ASX Announcement

19 August 2026

Completion of Tranche 1 Placement

Highlights:

- ECT has completed Tranche 1 of the two-tranche placement announced on 4 August 2026 ("**Placement**"), raising approximately A$10.6 million (before costs).
- 88,709,808 fully paid ordinary shares ("**Shares**") were issued at an issue price of A$0.12 per Share, utilising the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A.
- Completion of Tranche 1 follows the Company's announcement on 4 August 2026 of a binding agreement to acquire 100% of Xenica Materials Pty Ltd ("**Xenica**"), securing exclusive rights to Rice University's Flash Joule Heating ("**FJH**") technology for MXene and two-dimensional amorphous carbon production.
- Proceeds from the Placement will be applied to accelerate commercialisation of the FJH platform, support PFAS remediation and MXene manufacturing capability, and for general working capital.
- Tranche 2 of the Placement (comprising of approximately 11.3 million Shares to raise a further A$1.4 million (before costs)) remains subject to shareholder approval, which will be sought at the Company's shareholder meeting expected to be held in or around October 2026.

Environmental Clean Technologies Limited (ASX: **ECT**) ("**ECT**" or "**Company**") is pleased to announce it has completed Tranche 1 of the Placement which was previously announced on 4 August 2026, raising approximately A$10.6 million (before costs) through the issue of 88,709,808 Shares at an issue price of A$0.12 per Share.

As previously announced, the Placement forms part of the funding to support the commercialisation of the Company's FJH platform, furthered by the acquisition of Xenica, which holds an exclusive right to use Rice University's proprietary FJH technology for the commercial production of MXenes and two-dimensional amorphous carbon, extending ECT's FJH platform beyond its existing PFAS remediation and environmental technology applications.

For more than a decade, MXenes have been recognised as one of the most promising classes of advanced materials. However, traditionally hazardous, hard-to-scale, and costly production has confined the market, stunting commercial adoption and leaving its full value unrealised. Importantly, FJH has the potential to significantly reduce MXene production times from hours or days to minutes, providing a scalable, lower-cost and environmentally responsible manufacturing process.

MXene production is protected by various patents and Xenica is currently progressing discussions to obtain a licence to be able to produce MXenes for military end-use, which is expected to provide an important initial commercialisation pathway into one of the highest-value markets.

Other potential key markets and applications include electromagnetic shielding, radar and infrared signature management, advanced sensing technologies, fast-charging batteries, water treatment and next-generation electronic devices.

The Tranche 1 Shares were issued using the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Tranche 1 Shares rank equally with the Company's existing fully paid ordinary shares on issue.

Tranche 2 of the Placement, comprising of approximately 11.3 million Shares to raise a further A$1.4 million (before costs), remains subject to shareholder approval. The Company intends to seek this approval, together with shareholder approval for the issue of the consideration shares pursuant to the Xenica share purchase agreement, at a shareholder meeting expected to be held in or around October 2026.

Peloton Capital & AE Advisors Group acted as Joint Lead Managers to the Placement.

Research Agreement with Breakout Media

Further, the Company has entered into a research services agreement with Breakout Media Pty Ltd ("**Breakout Media**"), under which Breakout Media will provide issuer-sponsored research, publication and investor distribution services to the Company for a fixed 12-month term.

As partial consideration for the research, publication and investor distribution services, the Company issued 1,000,000 Shares to Breakout Media on 18 August 2026 which are subject to a 6-month voluntary escrow period commencing from the date of issue ("**Consultant Shares**"). The Consultant Shares were issued utilising the Company’s existing placement capacity pursuant to Listing Rule 7.1.

Executive Chairman, Faldi Ismail, said: *“We thank our shareholders for their strong support of this Placement, which reflects clear investor confidence in our strategy of expanding the commercial reach of our Flash Joule Heating technology platform.*

“The completion of this first tranche gives us the capital to accelerate that strategy at pace, including our recently announced move into MXene production through the acquisition of Xenica, and to begin testing at Metallium's Gator Point facility in Texas under our newly signed R&D and engineering agreement.”

“As previously stated, we believe FJH has the potential to overcome one of the greatest barriers to commercial MXene adoption, which is the ability to manufacture high-quality material economically at an industrial scale. Importantly, this acquisition brings synergies to our technology as we see strong potential for MXene-based filtration membranes to complement our existing Rapid Electrothermal Mineralisation technology, opening a further pathway to extend the Company's PFAS remediation capability into the water industry.

“The next 12 months will be an important period of execution for ECT, and we are focused on executing our growth strategy and building value for our shareholders.”

For further information, please contact:

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Forward-looking Statements

This announcement may contain forward-looking statements regarding future events or performance, including but not limited to projections of financial results, anticipated growth, and business strategies. These forward-looking statements are based on current expectations, assumptions, and projections that involve inherent risks and uncertainties. Actual results may differ materially from those anticipated due to various factors, including market conditions, regulatory changes, technological advancements, and economic conditions.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.

Investors should carefully consider the risks and uncertainties disclosed in the Company's periodic reports filed with the Australian Securities Exchange (ASX) and other regulatory authorities. Forward-looking statements are provided as of the date of this announcement, and the Company disclaims any obligation to update them, except as required by law.