf Prospectus. Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks, uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results, or that estimates, or projections will be sustained.

In developing the forward-looking statements in the MD&A, the Company has applied several material assumptions, including, without limitation, assumptions that the Company will proceed with its current product research and development and commercialisation strategy as anticipated, that THERMAL-XR® ENHANCE will have potential in the HVAC aftermarket and the potential and application of the Company's other products, including SUPA G® and G®LUBRICANT, the suitability of THERMAL-XR® ENHANCE for the targeted applications, the ability of the Company to secure commercial commitments from prospective customers and project partners with respect to THERMAL-XR® ENHANCE and the Company's other products, that the BTRL of the Company's Graphene Aluminium-Ion technology will advance as anticipated, that the Company will continue as a going concern, that the Company will fulfill the conditions under and adhere to the terms of the EPA consent order and advance the commercialisation of THERMAL-XR® ENHANCE, that the G®LUBRICANT patent will be approved, that the Company will commence large

scale commercial production, that the testing of SUPA G® will yield favourable results, that the use of proceeds from the August 2025 Offering will be substantially the same as those disclosed, proceeds raised by exercise of the warrants and options will be in line with forecasts, the Company's qualifications under the Australian research and development tax incentive regime, that the Company will continue to focus on its four critical business objectives as anticipated, that there will be ongoing improvement of graphene quality from the Company's graphene production process, that the Gen 2.0 Plant will be constructed as planned, that the Gen 2.0 Plant will deliver the expected production results, agreements with third parties relating to the Company's business and the ability to conclude such agreements on favourable terms, anticipated benefits from the Company's partnership with BIC, that focusing on developing and strengthening its product value chain partnerships will de-risk and accelerate the Company's energy savings and G+AI Battery technology success, the availability of financing on reasonable terms, the Company's ability to maintain sufficient liquidity, manage its cash resources and obtain future financings and general business and economic conditions.

Many risks, uncertainties and other factors could cause the actual results of GMG to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to the following: that the Company will not proceed with its current commercialisation strategy as anticipated, that THERMAL-XR® ENHANCE will not have potential in the HVAC aftermarket, challenges in applying THERMAL-XR® ENHANCE to new applications, that the discussions with prospective customers and project partners will not advance to definitive commercial agreements, that the G®LUBRICANT patent will not be approved, failure of the Company to satisfy conditions of the EPA consent order and/or comply to the terms thereunder, that the potential and performance of the Company's products, including SUPA G® and G®LUBRICANT, will be different than expected, that the Company will not continue to focus on its four critical business objectives as anticipated, that there will not be ongoing improvement of graphene quality from the Company's graphene production process, that the BTRL of the Company's Graphene Aluminium-Ion technology will not advance as expected, that the Company will not construct the Gen 2.0 Plant as planned, that the Gen 2.0 Plant will not deliver production gains as anticipated, that the Company will not commence large scale commercial production as planned, that the testing of SUPA G® will not lead to favourable results and/or generate any sales, that focusing on developing and strengthening its product value chain partnerships will not de-risk and accelerate the Company's energy savings and G+AI Battery technology success, that the Company will be unable to obtain future research and development tax incentives, that the use of proceeds from the August 2025 Offering will be different than disclosed, execution risk of formal binding agreements with interested counterparties and uncertainty of material terms and conditions thereunder, that the Company will be unable to obtain future financing or raise capital from the exercise of warrants or options or under the ATM Facility or pursuant to the Base Shelf Prospectus, that there will be insufficient liquidity or significant negative impacts to the Company's cash flow, overall economic conditions and growth or contraction of global markets in which the Company operates, technical de-risking and market acceptance for GMG's products and solutions, negative cash flow of the Company, stock market volatility, failure to commercialise products, the Company's graphene-enhanced products and solutions not achieving the expected performance benefits which could negatively impact adoption by prospective customers, the Company's ability to produce graphene or graphene-enhanced products may not be in sufficient volumes to meet customer demand, or it may take longer than expected to achieve those rates, the Company's ability to carry out current planned manufacturing, production, and sales and marketing programs for its graphene and graphene-enhanced products and solutions with its current financial resources, the introduction of competing technologies/products, environmental and regulation requirements, competitive pressures, change in market conditions and

other factors that may cause the actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained in the MD&A are expressly qualified in their entirety by this cautionary statement.

CONTENTS

BUSINESS OVERVIEW

Company Brief

GMG is a clean-technology company which seeks to offer energy saving and energy storage solutions, enabled by graphene, including that manufactured in-house via a proprietary production process.

GMG is listed on the TSX Venture Exchange ("**TSX-V**") under the ticker "GMG" and is quoted on the Frankfurt Stock Exchange under the trading symbol "0GF" and on the OTCQX® market under the symbol "GMGMF". Certain warrants to purchase common shares of GMG trade on the TSX-V under the ticker "GMG.WT.A".

GMG Graphene

GMG has developed a proprietary production process to decompose natural gas (i.e. methane) into its elements, carbon (as graphene), hydrogen and some residual hydrocarbon gases. This process produces high quality, scalable, 'tuneable' and low/no contaminant graphene with low-cost inputs suitable for use in clean-technology and other applications. The Company's present focus is to de-risk and develop commercial scale-up capabilities, while continuing to develop and expand market applications.

As a technology development company, GMG has matured its strategy over time. While GMG graphene may be suitable for a wide range of industries, GMG has narrowed its focus to target select applications and sectors that will provide it the best traction in specific markets. GMG's management team ("**Management**") believes that focusing on these end customer opportunities will provide a higher return on in-house graphene production. Also, the vertically integrated approach will enable it to build a long-term competitive advantage. In line with this approach, GMG's initial focus has been developing applications for energy savings and energy storage.

Energy Savings

Within energy savings, GMG has focused on THERMAL-XR®, a graphene enhanced coating platform that enhances heat transfer and corrosion protection. Initial commercial applications are in the heating, ventilation, air conditioning and refrigeration ("**HVAC-R**") sector. Other industry sector applications are being pursued. GMG recently successfully patented THERMAL-XR® ENHANCE in Australia for 20 years and is progressing the patent in numerous other countries.

G®LUBRICANT, a graphene enhanced lubricant additive that seeks to reduce fuel consumption and carbon emissions by reducing internal friction in engines is also being demonstrated. After many years of performance testing G®LUBRICANT, the Company has produced University of Queensland ("**UQ**") verified results showing increases in fuel efficiency of up to 8.4% in a diesel engine. The Company has also produced results using the same testing equipment, systems and processes showing a 10% increase in energy efficiency and a 33% reduction in exhaust particulate matter emissions from a diesel engine. On the back of those encouraging results, GMG has commenced both website sales and direct sales to end customers in a number of countries around the world, including Australia, the United Kingdom, Europe, China, Canada and the United States. The patent application for G®LUBRICANT is progressing through to country level – where GMG is currently applying in 20 countries for the in-country patent.

Following the Australian Government's approval in early 2023 for GMG to produce and sell THERMAL-XR® at scale, the Company has focused on driving sales activities and is in the process of bolstering related production capacity. Additionally, the Company has identified a number of markets outside the HVAC-R segment, where it also sees expanded opportunities for application of the THERMAL-XR® platform – most notably the electronics sector.

Energy Storage

GMG and UQ are working to progress further research and development ("**R&D**") and commercialisation of graphene aluminium-ion batteries ("**Graphene Aluminium-Ion Batteries**" or "**G+Al Batteries**"). Additionally, since May 2023, GMG and Rio Tinto have been working together under a joint development agreement (the "**Joint Development Agreement**" or "**JDA**") with the goal of accelerating the development and application of GMG's Graphene Aluminium-Ion batteries for use in the mining and minerals industry (refer to page 16 for further details). The funding component of the Joint Development Agreement was set at A$6 million over a two-year period (which ended in May 2025), while the remaining provisions of the Joint Development Agreement are still valid and in effect. The Company is currently optimising the battery and is pleased overall with its progress and its growing ability to develop and manufacture battery prototypes in-house. During FY25 the Company signed a service contract with the Battery Innovation Center of Indiana ("**BIC**") in the United States to support the next phase of development of the Graphene Aluminium-Ion Battery. BIC is a collaborative initiative designed to incorporate leadership from renowned universities, government agencies, and commercial enterprises. BIC's mission is to accelerate innovation in the field of battery technology by providing access to the entire spectrum of R&D to commercialization, including low volume production, in a single 40,000 square foot facility, located in Newberry, an hour south of Bloomington, Indiana.

As part of the Company's G+AI Battery development program it is beginning to launch its 4th product – SUPA G®. SUPA G® is a graphene slurry which has been developed by GMG over the last 3 years for GMG's own Graphene Aluminium-Ion Battery, which has unique properties of high electrical conductivity, low charge transfer resistance and high density compared to other carbon battery additives and materials

used in lithium-ion batteries. SUPA G® can be used as a cathode additive (1%) and has the potential to be used as an anode alternative to graphite (which is largely export controlled from China) after further development work.

Corporate and Governance

As at December 31, 2025, GMG had a cash position of $13,934K and no debt other than lease liabilities. The net loss for the year to date was $23,313K, which included a significant change of $16,417K in fair value of warrants. As outlined in more detail below, the adjustments included in net results, required by IFRS to account for certain warrants on issuance, are a non-cash item and largely result from movements in GMG's share price during the period.

The ability of the Company to continue as a going concern is principally dependent upon the ability to raise additional capital or secure other forms of financing, to augment its current cash position, as and when necessary to meet the levels of expenditure required for the Company. Such financing is necessary to fund the ongoing development and commercialisation of the Company's energy saving and energy storage solutions and to meet its working capital requirements. In addition to raising capital, the Company is dependent on its ability to commercialise its products to generate sustainable, sufficient operating cash flows. The Company's need for additional financing and successful product commercialisation give rise to material uncertainty which may cast significant doubt over its ability to continue as a going concern.

For Q2FY26, GMG had an adjusted loss of $3,597K. Please note that adjusted loss is not a standardized IFRS financial measure under the financial reporting framework used to prepare GMG's financial statements and might not be comparable to similar financial measures disclosed by other issuers. Refer to page 22 for details for non-IFRS adjustments.

GMG is a founding member of the Australian Advanced Material and Battery Council ("**AMBC**") that was officially launched at Queensland Parliament House in October 2022. Craig Nicol, GMG's CEO and Managing Director, stepped down as the council's Chair during the period. Former Premier of the State of Queensland the Honourable Annastacia Palaszczuk has been appointed as Chair of AMBC, bringing proven executive leadership in policy delivery and large-scale industrial development.

On November 19, 2024 GMG announced that the Singapore Green Building Council has approved THERMAL-XR® to be certified as a Singapore Green Building Product ("**SGBP**") under the category of Mechanical – ACMV – Coil Coating. It is the first thermal air conditioning coating to be approved as a SGBP.

On February 25, 2025 GMG announced the results of the multi-year performance testing of G®LUBRICANT, a transformative graphene liquid concentrate additive designed to enhance the performance of diesel and gasoline (petrol) engines. This product has the potential to reshape the future of the global liquid fuels industry and offers an innovative solution that optimizes efficiency and power for stationary or mobile engines. GMG submitted a patent application on the G®LUBRICANT product as soon as it was possible, and this is progressing through the usual process to be approved for the main target markets.

On March 3, 2025 GMG provided a progress update on the Graphene Aluminium-Ion Battery and announced that it had signed a service contract with the BIC in the United States to support the next phase of development of the Graphene Aluminium-Ion Battery. By collaborating with BIC, GMG can take advantage of BIC's technological capabilities and manufacturing facilities and avoid the capital cost of building a pilot plant, that can cost more than A$10 million dollars, to produce sample cells in advance of

mass production. Under its service agreement with BIC, GMG will pay for services rendered and retain all intellectual property of the development work. The service agreement with BIC will enable GMG to optimize BIC's cell design and battery manufacturing equipment during its scale up of battery production, thereby delaying capital expenditures for manufacturing capacity until battery development is further derisked.

On March 13, 2025 GMG announced that GMG, C&W Services Singapore and ACMES Aircon & Electrical Engineering Pte Ltd., GMG's Singapore Thermal-XR distributor, have successfully completed energy savings case studies with a Singapore bank. The energy savings was seen on average between 10% to 20%. Following the successful case study, the bank is now exploring the potential to scale the application of Thermal-XR Enhance across more branches.

On March 21, 2025 GMG announced that it completed its previously announced bought deal offering of 7,245,000 units at a price of C$0.80 per unit for aggregate gross proceeds to the Company of C$5,796,000, which includes the exercise in full of the underwriters' over-allotment option for 945,000 units (the "**March 2025 Offering**").

On May 21, 2025 GMG announced that the board of directors of GMG had approved the investment of $900k for the early works of an expected 10 tonne per annum Gen 2.0 Graphene Manufacturing Technology plant (the "**Gen 2.0 Plant**") for an estimated $2.3 million total capital cost. The Gen 2.0 Plant will be built at the existing natural gas to graphene production plant at its manufacturing facility in Richlands, Queensland, Australia. The early works include the procurement of long lead items and commencement of engineering and design works. The Company expects that Gen 2.0 Plant will be online by end of June 2026.

On July 7, 2025 GMG announced that G®LUBRICANT has commenced both website sales and direct sales to end customers in a number of countries and regions around the world, including Australia, the United Kingdom, Europe, China, Canada and the United States.

On July 11, 2025 GMG announced that it entered into an equity distribution agreement dated July 11, 2025 (the "**Distribution Agreement**") with Cantor Fitzgerald Canada Corporation (the "**Agent**"). Pursuant to the Distribution Agreement, the Company will be entitled, at its discretion and from time-to-time during the term of the Distribution Agreement, to sell, through the Agent, such number of ordinary shares of the Company (the "Ordinary Shares") that would result in aggregate gross proceeds to the Company of up to C$20 million (the "**ATM Facility**").

On July 14, 2025 GMG announced that the patent for the Company's Graphene Aluminium Ion Battery has been granted in Australia and GMG is progressing its patenting process in various other countries. The UQ holds the patent, and GMG has a worldwide exclusive commercialisation license. Furthermore, GMG has signed a Collaborative Research Agreement with UQ – Australian Institute for Bioengineering and Nanotechnology (AIBN) to continue its collaboration on the Graphene Aluminium Ion Battery. UQ is also a recipient of AU$880,000 of Australian Government grant funding to further develop the Graphene Aluminium Ion Battery.

On July 22, 2025 GMG announced the addition of Professor Emeritus Doug Hargreaves AM (Australia) to the Company's Technical Advisory Committee, adding deep insight, experience and connections to GMG.

On September 4, 2025 GMG announced that it completed its previously announced bought deal offering of 7,666,667 units at a price of $0.90 per unit for aggregate gross proceeds of C$6,900,000, which includes the exercise in full of the underwriter's over-allotment option for 1,000,000 units (the "**August 2025 Offering**").

On September 15, 2025 GMG announced that THERMAL-XR® ENHANCE powered by GMG Graphene is now successfully patented in Australia for a period of 20 years from the date of its grant. GMG is progressing this patent in various other countries and remains optimistic about the successful granting of this patent in other countries as well.

On September 17, 2025 GMG announced the launch of its new global product catalogue (see below). The product range includes both G®LUBRICANT and THERMAL-XR®, including a new THERMAL-XR® Kit with an electric spray gun for easy use.

On October 6, 2025 GMG announced it has received REACH registration in Europe – enabling THERMAL-XR® to be sold in Europe. Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH**") is the process mandated by the European Union ("**EU**") regulation for companies manufacturing or importing chemical substances into the EU in quantities of one tonne or more per year.

GMG also launched its "GMG SPRAY ACADEMY" – which is a training program designed to enable more distributors and contractors around the world to understand how to clean, prepare and coat surfaces with GMG's patented graphene coating system – THERMAL-XR®. The training programs are conducted in person, online and eventually through video-training. Customers can receive the 5-year warranty for the THERMAL-XR® coating if the coating is provided by a trained and accredited technician.

On October 28, 2025 GMG announced that Beijer Ref has agreed to offer the Company's proprietary THERMAL-XR® ENHANCE heat transfer coating as an optional coating solution on Beijer Ref and Kirby branded refrigeration evaporator coils, including the Beijer Patton and Kirby Guardian lines as seen in

the figure below, across all of Beijer Ref's and Kirby's approximately 73 wholesale locations in Australia starting from November 17, 2025. Beijer Ref customers electing to have the optional coating solution applied to their Beijer Ref or Kirby refrigeration evaporator coils will contract directly with Beijer Ref, who will enter into a bilateral agreement with the Company, subject to GMG's standard terms and conditions. This collaboration marks a significant milestone in GMG's commercialization of its innovative coating products for energy efficiency and corrosion resistance in the HVAC-R industry.

On November 18, 2025 the Company announced the results of the G®LUBRICANT product demonstration test in a charity car rally across 3,850 kilometres in Australia (the "Charity Rally"). The Charity Rally ran from Australia's central city of Alice Springs to the country's Gold Coast. GMG sponsored the GC Strip rally team from the Gold Coast in their participation in the Charity Rally (the "Rally Car Team"). After adding G®LUBRICANT, the Ford Falcon Rally Car averaged 9.3ltrs / 100km on the trip, a reduction of 1.5ltrs / 100km, approximately 13.8%, in fuel efficiency savings.

On December 15, 2025 the Company provided an update on the Graphene Aluminium-Ion Battery technology being developed by GMG and UQ under a Joint Development Agreement with Rio Tinto, one of the world's largest metals and mining groups, and with the support of the BIC. Based on its current state of development as reflected below, the G+AI Battery has similar performance characteristics to those provided by High Power Lithium Titanate Oxide ("LTO") batteries, which are sold at a premium price of up to US$1500/kWh. In 2025, sales of LTO batteries, which are used in many applications globally, totalled US$ 5.61 billion.

On December 22, 2025 the Company announced it had received and accepted the United States Environmental Protection Agency ("EPA") consent notice approval conditions of the Pre-Manufacture Notice ("PMN") for its THERMAL-XR® ENHANCE graphene coating product. The consent notice conditions from the EPA signify a significant milestone in bringing this product to market in the USA, offering energy savings and enhanced corrosion resistance to USA consumers and businesses alike.

Business Objectives

GMG is focused on four critical business objectives:

- PRODUCE GRAPHENE & IMPROVE/SCALE PRODUCTION PROCESS.
- BUILD REVENUE FROM ENERGY SAVINGS PRODUCTS
- DEVELOP NEXT-GENERATION BATTERY
- DEVELOP SUPPLY CHAIN, PARTNER & PROJECT EXECUTION CAPABILITY

1: Produce Graphene & Improve/Scale Production Process

GMG expects ongoing improvement of graphene quality from the GMG graphene production process, with increasing confidence of an economically sustainable path to scale. In December 2023, the Company commissioned its cutting-edge natural gas to graphene plant in its facility at Richlands, Australia providing additional graphene supply for the ongoing development of Company's G+AI Battery, as well as the Company's energy saving products.

This plant is built in a modular fashion which can allow more production units to be installed as the sales of the Company's products grows. The Company is now working on optimising its graphene production to be able to produce graphene more efficiently and cost effectively than ever before while maintaining high levels of quality. The Company has recently announced the approval to invest in new Gen 2.0 Plant which will be built at the existing facility and increase production capacity up to 10 tonne per annum. The Gen 2.0 Plant is expected to be online by end of June 2026. In addition to the increase in production capacity, the Gen 2.0 Plant is expected to deliver substantially lower costs of production and an increase in graphene quality.

2: Build Revenue from Energy Savings Products

THERMAL-XR®

THERMAL-XR® COATING SYSTEM is a unique method of improving the conductivity of corroded heat exchange surfaces and maintaining the performance of new units at peak levels. The process coats and protects heat exchange surfaces while improving and rebuilding the lost corroded thermal conductivity and increasing the heat transfer rate by leveraging the physics of GMG graphene resulting in an efficiency improvement and a reduction in energy use.

THERMAL-XR® can also protect both RTPF coils (round tube plate fin) and MCHC coils (microchannel) from accelerated corrosion damage, thereby extending the life of the coil and reducing energy consumption.

THERMAL-XR® was awarded 'Product of the Year' during the AIRAH 2024 Awards that took place on Thursday, November 21, 2024 in Melbourne, Australia. The AIRAH Awards celebrate outstanding achievements from across Australia's HVAC&R building services industry. AIRAH, the Australian Institute

of Refrigeration, Air Conditioning and Heating, is the peak body representing the HVAC&R industry in Australia. Officially incorporated by guarantee on March 29, 1920, AIRAH celebrated its Centenary anniversary in 2020.

During FY25, the Singapore Green Building Council approved THERMAL-XR® to be certified as a SGBP under the category of Mechanical – ACMV – Coil Coating. It is the first thermal air conditioning coating to be approved as a SGBP. The SGBP certification scheme is one of the key standards and benchmarks for green building products in the building and construction industry. Products and materials certified by the SGBP are highly recognised under the Green Mark Scheme, Singapore's national green building rating tool administered by the Building and Construction Authority, which allows certified products to accrue points that count towards a project's Green Mark rating.

As previously announced, GMG and Nu Calgon Wholesaler, Inc. have been working with an external consultant to prepare and submit a premanufacture notice application in conjunction with its application to import and sell in the United States. The Company has now received and accepted the EPA's consent notice approval conditions of the Pre-Manufacture Notice ("PMN") for its THERMAL-XR® ENHANCE graphene coating product. The consent notice conditions from the EPA signify a significant milestone in bringing this product to market in the USA, offering energy savings and enhanced corrosion resistance to USA consumers and businesses alike.

Following the growing market success of THERMAL-XR® for HVAC purposes, the Company is increasing efforts to demonstrate heat management benefits for other applications. THERMAL-XR® sales and third-party service projects in Southeast Asia have occurred – with applications in the data centre cooling sector representing a significant opportunity, which represents up to 1.3% of global electricity demand according to the International Energy Agency. Accordingly, the Company has commenced first discussions regarding projects with a number of data centre operators.

The Company is also in discussions with various mining, energy and gas producers in Australia, North America and Asia about the potential for application of the THERMAL-XR® platform to provide increased heat transfer and corrosion resistance for operations, including gas processing heat exchangers, notably liquefied natural gas plants.

G®LUBRICANT

G®LUBRICANT is a concentrate of GMG graphene and lubricating oil that is designed for ENERGY SAVINGS and EMISSION SAVINGS and wear prevention. The concentrate can be added to an existing fully formulated lubricant or tailored by GMG as an addition to the client's choice of fluid. G®LUBRICANT protects the friction surfaces and reduces the friction coefficient by forming a protective layer between metal interfaces.

Over the past four years, GMG has conducted environmentally controlled testing of G®LUBRICANT in internal combustion engines monitored and verified by UQ. GMG's test results have been corroborated by similar savings realized by customers over a number of years of field testing. G®LUBRICANT has been shown to increase fuel efficiency by up to 8.4% in a diesel engine. The amount of graphene in the final lubricant once G®LUBRICANT is mixed in is only ~ 1:10,000, with the balance of the concentrate consisting of lubricating base oil. As a result, G®LUBRICANT can be used safely in any internal combustion engine.

The patent application for G®LUBRICANT is progressing through to country level – where GMG is currently applying in 20 countries for the in-country patent.

Further Research and Development assessment is in progress.

	G®LUBRICANT
Status of R&D project compared to the development plan	• GMG's initial round of internal diesel engine fuel testing has recently been completed and has been validated by UQ. G®LUBRICANT has been shown to increase fuel efficiency by up to 8.4% in a diesel engine. • GMG will continue to internally optimise its testing of the product on its diesel engines in varying conditions and concentrations. • GMG now has palletised products and marketing materials for G®LUBRICANT, and is commencing a direct marketing campaign, targeting fleet owners and initially commencing in Australia and expanding into other markets through our newly created European sales team.
Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. It is likely to involve minimal internal labour costs for the remainder of the R&D Project. • Total R&D expenditure for Q2FY26 was $94K (Q2FY25: $90K), consisting predominantly of internal labour, consultants, testing and quality controls.

SUPA G®

SUPA G® is a graphene slurry which has been developed by GMG over the last 3 years for GMG's own Graphene Aluminium-Ion Battery which has unique properties of high electrical conductivity, low charge transfer resistance and high density compared to other carbon battery additives and materials used in lithium-ion batteries.

SUPA G® can be used to enhance the performance of lithium-ion batteries. This breakthrough product has the potential to improve future energy storage, offering battery manufacturers an innovative solution that optimizes efficiency, power, and longevity.

Within days of launching SUPA G® the Company received several unsolicited approaches from major battery companies to test SUPA G®. The Company is now working with these companies to assist them in testing the new product.

Further Research and Development assessment is in progress.

	SUPA G®
Status of R&D project compared to the development plan	• GMG has begun sending out samples of SUPA G® to large battery manufacturers and BIC Indiana for testing in various battery chemistries. • GMG continues to optimise the graphene slurry for its own G+AI battery and third parties.
Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. • Total R&D expenditure for Q2FY26 was $115K (Q2FY25: Nil), consisting predominantly of internal labour, graphene, consumables, testing and quality controls.

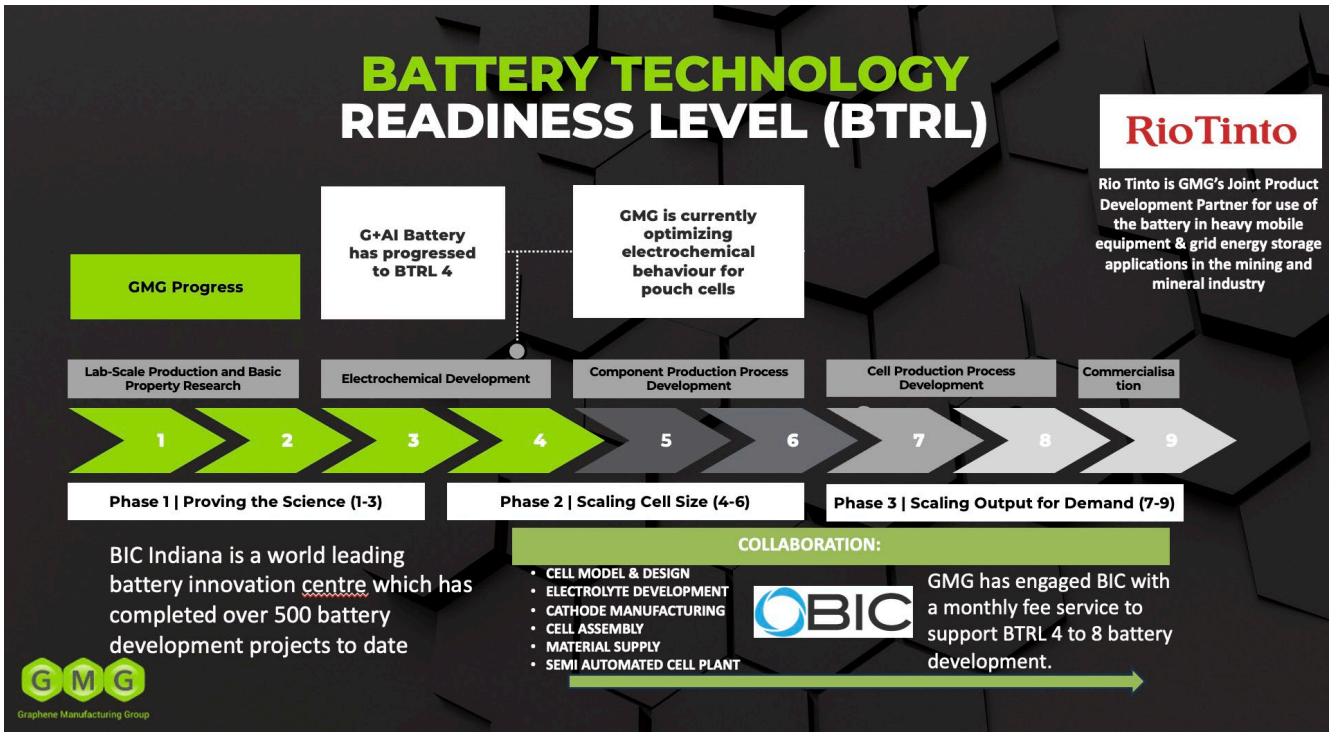
3: Develop Next-Generation Battery

The patent for the Company's Graphene Aluminium-Ion Battery was granted during the financial year in Australia and GMG is progressing its patenting process in various other countries. UQ holds the patent, and GMG has a worldwide exclusive commercialisation license.

The Company is currently optimising the G+AI Battery pouch cell electrochemistry – which is a standard battery development process step (please see "Battery Technology Readiness Level" section below). The Company has developed significant knowledge regarding the electrochemistry of the pouch cells since achieving the targeted 1 Ah cell capacity in February 2024. The challenges that the G+AI Battery are showing through this phase of its maturation are very similar to other battery chemistries that have been developed into mass production – including lithium-ion batteries.

During FY25, the Company signed a service contract with the BIC in the United States to support the next phase of development of the Graphene Aluminium-Ion Battery. BIC is a collaborative initiative designed to incorporate leadership from renowned universities, government agencies, and commercial enterprises. BIC's mission is to accelerate innovation in the field of battery technology by providing access to the entire spectrum of R&D to commercialization, including low volume production, in a single 40,000 square foot facility, located in Newberry, an hour south of Bloomington, Indiana.

The battery technology readiness level ("**BTRL**") of the Graphene Aluminium-Ion technology has progressed to Level 4 (see figure below). GMG is currently optimizing electrochemical behaviour for pouch cells via ongoing laboratory experimentation. Through collaboration with the BIC, it is anticipated that the battery technology readiness will progress to BTRL 7 and 8, since the equipment and process needed to make the Graphene Aluminium-Ion batteries is the same as those employed to make lithium-ion batteries.



Source: "The Battery Component Readiness Level (BC-RL) Framework: A technology-specific development framework", Matthew Greenwood et al

Following successful customer trials, GMG expects to pursue large scale commercial production.

Further Research and Development assessment is in progress.

	G+Al Batteries
Status of R&D project compared to the development plan	• The G+Al Battery R&D Project remains at BTRL 4. • GMG will not progress past BTRL 4 until the electrochemistry of the pouch cell is finalized. • GMG expects to finalise the current electrochemistry of its pouch cell in 2026 through R&D battery sprints and support from BIC Indiana prior to scaling up its cell testing and commercialisation stage.
Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. • Total R&D expenditure for Q2FY26 was $298K (Q2FY25: $372K), consisting predominantly of internal labour, consultants, battery development consumables, testing and quality controls and decline in assets.

Next Steps Toward Commercialisation & Market Applications

The Company is building its commercial market roadmap to prioritise a wide range of potential applications for a completed GMG Graphene Aluminium-Ion Battery. These capture its unique ultra-high power-density and nominal energy density characteristics.

A range of global companies have confidentially expressed their interest in working with GMG including in the following sectors:

- Diesel engine replacement (high load and power requirements)
- Energy storage (in front of, or behind the meter, safety)
- Personal electronics (fast charging and long life)
- Aviation (including vertical take-off and landing)
- Electric Vehicles
- Rail
- Power tools (fast charging and long life)

4: Develop Supply Chain, Partners & Project Execution Capability

GMG continues to focus on developing and strengthening its product value chain partnerships. The Company's ability to form long-lasting strategic partnerships is a key success factor, supporting its other production and product commercialisation business objectives.

GMG believes this approach will de-risk, position, and accelerate GMG's energy savings and G+AI Battery technology success.

Ongoing engagement between our current partners continued throughout the quarter. Additionally, non-disclosure agreements have been signed with several international, high profile potential customers across a wide range of industry segments to explore opportunities to collaborate, understand their application requirements and priorities for the subsequent development and commercial production of GMG's battery prototypes.

FINANCIAL HIGHLIGHTS

Income Statement

	3 month period ended December 31		6 month period ended December 31		Variation	
$'000 unless otherwise stated	**2025**	**2024**	**2025**	**2024**	**$'000**	**%**
Revenue from operations	73	46	160	105	*55*	*52%*
Other income	79	722	125	1,477	*(1,352)*	*(92%)*
Employee benefit expenses	(1,248)	(1,086)	(2,712)	(2,132)	*(580)*	*27%*
Professional and consulting fees	(752)	(671)	(1,276)	(1,307)	*31*	*(2%)*
Depreciation and amortisation expense	(361)	(411)	(713)	(810)	*97*	*(12%)*
Travel expenses	(85)	(109)	(97)	(236)	*139*	*(59%)*
Raw material and production inputs	(103)	(34)	(161)	(75)	*(86)*	*115%*
Gain / (loss) on change in fair value of warrants	(17,526)	33	(16,417)	1,075	*(17,492)*	*(1627%)*
Occupancy expenses	(70)	(87)	(107)	(168)	*61*	*(36%)*
Factory expenses	(47)	(61)	(108)	(91)	*(17)*	*19%*
Share based payments expense	(294)	(254)	(510)	(658)	*148*	*(22%)*
Other expenses	(768)	(281)	(1,336)	(630)	*(706)*	*112%*
Finance expenses	(21)	(23)	(162)	(107)	*(55)*	*51%*
Loss before income tax	**(21,123)**	**(2,216)**	**(23,314)**	**(3,556)**	***(19,758)***	***556%***
Income tax expense	-	-	-	-	-	-
Loss for the period	**(21,123)**	**(2,216)**	**(23,314)**	**(3,556)**	***(19,758)***	***556%***
Basic and diluted loss per share ($)	(0.1785)	(0.0229)	(0.2031)	(0.0369)	*(0.17)*	*451%*
Non-IFRS financial measures [(1)]						
EBITDA	(3,215)	(1,815)	(6,022)	(3,715)	*(2,307)*	*62%*
Adjusted loss before income tax	(3,597)	(2,249)	(6,896)	(4,633)	*(2,263)*	*49%*
Adjusted basic and diluted loss per share ($)	(0.0304)	(0.0232)	(0.0601)	(0.0480)	*(0.01)*	*25%*

(1) Refer to Non-IFRS financial measures for further information.

Balance Sheet

$'000	As at December 31, 2025	As at June 30, 2025
Cash and cash equivalents	13,934	7,708
Trade receivables, other receivables and contract assets	485	117
Research and development grants receivable	-	1,998
Inventories	1,618	1,271
Other current assets	592	347
Property, plant and equipment	4,597	4,753
Intangible assets	836	1,026
Total assets	**22,062**	**17,220**
Trade payables, other payables and contract liabilities	539	1,139
Lease liabilities	375	355
Borrowings	-	-
Financial liabilities	24,207	5,537
Employee benefit liabilities	258	249
Provisions	-	6
Long term liabilities	863	1,025
Total liabilities	**26,243**	**8,312**
Total equity / (shareholders' deficit)	**(4,181)**	**8,908**

Summary of Cash Flows

$'000	For the year ended December 31, 2025	2024	Variation $'000	%
Net cash from / (used) in operating activities	(4,403)	94	*(4,497)*	*(4784%)*
Net cash used in investing activities	(365)	(324)	*(41)*	*(13%)*
Net cash from financing activities	11,125	984	*10,141*	*1031%*
Net increase / (decrease) in cash and cash equivalents	**6,357**	**754**	*5,603*	*743%*

Selected Quarterly Financial Information

The following table contains selected unaudited quarterly financial information for the last eight quarters through to December 31, 2025:

$'000 unless otherwise stated		**Revenue**	**Other income**	**Profit / (loss)**	**Basic and diluted profit / (loss) per share ($)** [(1)]	**Notes (IFRS)**
Q2-2026	December 31, 2025	73	79	(21,123)	(0.1785)	1
Q1-2026	September 30, 2025	87	46	(2,190)	(0.0197)	2
Q4-2025	June 30, 2025	83	2,416	(3,261)	(0.0325)	3
Q3-2025	March 31, 2025	50	766	(1,755)	(0.0175)	4
Q2-2025	December 31, 2024	46	722	(2,216)	(0.0229)	5
Q1-2025	September 30, 2024	59	755	(1,341)	(0.0140)	6
Q4-2024	June 30, 2024	83	3,600	(1,238)	(0.0138)	7
Q3-2024	March 31, 2024	53	781	(2,235)	(0.0264)	8

NON-IFRS

$'000 unless otherwise stated		**Profit / (loss)**	**Less: Adjustment items** [(1)]	**Adjusted Profit / (loss)**	**Adjusted basic and diluted profit / (loss) per share ($)**
Q2-2026	December 31, 2025	(21,123)	17,526	(3,597)	(0.0304)
Q1-2026	September 30, 2025	(2,190)	(1,109)	(3,299)	(0.0297)
Q4-2025	June 30, 2025	(3,261)	2,274	(987)	(0.0098)
Q3-2025	March 31, 2025	(1,755)	(378)	(2,133)	(0.0213)
Q2-2025	December 31, 2024	(2,216)	(33)	(2,249)	(0.0232)
Q1-2025	September 30, 2024	(1,341)	(1,042)	(2,383)	(0.0248)
Q4-2024	June 30, 2024	(1,238)	373	(865)	(0.0096)
Q3-2024	March 31, 2024	(2,235)	(647)	(2,882)	(0.0341)

(1) Refer to Non-IFRS financial measures for further information. Adjustment items relate to the change in fair value of warrants.

Notes (IFRS):

1. Q2-2026: The loss of $21,123K for the quarter was primarily influenced by non-cash fair value movements in the warrant liability, which can fluctuate significantly with changes in the Company's share price and market conditions. Core operating costs increased modestly, reflecting higher spending on consulting, testing, insurance, advertising, and employee related costs as the Company continue to progress commercial and development initiatives. Importantly, these non-cash revaluation effects and strategic operating investments drove the accounting loss for the quarter, while underlying business activity remained stable.
2. Q1-2026: The $2,190K loss in Q1FY26 was mainly due to $2,941K of operating expenses, offset by sales from THERMAL-XR® and G®LUBRICANT of $87k and $1,109K gain in fair value of warrants.
3. Q4-2025: Revenue during the quarter included $73K for THERMAL-XR® sales, $9K for G®LUBRICANT sales, $1,998K of refundable R&D tax incentive and recognition of income of $359K under the Joint Development Agreement, offset by $2,882K of operating expenses and a loss from change in fair value of warrants of $2,274K.
4. Q3-2025: The loss of $1,755K in Q3FY25 was largely driven by $2,510K of operating expenses, offset by $378K gain in fair value of warrants, recognition of $719K of income under the Joint Development Agreement, foreign exchange gain of $45K as well as $50K of THERMAL-XR® and G®LUBRICANT sales.
5. Q2-2025: The loss of $2,216K in Q2FY25 was primarily $2,583K of operating expenses, offset by $647K of income recognised from the JDA, $74K of foreign exchange gains, $46K of coating jobs and $33K gain on the fair value of the warrants outstanding.
6. Q1-2025: The $1,341K loss in Q1FY25 was mainly due to $2,715K of operating expenses, offset by $1,042K gain in fair value of warrants and recognition of $750K of JDA income.

7. Q4-2024: The loss of $1,238K in Q4FY24 was driven by $2,725K of operating expenses and $1,611K in fair value adjustments of warrants to reflect the share price increase during the quarter, offset by $2,848K for the refundable FY24 R&D tax offset, recognition of $750K of joint development income from a collaboration agreement, as well as $81K of THERMAL-XR® sales.
8. Q3-2024: The loss of $2,235K was primarily a result of an increase in depreciation and amortisation costs for the Battery development centre and THERMAL-XR® blending plant coupled with an increase in once off costs for staff redundancies as a result of the Company's actions to reduce ongoing operational expenditure and further consulting an contracting costs for commissioning and calibrating the graphene plant expansion, offset by a $647k gain on the fair value of warrants outstanding, recognition of $750K of JDA income and $50K of domestic THERMAL-XR® sales.

OPERATIONS

Non-IFRS financial measures

This MD&A refers to Earnings Before Interest, Depreciation, and Amortisation ("**EBITDA**"), Adjusted Profit and Loss before income tax for three and six month periods and adjusted basic and diluted loss per share that are measures with no standardised meaning under IFRS. They are non-IFRS measures and may not be comparable to similar measures presented by other companies. Their measurement and presentation are consistently prepared and is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management considers this measure appropriate as it reflects the underlying operational performance of the business.

EBITDA

EBITDA is used by management and investors to assess the Company's core operational profitability. EBITDA for the period is calculated by the Company as deducting operating expenses from revenue.

	3 month period ended December 31		6 month period ended December 31	
$'000	**2025**	**2024**	**2025**	**2024**
Revenue from operations	73	46	160	105
Other income	79	722	125	1,477
Less operating expenses:				
Employee expenses	(1,248)	(1,086)	(2,712)	(2,132)
Share based payments expense	(294)	(254)	(510)	(658)
Plant expenses	(150)	(95)	(269)	(166)
Professional and consulting fees	(752)	(671)	(1,276)	(1,307)
Occupancy expenses	(70)	(87)	(107)	(168)
Overheads expenses	(853)	(390)	(1,433)	(866)
EBITDA	**(3,215)**	**(1,815)**	**(6,022)**	**(3,715)**

Adjusted loss for the period and adjusted loss per share

Adjusted loss for the period and adjusted loss per share are used by management and investors to measure the underlying operating performance of the Company. Adjusted loss for the period, excludes specific items that are significant but not reflective of the underlying operating performance of the Company, such as the impact of changes in the fair value of warrants. Adjusted loss per share amounts are calculated using the weighted average number of shares outstanding on a basic and diluted basis as determined by IFRS.

The following table provides the calculation of the unaudited adjusted loss for the period and adjusted basic and diluted loss per share, as adjusted and calculated by the Company:

$'000 unless otherwise stated	3 month period ended December 31 **2025**	**2024**	6 month period ended December 31 **2025**	**2024**
Loss for the year	(21,123)	(2,216)	(23,313)	(3,558)
Less:				
Change in fair value of warrants	17,526	(33)	16,417	(1,075)
Total adjustment items	17,526	(33)	16,417	(1,075)
Adjusted loss for the year	**(3,597)**	**(2,249)**	**(6,896)**	**(4,633)**
Loss per share [(1)]				
Basic and diluted ($) [(2)]	(0.1785)	(0.0229)	(0.2031)	(0.0369)
Adjusted basic and diluted ($) [(3)]	(0.0304)	(0.0232)	(0.0601)	(0.0480)
Weighted average number of ordinary shares - basic and diluted	118,350,344	96,998,872	114,796,439	96,495,951

(1) Due to the loss recognised for the years, all outstanding stock options, warrants, broker warrants, restricted share units and performance share units were excluded from the calculation of diluted loss per share due to their anti-dilutive effect.
(2) Calculated using loss for the period over the weighted average number of ordinary shares as per IFRS.
(3) Calculated using adjusted loss for the period over the weighted average number of ordinary shares (non-IFRS measure).

Revenue and other income

$'000	3 month period ended December 31 **2025**	**2024**	6 month period ended December 31 **2025**	**2024**	Variation **$'000**	**%**
Revenue from operations	73	46	160	105	*55*	*52%*
Other income	79	722	125	1,477	*(1,352)*	*(92%)*

Revenue from operations were slightly higher at $73K in Q2FY26 compared to $46K in Q2FY25. Q2FY26 comprised of THERMAL-XR® products and coating services supplied to domestic clients in various sectors and G®LUBRICANT web sales whereas Q2FY25 primarily comprised of THERMAL-XR® sales. The revenue increase is attributable to the launch of G®LUBRICANT web sales and increased advertising investment.

Other income for Q2FY26 mainly comprised of interest income on cash held, compared to Q2FY25 which predominantly included $647K of joint development income related to the progressive recognition of the Rio Tinto JDA income

Operating costs

Total operating expenses increased by $759K in Q2FY26 compared to Q2FY25 predominantly due to increasing employee costs as the Company scales up its stock levels and sales efforts. Management continues to prudently manage the pace of growth as well as monitor inflationary pressures and control operating expenses where feasible.

Shown in the table that follows, are total unaudited operating expenses, which exclude finance costs, depreciation and amortisation.

$'000	3 month period ended December 31 2025	2024	6 month period ended December 31 2025	2024	Variation $'000	%
Employee expenses	1,248	1,086	2,712	2,132	*580*	*27%*
Share based payments expense	294	254	510	658	*(148)*	*(22%)*
Plant expenses	150	95	269	166	*103*	*62%*
Professional and consulting fees	752	671	1,276	1,307	*(31)*	*(2%)*
Occupancy expenses	70	87	107	168	*(61)*	*(36%)*
Overheads expenses	853	390	1,433	866	*567*	*65%*
Total operating expenses	**3,367**	**2,583**	**6,307**	**5,297**	***1,010***	***19%***

Following is a description of, and commentary on the high-level expense categories of GMG:

Employee expenses

Employee expenses consist of salaries and employee related overheads (primarily superannuation and payroll tax).

Overall employee expenses increased from $1,086K in Q2FY25 to $1,248K in Q2FY26. This is mainly attributable to the addition of new roles to support business growth.

Share based payments expenses

Share based payments includes share payments for all employees, directors, certain contractors and commercial transactions, such as shares issued for capital raising costs and shares issued for the purchase of IP, trademark & sole distribution rights for THERMAL-XR®.

The total amount to be expensed as employee share-based payments is determined by reference to the fair value of any options granted under the employee share option plan, and share units granted under the Company's restricted share unit and performance unit plan:

- including any market performance conditions (e.g. the entity's share price); and
- excluding the impact of any service-based vesting conditions (for example, remaining an employee of the entity for a period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The fair value of shares issued as share-based compensation for goods or services rendered, is measured based on the value of those goods or services provided, expensed at the time of share issue.

Overall share-based payments expense increased from $254K in Q2FY25 to $294K in Q2FY26. The expense as it relates to options was lower this quarter because no new options have been granted since February 2024. This was more than offset by the RSU component of the expense which increased partly due to the negative impact on the comparative of a number of forfeitures of unvested portions of share-based payments expense for a number of staff leaving the organisation.

Plant expenses

This includes raw materials and production inputs, general warehouse expenses, Health, safety and environment and quality control, machinery parts and consumables, repairs and maintenance and other costs.

Plant expenses, excluding raw materials and production inputs, were $47K in Q2FY26, a decrease compared to spend of $61K in Q2FY25. This was attributed to a decline in general warehouse expense as Q2FY25 included costs associated with the THERMAL-XR® coating area.

Costs for raw materials and production inputs increased from $34K in Q2FY25 to $103K in Q2FY26. This is due to utilising contractors for coating jobs in Q2FY26.

Professional and consulting fees

Professional and consulting costs increased from $671K in Q2FY25 to $752K in Q2FY26. The increase primarily reflects costs associated with consultants supporting the warehouse analytics review.

Occupancy

Occupancy expenses relate primarily to the rental outgoings and electricity costs at the production facilities located at Richlands, Queensland.

The Company's Richlands Headquarters and warehouse leases meets the recognition criteria as a right-of-use ("**ROU**") asset under IFRS 16. The ROU assets and corresponding lease liabilities are recognised on the balance sheet with lease payments split between lease liability principal repayments and interest expense and therefore do not appear under occupancy expenses. Depreciation of the leased asset is recorded on a straight-line basis.

Overall occupancy expenses decreased from $87K to $70K from Q2FY25 to Q2FY26, primarily due to savings from no longer holding the Unit 6 lease at Richlands.

Overheads

Insurance, IT, travel, sponsorships, other research and development partner related expenses, and various other expenses have been classified as 'Overheads'. While expenses such as IT related expenses, travel and marketing are expected to increase as the business grows, others such as licensing and registration, website costs, R&D partner costs, filing fees and warrant transaction costs will be uncorrelated to the number of employees, product offerings or number of customers. The following are various material operational sub-items that constitute 'Overheads', excluding the expensing of transaction costs.

- Advertising costs of $156K in Q2FY26 predominantly related to US televised airings $85K, and G®LUBRICANT advertisements $64K, compared to no spend in Q2FY25;
- Testing and quality control expenses increased from $19K in Q2FY25 to $164K in Q2FY26 due to testing and quality control with the BIC and performance and efficiency comparison testing;
- IT expenses increased from $41K in Q2FY25 to $72K in Q2FY26 primarily due to additional software investments required to support business growth; and

- Marketing expenses increasing from $8K in Q2FY25 to $61K in Q2FY26 reflects the Company's efforts to enhance brand awareness, accelerate customer acquisition, and support the rollout of new products and services.

Fair value of warrants

The $17,526K expense in Q2FY26 resulting from the fair valuation adjustment recognised on the warrant liability was driven by a 178% increase in the share price since Q1FY26.

The share purchase warrants impacted by this adjustment are certain warrants that are recognised by the Company as a derivative liability due to their Canadian dollar denominated, fixed exercise price being different to the Company's functional currency which is Australian dollars. IFRS requires such instruments to be treated as a derivative liability and not equity, until the warrants are exercised or expire. The fair value of the warrants is determined using the Black Scholes option pricing model at the period-end date, or the market trading price in respect of GMG's traded warrants.

There are no cash obligations for the Company relating to this liability. Changes in fair value will continue to be reported in subsequent periods until the warrants are exercised or expire at which time the derivative liability ceases.

A number of factors influence the warrant liability valuation including share price, interest rates and a volatility assumption. For example, share price increases may result in an expense recorded in the profit and loss in conjunction with any increase in the fair value of the warrant liability, while share price decreases, warrant exercises or a reduced time to expiry with the passage of time would result in a gain and decrease in the fair value of the warrant liability.

For warrants exercised, the cumulative difference between the fair value of the warrant liability recognised at grant date, and the fair value based on the GMG share price at exercise date, which is applied to profit or loss, is then extinguished as a liability, with the offsetting entry applied to equity.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents amounted to $13.9M at December 31, 2025, an increase of $6,226K since June 30, 2025. The increase was predominantly driven by financing activities, including $8.2M received from the August 2025 Offering, $4M from the exercise of warrants and share options, and proceeds from the distribution of Ordinary Shares under the Company's ATM Facility. The inflows were partially offset by operating cash outflows of $4.4M and $365K spent during Q2FY26 on acquisitions of plant, equipment, and intangibles such as patents and trademarks.

Trade receivables, other receivables and contract assets of $485K as at December 31, 2025, consisted primarily of share issue receivables of $374K from the exercise of warrants and $30K from sales of THERMAL-XR® coating services and products, and GST receivable.

Inventory is comprised of two main components, inventory of Graphene and related products, and critical spares Inventory. Overall, inventories increased in twelve months by $1,087k to $1,618k in Q2FY26.

Inventories of Graphene and related products increased significantly by $433k to $956K in Q2FY26 compared to $523K in Q2FY25. There was a 96kg ($75K) reduction in Graphene inventory held due to its use in the production of THERMAL-XR® and G®LUBRICANT in bulk, offset by increases in all other inventory components, including packaging and raw materials and small pack finished products. Furthermore, an increase of $654K of critical spare parts inventory was recorded reflecting parts for both the THERMAL-XR® and Graphene plants to ensure efficient operation and to minimise production downtimes.

Other current assets of $592K are prepayments, primarily $74K for insurance, $59K for leased premises costs including related outgoing costs, $12K share registry expenses, $34K work cover, $112K for marketing expenses, $121K for inventory, $38K for international travel expenses and $45K for IT expenses costs.

Trade and other payables relate to expenses in the ordinary course of business, including accounts payable, wages payable, pay as you go withholding tax payable, superannuation payable, and other accrued expenses. The balance of $539K at December 31, 2025 consists primarily of $193K of trade payable, $190K of accrued costs and $125K of superannuation payable.

The financial liability relates to certain share purchase warrants issued with an exercise price denominated in Canadian dollars (as described in detail in a previous section titled *Fair value of warrants*).

Liquidity and capital resources

GMG has generated limited revenue to date. Cash expenses mainly relate to R&D activities and other operational expenses. Capital raised has been mainly used to fund the development of the Company's proprietary graphene powder production technology, graphene enhanced products and solutions, and plant and equipment and expenses for developing, testing, manufacturing and marketing these products. Development of G+AI Battery technology, production and commercialisation planning has been an increasing focus area for GMG's employees and intended use of current cash resources.

The table below contains unaudited information about the Company's contractual obligations that affect short-and long-term liquidity and capital needs. The table also includes information about payments due under specified contractual obligations and is aggregated by type of contractual obligation.

Contractual Obligations	**Payments Due by Period**			
	Total ($)	**Less than 1 year ($)**	**1-5 years ($)**	**After 5 years ($)**
Debt	-	-	-	-
Finance Lease Obligations	-	-	-	-
Operating Leases	639,999	406,013	233,986	-
Purchase Obligations	-	-	-	-
Other Obligations	-	-	-	-
Total Contractual Obligations	639,999	406,013	233,986	-

Timing for commercialisation of G+AI Batteries will depend on the further successful development of a commercial G+AI pouch prototype including the process technology required to produce the necessary commercial scale grade graphene powder. GMG continues to work on various scientific and engineering

methods to optimise capacity, energy and power density, other standard battery performance criteria and overall design of pouch cell products. With this progress and current plans the Company aims to progress from the current pouch cell viability prototype to early pouch cell commercial prototype stages and subsequent stages of cell development(s).

Revenue in the near term is targeted to be generated from THERMAL-XR® and G®LUBRICANT. Growth in customer demand for these products, and timing for commercialisation of G+AI Batteries, will influence the future funding requirements for GMG. A large part of the strategy involves identifying and recruiting distribution channel partners and providing them the marketing, product and technical support necessary to grow revenues in their regions. Since the recent Australian Government approval for GMG to produce and sell THERMAL-XR® at scale, the Company has driven sales activities and is in the process of bolstering related production capacity.

In Q2FY26, the Company incurred a loss of $21,123K after income tax and net cash outflows from operating activities of $4,403K. As at December 31, 2025, the Company had net current liabilities of $8,751K (June 30, 2025: net current asset of $4,154K). The increase of net current liabilities was primarily the result of non-cash fair value movements in the warrant liability, because of a 178% increase in share price since Q1FY26, which can fluctuate significantly with changes in the Company's share price and market conditions.

The ability of the Company to continue as a going concern is principally dependent upon current cash funding held and the ability to raise additional capital, attract further partners or secure other forms of financing, as and when necessary to meet the levels of expenditure required for the Company. This is required to continue its ongoing development and commercialisation of energy saving and energy storage solutions and to meet the Company's working capital requirements.

These conditions continue to give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

Whilst acknowledging these uncertainties, the Directors have concluded that the going concern basis of preparation of the MD&A is appropriate considering the following circumstances:

- As at December 31, 2025, the Company had cash on hand of $13,934K, which is anticipated to be sufficient to meet the ongoing corporate costs and expected project expenditure in the short term;
- As at the date of this MD&A, there are 2,301,238 options and 15,637,572 warrants on issue with exercise prices ranging from AUD$0.61 to AUD$3.46[1]. If exercised, the options and warrants could raise up to $27,852,710 in additional capital in aggregate. Of the outstanding options and warrants, 2,301,238 options and 13,549,722 warrants are considered "in the money", amounting to potential currently 'in the money' proceeds of $20,575,096;
- The Company believes that its research and development activities will continue to satisfy the requirements of the Australian research and development tax incentive regime as shown by the receipt by the Company on November 25, 2025 of the $1,998K of research and development refund for the financial year ending 30 June 2025;
- The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately;

[1] Assuming a C$/A$ exchange rate of 1.03356

- The Company continues to engage with potential energy saving products customers with the aim to increase sales;
- There has been C$3,130,951 of warrants exercised within the December 2025 quarter;
- On 11 July 2025 the Company entered into an equity distribution agreement (the "Distribution Agreement") with Cantor Fitzgerald Canada Corporation to provide additional working capital if required. Pursuant to the Distribution Agreement, the Company is entitled to sell such number of ordinary shares that would result in aggregate gross proceeds of up to C$20million;
- On September 3, 2025, the Company closed a bought deal public offering for gross proceeds of C$6,900,000, which included the full over-allotment option. Under the offering, the Company sold 7,666,667 units of the Company at a price of C$0.90 per Unit; and
- To the extent required, the Company has capacity under the policies of the TSX-V to raise further funds through the issue or placement of securities and currently has a base shelf prospectus (the "**Base Shelf Prospectus**") readily available on SEDAR+ for this purpose.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the MD&A. This MD&A does not include any adjustments related to the recoverability and classification of recorded asset amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Use of Financing Proceeds

The capital raised pursuant to the March 2025 Offering had funds allocated as per the below table.

Use of Proceeds	Estimated Expenditure A$	Expenditures (April 1, 2025 - December 31, 2025) A$	Variance A$	Comments
Research and development costs to progress pouch cell G+AI Battery to enable scaled production with the Company's employees and service charges with the BIC Indiana.	1,375,000	1,086,263	288,737	Spend to date predominantly includes employee costs for the battery team approx. 70% and testing with the BIC of 20%.
Capital expenditure for sales expansion of Gen 2.0 Plant and G®LUBRICANT Blend Plant.	1,925,000	516,810	1,408,190	The Gen 2.0 Plant early works in motion on approval of spend in May 2025.
Ongoing corporate activities and commercial development of new and established product channels for energy savings products.	596,420	951,715	(355,295)	Spend to date includes approx 40% of sales team staffing costs and approx. 40% sales contractors.
	3,896,420	**2,554,788**	**1,341,632**	

The Company intends to use the net proceeds of the most recent capital raise under the August 2025 Offering as follows:

Use of Proceeds	Estimated Expenditure A$	Expenditures (September 1, 2025 - December 31, 2025) A$	Variance A$
Research and development costs to progress pouch cell G+AI Battery to enable scaled production including service charges with BIC Indiana to accelerate the Company's R&D efforts for both the G+AI Battery and Supa G.	1,650,000	-	1,650,000
Capital expenditure for sales expansion to deliver the second stage of the Gen 2.0 Plant.	1,540,000	-	1,540,000
Ongoing corporate activities and commercial development of new and established product channels for energy savings products, build stock for global distribution and palletisation of the Company's inventory.	2,487,837	-	2,487,837
Ongoing business operation overheads inclusive of occupancy costs, administrative salaries, and other running costs.	1,100,000	-	1,100,000
	6,777,837	**-**	**6,777,837**

In addition to the capital raises, GMG has utilised the ATM Facility and net proceeds from this have been used to fund ongoing business operations and working capital.

Financial instruments and risk management

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the financial instrument. GMG's financial instruments are its cash and cash equivalents, trade and other receivables, trade and other payables. The Company is exposed to a variety of financial risks, which result from its financing, operating and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and position.

The risks arising from the Company's financial instruments are mainly credit risk and foreign currency risk. The risk management policies employed by the Company to manage these risks are discussed below:

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets.

As the company expands and increases sales, this will become a larger consideration. Management closely monitors, the activities of its counterparties and potential counterparties.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. Some financial assets may not be able to be monetised in a timely manner. Based on current cash resources, the company's outstanding warrants and options, and the recently completed capital raising, Management considers liquidity risk to be low for the 2025 financial year. While the company does not

have any credit facilities from banks, GMG ensures it maintains enough cash, to fulfil its near-term liabilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk, however, at present, this risk is relatively low as revenue is limited and most expenses are denominated in Australian dollars. However, in the past, the Company has sourced funding from investors and will increasingly source capital equipment from overseas. Because of the short-term nature of these foreign currency exposures to date and low level of associated risk, the Company has not considered it necessary to enter into any currency hedging transactions. More recently the Company has become exposed to currency risk relating to the financial liability required by IFRS to be recognised in relation to certain warrants with exercise prices denominated in Canadian dollars. As there is no cash obligation associated with this liability, the Company considers the associated currency risk to be low.

Off-balance sheet arrangements

As of the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Outstanding shares

As at the date of this MD&A, the Company has:

- 124,739,638 ordinary shares issued and outstanding;
- 2,301,238 options outstanding with expiry dates ranging between March 10, 2026 and March 10, 2028, with exercise prices between A$0.61 and A$2.07. If all the options were exercised, 2,301,238 shares would be issued for proceeds of A$3,344,790. Of these options all are in the money.[2];
- 15,637,572 warrants outstanding with expiry dates ranging between August 16, 2026 and January 28, 2030, with exercise prices between C$0.55 and C$3.35. If all the warrants were exercised, 15,637,572 shares would be issued for proceeds of A$24,507,920[3]. Of these warrants 13,549,722 are in the money and if exercised proceeds would be $17,230,306[4]; and
- 2,264,833 restricted share units outstanding with a nil exercise price and expiry dates ranging between March 14, 2027 and March 14, 2029.

CHANGES IN ACCOUNTING POLICIES

The Company applied for the first time certain standards and amendments effective from January 1, 2025:

- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*)

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

[2] Assuming a C$/A$ exchange rate of 1.03356.
[3] Assuming a C$/A$ exchange rate of 1. 03356.
[4] Assuming a C$/A$ exchange rate of 1. 03356.

SUSTAINABILITY AND RISKS

"No Harm to People or Environment" remains at the core of GMG's values. GMG also has the opportunity to "improve" through application of our energy saving products. GMG takes a holistic view of sustainability factors with a vision to enrich our environment and society. The United Nations 17 Sustainable Development Goals ("SDGs") were identified as the benchmark for goal alignment while focussing on improving performance in key areas.

GMG is committed to focus on priority SDGs where the Company can best contribute. These are currently identified as:

- # 7 Ensure access to affordable, reliable sustainable and modern energy for all.
- # 13 Take urgent action to combat climate change and its impact.
- # 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

These goals form part of the Sustainability improvement plan and are aligned with goals in GMG's business plan. GMG is committed to continued focus on Environmentally Sustainable Governance practices to ensure ongoing improvement within its business activities. Through the application and use of GMG's products and services the Company will continue to focus on its carbon footprint and carbon footprint reductions through the application of energy saving products and services with our customers.

RISKS AND UNCERTAINTIES

For a detailed description of all risks please refer to Company's annual management's discussion and analysis for the years ended June 30, 2025 and 2024 and the AIF dated November 4, 2025.