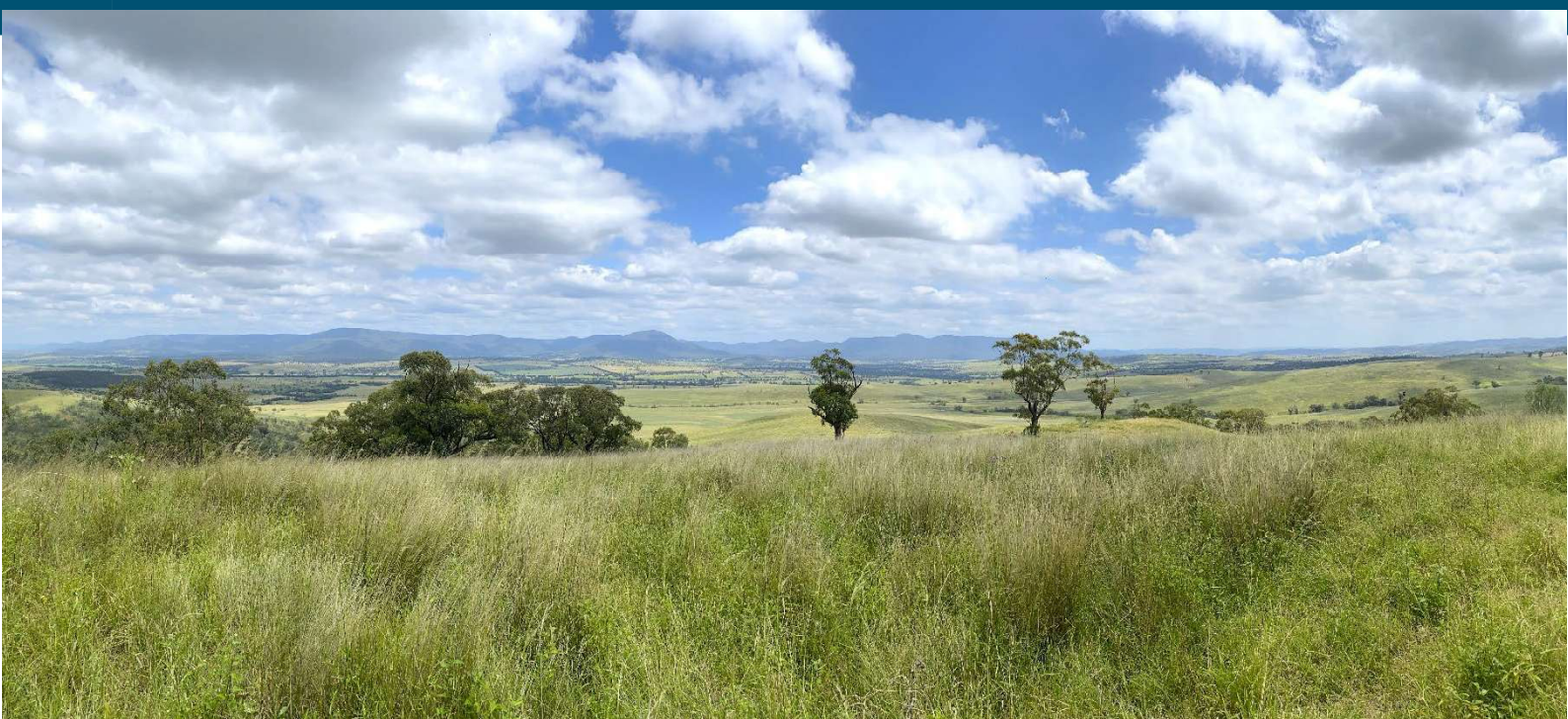
Malabar Resources Limited

ABN 29 151 691 468

Sustainability Report

for the year ended 30 June 2026



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1. BASIS OF PREPARATION

1.1 Reporting framework and statement of compliance

This report sets out Malabar Resources Limited (the "Company") and its subsidiaries (together, the "Group" or "Malabar") climate-related financial disclosures for the year ended 30 June 2026.

The disclosures have been prepared to meet the Group's obligations under Part 2M.3 of the Corporations Act 2001 (Cth) (Act), which requires certain entities to prepare a sustainability report incorporating climate-related financial disclosures made in accordance with the sustainability standards issued by the Australian Accounting Standards Board (AASB). The applicable standard for the year ended 30 June 2026 is AASB S2 Climate-related Disclosures (AASB S2).

Statement of compliance: the climate-related financial disclosures in this report comply with AASB S2.

Malabar is subject to mandatory climate reporting as a "Group 1" entity under the phased commencement timetable in the Act, on the basis that it is a controlling corporation registered under the National Greenhouse and Energy Reporting Act 2007 (NGER Act) whose consolidated Scope 1 and Scope 2 greenhouse gas emissions exceeded the 50,000 tCO2-e NGER publication threshold in the year ended 30 June 2026 (refer Section 5.1).

The basis on which entities within the Group's financial reporting group are included in, or excluded from, the scope of this report (the reporting boundary) is set out in Section 5.1.

The year ended 30 June 2026 is Malabar's first year of applying AASB S2. The Group has applied the following transitional reliefs available to first-time reporters:

- **Comparative information:** no prior-period comparative information is presented for any disclosure in this report; and
- **Scope 3 emissions:** the Group is not required to disclose Scope 3 greenhouse gas emissions for the year ended 30 June 2026.

Amounts in this report are presented in Australian dollars, consistent with the presentation currency of the Group's consolidated financial statements, and are rounded to the nearest whole tonne (for greenhouse gas emissions) or the nearest thousand dollars, unless stated otherwise. This report covers the same reporting entity and reporting period as, and should be read together with, the Group's consolidated financial statements for the year ended 30 June 2026.

The Board authorised this report for issue on 24 September 2026.

1.2 Overview of the Group

Malabar Resources Limited is an Australian unlisted public company headquartered in Sydney, New South Wales. The Group's principal operating asset is the Maxwell Underground Mine, an underground coal mine in the Upper Hunter Valley of New South Wales, approximately 10 km south of Muswellbrook, within the Hunter Coalfield of the northern Sydney Basin. Maxwell Underground comprises a Bord and Pillar operation and a Longwall operation, together with associated coal handling and preparation plant (CHPP) and rail-loading infrastructure, and was in production at 30 June 2026. Maxwell will produce semi-soft coking coal (SSCC) and thermal coal. SSCC is a key reagent in the 'redox' process to produce steel from iron ore. SSCC product trials are currently underway with Asian steel producers. Coal not sold as SSCC will be sold into the thermal market targeting the premium Asian markets.

Beyond Maxwell Underground, the Group is progressing two adjoining growth opportunities. Maxwell West is an exploration project comprising three exploration licences immediately adjacent to the Maxwell Underground Mine, targeting the same coal seams and holding a substantial JORC-classified coal resource. In October 2025, the Group executed agreements with BHP's Hunter Valley Energy Coal (Mount Arthur Coal mine) to acquire adjoining exploration and mining tenements and land (Maxwell North) (refer Section 3).

In addition to Maxwell Underground, Maxwell West and Maxwell North, the Group's other material interests as at the date of this report include a number of renewable energy and battery storage projects being progressed on Malabar-owned land, which are identified as a climate-related opportunity (refer Section 3.1); and a 20% investment in Newcastle Coal Shippers Pty Ltd (NCS), an associate that holds an equity interest in Port Waratah Coal Services (PWCS), which operates a coal export terminal at the Port of Newcastle. Malabar does not hold operational control over NCS or PWCS (refer Section 5.1). In August 2026, Malabar also acquired a 5.6% shareholding in NCIG Holdings Pty Limited, together with an associated capacity entitlement (including stockpile storage) at the Newcastle Coal Infrastructure Group terminal (refer Section 6).

1.3 Value chain

The Group's value chain spans exploration and resource definition, mine development and construction, underground extraction, coal handling and processing, rail and port logistics, and the marketing and sale of coal, together with rehabilitation of disturbed land over the life of the Maxwell Underground Mine and its use for renewable energy projects and agriculture.

1.4 Significant judgements and uncertainties

Preparing this report has required management to exercise judgement, including in identifying material climate-related risks and opportunities and determining the information relevant for disclosure, and to apply estimates where sustainability information relates to an entity in the value chain, is forward-looking, or is subject to data limitations.

Judgements and estimates involving a high degree of uncertainty are discussed further in the following sections of this report:

- Section 3.2 — estimated financial effects of identified climate-related risks and opportunities;
- Section 3.3 — inherent uncertainty in climate-related scenario analysis;
- Section 5.1 — assessment of operational control over Newcastle Coal Shippers Pty Ltd; and
- Section 5.4 — the Group's anticipated compliance exposure under the Safeguard Mechanism.

2. GOVERNANCE

The Board oversees Malabar's climate-related risks and opportunities as part of its broader oversight of strategy, risk management and financial reporting. This governance structure was formalised by Board resolution in connection with the Group's first year of mandatory AASB S2 application.

2.1 Governance structure

As at the date of this report, the Board comprises six directors, drawing on collective experience across the mining, finance, infrastructure and energy sectors.

The Board is responsible for the Group's overall corporate governance, including approving appropriate policies and procedures and satisfying itself that directors, management and employees carry out their functions effectively, responsibly and in accordance with Australian regulatory requirements. The Board's responsibilities, and those delegated to management, are set out in the Malabar Principles of Corporate Governance (Board Charter).

2.2 Roles and responsibilities

Board oversight

The Board has resolved to formalise its oversight of climate-related risks and opportunities and approved consequential amendments to the Board Charter and the Audit and Risk Committee Charter. Under the resulting structure:

- **Board -** holds ultimate responsibility for oversight of the Group's climate-related risks and opportunities, consistent with its overall responsibility for strategic oversight and risk management of the Group and its controlled entities. A number of the Board's directors are also members of the Operational, Health, Safety and Environmental Committee (OHSEC), which meets quarterly and reviews the Group's risk register, including climate-related risk items. The full Board reviews the Group's climate-related risks and disclosures at least annually, as part of its approval of the Sustainability Report.
- **Audit and Risk Committee -** supports the Board in overseeing the integrity of climate-related disclosures and associated assurance arrangements. The Committee's remit includes financial reporting, internal financial controls, financial risk management, legal and regulatory compliance, and cybersecurity and information-loss risk. The Committee meets quarterly, with financial risk reporting - which may include climate-related financial risks, provided at each meeting. The Committee annually reviews the Sustainability Report, together with the external auditor's report on it, before recommending the report to the Board for approval.
- **OHSEC -** meets quarterly and reviews the Group's risk register, which includes climate-related risks - both transition and physical - alongside the Group's other operational risks.
- **Management -** day-to-day assessment and management of climate-related risks and opportunities is delegated to the Chief Financial Officer (CFO), supported operationally by other relevant personnel, including the Maxwell Mine General Manager and the Maxwell Environment, Community and Approvals Manager. The CFO reports to the Board on climate-related matters.

Climate-related risks are identified and monitored through the Group's enterprise risk management framework (refer Section 4), with operational risk reviewed by the OHSEC, and financial reporting and assurance matters reviewed by the Audit Committee.

2.3 Climate strategy and target-setting

Malabar's approach to climate-related risks and opportunities is being progressively embedded within its broader business strategy and governance framework. In the year ended 30 June 2026 - its first year of applying AASB S2 - the Group's focus has been on establishing the governance arrangements described in Section 2.2, identifying material climate-related risks and opportunities (Section 3), and meeting its compliance obligations, including those arising under the Safeguard Mechanism (Section 5.4).

The CFO advises the Board on compliance with climate-related regulatory requirements (including the NGER Act and the Safeguard Mechanism), oversees the identification of climate-related risks and opportunities reasonably expected to affect the Group's cash flows, access to finance or cost of capital, and integrates these considerations into enterprise risk management and decision-making. Where relevant, climate-related considerations - including anticipated compliance costs under the Safeguard Mechanism and the potential financial effects of the risks and opportunities identified in Section 3.2 - are weighed against other strategic and operational priorities as part of the Group's existing capital allocation and decision-making processes.

These climate-related considerations are managed using the Group's existing controls and procedures, rather than a separate climate-specific system - namely, the enterprise risk management framework and risk register described in Section 4, the emissions measurement and reporting processes described in Section 5.2, and the Group's monitoring of its Safeguard Mechanism compliance position described in Section 5.4. These controls and procedures are integrated with the Group's broader risk management, financial reporting and assurance processes through OHSEC and the Audit Committee, as described in Section 2.2.

2.4 Skills and experience

The Board considers that its directors' collective sector experience (Section 2.1) provides an appropriate basis for overseeing the Group's climate-related risks and opportunities. The Board has not, as at the date of this report, adopted a separately documented climate-related skills matrix. Climate-related regulatory and technical matters are supported by the CFO and, where required, external subject-matter advisers. The Board will continue to consider climate-related skills and experience as part of its ongoing governance review.

2.5 Remuneration

As at the date of this report, Malabar has not incorporated climate-related performance measures into executive remuneration arrangements. The Board will continue to monitor market practice in this area.

3. STRATEGY

Malabar is an Australian company whose strategies include:

i. the safe, efficient and low-cost operation of the Maxwell Underground Mine;
ii. evaluation of growth opportunities, including the Maxwell North Project and the Maxwell West Project;
iii. the development of a number of large-scale renewable energy generation and energy storage projects; and
iv. prudent capital and funding management.

Malabar also leases land for agricultural uses, principally cattle grazing and cropping. These activities are not, individually or in aggregate, significant to the Group's consolidated financial position as at the reporting date.

Climate change presents both risks and opportunities for Malabar's business and can also act as a multiplier of other risks the Group already manages (for example, weather-related disruption to operations and logistics). In assessing these risks and opportunities, management has applied the following time horizons:

- **Short-term:** 1 year, aligned with the Group's detailed one-year budget (the year ending 30 June 2027);
- **Medium-term:** 5 years (to 30 June 2031), consistent with the tenor of key Group financing arrangements and falling within the Group's longer-term internal planning horizon;
- **Long-term:** From 1 July 2031 to no later than 2050, having regard to the Group's current life of mine plan and JORC Resource estimate for the Maxwell Underground Mine (most recently updated in May 2026). This horizon does not include Maxwell North, Maxwell West, or the renewable energy and battery storage projects referred to in Section 3.1, each of which remains at an earlier stage of definition, planning and approval, such that their scope, timing and financial effect cannot yet be reliably assessed. As these projects become more fully defined and progress through the approvals process, the Group will incorporate them into its assessed time horizons.

3.1 Material climate-related risks and opportunities

The Group has assessed the physical and transition impacts of climate change on its business and value chain, and has identified the following as material and reasonably likely to affect its prospects. These are monitored and actively managed on an ongoing basis.

Material risk	Description
Regulatory and policy uncertainty (Transition risk)	Changes in domestic climate and carbon policy may increase the Group's compliance costs and affect its operations and approvals. This includes the Safeguard Mechanism, under which Malabar's Scope 1 emissions are expected to exceed the "covered facility" threshold from the year ending 30 June 2027 (refer Section 5.4); the pace and stringency of carbon pricing and methane-related regulation at state and federal level - including the NSW EPA's proposed methane mitigation requirements and the work of the NSW Net Zero Commission; and increased climate-related scrutiny in project approvals processes.
Reduction in demand for coal (Transition risk)	Malabar will produce SSCC and thermal coal. Structural shifts in steel production technology and adoption of lower-carbon steelmaking methods may, over the long term, reduce demand for SSCC, while the pace of the global energy transition and coal-fired power phase-out may reduce demand for thermal coal.
Business continuity impacts from physical risk (Physical risk)	The increasing frequency and severity of extreme weather (heavy rainfall, flooding, drought and extreme heat) may disrupt mining operations, water and dam management, coal handling, and the Hunter Valley rail and port logistics chain on which the Group depends to export its products.
Stakeholder support (Transition risk)	Negative sentiment toward the coal industry's role in the energy transition may affect the Group's access to finance, insurance, workforce and suppliers, and its standing with local communities and other stakeholders.

Material opportunity	Description
Renewable energy and battery storage	Malabar is developing a number of renewable energy and battery storage projects within the Hunter-Central Coast Renewable Energy Zone, including the Maxwell Solar Farm (~96MW, development consent activated), the Edderton Solar Farm and Battery Energy Storage System (proposed 350MW), and the Mayfield Battery Energy Storage System and data centre (in partnership with Akaysha Energy). The Group also operates smaller, already-operational solar installations at its Merton Vineyard and other properties, complementary to its mining activities. The larger projects remain at an early stage of development, and their future financial and environmental sustainability contributions have not been quantified in this report; capital expenditure incurred to date is set out in Section 5.3.

3.2 Effect on strategy, business model and financial effects

For each risk and opportunity identified above, the tables below set out its nature and effect on Malabar's strategy and business model, the mitigation, adaptation or development activities undertaken, and current and anticipated financial effects.

Regulatory and policy uncertainty (Transition risk) — Time horizon: short and medium-term	
Nature of risk and impact on business model	Malabar is a registered controlling corporation under the NGER Act. Scope 1 emissions are expected to exceed the 100,000 tCO2-e Safeguard Mechanism "covered facility" threshold in the year ending 30 June 2027, after which any shortfall against the facility baseline must be met by surrendering Australian Carbon Credit Units (ACCUs); baselines decline by a default rate of 4.9% per annum to 2030. More broadly, changes to climate-related regulatory and policy settings - including the pace and stringency of carbon pricing and methane-related regulation at state and federal levels, and more restrictive climate-related policies in project approvals processes may affect Malabar's operations, costs and future projects and may prevent the Group's ability to extend the life of its mining activities.
Mitigation or adaptation efforts	• Malabar has obtained a facility-specific Emission Intensity Determination from the Clean Energy Regulator, which establishes the baseline against which its Scope 1 emissions will be assessed. • Management engages specialist technical advisers to assist in predicting fugitive gas emissions and continually improve forecasting accuracy. • Management maintains ongoing engagement with relevant state and federal regulators in regard to approvals, compliance and climate-related policy developments, including matters relevant to the Safeguard Mechanism and methane management. • Ventilation air methane abatement technologies are not yet deployable at the low methane concentrations at the Maxwell Mine. Senior management monitors technical developments and will assess technologies as they advance.
Current financial effects (year ended 30 June 2026)	No material financial impact in the year ended 30 June 2026. Malabar's Scope 1 emissions (87,356 tCO_2-e) remain below the 100,000 tCO2-e "covered facility" threshold.
Significant risk of material adjustment (year ending 30 June 2027)	**Short-term:** Malabar's Scope 1 emissions are expected to exceed the covered-facility threshold in the year ending 30 June 2027, at which time compliance costs (ACCU surrender) will apply for the first time. Malabar's Safeguard Mechanism liability for the year ending 30 June 2027 is estimated to be in the range of $1 million to $2 million, based on the Group's FY2026 actual emissions intensity and an assumed ACCU price of $40 per tonne of CO_2-e. Separately, no significant risk of material adjustment relating to broader regulatory or approvals matters has been identified at the date of this report.
Anticipated financial effects, medium-term and long-term	**Medium-term:** Compliance costs are expected to increase over the medium term as the Safeguard Mechanism baseline declines at the legislated rate of 4.9% per annum to 2030, absent further abatement or baseline relief. The Group's anticipated Safeguard Mechanism liability over the medium term is estimated to be in the range of approximately $15 million to $20 million per annum, reflecting the Group's declining Safeguard baseline and planned production, and an assumed ACCU price of $40 per tonne of CO_2-e. **Long-term:** The Group is unable to quantify the anticipated financial effect of this risk over the long term due to the high level of uncertainty associated with Safeguard Mechanism baseline rates beyond 30 June 2030 and future ACCU prices. Separately, the Group is unable to quantify the anticipated financial effect, across the medium and long term, of potential delays, refusal or unfavourable conditions attached to future approvals for Maxwell North, Maxwell West and the Group's renewable energy and battery storage projects, as each of these projects remains at an early stage of definition, planning and approval.

Reduction in demand for coal (Transition risk) — Time horizon: long-term	
Nature of risk and impact on business model	Substitution of coking coal with lower-carbon steelmaking inputs may reduce long-term demand for SSCC. Separately, the pace of the global energy transition and coal-fired power phase-out may reduce long-term demand for thermal coal. Demand in key Asian markets for SSCC and thermal coal is expected to remain more resilient over the medium term than in some other regions.
Mitigation or adaptation efforts	• Focus on producing low-cost coal to remain competitive on the global cost curve. • Long-dated coal offtake arrangements provide demand visibility. • Management and the Board continuously monitor market conditions, including broker research, independent commodity research organisations, and direct engagement with customers and industry participants.
Current financial effects (year ended 30 June 2026)	No material financial impact in the year ended 30 June 2026.
Significant risk of material adjustment (year ending 30 June 2027)	There is no anticipated financial effect in the year ending 30 June 2027. Demand for thermal coal and SSCC is expected to remain consistent with existing customer relationships and offtake arrangements. No significant risk of material adjustment identified at the date of this report.
Anticipated financial effects, medium-term and long-term	**Medium-term:** Given Malabar's existing customer offtake arrangements, management does not expect a material impact over the medium term. L**ong-term**: New global steelmaking technologies could reduce demand for SSCC, and the pace of the global energy transition could reduce demand for thermal coal. It is not possible to quantify the impact over the long term, as the financial effect is not separately identifiable from the response of other suppliers of these products and other drivers of coal demand and price. However, Malabar's operating costs are positioned in the lowest-cost quartile of the global seaborne cost curve for these products, which the Group considers provides some protection against demand-side pressure.

Business continuity impacts from physical risk (Physical risk) — Time horizon: short, medium and long-term	
Nature of risk and impact on business model	Severe or prolonged adverse weather (heavy rainfall, flooding, drought and extreme heat) may disrupt mining operations, coal handling, and the Hunter Valley rail and port logistics chain (including above-rail haulage and port loading), resulting in production delays, shipping delays, increased costs and reduced operating cash flows. Adverse weather has previously caused rail outages and port congestion, contributing to increased demurrage costs.
Mitigation or adaptation efforts	• Regular inspections of site water storage dams and pipelines, with “trigger action response” plans for dam management. • Ongoing investment in water management infrastructure. • Regular engagement with rail and port network operators to plan for weather-related outages or capacity constraints. • Real-time weather monitoring and forecasting, flexible scheduling and dispatch, and on-site and off-site stockpiling to buffer temporary disruptions to coal flows.
Current financial effects (year ended 30 June 2026)	No material financial impact in the year ended 30 June 2026.
Significant risk of material adjustment (year ending 30 June 2027)	No significant risk of material adjustment identified at the date of this report; the mitigation and adaptation efforts described above are considered adequate to manage weather-related disruption within normal operating tolerances.

Business continuity impacts from physical risk (Physical risk) — Time horizon: short, medium and long-term	
Anticipated financial effects, short and medium-term, and long-term	Increased frequency and severity of extreme weather could increase maintenance, water management and logistics costs, and could give rise to production or shipping delays. **Short and medium-term:** The cost of mitigating physical climate risks - including water management infrastructure, dam management and weather monitoring - is incorporated into the Group's existing operating and capital budgets. Key site infrastructure is designed and maintained to withstand extreme weather events, which the Group considers provides an appropriate level of protection against physical climate risks over the short to medium term. **Long-term:** The Group's climate-related scenario analysis (Section 3.3) indicates that physical risk exposure may increase under a higher-warming scenario. The Group is unable to quantify the anticipated financial effect of this risk over the long term due to the inherent uncertainty in the timing, location and severity of future extreme weather events.

Stakeholder support (Transition risk) — Time horizon: short, medium and long-term	
Nature of risk and impact on business model	Negative sentiment toward the coal industry's role in the energy transition may affect the Group's ability to access finance and insurance on acceptable terms, attract and retain workforce and suppliers, and maintain support from local communities and other stakeholders.
Mitigation or adaptation efforts	• The Group maintains relationships with its shareholders, lenders, insurers and brokers, and monitors developments in lender and insurer approaches to the coal sector. • Ongoing engagement with the local community, employees, contractors and suppliers.
Current financial effects (year ended 30 June 2026)	No material financial impact in the year ended 30 June 2026.
Significant risk of material adjustment (year ending 30 June 2027)	No significant risk of material adjustment identified at the date of this report.
Anticipated financial effects, short and medium-term, and long-term	A shift in stakeholder sentiment away from the coal sector could increase Malabar's cost of capital, insurance, and labour, and/or reduce the availability of finance, insurance, employees or suppliers, over the long term. **Short and medium-term:** No significant risk has been identified. The Group refinanced its senior debt facility during the year on terms more favourable than its previous facility, which the Group considers demonstrates no current adverse effect on its access to capital. The Group has been successful in employing more than 430 full-time employees over the past three years and has recruited more full-time staff than any other business in the Upper Hunter over this time. It continues to experience multiple candidates for each position offered. Malabar's Maxwell Mine has also attracted strong support from suppliers and contractors across the Hunter Valley, with significant local procurement and site-based contract works delivered throughout its development and now into operations, demonstrating no loss of stakeholder support to date. **Long-term:** The Group is unable to quantify the anticipated financial effect of this risk over the long term due to the inherent uncertainty in the pace and extent of any shift in stakeholder sentiment toward the coal industry, and its effect on the availability and cost of finance, insurance, workforce and suppliers.

Given the uncertainties described above, the long-term financial effects of these risks cannot be modelled at this time in a way that would provide useful information to primary users of this report.

Renewable energy and battery storage (Opportunity) — Time horizon: short, medium and long-term	
Nature of opportunity and impact on business model	Malabar's renewable energy and battery storage projects (Section 3.1) represent a potential future revenue stream independent of coal markets, utilising Malabar-owned land within the Hunter-Central Coast Renewable Energy Zone.
Development activities	• Development consent for the Maxwell Solar Farm has been activated, with early construction works underway and an LTESA bid in progress. • The Edderton Solar Farm and BESS is progressing through the NSW State Significant Development approvals process, with SEARs issued to August 2028. • The Mayfield BESS and data centre remains in earlier-stage development with Akaysha Energy. • Smaller solar installations at Merton Vineyard and other properties are already operational.
Current financial effects (year ended 30 June 2026)	No material financial impact in the year ended 30 June 2026. Capital expenditure of approximately $450,000 was incurred across these projects during the year (Section 5.3); none has yet reached financial close or generated revenue.
Significant risk of material adjustment (year ending 30 June 2027)	No significant risk of material adjustment identified at the date of this report.
Anticipated financial effects, short and medium-term, and long-term	The anticipated future financial effects of these projects cannot yet be quantified, given their early stage of development and the approvals, financing and construction risk that remains outstanding.

3.3 Climate-related scenario analysis

Malabar performed climate-related scenario analysis for the year ended 30 June 2026 covering the Maxwell Underground Mine and its logistics chain, over the short, medium and long-term horizons set out above. Consistent with regulatory requirements applicable to Australian reporting entities, the Group applied the two scenarios set out below: a lower-warming scenario, used to test transition risk, and a higher-warming scenario, used to test physical risk. The Group considers the IEA NZE scenario provides a more directly relevant basis for assessing transition risk for the coal sector, given its detailed, regularly-updated modelling of global coal demand and pricing, and its consistency with the market-based information referenced elsewhere in this report.

Scenario	Warming outcome and risk focus	Source
IEA NZE (lower-warming scenario)	A global energy-sector pathway to net zero CO_2 emissions by 2050, developed by the International Energy Agency in response to a request from the COP26 Presidency, and designed to be consistent with limiting the rise in global average temperature to 1.5°C above pre-industrial levels. Used by Malabar to test transition risk exposure - in particular, global coal demand and price trajectories, and Safeguard Mechanism and carbon cost exposure.	IEA (2025), World Energy Outlook 2025 and Global Energy and Climate Model, IEA, Paris. First developed in 2021 and updated annually; broadly consistent with the temperature goal of the Paris Agreement.
SSP3-7.0 (higher-warming scenario)	A “Regional rivalry” pathway of fragmented international cooperation and slower, less coordinated climate policy, associated with warming of approximately 3.6°C above pre-industrial levels by 2100 (IPCC AR6 central estimate). Used by Malabar to test physical risk exposure - in particular, extreme weather affecting the Maxwell Underground Mine and the Hunter Valley logistics chain.	IPCC AR6 (2021) Shared Socioeconomic Pathways; recommended by DCCEEW’s National Climate Scenario Guidance (2026) as the Group’s higher-warming scenario.

Together, the two scenarios provide a decision-relevant basis for testing the resilience of Malabar's strategy against the range of plausible climate futures.

The scenario analysis draws on the following key assumptions for each scenario, having regard to Malabar's operations, geographic location (the Hunter Valley, NSW) and value chain:

IEA NZE — key assumptions	SSP3-7.0 — key assumptions
• Global energy-sector CO_2 emissions reach net zero by 2050, requiring coordinated and accelerated policy action, rapid deployment of clean energy technologies, and no new long-lead-time fossil fuel supply projects beyond those already committed. • Seaborne thermal and metallurgical coal demand falls sharply as coal-fired power is phased out and steelmaking shifts toward lower-carbon technologies; lower-calorific-value and higher-cost suppliers are expected to exit the market first, which may support relative pricing for higher-quality Australian coal for longer than for the seaborne market overall. • The Safeguard Mechanism baseline decline rate (4.9% per annum) is maintained or accelerated, and ACCU prices rise as compliance tightens, consistent with coordinated domestic policy action toward net zero by 2050. • Heavy rainfall intensity and extreme heat days in the Hunter Valley increase only modestly relative to current conditions, consistent with a lower-emissions pathway.	• Fragmented and delayed domestic and international climate policy; Safeguard Mechanism settings remain in place but decarbonisation of the steel sector and broader economy proceeds more slowly. • Basic oxygen furnace steelmaking and coal-fired power generation remain a larger share of global steel production and electricity generation for longer, supporting demand for both of Malabar's coal products. • More frequent and intense heavy rainfall and flooding events, extended drought periods, and a material increase in extreme heat and fire-weather days across the Hunter Valley, consistent with CSIRO/Bureau of Meteorology regional projections under higher-emissions pathways.

These assumptions reflect the matters considered most material to Malabar's operations and are not intended to be an exhaustive statement of every matter relevant to the Group's scenario analysis.

The significant areas of uncertainty considered in this analysis include: the quantified financial effect on the Group's revenue, costs, assets and liabilities over the long term; the effect of climate-related physical risks on the Group's operations and logistics chain; and the pace and stringency of future climate-related policy, including ongoing review of the Safeguard Mechanism, emerging regulatory requirements and consultations relevant to methane management at both state and federal level, and changes to coal-related approvals settings.

Lower-warming scenario: IEA Net Zero Emissions by 2050 (NZE)

Under the IEA NZE scenario, transition risk exposure - in particular, regulatory and policy uncertainty, including the Safeguard Mechanism, and reduction in demand for coal - is expected to increase over the medium and long term as decarbonisation policy strengthens and global coal demand declines, while physical risk exposure remains comparatively low given more moderate projected changes in weather patterns.

Risk	Short-term (2027)	Medium-term	Long-term (life of mine)
Regulatory and policy uncertainty	Malabar becomes subject to the Safeguard Mechanism as a covered facility. Compliance costs are considered manageable given the Group's facility-specific baseline and existing operations.	Accelerated decarbonisation policy, rising ACCU prices, and tightening methane-related and approvals settings increase compliance costs, requiring continued pursuit of further abatement options.	Transition risk exposure is elevated as policy settings tighten toward net zero by 2050, requiring continued management of compliance costs and abatement options over the life of mine.

Risk	Short-term (2027)	Medium-term	Long-term (life of mine)
Reduction in demand for coal	Demand for Malabar's thermal coal and SSCC remains broadly consistent with existing customer relationships and offtake arrangements; the accelerated decarbonisation pathway is at an early stage and has not yet materially affected demand.	Faster adoption of lower-carbon steelmaking and accelerated coal-fired power phase-out under this scenario increase the pace at which demand for both the SSCC and thermal coal decline.	Demand for both of Malabar's coal products is expected to be more materially reduced than under SSP3-7.0, reflecting faster global decarbonisation of the steel and power sectors over the life of mine.
Physical risk to operations and logistics	Weather-related disruption remains broadly consistent with recent historical experience and is managed within existing operational controls.	Physical risk exposure remains broadly similar to current conditions; existing water management and logistics controls are expected to remain adequate.	Physical impacts on operations and the logistics chain are expected to remain manageable within existing risk management processes.

The Group's assessment of stakeholder support risk (Section 3.1) is not separately differentiated by scenario, as it does not vary materially between the IEA NZE scenario and SSP3-7.0.

Higher-warming scenario: SSP3-7.0

SSP3-7.0 assumes a global increase in the frequency and severity of extreme weather events, including heavy rainfall, flooding, drought and extreme heat, reflecting weaker and less coordinated global mitigation action. Applying this global pathway to its own operations and logistics chain, Malabar expects physical risk exposure to increase more materially over the medium and long term, while transition risk exposure increases more gradually, reflecting slower and less coordinated global decarbonisation policy.

Risk	Short-term (2027)	Medium-term	Long-term (life of mine)
Regulatory and policy uncertainty	Malabar becomes subject to the Safeguard Mechanism as a "covered facility"; near-term impact is similar to the lower-warming scenario as Safeguard settings apply irrespective of the global emissions pathway.	Slower domestic and international decarbonisation reduces the pace of cost escalation relative to the lower-warming scenario, though Safeguard compliance obligations and other regulatory settings remain in place.	Transition risk exposure remains but is not expected to increase as sharply as under the lower-warming scenario, reflecting slower policy tightening.
Reduction in demand for coal	Demand remains supported, consistent with recent experience, as global decarbonisation of steelmaking and power generation proceeds more slowly under this scenario.	Basic oxygen furnace steelmaking and coal-fired power generation are expected to remain a larger share of global production for longer, continuing to support demand for both of Malabar's coal products relative to the lower-warming scenario.	Demand risk over the life of mine is lower than under the lower-warming scenario, although the pace and eventual extent of global decarbonisation, and its effect on long-term demand, remains uncertain.
Physical risk to operations and logistics	Increased frequency of heavy rainfall and heat extremes is possible in the short term; the Group's existing controls (dam management, real-time weather monitoring, stockpiling) are expected to manage most events, consistent with recent experience.	More frequent and intense extreme weather events increase the risk of production and logistics disruption (including at rail and port infrastructure), requiring continued investment in water management and resilience measures.	Physical risk exposure is elevated, with increased frequency and severity of heavy rainfall, drought and extreme heat placing sustained pressure on operations and the Hunter Valley logistics chain over the life of mine.

Having completed this scenario analysis, the Group reconsidered the climate-related risks and opportunities identified in Section 3.1 and concluded that no additional material risks or opportunities were identified under either scenario.

3.4 Climate resilience

Having regard to the scenario analysis in Section 3.3, Malabar undertook quantitative resilience testing of its strategy and the Maxwell Underground Mine under the IEA NZE scenario, focused on the financial effects of the climate-related risks identified in Section 3.2.

Resilience was assessed by analysing projected annual free cash flow over the life of mine, using coal prices derived from the International Energy Agency's World Energy Outlook 2025 and Coal 2025 report, and SSCC prices derived from published premium low volatile hard coking coal (PLV HCC) forecasts for a comparable ASX-listed coal producer, adjusted by a market-based price differential, each consistent with Malabar's lower-warming scenario. Thermal coal prices were modelled to decline on a straight-line basis from US$128 per tonne (real, FOB) - the gC NEWC price as at 30 June 2026 - to approximately US$49 per tonne (real, FOB) by the end of the year ending 30 June 2048. Semi-soft coking coal prices were modelled on the same basis, declining from US$141 per tonne (real, FOB) - the Platts semi-soft coking coal price as at 30 June 2026 - to approximately US$57 per tonne (real, FOB) over the same period.

Under this scenario, the compounding effect of declining coal prices, together with the assumptions described above, materially reduces the Group's modelled net present value for the Maxwell Underground Mine. Notwithstanding this reduction, the Group's modelled free cash flows and net present value remain positive throughout the projected life of mine. On this basis, the Group's strategy and the Maxwell Underground Mine are expected to remain resilient in the short, medium and long term under the IEA NZE scenario, reflecting continued positive cash generation and asset value under the modelled scenario rather than an absence of material adverse impact. This result reflects the Group's cost structure, product mix and mine life, is based on the coal price and cost assumptions applied consistently across the modelled period and does not represent a conclusion about the broader coal industry or account for changes in market structure, competitor supply response, or the Group's own operating parameters that may occur over that timeframe.

For its higher-warming scenario (SSP3-7.0), the Group has not undertaken equivalent quantitative resilience testing, reflecting the inherent uncertainty in the timing, location and severity of future extreme weather events. The Maxwell Mine is an underground mining operation and is therefore inherently less exposed to the physical impacts of severe weather events than open-cut operations. In the short term, the Group considers its existing operational controls provide a reasonable basis to manage the physical risks currently identified. The Group is not yet able to conclude on its resilience over the medium and long term under this scenario.

In assessing its capacity to adjust its strategy and business model to climate-related risks and opportunities, the Group retains the ability to adjust its mine planning and production, including adjusting production rates, and to adjust the timing and quantum of its capital expenditure, in response to changing market or physical conditions. The Group's capacity to adjust is also supported by the flexibility of its existing financing arrangements, the operational controls described in Section 3.2 (including weather monitoring and flexible scheduling), and the renewable energy generation and storage projects identified in Section 3.1. As at the date of this report, the Group has not identified a need to redeploy, repurpose or decommission any assets as a result of the climate-related risks identified in this report.

As at the date of this report, Malabar has identified a capital project which has the primary purpose of climate-risk mitigation - the installation of higher-accuracy greenhouse gas measurement and monitoring equipment to improve the integrity of its Safeguard Mechanism and NGER Act compliance measurement, estimated at approximately $600,000. Beyond this, the Group's climate-related risks are currently addressed through the existing operational controls described in Section 3.2. The Board will continue to monitor industry practice and regulatory developments relevant to climate-related risks and opportunities.

4. RISK MANAGEMENT

As described in Section 2.2, the OHSEC reviews operational risks, including climate-related risks (both transition and physical), while the Audit Committee supports the Board in overseeing the integrity of climate-related financial disclosures and associated assurance arrangements, and financial risk management more generally.

4.1 Risk identification

Climate-related risks and opportunities are identified through the Group's enterprise risk management process, drawing on input from management and relevant subject-matter expertise, and having regard to policy developments relevant to the Group's activities, assets and operations.

4.2 Risk assessment and prioritisation

Identified risks, including climate-related risks, are assessed and prioritised using the Group’s Risk Matrix, which rates each risk by consequence (across financial, operational, safety, environmental and reputational dimensions) and likelihood, to produce a risk ranking and an overall risk level (Extreme, High, Medium or Low). Risks are assessed both before taking into account existing controls (inherent risk) and after taking into account their effectiveness (residual risk), with prioritisation based on the residual rating.

4.3 Use of scenario analysis in risk management

Climate-related scenario analysis is described in Section 3.3. It is used by the Group to stress-test its strategy, business model and existing operational and financial assumptions against plausible climate futures, and to distinguish site-specific risks from broader sector-wide climate narratives.

4.4 Integration with the Group’s risk management framework

Climate-related risks and opportunities are integrated into, and assessed and monitored using, the same processes applied to the Group’s other operational and financial risks. Operational risks, including climate-related risks (both transition and physical), are reviewed by the OHSEC via the risk register. Financial risks, including the integrity of climate-related financial disclosures and associated assurance arrangements, are overseen by the Audit Committee.

5. METRICS AND TARGETS

5.1 Greenhouse gas emissions

The Group applies the operational control approach to determine the boundary for its GHG emissions disclosures. Management considers this approach most appropriate given the entities and arrangements within the Group's financial reporting group over which it does not hold operational control. On this basis, emissions from the parent entity and its consolidated subsidiaries are included within the boundary. Maxwell West and Maxwell North have not yet generated any emissions, as no operational activity has commenced as at the date of this report. Newcastle Coal Shippers Pty Ltd (NCS), a 20% associate of the Group, is excluded, as Malabar does not have operational control over NCS.

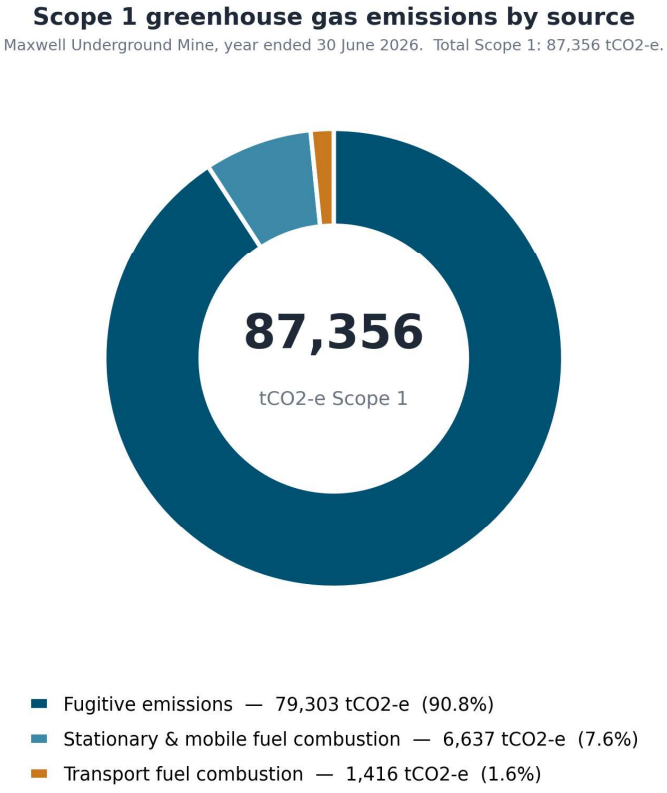
Emissions from sources owned or controlled by the Group are reported as Scope 1; emissions associated with the generation of purchased electricity consumed by the Group are reported as Scope 2. Consistent with the transitional relief described in Section 1.1, the Group has not disclosed Scope 3 emissions in this report.

As a registered controlling corporation under the NGER Act, the Group measures and reports its GHG emissions and energy data in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER Measurement Determination). The Group's total greenhouse gas emissions for the year ended 30 June 2026 are set out below.

GHG emissions (tonnes CO2-e)	Unit	2026
Scope 1 emissions	tCO_2-e	87,356
Scope 2 emissions (location-based)	tCO_2-e	20,033
Total Scope 1 + 2 emissions	tCO_2-e	107,389

Scope 1 emissions comprise:

- **Fugitive emissions** — methane and associated emissions from mining operations (approximately 79,303 tCO_2-e, the Group's largest single emissions source);
- **Non-transport (stationary and mobile) fuel combustion** — diesel, petroleum-based greases and oils used in underground mining plant and equipment (approximately 6,637 tCO_2-e); and
- **Transport fuel combustion** — diesel used in on-site and haulage vehicles (approximately 1,416 tCO_2-e).



Scope 2 emissions are measured using the location-based method, reflecting the average emissions factor of the New South Wales electricity grid. The Group currently has no contractual instruments (such as renewable energy purchase agreements or GreenPower arrangements) that would affect the calculation of Scope 2 emissions using a market-based method. Malabar procures electricity under standard commercial retail supply arrangements, without any renewable energy or GreenPower product attached.

5.2 GHG emissions methodology

The Group calculates its Scope 1 and Scope 2 emissions using the methods and emission factors set out in the NGER Measurement Determination, applying the operational control boundary described in Section 5.1, consistent with its mandatory reporting obligations under the NGER Act.

Category	Emission source	Calculation methodology	Emission factor source
Fugitive emissions	Underground gas (methane and associated CO_2 from underground mining operations and ventilation)	Quantity of gas released, determined through real-time gas sensor monitoring, multiplied by the relevant emission factor	National Greenhouse and Energy Reporting (Measurement) Determination 2008
Stationary and mobile combustion	Diesel oil, petroleum-based greases and oils	Fuel quantity consumed, metered through the Group's fuel management system, multiplied by the relevant energy content and emission factors	National Greenhouse and Energy Reporting (Measurement) Determination 2008
Transport fuel combustion	Diesel oil (haulage and site vehicles)	Fuel quantity consumed, metered through the Group's fuel management system, multiplied by the relevant energy content and emission factors	National Greenhouse and Energy Reporting (Measurement) Determination 2008
Purchased electricity (Scope 2)	Grid electricity — New South Wales	Electricity consumed (supplier invoices/metering) multiplied by the applicable NSW grid emission factor	National Greenhouse and Energy Reporting (Measurement) Determination 2008

Emissions and energy data are calculated on a full-year basis for the single Maxwell Underground Mine facility, consistent with the Group's mandatory reporting obligations under the NGER Act.

5.3 Other climate-related metrics

As outlined in Section 1.2, the Group’s current principal activity is producing coal from the Maxwell Underground Mine. Exposure to both physical and transition climate-related risks is concentrated in the ongoing continuity of operations at Maxwell Mine and its associated Hunter Valley logistics chain.

Substantially all of the Group's current revenue and total assets relate to coal mining activities at the Maxwell Underground Mine, which is exposed to both the climate-related transition risks and climate-related physical risks described in Section 3.1. Accordingly, the Group considers substantially all of its revenue and total assets to be vulnerable to climate-related transition risks and to climate-related physical risks.

The Group has a number of renewable energy and battery storage projects (Section 3.1) that are identified as climate-related opportunities; these remain in earlier stages of development and their potential financial contributions have not been quantified for this report.

The Group has deployed capital toward its renewable energy and battery storage projects referred to in Section 3.1, comprising approximately $450,000 in the year ended 30 June 2026, and approximately $1.5 million on a life-to-date basis since these projects commenced. Separately, the Group has identified the need to install higher-accuracy greenhouse gas measurement and monitoring equipment to improve the integrity of its Safeguard Mechanism and NGER Act compliance measurement. The estimated capital cost of this equipment is approximately $600,000. The Group does not apply an internal carbon price in decision-making at this stage. Management monitors ACCU market prices in the context of the Group's anticipated Safeguard Mechanism compliance obligations from the year ending 30 June 2027 (Section 5.4).

5.4 Climate-related targets

As at 30 June 2026, Malabar has not adopted a greenhouse gas emissions reduction target or a climate transition plan. The Group continues to monitor developments in regulatory requirements and industry practice and may consider establishing climate-related targets in future reporting periods.

Malabar is subject to an external compliance mechanism that applies to its Scope 1 emissions: the Safeguard Mechanism. Malabar's Maxwell Underground Mine is expected to become a "covered facility" under the Safeguard Mechanism from the year ending 30 June 2027, once its Scope 1 emissions exceed the 100,000 tCO2-e facility threshold (Scope 1 emissions for the year ended 30 June 2026 were 87,356 tCO2-e). From that point, Malabar will be required to manage its emissions against a facility-specific baseline, meeting any shortfall through the surrender of ACCUs. The table below discloses this compliance exposure as the Group's principal climate-related metric for monitoring progress, consistent with AASB S2.

Attribute	Disclosure
Metric used to monitor exposure	Scope 1 covered emissions (tCO_2-e) measured against a facility-specific emissions intensity baseline.
Objective of the mechanism	To reduce covered-facility emissions over time in support of Australia's Nationally Determined Contribution, under the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015.
Scope	Maxwell Underground Mine (Malabar's single Safeguard-covered facility).
Period	Baselines decline annually from 1 July 2023 to 2030 at the legislated default rate of 4.9% per annum. The mechanism is expected to apply to Malabar from the year ending 30 June 2027, once the 100,000 tCO_2-e covered-facility threshold is exceeded.
Base period / determination	Malabar has obtained a facility-specific Emission Intensity Determination from the Clean Energy Regulator, which establishes the baseline against which Malabar's Scope 1 emissions will be assessed for Safeguard Mechanism compliance purposes.
Target type / basis	Not a voluntary target — a mandatory compliance obligation, calculated on an intensity basis (facility emissions-intensity value multiplied by production) and applied to gross Scope 1 emissions.
Gases covered	All greenhouse gases covered by the NGER Act (predominantly fugitive methane and CO2 from fuel combustion at the Maxwell Mine), converted to tCO2-e.
Alignment with jurisdictional commitment	Designed to support achievement of Australia's Nationally Determined Contribution under the Paris Agreement.
Reliance on carbon credits	From the year ending 30 June 2027, Malabar expects to meet any shortfall against its facility baseline through the surrender of ACCUs. No carbon credits have been surrendered as at the date of this report, as Malabar has not yet become a covered facility.
Progress achieved at 30 June 2026	Malabar's Scope 1 emissions (87,356 tCO2-e) remained below the 100,000 tCO2-e covered-facility threshold; Malabar was not a covered facility at the reporting date.
Third-party validation	The target and the methodology for setting the target are prescribed under the Safeguard Mechanism and have not been separately validated by a third party. Emissions data used to assess compliance with the target are subject to assurance requirements under the NGER Act.

Malabar's anticipated financial effects from this compliance obligation over the short and medium term are set out in Section 3.2. Given the inherent uncertainty in Safeguard Mechanism baseline decline rates and ACCU pricing beyond 30 June 2030, the long-term financial effect of this anticipated compliance obligation cannot be reliably quantified at the date of this report.

6. EVENTS AFTER THE REPORTING PERIOD

In August 2026, Malabar completed the acquisition of a 5.6% shareholding in NCIG Holdings Pty Limited, together with the associated capacity entitlement at the Newcastle Coal Infrastructure Group terminal. This transaction did not have any impact on the Group's financial position or performance for the year ended 30 June 2026, and is further described in the Group's consolidated financial statements for the year ended 30 June 2026. Other than this matter, and any other matters otherwise disclosed in this report or in the Group's consolidated financial statements for the year ended 30 June 2026, no other transactions, events or conditions occurring after 30 June 2026 and before the date of authorisation of this report require disclosure in this report.

DIRECTORS' DECLARATION

In the opinion of the directors of Malabar Resources Limited (the 'Company'), the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (the 'Group') for the year ended 30 June 2026, as presented on pages 3 to 21, are in accordance with the *Corporations Act 2001* (Cth), including:

- complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*; and
- containing the climate statement disclosures required by section 296D of the *Corporations Act 2001* (Cth).

Signed in accordance with a resolution of the directors.

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Wayne Seabrook

Director

Dated: 24 September 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES OF MALABAR RESOURCES LIMITED

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of **Malabar Resources Limited** (the Company) and its controlled entities (the Group) for the year ended **30 June 2026** as required by Australian Standards on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Sustainability Disclosures	**Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)**	**Location in Sustainability Report**
Governance	Paragraph 6	Sections 2.1 to 2.5 on pages 6 and 7
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 3 and 3.1 on pages 8 and 9
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Sections 5.1 and 5.2 on pages 18 and 19

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures outlined in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Liability limited by a scheme approved under Professional Standards Legislation.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

We confirm that the independence declaration required *by the Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Our firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other Information

The directors of the Company are responsible for the other information. The other information comprises all disclosures in the sustainability report other than the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated.

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

Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

a) the preparation of the specified Sustainability Disclosures in accordance with the Act; and
b) designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in Preparing the specified Sustainability Disclosures

Greenhouse gas emissions quantified relating to Scope 1 and Scope 2 emissions is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

The specified Sustainability Disclosures include assumptions about future events and circumstances. Actual outcomes may differ from those described and, accordingly, the disclosures are subject to a higher level of inherent uncertainty.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

(a) Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
(b) Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Read internal information (e.g. Board papers, committee meeting minutes and internal policies) supporting the governance disclosures.
- Assessed the appropriateness of management's determined reporting boundary.
- Assessed the completeness and accuracy of the Group's disclosed climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the specified sustainability disclosures during the reporting period
- Tested on a sample basis a number of inputs used in determining Scope 1 and Scope 2 emissions to supporting data and reports.
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the Sustainability Report to the underlying outcome of the procedures performed.
- Evaluated the presentation and disclosure of the specified Sustainability Disclosures against the requirements of AASB S2.

Horizon Nexus Partners.

Horizon Nexus (Qld) Audit Pty Limited

Liam Murphy
Director

24 September 2026
Brisbane