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Half Year Financial Report

31 December 2025

Talga Group Ltd and Controlled Entities

ABN: 32 138 405 419

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CORPORATE DIRECTORY

Directors

Terry Stinson (Non-executive Chair)

Mark Thompson (Managing Director)

Grant Mooney (Non-Executive Director)

Eva Nordmark (Non-Executive Director)

Company Secretary

Dean Scarparolo

Registered Office and Principal Place of Business

Suite 3.03, Level 3

46 Colin Street

West Perth WA 6005

Phone: 08 9481 6667

Email and website

Email: info@talgagroup.com

Website: www.talgagroup.com

ABN

32 138 405 419

Securities Exchange Listing

Talga Group Ltd is listed on the ASX and trades on the US OTCQX Market

Home Exchange: Perth

ASX Code: TLG (Shares)

US OTCQX ticker: TLGRF

Share Registry

Automic Registry Services

GPO Box 5193

Sydney NSW 2001

Phone: 1300 288 664

Auditors

Ernst & Young

9 The Esplanade,

Perth WA

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity comprising Talga Group Ltd ("Company") and its controlled entities ("Group" or "Consolidated Entities") for the half-year ended 31 December 2025.

Board of Directors

The names of the Talga Group Ltd directors in office during or since the end of the half-year period are as follows. Directors were in office for this entire period unless otherwise noted.

Directors	Position
Terry Stinson	Non-Executive Chair
Mark Thompson	Managing Director
Grant Mooney	Non-Executive Director
Eva Nordmark	Non-Executive Director (appointed 1 Sept, 2025)

Review of Operations

During the period, the Group made strong progress across its fully integrated Vittangi Anode Project in Sweden, successfully clearing the majority of remaining regulatory hurdles for the Lulea Anode Refinery and the Nunasvaara South graphite mine.

Commercial, Product and Project developments

- Commenced the Front-End Engineering Design (FEED) study for a 5,000 tpa anode plant to start commercial production as part of a modular scale up.
- Delivered strong commercial traction with EVA anode customer receipts doubling from the prior corresponding period, including largest anode shipment to date under existing offtake agreements.
- Record demand from battery manufacturers for qualification material since production commenced in 2022.
- Launched Talnode®-R, a proprietary graphite anode produced from recycled lithium-ion battery waste.
- Secured a Supply Agreement with Aurubis to provide black mass graphite for Talnode®-R manufacturing.
- Executed a Strategic Cooperation Agreement with leading US auto-industry recycling firm, United Catalyst Corporation, to explore establishment of Talnode® production in North America.
- Achieved major regulatory milestones for the Nunasvaara South mining concession with land-use approvals and Detailed Plan progression.
- Received Exploitation Concession approvals for the Nunasvaara North, Niska South and Niska North graphite deposits of the Vittangi Graphite Project in northern Sweden.
- Strengthened Talga's intellectual property portfolio with three new graphite anode product patents secured in US and one in Japan.

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- Expanded the product portfolio with performance-enhancing additives based on Talga's high-purity graphite, opening new commercial opportunities across a wider range of battery technologies.

- Advanced participation in multiple EU-funded R&D projects to enhance supply chain resilience and commercial pathways for Talga's high-performance graphite and silicon-carbon anodes.

- Mutually agreed to terminate the Aero Joint Venture with global lithium giant SQM after the Swedish Inspectorate for Strategic Products did not satisfy the conditions precedent in a reasonable time.

Corporate and finance

- Strengthened the Board with the appointment of former Sweden Government Minister Eva Nordmark as a Non-executive Director (following the earlier resignation of Ola Rinnan and Stephen Lowe). Ms Nordmark continues to serve as Chair of Talga AB, Talga's Swedish subsidiary.

- Commenced trading on the OTCQX® Best Market in the United States, improving visibility and accessibility for North American investors.

- Secured a A$13.35 million grant from Sweden's Energy Agency under the Industrial Leap ("Industriklivet") program to part fund the FEED study for the 5,000 tpa anode plant.

- Raised A$328,000 from the exercise of shareholder loyalty options.

- Successfully completed an institutional placement, raising A$14.5 million (before costs) with 35.4 million new shares at A$0.41 per share with attaching unlisted options.

- Launched a Share Purchase Plan which closed post-Quarter, raising A$7.3 million following the issue of 17.7 million new shares post period end.

- Ended half-year with financial position of A$28.4 million cash plus conditional financing facilities of A$125 million.

SUBSEQUENT EVENTS

- The Swedish Government formally adopted the Nunasvaara South Graphite Mine Detailed Plan.

- Finalised the Share Purchase Plan, issuing 17.7 million shares and raising A$7.3 million.

- Announced exploration results from the Aero Project, identifying high-grade gallium with anomalous caesium, niobium, tantalum, yttrium and scandium in reconnaissance rock samples over 8 km strike length.

- Executed a Development Agreement with V4Smart (co-owned by Porsche AG and VARTA AG) for the German innovator to co-develop and qualify Talnode® for next-generation high power battery cells.

- Talga's application for a (SEK 1.1B/A$180 million) grant for "Circular Graphite Anode at Industrial Scale for Low-emissions Batteries", under the second Industriklivet call was declined by the Swedish Energy Agency due to 2026 government budget constraints.

Other than as disclosed above, there has not been any other matter or circumstance occurring subsequent to the end of the half-year financial period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

ROUNDING

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this Directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

DIVIDENDS

No dividend has been paid during or is recommended for the half-year financial period ended 31 December 2025.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the period ended 31 December 2025 has been received and immediately follows the Directors' Report. There was $69,831 (31 December 2024: $16,000) in fees paid to Ernst and Young for non-audit services provided during the period ended 31 December 2025. The Directors are satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed did not compromise the external auditor's independence.



Mark Thompson
Managing Director
Perth, Western Australia
12 March 2026

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Auditor's independence declaration to the directors of Talga Group Ltd

As lead auditor for the review of the half-year financial report of Talga Group Ltd for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Talga Group Ltd and the entities it controlled during the financial period.

Ernst & Young

T S Hammond
Partner
12 March 2026

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Liability limited by a scheme approved under Professional Standards Legislation

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2025

	Note	HALF-YEAR Consolidated 31 December 2025 $	HALF-YEAR Consolidated 31 December 2024 $
Revenues from ordinary activities	3.	80,048	34,333
Other Income	3.	437,946	672,171
Expenses			
Administration expenses		(2,114,978)	(2,316,933)
Compliance and regulatory expenses		(501,384)	(488,041)
Depreciation expense		(1,396,817)	(1,574,987)
Impairment expenses	5.	(1,335,418)	-
Employee benefits expenses and Directors fees		(1,140,841)	(1,981,419)
Exploration, evaluation and exploitation expenditure		(341,085)	(379,252)
Trial mine and anode production expenses		(2,362,565)	(4,213,184)
Operations – test facility, research and product development		(2,156,455)	(2,656,800)
Foreign exchange (loss) / gain		(37)	87,228
Share based payments reversal / (expense)	10.	(799,440)	9,751,313
Loss before income tax expense		**(11,631,026)**	**(3,065,571)**
Income tax expense		-	-
Net loss attributable to members of the parent entity		**(11,631,026)**	**(3,065,571)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		108,423	718,716
Total other comprehensive income for the period		**108,423**	**718,716**
Total comprehensive loss for the period		**(11,522,603)**	**(2,346,855)**
Total comprehensive loss attributable to members of the parent entity		**(11,522,603)**	**(2,346,855)**
Basic loss per share (cents per share)	9.	(2.53)	(0.75)
Diluted loss per share (cents per share)	9.	(2.53)	(0.75)

The above interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

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	Note	Consolidated 31 December 2025 $	Consolidated 30 June 2025 $
Current Assets			
Cash and cash equivalents	4.	28,378,110	13,184,029
Trade and other receivables		1,176,744	1,542,882
Prepayments		672,869	319,357
Total Current Assets		**30,227,723**	**15,046,268**
Non-current Assets			
Other receivables		311,690	318,378
Property, plant and equipment	5.	33,633,363	33,250,309
Right-of-use assets		694,532	1,032,877
Total Non-current Assets		**34,639,585**	**34,601,564**
TOTAL ASSETS		**64,867,308**	**49,647,832**
Current Liabilities			
Lease liability		530,699	540,236
Financial liability		156,643	-
Deferred income - Government Grant	6.	12,264,626	-
Trade and other payables		2,294,715	2,380,881
Provisions		1,650,627	1,583,847
Total Current Liabilities		**16,897,310**	**4,504,964**
Non-current Liabilities			
Lease liability		202,869	543,777
Total Non-current Liabilities		**202,869**	**543,777**
TOTAL LIABILITIES		**17,100,179**	**5,048,741**
NET ASSETS		**47,767,129**	**44,599,091**
Equity			
Issued capital	7.	263,549,427	249,658,226
Reserves	8.	17,162,497	16,254,634
Accumulated losses		(232,944,795)	(221,313,769)
TOTAL EQUITY		**47,767,129**	**44,599,091**

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2025

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
At 1 July 2024		**222,319,167**	**(204,585,750)**	**22,495,330**	**40,228,747**
Comprehensive (loss):					
Loss after income tax for the period		-	(3,065,571)	-	**(3,065,571)**
Exchange differences on translation of foreign operations		-	-	718,716	**718,716**
Total comprehensive (loss) / income for the period		**-**	**(3,065,571)**	**718,716**	**(2,346,855)**
Transactions with owners in their capacity as owners:					
Issue of share capital		18,642,004	-	-	**18,642,004**
Capital raising costs		(741,360)	-	-	**(741,360)**
Share based compensation		-	-	(9,751,313)	**(9,751,313)**
At 31 December 2024		**240,219,811**	**(207,651,321)**	**13,462,733**	**46,031,223**

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
At 1 July 2025		**249,658,226**	**(221,313,769)**	**16,254,634**	**44,599,091**
Comprehensive (loss):					
Loss after income tax for the period		-	(11,631,026)	-	**(11,631,026)**
Exchange differences on translation of foreign operations		-	-	108,423	**108,423**
Total comprehensive (loss) / income for the period		**-**	**(11,631,026)**	**108,423**	**(11,522,603)**
Transactions with owners in their capacity as owners:					
Issue of share capital	7.	15,075,443	-	-	15,075,443
Capital raising costs		(1,184,242)	-	-	(1,184,242)
Share based compensation		-	-	799,440	799,440
At 31 December 2025		**263,549,427**	**(232,944,795)**	**17,162,497**	**47,767,129**

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2025

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	Note	HALF-YEAR Consolidated 31 December 2025 $	HALF-YEAR Consolidated 31 December 2024 $
Cash flows from operating activities			
Receipts from customers		86,586	60,305
Payments for exploration, evaluation & exploitation, trial mine and anode production		(3,460,190)	(5,253,057)
Payments to suppliers, contractors and employees		(2,333,660)	(4,552,635)
German and UK Operations including R&D		(2,353,864)	(2,952,349)
Interest received		122,554	342,762
Interest paid		(33,892)	(44,091)
Other income – grants		570,740	52,208
Net cash flows (used in) operating activities		**(7,401,726)**	**(12,346,857)**
Cash flows from investing activities			
Purchase of plant and equipment		(4,188,680)	(1,027,000)
Capital Grants received		13,368,320	-
Net cash from / (used in) investing activities		**9,179,640**	**(1,027,000)**
Cash flows from financing activities			
Proceeds from issue of securities		14,617,082	18,500,000
Payment for costs of issue of securities		(1,184,242)	(741,360)
Proceeds from exercise of share options		328,349	142,000
Payments for insurance premium funding loan		(53,923)	-
Lease payments		(329,704)	(518,378)
Net cash flows from financing activities		**13,377,562**	**17,382,262**
Net increase in cash and cash equivalents		**15,155,474**	**4,008,405**
Cash and cash equivalents at the beginning of the period		13,184,029	14,095,113
Net foreign exchange differences		38,607	(28,186)
Cash and cash equivalents at the end of the financial period	4.	**28,378,110**	**18,075,332**

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE INTERIM CONDENSED HALF-YEAR FINANCIAL REPORT

1. CORPORATE INFORMATION

The half-year financial report for the parent Talga Group Ltd and its Controlled Entities (The "Group" or "Consolidated Entity") for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on 12 March 2026. Talga Group Ltd is a limited company incorporated and domiciled in Australia and its shares are publicly listed on the Australian Securities Exchange and secondary traded on the US OTCQX Market.

The nature of the operations and principal activities of the Group are described on page 4 to 6 of the Directors' Report.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Statement of compliance and basis of accounting

The half-year financial report for the six months ended 31 December 2025 has been prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134 "Interim Financial Reporting" reporting requirements.

The half-year financial report does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual financial statements of Talga Group Ltd as at 30 June 2025.

It is also recommended that the half-year financial report be considered together with any public announcements made by Talga Group Ltd during the half-year ended 31 December 2025 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange.

Going Concern

The Directors have prepared the half-year financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As at 31 December 2025, the Group has cash and cash equivalents of $28.4 million (30 June 2025: $13.2 million) of which $13.4 million is restricted for use under the Industrial Leap 'Industriklivet' grant received from the Swedish Energy Agency during the period (refer to Note 4), and net current assets of $13.3 million (30 June 2025: $10.5 million). For the 6-month period ended 31 December 2025, the Group made a net loss of $11.6 million (31 December 2024: net loss of $3.1 million) and has incurred net operating outflows of $7.4 million, (31 December 2024: net operating outflows of $12.3 million), net cash inflow investing activities of $9.2 million (including grant funding of $13.4 million) and net financing cash inflows of $13.4 million (31 December 2024: net inflows of $17.4 million). Subsequent to the balance date, the Company raised $7,273,000 on 30 January 2026 through the issue of 17,738,987 new shares under the Share Purchase Plan.

The Directors acknowledge, having regard to the Group's cashflow forecast for the 15-month period ended 31 March 2027, that further funding, in the form of debt and/or equity raisings will be required in order to progress the Group's planned objectives, including the development of the Vittangi Anode Project.

The Directors consider there is a reasonable basis to conclude that further funds can be raised when required, given the Group's historical capital raising and strong shareholder support.

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As at the date of this report, the Directors are satisfied there is a reasonable basis that the Group will be able to achieve the matters set out above, including the securing of funding for the Vittangi Anode Project, and thus it is appropriate to prepare the half-year financial report on a going concern basis.

If, however the Group is unable to achieve these matters, then there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The half-year financial report do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2025 annual financial report for the financial year ended 30 June 2025. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) Application of new and revised Accounting Standards

New and Amended Accounting Policies Adopted by the Group

A number of new and amended accounting standards and interpretations apply for the first time in this half-year reporting period, but do not have a material impact on the financial statements of the Group. The Group has not adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3. REVENUE AND OTHER INCOME

	31 December 2025 $	31 December 2024 $
Product sales	**80,048**	**34,333**
Interest revenue	123,053	346,431
Grant income	314,893	325,740
	437,946	**672,171**

4. CASH AND CASH EQUIVALENTS

	31 December 2025 $	30 June 2025 $
Cash at bank (i)	**28,378,110**	**13,184,029**

(i) $13,454,622, of the cash at bank balance is restricted for use under the Industrial Leap 'Industriklivet' grant received from the Swedish Energy Agency during the period (refer to note 6). These funds are only available for use on the approved project expenditure to which the grant relates and are not available to fund general operations.

5. PROPERTY, PLANT & EQUIPMENT

	Plant and Equipment	Land & Buildings	Assets under Construction (ii)	Total
Net book value, as at 1 July 2025	**12,399,030**	**5,020,710**	**15,830,569**	**33,250,309**
Additions	36,151	-	3,626,395	3,662,546
Government grant credited	-	-	(1,073,512)	(1,073,512)
Impairment of plant and equipment (i)	(1,335,418)	-	-	(1,335,418)
Depreciation charge	(852,319)	(225,268)	-	(1,077,587)
Effect of foreign currency exchange differences	(11,058)	40,014	178,069	207,025
Net book value, as at 31 December 2025	**10,236,386**	**4,835,456**	**18,561,521**	**33,633,363**
Cost	20,105,708	6,694,442	18,561,521	45,361,671
Accumulated depreciation	(9,869,322)	(1,858,986)	-	(11,728,308)

(i) During the period, the Group's technology division has been rationalized with the decision to concentrate R&D activities in the UK and Sweden and the German facility to wind down. All of the German assets have been reviewed, some transferring to Sweden and the UK, others identified for sale whilst the rest have been written off. This rationalisation and reorganisation resulted in a write down of the German facility assets by $1.3 million to their recoverable amount. The recoverable amount of the assets was determined based on their estimated fair value less costs of disposal (Level 3 in the fair value hierarchy), primarily on the basis of indicative offers received for the core assets.

(ii) *Assets under construction*
Assets included in assets under construction represent capital projects that are not yet ready for their intended use. They are reclassified to other categories in property, plant and equipment when the asset is available and ready for use in the location and condition necessary for it to be capable of operating in the manner intended. Expenditure is capitalised as an AUC when it is probable that future economic benefits will flow to the Group and the expenditure is directly attributable to constructing or preparing the asset. AUC are carried at cost, less any impairment losses and not depreciated until the asset is ready for use.

6. DEFERRED INCOME – GOVERNMENT GRANT

	31 December 2025 $	30 June 2025 $
Balance at the start of the financial period	**-**	**-**
Government grants received	13,368,320	-
Released to Operations – test facility, research and product development	(92,365)	-
Released to AUC	(1,073,512)	-
Effect of foreign currency exchange differences	62,183	-
Balance at the end of the financial period	**12,264,626**	**-**
Current	12,264,626	-
Non-current	-	-

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6. DEFERRED INCOME – GOVERNMENT GRANT (Cont'd)

On 15 October 2025, the Group received grant support from the Swedish Energy Agency (Energimyndigheten) and the EU through "Next Generation EU" within the framework of Industrial Leap "Industriklivet", the Swedish government's long-term initiative to support climate change – part of the EU's Recovery and Resilience Facility (RRF). A total subsidy of AUD13,410,669 (SEK 82,639,076) was granted to Talga AB (wholly owned subsidiary of the Company) covering the period 1 June 2025–30 June 2026, to partly fund the "Sustainable, low emission active anode material made from natural and recycled graphite" project which has a total value of SEK 190 million (A$30.8 million). Any funds received that have not been used by Talga AB for this purpose shall be repaid to the Swedish Energy Agency, conditional upon filing a "Final report" inclusive of an auditor's certificate by 31 August 2026 confirming compliance with the terms of the grant. During the project completion , the deferred government grant income will be deducted from the carrying amount of the asset. As at 31 December 2025, the Group deducted grant funds of AUD1,073,512 (SEK 6,605,372) against the carrying amount of AUC. See note 5 & 6.

7. ISSUED CAPITAL

	31 December 2025	30 June 2025
	$	$
Issued and fully paid	263,549,427	249,658,226
Issued and fully paid	**263,549,427**	**249,658,226**

	31 December 2025	31 December 2025	30 June 2025	30 June 2025
	Number	$	Number	$
Fully Paid Ordinary Shares	**492,682,912**	**263,549,427**	**454,593,026**	**249,658,226**

Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issued Price	$
Balance 30 June 2024		**379,754,172**		**222,319,166**
Placement	7/08/2024	25,000,000	0.38	9,500,000
Share Purchase Offer	29/08/2024	23,684,674	0.38	9,000,000
Exercise of loyalty options	21/10/2024	11,455	0.55	6,300
Exercise of loyalty options	20/11/2024	217,657	0.55	119,711
Exercise of loyalty options	20/12/2024	29,075	0.55	15,991
Exercise of loyalty options	20/01/2025	5,588	0.55	3,073
Exercise of loyalty options	18/02/2025	18,617	0.55	10,239
Exercise of loyalty options	2/04/2025	2,546	0.55	1,400
Exercise of loyalty options	22/04/2025	9,770	0.55	5,374

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7. ISSUED CAPITAL (Cont'd)

	Date	Quantity	Issued Price	$
Placement	27/05/2025	24,632,272	0.40	9,852,909
Exercise of Performance Rights	12/07/2024	333,000	-	-
Exercise of Performance Rights	28/10/2024	216,300	-	-
Exercise of Performance Rights	20/12/2024	83,000	-	-
Exercise of Performance Rights	20/01/2025	124,400	-	-
Exercise of Performance Rights	18/02/2025	131,000	-	-
Exercise of Performance Rights	11/03/2025	147,300	-	-
Exercise of Performance Rights	28/03/2025	71,300	-	-
Exercise of Performance Rights	29/04/2025	60,900	-	-
Exercise of Performance Rights	5/06/2025	60,000	-	-
Less transaction costs				(1,175,938)
Balance 30 June 2025		**454,593,026**		**249,658,226**
Placement	10/07/2025	367,728	0.40	147,091
Exercise of loyalty options	22/07/2025	2,942	0.55	1,618
Exercise of loyalty options	19/09/2025	594,056	0.55	326,731
Issue of shares in lieu of consulting fees	20/10/2025	250,000	0.40	100,000
Placement	17/12/2025	35,365,860	0.41	14,500,003
Exercise of Performance Rights	29/07/2025	333,000	-	-
Exercise of Performance Rights	26/08/2025	20,600	-	-
Exercise of Performance Rights	1/10/2025	9,800	-	-
Exercise of Performance Rights	21/10/2025	100,000	-	-
Exercise of Performance Rights	14/11/2025	116,300	-	-
Exercise of Performance Rights	1/12/2025	12,100	-	-
Exercise of Performance Rights	23/12/2025	900,000	-	-
Exercise of Performance Rights	23/12/2025	17,500	-	-
Less transaction costs				(1,184,242)
Balance 31 December 2025		**492,682,912**		**263,549,427**

Institutional and sophisticated investor placement ("Placement") and Share Purchase Plan ("SPP")

On 10 December 2025, the Company announced it had received firm binding commitments for a Placement of new fully paid ordinary shares ("New Shares") at a price of A$0.41 per share, to raise A$14.5 million before costs Placement via the issue of 35,365,860 new fully-paid ordinary shares. The Company also

initiated a SPP to Eligible Shareholders ("Eligible Shareholders"). The SPP was launched on 17 December 2025, with the closure date extended to 23 January 2026 from 5 January 2026.

Key details of the New Shares under the Placement and shares under the SPP are as follows:

• Offer price for New Shares and SPP Shares at A$0.41 per share reflecting a 7.2% discount to the 10-day VWAP average price of A$0.442 per share on the last trading day prior to the Placement.

• Participants in the Placement and SPP will receive one (1) free unlisted attaching option ("Attaching Options") for every two (2) New Shares and SPP Shares allocated with an exercise price of A$0.58 per option and a 2-year expiry from the date of issue (indicatively January 2028).

• Holders of Attaching Options will receive one (1) fully paid ordinary share and one (1) free unlisted piggyback option ("Piggyback Option") for every one (1) Attaching Option exercised.

• The Piggyback Options will have an exercise price of A$0.65 and an expiry date of 2-years from the expiry of the Attaching Option (indicatively January 2030). Each Piggyback Option gives the holder the right to receive one (1) fully paid ordinary share upon exercise.

The Company issued 17,682,930 free unlisted Attaching Option with an exercise price of $0.58 expiring two years from the date of issue, and 17,682,930 Piggyback Options with an exercise price of $0.65 expiring 30 Jan 2030.

On 28 January 2026, the Company announced it had raised $7,273,000 and issued 17,738,987 new shares on 30 January 2026 through the SPP.

8. RESERVES

	31 December 2025 $	30 June 2025 $
(a) Unlisted option and performance rights reserve	12,599,373	11,799,933
(b) Listed option reserve	843,939	843,939
(c) Foreign currency reserve	3,737,842	3,629,419
(d) Financial assets reserve	(18,657)	(18,657)
Total reserves	**17,162,497**	**16,254,634**

(a) UNLISTED OPTION AND PERFORMANCE RIGHTS RESERVE	31 December 2025 $	30 June 2025 $
Balance at the start of the financial period	**11,799,933**	**21,362,063**
Share based payment (reversal) / expense	799,440	(9,562,130)
Balance at the end of the financial period	**12,599,373**	**11,799,933**

The unlisted options and performance rights reserve is to record the value of equity benefits provided to employees and Directors as part of their remuneration.

(b) LISTED OPTION RESERVE	31 December 2025 $	30 June 2025 $
Balance at the start of the financial period	**843,939**	**843,939**
Movement	-	-
Balance at the end of the financial period	**843,939**	**843,939**

The listed option reserve represents the value of 45.5million options issued to shareholders in December 2018 for $0.02 which were exercisable at $0.45 and expired in December 2018.

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(c) FOREIGN CURRENCY RESERVE	31 December 2025 $	30 June 2025 $
Balance at the beginning of the financial period	**3,629,419**	**307,985**
Movement during the period	108,423	3,321,434
Balance at the end of the financial period	**3,737,842**	**3,629,419**

The foreign currency reserve represents exchange differences arising from the translation of non-AU dollar functional currency operations within the Group into Australian dollars.

(d) FINANCIAL ASSET RESERVE	31 December 2025 $	30 June 2025 $
Balance at the start of the financial period	**(18,657)**	**(18,657)**
Movement during the period	-	-
Balance at the end of the financial period	**(18,657)**	**(18,657)**
Total reserves	**17,162,497**	**16,254,634**

The financial asset reserve represents the revaluation of investments in shares recognised through other comprehensive income.

9. LOSS PER SHARE

	31 December 2025 $	31 December 2024 $
Net loss used in calculating the basic loss per share	(11,631,026)	(3,065,571)
	Number	**Number**
Weighted average number of shares on issue during the period used in the calculation of basic loss per share	459,347,455	409,328,435
Basic loss per share (cents per share)	(2.53)	(0.75)
Diluted loss per share (cents per share)	(2.53)	(0.75)

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the Group has incurred a loss for the period, and therefore those options are currently anti-dilutive.

10. SHARE BASED PAYMENTS

The expense / (credit) recognised for the financial period, including for options and performance rights that were granted in the previous years was $799,440 (2024: $(9,751,313)). Share based payments for the financial period have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date with the relevant proportion expensed for this financial period.

At the Talga Group Ltd Annual General Meeting on 20 November 2025, shareholders approved 4,460,000 Options issued to Directors and the employee securities incentive plan of the Company known as the “Talga Group Ltd Employee Securities Incentive Plan" (Plan). During the period the following were issued:

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	Type of award	Granted	Share Market Price at grant date	Valuation per Option / Right	Grant Date	Vesting Date	Expiry Date
Terry Stinson	Options	960,000	$0.104	$0.104	20/11/2025	20/11/2025	21/11/2028
Mark Thompson	Options	2,000,000	$0.104	$0.104	20/11/2025	20/11/2025	21/11/2028
Grant Mooney	Options	750,000	$0.104	$0.104	20/11/2025	20/11/2025	21/11/2028
Eva Nordmark	Options	750,000	$0.104	$0.104	20/11/2025	20/11/2025	21/11/2028
Key management personnel	Options	2,000,000	$0.159	$0.159	28/08/2025	31/10/2025	31/10/2028

The net share-based payment credit recognised for the 2024 period included a reversal of $10,433,526 of the cumulative expense recognised in prior periods in relation to awards with non-market based vesting conditions that lapsed in the 2024 half-year period, as follows:

Share-based payments	No. of awards	Original vesting date	Vesting condition	Reversal of cumulative expense recognised in prior periods $
Class A options	5,000,000	31-12-24	(i)	5,341,227
Class B options	2,000,000	31-12-24	(i)	1,350,000
Performance rights	2,100,000	31-12-24	(i)	3,643,500
Performance rights	334,000	30-06-26	(ii)	98,799
Total				10,433,526

(i) The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode-C and / or Talnode-Si plant on or before 31 December 2024.

(ii) Employee to remain in the employment of the entity until the vesting date.

11. COMMITMENTS

	31 December 2025 $	30 June 2025 $
Commitments for the acquisition of property, plant and equipment by the Group:		
Plant and equipment		
Not longer than 1 year	7,006,954	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	7,006,954	**-**

The Group does not have any minimum exploration or development commitments.

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12. SEGMENT NOTE

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess itsperformance. The term 'chief operating decision maker' identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess its performance of the operating segments of an entity. The Company's Board is the chief operating decision maker as it relates to segment reporting.

The Group operates in three operating segments being graphite exploration, graphite development; and research and development in four geographical locations, being graphite exploration and development in Sweden, graphite/graphene research and development in Germany and research and development in the United Kingdom, with Australia as unallocated corporate. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

31 December 2025	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
SEGMENT PERFORMANCE - for the half-year					
Revenues from ordinary activities	25,558	54,490	-	-	**80,048**
Other income	287,704	-	51,745	98,497	**437,946**
Total segment revenue and income	**313,262**	**54,490**	**51,745**	**98,497**	**517,994**
Segment expense (including write offs)	**(4,642,218)**	**(2,517,120)**	**(1,650,155)**	**(3,339,528)**	**(12,149,021)**
Segment result	(4,328,956)	(2,462,630)	(1,598,410)	(3,240,993)	(11,630,989)
Unallocated items	-	-	-	(37)	(37)
Net loss before tax	**(4,328,956)**	**(2,462,630)**	**(1,598,410)**	**(3,241,030)**	**(11,631,026)**

SEGMENT ASSETS & LIABILITIES

As at 31 December 2025	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Segment assets	47,019,695	620,701	3,090,955	14,135,957	64,867,308
Segment liabilities	14,452,049	347,394	618,882	1,681,854	17,100,179

31 December 2024	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
SEGMENT PERFORMANCE - for the half-year					
Revenues from ordinary activities	-	34,333	-	-	**34,333**
Other Income	37,842	2,088	289,721	342,520	**672,171**
Total segment revenue and income	**37,842**	**36,421**	**289,721**	**342,520**	**706,504**
Segment expense (including write offs)	**(4,238,877)**	**(2,016,947)**	**(3,357,592)**	**5,841,340**	**(3,772,076)**
Segment Result	(4,201,034)	(1,980,526)	(3,067,871)	6,096,632	(3,152,799)
Unallocated items	-	-	-	87,228	87,228
Net loss before tax	**(4,201,034)**	**(1,980,526)**	**(3,067,871)**	**6,183,860**	**(3,065,571)**

SEGMENT ASSETS & LIABILITIES

As at 30 June 2025	**Sweden**	**Germany**	**United Kingdom**	**Australia unallocated corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Segment assets	30,438,601	2,238,850	4,056,455	12,913,926	49,647,832
Segment liabilities	2,424,774	344,036	902,848	1,377,083	5,048,741

13. SUBSEQUENT EVENTS

Other than as disclosed below, there has not been any other matter or circumstance occurring subsequent to the end of the half-year financial period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

- On 17 December 2025, the Company launched its Share Purchase Plan ("SPP") for eligible shareholders to subscribe for up to A$30,000 in fully-paid ordinary new shares at A$0.41 per share. The closure date was extended to 23 January 2026 from 5 January 2026. The Company raised $7,273,000 and issued 17,738,987 new shares on 30 January 2026 through the SPP.
- Participants in the SPP received one free unlisted attaching option ("Attaching Option") for every two shares allocated, exercisable at A$0.58 with a 2-year expiry from the date of issue. Upon exercising an Attaching Option, holders received one fully paid ordinary share and one free unlisted piggyback option ("Piggyback Options"). The Piggyback Options will have an exercise price of A$0.65 and an expiry date of 2-years from the expiry of the Attaching Option (indicatively January 2030). Each Piggyback Option gives the holder the right to receive one (1) fully paid ordinary share upon exercise. The Company will not apply for official quotation of the Attaching Options or the Piggyback Options.
- The grant application of Talga AB (wholly owned subsidiary of the Company) for (SEK 1.1Bn/A$180 million) for the "Circular Graphite Anode at Industrial Scale for Low-emissions Batteries", under the second Industriklivet call, was declined by the Swedish Energy Agency due to the agency's budget constraints.

14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities as at 31 December 2025 (30 June 2025: nil).

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Talga Group Ltd, I state that:

In the opinion of the Directors:

(a) the half-year financial report and notes as set out on pages 8 to 21 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 31 December 2025 and of the performance for the half-year ended on that date of the Consolidated Entity; and

(ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) Subject to the matters disclosed in note 2(a), in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



Mark Thompson
Managing Director

Perth, Western Australia
12 March 2026

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Independent auditor's review report to the members of Talga Group Ltd

Conclusion

We have reviewed the accompanying condensed half-year financial report of Talga Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the interim consolidated statement of financial position as at 31 December 2025, the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to reviews of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

T S Hammond
Partner
Perth
12 March 2026

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