Graphene Manufacturing Group

Management's Discussion and Analysis
For the three month periods ended
30 September 2026 and 2025

(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-month periods ended 30 September 2026 and 2025.

This MD&A should be read in conjunction with the unaudited condensed financial statements as at and for the three-month periods ended 30 September 2026 and 2025. 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 30 June 2026.

The unaudited condensed financial statements as at and for the three-month periods ended 30 September 2026 and 2025 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 19 November 2026.

Further information about GMG, including the Company's Annual Information Form ("**AIF**") dated 28 October 2026 that does not form part of, nor is incorporated within this MD&A, is available on GMG's website and on SEDAR+ (www.sedarplus.ca) (the official site of the Canadian Securities Administrators, which is publicly available), including all news releases.

The period from 1 July 2026 to 30 September 2026 has been referred to as Q1FY27 and the period from 1 July 2025 to 30 September 2025 has been referred to as Q1FY26. The financial year ending 30 June 2027 has been referred to as FY27 and the financial year ended 30 June 2026 has been referred to as FY26.

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$ mean 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 competitive and business strategies (including R&D strategies, pricing strategies, go-to market strategies) of the Company; the intention to grow the business, operations and the Company's potential activities; the Company's expectations regarding its products, the demand for such products, the development, testing and operational improvements on the products and the effect of such improvements; the development of the G®CELLS including the finalisation of G®CELLS pouch cell electrochemistry, timing and progression of the technology through the BTRL, timing of sample cells, customer testing of G®CELLS pouch cells, development and expansion of production and the timing of customer sale contracts and final full commercialisation; the Company's anticipated cash needs and its needs for additional financing; whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations; the Company's intention to build valuable intellectual property around graphene-enhanced products and solutions and the anticipated benefits therefrom including accelerated sales growth and profit margins; future outlook and goals; the performance of the Company's business and operations; the timing, costs and potential success of the Company's future activities; offerings and distribution of the Company's products by strategic partners of the Company and the negotiation of, and entry into, related agreements; the Company's expectation that near-term revenue will be generated from THERMAL-XR®; the collaborative testing and development of graphene products for HVAC-R systems in the rail industry under the Company's memorandum of understanding with Alstom; the Company's intention to offer additional products and services, including the offering of THERMAL-XR® products, G®LUBRICANT products, SUPA G® products, G®FLUID products, energy storage products and graphene powder products, the anticipated timing thereof and the associated revenue models; the expected performance and commercial potential of G®FLUID in the data centre market; the potential energy density, power density, charging time, cycle life, voltage or safety or materials used or materials not used in the G®CELLS including the materials used in or on the cathode, anode, electrolyte, separator or the substrates of the cell; the expected substance and timing of the Company's SNUN to the EPA under PMN P-25-0018 and the timeline for completion of the EPA review process; the Company's intention and ability to expand its market access and broaden the commercial distribution of its products in international jurisdictions, including through its European and Asia Pacific Sales teams; the use of proceeds under the Company's various offerings of securities for financing purposes; analyses and other information based on expectations of future performance, future expansion, future product development and future revenue generation; the work undertaken by the Company towards bolstering production capacity; the successful achievement of graphene production quality from the Gen 2.0 Plant; expected production enhancements including increased production capacity, lower production costs and improved graphene quality as a result of the completion of works on and optimisation of the Gen 2.0 Plant; the Company's plan to pursue large scale commercial production; the design, engineering, procurement, construction, funding, commissioning timeline and operational capabilities of the Company's Fulcrum Facility; the amount of proceeds that may be raised by the exercise of the warrants and options of the Company; the Company's expectations regarding research and

development timing and its qualification for the Australian research and development tax incentive regime; GMG's expectations regarding focus on carbon footprint reductions; the Company's expectation regarding its ability to maintain sufficient liquidity to fund its working capital, manage cash resources and obtain future financings.

Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks and 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-R sector and other applications, including in data centre, electronics, mining and energy sectors, and the potential and application of the Company's other products, including SUPA G®, G®FLUID and G®LUBRICANT,
- that the electrochemistry of the Company's G®CELLS pouch cell will be finalised on anticipated timelines and that the BTRL of the G®CELLS technology will thereafter advance as anticipated through the Company's collaboration with the BIC,
- that the Company will continue as a going concern,
- that the Company will commence large scale commercial production,
- that the testing of SUPA G® will yield favourable results,
- that the Company's new graphene manufacturing plant (the "Fulcrum Facility") will be constructed and operational as planned,
- that G®FLUID will achieve commercial acceptance in the market,
- that the Company's targeted battery performance metrics will be achieved,
- that regulatory approvals, including EPA approvals, will be obtained in the expected timeframes,
- that the EPA will complete its review of the Company's SNUN under PMN P-25-0018 on the anticipated timeline and on acceptable terms,
- that proceeds raised by the 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 successfully deliver the expected production, cost and quality enhancements,
- that focusing on developing and strengthening its product value chain partnerships will de-risk and accelerate the Company's energy savings and G®CELLS technology success,
- that design, engineering and procurement for the Fulcrum Facility will proceed as planned and that the Fulcrum Facility will achieve its expected production capacity, assembly capacity and standalone energy generation capabilities,

- that the filling, warehousing and distribution of G®FLUID will be finalised as planned and that customer testing of G®FLUID will be successful,
- that the Company's marketing and sales initiatives, including its European and Asia Pacific sales teams and its G®LUBRICANT direct marketing campaign, will generate sales as anticipated, and that the Company will be able to identify and recruit distribution channel partners,
- that the Company's expenditures will be in line with its plans and that the expected research and development tax incentive will be received,
- 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-R sector or in other sectors,
- that the potential and performance of the Company's products, including SUPA G®, G®FLUID 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 electrochemistry of the Company's G®CELLS pouch cell will not be finalised in 2026 as expected, or that the BTRL of the G®CELLS technology will not advance as anticipated, or that customer testing of G®CELLS pouch cells will not be successful,[1]
- that works on the Gen 2.0 Plant will not be completed or that the Gen 2.0 Plant will not be optimised as anticipated,
- that the Gen 2.0 Plant will not successfully produce quality graphene, or that the Gen 2.0 Plant will not deliver production gains as anticipated,
- that the Fulcrum Facility may not be constructed or become operational as planned or within the anticipated budget, or that the Company will be unable to obtain the additional capital required to complete its construction,
- that the Fulcrum Facility will not achieve its expected production capacity, assembly capacity or standalone energy generation capabilities,
- that G®FLUID may not achieve commercial acceptance or the expected performance in the data centre market,
- that the Company's targeted battery performance metrics may not be achieved, that regulatory approvals, including the EPA's review of the Company's SNUN under PMN P-25-0018, may not be obtained in the expected timeframes or at all,
- changes in global trade policies, tariffs and geopolitical conditions that may affect the Company's supply chain and international operations,
- 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®CELLS technology success,
- that discussions with data centre operators and mining, energy and gas producers will not lead to projects or revenue,
- that the Company's marketing and sales initiatives will not generate sales as anticipated, or that the Company will be unable to identify and recruit distribution channel partners,
- inability of the Company to obtain future research and development tax incentives,
- inability to obtain future financing or raise capital from the exercise of warrants or options, 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.

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BUSINESS OVERVIEW

RESTATED PRIOR YEAR COMPARATIVES

During the year ended 30 June 2026, the Company identified an error in how it accounted for transaction costs on the issue of warrants classified as financial liabilities at fair value through profit or loss. The Company had amortised these costs over the life of the warrants. IFRS 9 requires them to be expensed immediately.

The Company corrected the error in its last annual financial statements for the year ended 30 June 2026, as disclosed in note 5 of those statements. That correction included the adjustment to opening accumulated losses at 1 July 2025 shown in the statement of changes in equity.

The Company has restated the comparative figures for the three months ended 30 September 2025 as follows:

(a) Consolidated Statement of Profit or Loss and Other Comprehensive Income – 30 September 2025

	As Previously Reported 30-Sept-25 $	Adjustment $	Restated 30-Sept-25 $
Other expenses	(567,873)	123,841	(444,032)
Finance expenses	(140,378)	(835,016)	(975,394)
Loss before income tax	(2,189,907)	(711,175)	(2,901,082)
Loss after tax	(2,189,907)	(711,175)	(2,901,082)
Total Comprehensive Loss	(2,189,907)	(711,175)	(2,901,082)
Basic and diluted loss per share	(0.0197)	(0.0064)	(0.0261)

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".

About 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 has successfully patented THERMAL-XR® ENHANCE in Australia for 20 years and is progressing the patent in numerous other countries.

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 and data centre sectors.

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 has been granted in the USA for 20 years, accepted in Europe and allowed in China; and is progressing through country level in approximately 20 countries for the in-country patent.

The Company has most recently launched G®FLUID. G®FLUID is the Company's graphene-enhanced water additive, designed for use in the coolant loops of data centre infrastructure and other infrastructure that utilises coolant loops. G®FLUID is the newest member of the Company's product portfolio and is currently in early commercialisation. The product is positioned to complement THERMAL-XR® — where THERMAL-XR® improves the thermal performance of air-side heat exchange surfaces (coils, cold plates), and G®FLUID improves the thermal performance of the liquid-side coolant loop.

Energy Storage

GMG continues to progress further research and development ("**R&D**") and commercialisation of G®CELL batteries (**"G®CELLS"**). 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 G®CELL batteries for use in the mining and minerals industry (refer to page 18 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 G®CELLS 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 commercialisation, 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®CELLS development program it has launched SUPA G®. SUPA G® is a graphene slurry which has been developed by GMG for GMG's own G®CELLS, 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 30 September 2026, GMG had a cash position of $19,823K, excluding restricted cash of $321K, and no debt other than lease liabilities. The net loss for the quarter was $8,012K, including the gain in fair value of warrants of $1,786K. 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. 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. In addition to this, the Company is dependent on the ability to commercialise its products to generate sustainable, sufficient operating cash flows. These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

For Q1FY27, GMG had an adjusted loss of $9,798K. Please note that adjusted loss is not a standardised 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 25 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.

In July 2026, the Company entered into a global exclusive memorandum of understanding with Alstom for collaborative testing and development of graphene products for use in HVAC-R systems in the rail industry.

On 9 July 2026 the Company announced positive performance test results for its THERMAL-XR® ENHANCE coating – the 30,000 hours of salt spray testing under test method ASTM B117-19 at an external laboratory was surpassed on 24 June 2026.

In July 2026, the Company's Board approved AUD$1.2 million in capital expenditure for the next stage of design, engineering, and long-lead procurement for the Company's new graphene manufacturing plant (the "**Fulcrum Facility**"). The facility is expected to have an annual production capacity of approximately 100 tons of graphene and be largely self-powered through standalone energy generation. The facility is also expected to assemble and commission up to 12 additional modular production units per annum, equivalent to an additional 240 tons of annual graphene production capacity.

In August 2026, the Company announced the launch of G®FLUID, a patent-pending graphene water coolant additive designed for data centre and industrial cooling circuits. G®FLUID increases heat transfer rates by approximately 20% when used at a 1:100 concentration ratio and reduces microbial and bacterial growth by up to 87%, based on independent third-party testing results under EN 1276 standards.

In August 2026, the Company announced it updated its branding to be used for all graphene battery cells going forward. This new branding refers to the safe and fast charging nature of the Company's batteries and how the graphene is used to enhance their performance and cycle life. The new branding is G®CELLS.

In September 2026, the Company announced the launch of the GMG Asia Pacific Sales Team which has been carrying out business development in various countries since early 2026. The GMG Asia Pacific Sales Team is initially based in India, South Korea, Japan and Singapore, in addition to the team in Australia.

In September 2026, the Company's Gen 2.0 Plant was officially opened by Honourable Bryson Head, Queensland Government State Member for Callide and Assistant Minister for Regional Development, Resources and Critical Minerals. The Company initially announced the operation of the Gen 2.0 Plant on 6 July 2026, which can be viewed on SEDAR+ or the Company's webpage.

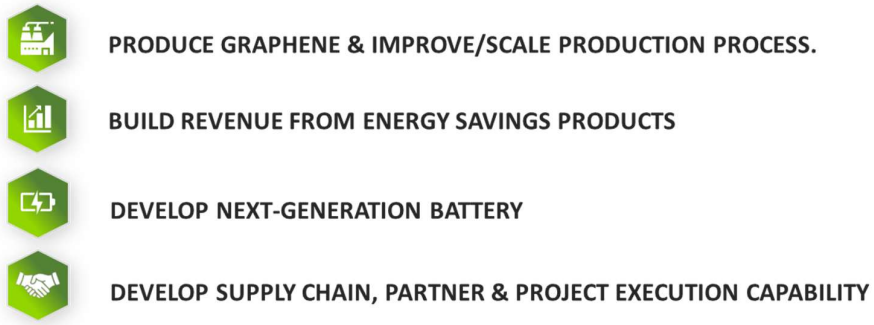
In September 2026, the Company provided an update on battery cycling data for its next generation graphene battery technology. The update shows G®CELLS having cycled with no performance reduction after 489 cycles, as at 4 September 2026, despite being charged and discharged within 6 minutes for each cycle. G®CELLS also showed a very stable voltage and capacity curve with little change in voltage during 80% of the discharge cycle.

On 28 September 2026, the Company announced that it had closed a non-brokered private placement with a private investor pursuant to which the subscriber agreed to subscribe for 6,465,336 Ordinary Shares at a price of CA$2.15 per Ordinary Share for total gross proceeds to the Company of approximately US$10,000,000.

On 8 October 2026, subsequent to the end of the quarter, the Company provided an update on the next generation graphene battery technology being developed with Rio Tinto and the BIC, including cycling data of 1.5 Ah G®CELLS with 6-minute charging and energy density of 58 Wh/kg whilst being charged in 6 minutes (at 10C), a 48% increase over the previously reported energy density of 39 Wh/kg. On 21 October 2026, the Company announced that it had commenced providing G®CELLS battery pouch cells to potential customers for early-stage testing and evaluation.

Business Objectives

GMG is focused on four critical business objectives:



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®CELLS, as well as the Company's energy saving products.

This new 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. In June 2026, the Company completed construction and start-up of the new Gen 2.0 Plant which, was officially opened in September 2026 and is expected to produce up to 10 tonnes of graphene per annum once works are completed and the Gen 2.0 Plant is optimised. The additional works that were planned to be completed by September 2026 have been completed at the date of this report. The remaining optimisation works will be completed in the third quarter of FY2027, these include the fully integrated BESS and gas generation unit that allows Gen 2.0 to be completely self-sufficient from a power point of view. 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, 21 November 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 29 March 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.

In March 2026, the EPA issued a consent order authorising the export, distribution, sale, use and disposal of the graphene coating used in THERMAL-XR® ENHANCE in the United States, subject to the terms and conditions of the order. The Order represents a significant milestone for the Company, providing the regulatory authorisation required to offer THERMAL-XR® ENHANCE and its energy savings and enhanced corrosion resistance benefits to USA consumers and businesses. In June 2026, the Company submitted a Significant New Use Notice ("SNUN") to the EPA under PMN P-25-0018 seeking authorisation to manufacture, distribute, sell, use and dispose of graphene, graphene coatings, lubricants and fluids across multiple industries in the United States. The Company expects the EPA review process to be completed by the end of June 2027. On 12 June 2026, the Company fulfilled its first commercial bulk shipment of THERMAL-XR® to its exclusive North American distributor, Nu Calgon.

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. According to the International Energy Agency, global data centre electricity consumption reached approximately 415 TWh in 2024, or around 1.5% of global electricity demand. The Company is in discussions regarding projects with a number of data centre operators, including following a deployment across 18 CARC units at a data centre in Singapore which achieved measured energy savings of 15.4%.

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 five 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 approximately 20 countries for the in-country patent. It has recently been granted for 20 years in the USA, accepted for grant in Europe and allowed in China.

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 Q1FY27 was $115(Q1FY26 : $98K), consisting predominantly of internal labour, consultants, testing and quality controls.

SUPA G®

SUPA G® is a graphene slurry which has been developed by GMG for GMG's own G®CELLS 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 reshape the future of 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 battery companies to test SUPA G®. The Company is now working with a number of 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®CELLS 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 Q1FY27 was $3K (Q1FY26: $107K), consisting predominantly of internal labour, graphene, consumables, testing and quality controls.

G®FLUID

G®FLUID is the Company's graphene-enhanced water additive, designed for use in the coolant loops of data centres and other infrastructure. Data centres use chilled water, glycol-water mixtures, and dielectric fluids to transfer heat away from servers, switching equipment, and UPS systems to external cooling plant. The thermal performance of these coolant loops — and specifically the rate at which heat can be conducted from hot components into the coolant fluid and rejected to ambient — is a fundamental constraint on how densely servers can be packed and how efficiently a data centre can operate.

The graphene's thermal conductivity (approximately 5,000 W/m·K) translates, at low concentration dispersed in coolant fluids, into measurable improvements in the fluid's effective thermal conductivity. This means heat is extracted from hot surfaces more rapidly and transported to heat rejection equipment more efficiently — reducing compressor work, allowing higher server densities, and improving overall data centre Power Usage Effectiveness.

The product is positioned to complement THERMAL-XR® in the data centre market — where THERMAL-XR® improves the thermal performance of air-side heat exchange surfaces (coils, cold plates), and G®FLUID improves the thermal performance of the liquid-side coolant loop. Together, the two products are intended to offer data centre operators a comprehensive graphene-enabled efficiency program.

Further Research and Development assessment is in progress.

	G®FLUID
Status of R&D project compared to the development plan	• GMG has begun sending out samples of G®FLUID to data centres and industrial plants for testing. • GMG continues to internally test and optimise G®FLUID on its own testing equipment and in varying conditions and concentrations. • GMG has recently launched G®FLUID online and is positioned to supply customers in international markets. • Packaging and marketing materials are completed. The Company is now finalising the filling, warehousing and distribution of G®FLUID.
Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. • Total R&D expenditure for Q1FY27 was $12K (Q1FY26: Nil), consisting predominantly of internal labour, graphene, consumables, testing and quality controls.

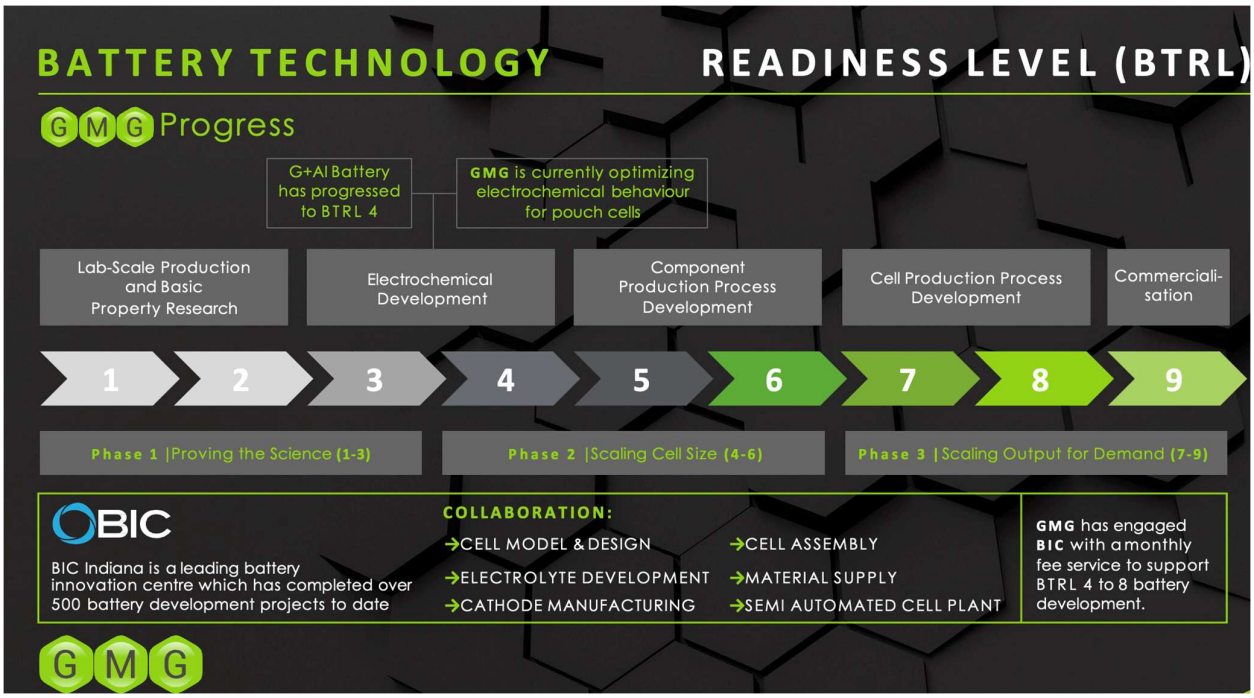
3: Develop Next-Generation Battery

The patent for the Company's G®CELLS Battery was granted in FY2026 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®CELLS 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®CELLS 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 G®CELLS 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 G®CELLS technology has progressed to Level 4 (see figure below). GMG is currently optimising 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 G®CELLS 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+AI Batteries
Status of R&D project compared to the development plan	• The G®CELLS 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 G®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 Q1FY27 was $$518K (Q1FY26: $358K), 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 completed G®CELLS. 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®CELLS 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 30 September		Variation	
		Restated		
$'000 unless otherwise stated	2026	2025	$'000	%
Revenue from operations	301	87	*214*	*246%*
Other income	337	46	*291*	*633%*
Employee benefit expenses	(1,916)	(1,464)	*(452)*	*31%*
Professional and consulting fees	(1,810)	(525)	*(1,285)*	*245%*
Depreciation and amortisation expense	(490)	(352)	*(138)*	*39%*
Travel expenses	(130)	(11)	*(119)*	*1082%*
Raw material and production inputs	(242)	(58)	*(184)*	*317%*
Occupancy expenses	(143)	(37)	*(106)*	*286%*
Factory expenses	(79)	(62)	*(17)*	*27%*
Share based payments expense	(4,694)	(216)	*(4,478)*	*2073%*
Other expenses	(901)	(444)	*(457)*	*103%*
Finance expenses	(31)	(975)	*944*	*(97%)*
Gain / (loss) on change in fair value of warrants	1,786	1,109	*677*	*61%*
Loss before income tax	**(8,012)**	**(2,902)**	***(5,110)***	***176%***
Income tax expense	-	-	-	-
Loss for the period	**(8,012)**	**(2,902)**	***(5,110)***	***176%***
Basic and diluted Loss per share ($)	(0.0630)	(0.0261)	*(0.04)*	*141%*
Non-IFRS financial measures [(1)]				
EBITDA	(9,277)	(2,684)	*(6,593)*	*246%*
Adjusted loss before income tax	(9,798)	(4,010)	*(5,788)*	*144%*
Adjusted basic and diluted profit / (loss) per share ($)	(0.0770)	(0.0360)	*(0.04)*	*114%*

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

Financial Position

$'000	As at September 30, 2026	As at June 30, 2026
Cash and cash equivalents	19,823	9,936
Restricted cash	321	321
Trade receivables, other receivables and contract assets	189	487
Inventories	2,509	1,880
Research and development grants receivable	1,910	1,910
Other current assets	1,010	1,048
Right-of-use assets	1,312	1,521
Property, plant and equipment	4,201	4,262
Intangible assets	1,033	1,039
Total assets	**32,308**	**22,404**
Trade payables, other payables and contract liabilities	1,245	1,958
Lease liabilities	647	729
Financial liabilities	16,238	18,233
Employee benefit liabilities	403	334
Provisions	-	-
Long term liabilities	1,367	1,442
Total liabilities	**19,900**	**22,696**
Total equity	**12,408**	**(292)**

Summary of Cash Flows

$'000	For the year ended 30 September, 2026	Restated 2025	Variation $'000	Variation %
Net cash used in operating activities	(5,808)	(2,757)	*(3,051)*	*(111%)*
Net cash used in investing activities	(213)	(129)	*(84)*	*(65%)*
Net cash from financing activities	15,648	8,185	*7,463*	*91%*
Net increase in cash and cash equivalents	**9,627**	**5,299**	*4,328*	*82%*

Selected Quarterly Financial Information

The following table contains selected unaudited quarterly financial information for the last eight quarters through to 30 September 2026:

IFRS

$'000 unless otherwise stated	Revenue	Other income	Restated Profit / (loss) [2]	Basic and diluted profit / (loss) per share ($)	Notes (IFRS)
Q1-2027 30 September 2026	301	337	(8,012)	(0.0630)	1
Q4-2026 30 June 2026	392	2,023	(7,155)	(0.0570)	2
Q3-2026 31 March 2026	172	132	1,213	0.0097	3
Q2-2026 31 December 2025	73	79	(20,950)	(0.1770)	4
Q1-2026 30 September 2025	87	46	(2,901)	(0.0261)	5
Q4-2025 30 June 2025	83	2,416	(3,163)	(0.0315)	6
Q3-2025 31 March 2025	50	766	(2,107)	(0.0210)	7
Q2-2025 31 December 2024	46	722	(2,148)	(0.0222)	8

NON-IFRS

$'000 unless otherwise stated	Restated Profit / (loss) [2]	Less: Adjustment items [1]	Adjusted Profit / (loss)	Adjusted basic and diluted profit / (loss) per share ($)
Q1-2027 30 September 2026	(8,012)	(1,786)	(9,798)	(0.0770)
Q4-2026 30 June 2026	(7,155)	3,182	(3,973)	(0.0317)
Q3-2026 31 March 2026	1,213	(4,946)	(3,733)	(0.0300)
Q2-2026 31 December 2025	(20,950)	17,526	(3,424)	(0.0289)
Q1-2026 30 September 2025	(2,901)	(1,109)	(4,010)	(0.0360)
Q4-2025 30 June 2025	(3,163)	2,274	(889)	(0.0089)
Q3-2025 31 March 2025	(2,107)	(378)	(2,485)	(0.0248)
Q2-2025 31 December 2024	(2,148)	(33)	(2,181)	(0.0225)

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

(2) *Refer to business overview section regarding the restatement of financial profit and loss due to incorrect accounting treatment of transaction costs associated with warrant liabilities.*

Notes (IFRS):

1. Q1-2027: The loss of $8,012K for the quarter was primarily due to $9,915K of operating expenses, offset by sales from THERMAL-XR® and G®LUBRICANT $301K and non-cash fair value adjustments gain to the warrant liability of $1,786K.

2. Q4-2026: The loss of $7,155K for the quarter was primarily influenced by non-cash fair value movements in the warrant liability of $3,182K, which can fluctuate significantly with changes in the Company's share price and market conditions. Operating expenses for the quarter totalled $5,927K reflecting increases in employment costs and marketing and sales activities and professional and consulting fees.

3. Q3-2026: The restated $1,213K (previously stated: $1,043K) profit recorded for the quarter was largely driven by non-cash fair value adjustments gain to the warrant liability of $4,946K. Operating expenses for the quarter totalled $3,525K, reflecting increases in both employment costs and marketing and sales activities. These were partially offset by sales for THERMAL-XR® and G®LUBRICANT of $172K.

4. Q2-2026: The restated loss of $20,950K (previously stated: $21,123K) for the quarter was primarily influenced by non-cash fair value loss movements in the warrant liability of $17,526K, 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 continues to progress commercial and development initiatives. These non-cash revaluation effects and strategic operating investments drove the accounting loss for the quarter, while underlying business activity remained stable.

5. Q1-2026: The restated $2,901K loss (previously stated: $2,190K) in Q1FY26 was mainly due to $2,817K of operating expenses, offset by sales from THERMAL-XR® and G®LUBRICANT of $87K and $1,109K gain in fair value of warrants.

6. Q4-2025: The restated $3,163K loss (previously stated: $3,261K) included revenue during the quarter of $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 $2,762K of operating expenses and a loss from change in fair value of warrants of $2,274K.

7. Q3-2025: The restated loss of $2,107K (previously stated: $1,755K) in Q3FY25 was largely driven by $2,862K 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.

8. Q2-2025: The restated loss of $2,148K (previously stated: $2,216K) in Q2FY25 was primarily $2,515K 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.

OPERATIONS

Non-IFRS financial measures

This MD&A refers to Earnings Before Interest, Depreciation, and Amortisation ("**EBITDA**"), Adjusted Loss before income tax for three-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.

Earnings Before Interest, Depreciation, and Amortisation

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.

$'000	3 month period ended 30 September 2026	2025 Restated
Revenue from operations	301	87
Other income	337	46
Less operating expenses:		
Employee expenses	(1,916)	(1,464)
Share based payments expense	(4,694)	(216)
Plant expenses	(321)	(120)
Professional and consulting fees	(1,810)	(525)
Occupancy expenses	(143)	(37)
Overheads expenses	(1,031)	(455)
EBITDA	**(9,277)**	**(2,684)**

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 adjusted loss for the period and adjusted basic and diluted loss per share, as adjusted and calculated by the Company:

	3 month period ended 30 September	
		Restated
$'000 unless otherwise stated	**2026**	**2025**
Loss for the year	(8,012)	(2,901)
Less:		
Change in fair value of warrants	(1,786)	(1,109)
Total adjustment items	(1,786)	(1,109)
Adjusted loss for the year	**(9,798)**	**(4,010)**
Loss per share [1]		
Basic and diluted ($) [2]	(0.0630)	(0.0261)
Adjusted basic and diluted ($) [3]	(0.0770)	(0.0360)
Weighted average number of ordinary shares - basic and diluted	127,223,657	111,242,535

(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 30 September 2026	2025	Variation $'000	%
Revenue from operations	301	87	*214*	*246%*
Other income	337	46	*291*	*633%*

Revenue from operations was higher at $301K in Q1FY27 compared to $87K in Q1FY26. Revenue is comprised of THERMAL-XR® products and coating services supplied to domestic clients in various sectors and G®LUBRICANT web sales. Revenue increased primarily due to a large coating service order of $100K and a THERMAL-XR® order of $50K in Q1FY27.

Other income was higher at $337K in Q1FY27 compared to $46K in Q1FY26. Other income driven by increase of $30K in interest income generated during Q1FY27 and the foreign currency revaluation gain of $260K calculated on the revaluation of the closing USD and CAD currency bank account balances in Q1FY27 compared to revaluation loss in Q1FY26.

Operating costs

Total operating expenses increased by $7,098K in Q1FY27 compared to Q1FY26 predominantly driven by:

- an increase in share-based payments expense of $4,478K from 3,000,000 immediately vested options granted in July 2026 as described in the related party transaction section,
- an increase in professional and consulting fees of $1,285K mainly due to spend incurred in overseas growth and expansion including overseas sales consultants in Europe, India, Japan and Korea (Q1FY26 : Nil).

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 30 September 2026	Restated 2025	Variation $'000	%
Employee expenses	1,916	1,464	*452*	*31%*
Share based payments expense	4,694	216	*4,478*	*2073%*
Raw material and production inputs	242	58	*184*	*317%*
Factory expenses	79	62	*17*	*27%*
Professional and consulting fees	1,810	525	*1,285*	*245%*
Occupancy expenses	143	37	*106*	*286%*
Overheads expenses	1,031	455	*576*	*127%*
Total operating expenses	**9,915**	**2,817**	***7,098***	***252%***

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 $1,464K in Q1FY26 to $1,916K in Q1FY27. This is mainly attributable to addition of 12 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 Share Incentive 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 $216K in Q1FY26 to $4,694K in Q1FY27. Share based payments expense reflect the value of Options and RSUs granted, spread between the grant date and vesting date. The increase in Q1FY27 is driven by the granting of 3,000,000 immediately vested options in July 2026 as described in related parties transactions section.

Plant expenses

This includes raw materials and production inputs, general warehouse expenses, health, safety and environment and quality control ("**HSEQ**"), machinery parts and consumables, repairs and maintenance ("**R&M**") and other costs.

Plant expenses, excluding raw materials and production inputs, were $79K in Q1FY27, an increase of $17K over Q1FY26.

Costs for raw materials and production inputs increased from $58K in Q1FY26 to $242K in Q1FY27 in line with the increase in revenue from $87K in Q1FY26 to $301K in Q1FY27.

Professional and consulting fees

Professional and consulting costs increased from $525K in Q1FY26 to $1,810K in Q1FY27. This increase of $1,285K is mainly due to increase spend incurred on overseas growth and expansion including costs for overseas sales consultants in Europe, India, Japan, and Korea incurred in Q1FY27 (Q1FY26: Nil).

Occupancy

Occupancy expenses relate primarily to the rental outgoings and electricity costs of the facilities located at Boundary Road and Fulcrum Street, Richlands, Queensland.

The Company's Headquarters and warehouse leases at Boundary Road and Fulcrum Street, Richlands meet 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 increased from $37K in Q1FY26 to $143K in Q1FY27. The increase of $106K primarily relates to increase in outgoings for the Boundary Road, Richlands facilities $47K, outgoings for the new facility at Fulcrum Street, Richlands $14K (N/A in Q1FY26) and prior year credit adjustment of $27K in Q1FY26.

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 the material operational sub-items that constitute 'Overheads', excluding the expensing of transaction costs.

- Testing and quality control expenses increased from $81K in Q1FY26 to $259K in Q1FY27 due to increase of $80K in costs of testing and quality control with the BIC and coil testing spend $72K in Q1FY27;
- Marketing expenses increasing from $62K in Q1FY26 to $182K in Q1FY27 reflects the Company's efforts to enhance brand awareness, accelerate customer acquisition, and support the rollout of new products and services; and
- Travel expenses increased from $11K in Q1FY26 to $130K in Q1FY27 due to increased overseas travel for business promotion and overseas expansion.

Fair value of warrants

The $1,786K gain in Q1FY27 resulting from the fair valuation adjustment recognised on the warrant liability was accounted for by a share price decrease for the quarter, a reduction in the implied volatility of GMG shares and a reduction in the price of traded warrants.

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 were $19,823K at 30 September 2026 (excluding restricted cash of $321K), an increase of $9,888K from 30 June 2026. The increase was driven by net financing inflows of $15,649K, comprising $15,445K in proceeds from the issue of shares, $284K from the exercise of share options and $80K in net proceeds from warrants, less lease liability payments of $161K. Cash also benefited from a net foreign exchange gain of $259K. These inflows were partly offset by net operating cash outflows of $5,809K (after customer receipts of $473K) and net investing outflows of $213K, primarily for plant and equipment, patents and trademarks.

Trade and other receivables and Contract assets of $25K as at 30 September 2026, is primarily from sales of THERMAL-XR®, G®LUBRICANT, Coating services & GST receivable.

Inventory is comprised of two main components, inventory of Graphene and related products, and critical spares inventory.

Inventories of Graphene and related products increased by $630K in Q1FY27 from $1,880K in Q4FY26. The bulk of this increase related to the procurement of raw materials for future THERMAL-XR® production.

Other current assets of $1,010K is primarily prepayments which includes $200K for insurance, $117K leased premises costs including related outgoings, $66k consulting costs, $63K work cover, $233K marketing and sponsorship costs, $112K international travel costs and $45K for IT costs.

Trade and other payables relate to expenses in the ordinary course of business, including accounts payable, wages payable, payroll tax payable, superannuation payable, and other accrued expenses. The balance of $1,187K at 30 September 2026 consists primarily of $218K of trade payable, $854K of accrued costs and $114K of payroll cost accruals.

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®CELLS 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	1,421,842	715,613	706,229	-
Purchase Obligations	-	-	-	-
Other Obligations	-	-	-	-
Total Contractual Obligations	1,421,842	715,613	706,229	-

In July 2026, the Board approved A$1.2 million of capital expenditure for design, engineering and long-lead procurement for the Fulcrum Facility, the Company's planned new graphene manufacturing plant. As at 30 September 2026, none of this amount was committed under binding agreements. Further capital will be required to complete construction of the Fulcrum Facility, the amount of which will be determined once design and engineering work is complete. The Company expects to fund these expenditures from existing cash, and, as needed, from the exercise of outstanding warrants and options and future equity financings.

Timing for commercialisation of G®CELLS will depend on the further successful development of a commercial G®CELLS 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®. Growth in customer demand for this and other product offerings, 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 Q1FY27, the Company incurred a loss of $8,012K after income tax and net cash outflows from operating activities of $5,808K. As at 30 September 2026, the Company had net current assets of $7,229K (30 June 2026: net current liabilities of $5,672K).

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 financial statements is appropriate considering the following circumstances:

- As at 30 September 2026, the Group had cash and cash equivalents of $19,823,031 (June 2026: $9,935,927), which together with the funds which could be received from warrants and options is sufficient to meet the ongoing corporate costs and expected project expenditure in the short to medium term.
- As at 30 September 2026, the Company believes that it will continue to be eligible for the Australian research and development tax incentive scheme with $1,909,960 received in November 2026 for the year ended 30 June 2026;
- As at the date of this report there are 4,548,022 options and 14,985,158 warrants on issue with exercise prices ranging from AUD0.61 to AUD3.47. If exercised, these could raise up to $36,614,207 in additional capital. Of these, 148,022 options and 11,834,763 warrants are considered "in the money", amounting to potential proceeds of $14,183,775;
- Since September 2026, there has been approximately A$136,856 of warrants exercised;

To the extent required, the Company has capacity under the TSXV Listing Rules to raise further funds through the issue or placement of securities and currently has a 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 financial statements. The financial statements do 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 Company's bought deal offering of 7,245,000 units at a price of C$0.80 per unit for aggregate gross proceeds of C$5,796,000, completed on 20 March 2025 (the "**March 2025 Offering**") had funds allocated as per the below table.

Use of Proceeds	Estimated Expenditure A$	Actual Expenditure 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	1,173,183	201,817	Spend to date predominantly includes employee costs for the battery team approx. 50%, testing with the BIC of 20% and materials and consumables 10%
Capital expenditure for sales expansion of Gen 2.0 Plant and G®LUBRICANT Blend Plant.	1,925,000	1,380,791	544,209	Capital proceeds used in the build of Gen 2.0 Plant. Capital spend to end of September 2026.
Ongoing corporate activities and commercial development of new and established product channels for energy savings products.	596,420	1,520,346	(923,926)	Spend includes approx. 25% of sales team staffing costs and approx. 68% sales contractors.
Ongoing business operation overheads inclusive of occupancy costs, administrative salaries, uplisting preparation and other running costs	1,375,000	1,195,123	179,877	
	5,271,420	**5,269,443**	**1,977**	

The capital raised in the Company's bought deal offering of 7,666,668 units at a price of C$0.90 per unit for aggregate gross proceeds of C$6,900,000, completed on 3 September 2025 (the "**September 2025 Offering**") had funds allocated as per the below table:

Use of Proceeds	Estimated Expenditure A$	Actual Expenditure A$	Variance A$	Comments
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	1,303,970	346,030	Spend to date predominantly includes employee costs for the battery team approx. 50%, testing with the BIC of 20% and materials and consumables 10%
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	2,923,909	(436,071)	Spend includes approx. 25% of sales team staffing costs and approx. 68% sales contractors.
Ongoing business operation overheads inclusive of occupancy costs, administrative salaries, and other running costs.	1,100,000	956,321	143,679	Receipts of funds outside of Capital raising utilised for on-going business until period June 2026
	6,777,837	**5,184,199**	**1,593,638**	

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 the Company believes it will be able to manage its liquidity demands and mitigate risks accordingly. 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 report, the Company has:

- 133,877,670 ordinary shares issued and outstanding;
- 4,548,022 options outstanding with expiry dates ranging between 5 April 2027 and 7 July 2031, with exercise prices between A$0.61 and A$3.40.
- If all the options were exercised, 4,548,022 shares would be issued for proceeds of A$12,844,459.
- Of these options 148,022 are in the money and if exercised proceeds would be A$118,579
- 14,985,158 warrants outstanding with expiry dates ranging between 30 November 2026 and 24 July 2030, with exercise prices between C$0.55 and C$3.35.
- If all the warrants were exercised, 14,985,158 shares would be issued for proceeds of A$23,769,748. Of the outstanding warrants, 11,834,763 warrants are "in the money" and if exercised proceeds would be A$14,065,196;
- 2,379,094 restricted share units outstanding with a nil exercise price and expiry dates ranging between 14 March 2027 and 18 May 2030.

CHANGES IN ACCOUNTING POLICIES

In FY26 the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Company.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards – Volume 11

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company

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.

RELATED PARTY TRANSACTIONS

On 7th July 2026 the Company granted Craig Nicol, Managing Director, immediately vested 3,000,000 Options, with an assessed fair value of $4,273,504 with an exercise price of A$3.40 and an expiry date of 7th July 2031.

No other material related party transactions occurred during the three months ended 30 September 2026.

RISKS AND UNCERTAINTIES

For a detailed description of all risks and uncertainties please refer to the most recent Annual MD&A and the Company's Annual Information Form ("**AIF**") dated 28 October 2026.