

7 May 2026

MYCELX TECHNOLOGIES CORPORATION (AIM: MYX)

Final Results for the Year Ending 31 December 2025

MYCELX Technologies Corporation ("MYCELX" or the "Company"), the clean water and clean air technology company, announces its audited results for the year ended 31 December 2025.

Highlights

Financial

- Revenue of \$11.7 million (2024: \$4.9 million)
- Gross profit of \$5.6 million (2024: \$1.3 million)
- Gross profit margin increased to 48% (2024: 27%)
- EBITDA¹ of \$0.7 million (2024: negative \$2.2 million)
- Profit before tax of \$0.3 million (2024: loss before tax \$2.6 million)
- Cash & cash equivalents of \$0.9 million (2024: \$1.3 million)

Operational

Produced Water

- Awarded a \$3.9 million produced water treatment project in the U.S. Permian Basin, the most active and productive oil region in the world.
- Successfully completed an onshore trial in the U.S. Permian Basin with a large oil producer which included both the MYCELX coalescer and REGEN equipment.
- Commenced offshore equipment lease in the Gulf of Mexico with global integrated oil producer managing overboard excursions.
- Presented a case study with Petroleum Development Oman ('PDO') on MYCELX's installation of its first REGEN Retrofit Package at a PDO site to the Middle East Produced Water Oilfield Symposium and Exhibition in Qatar.

PFAS Remediation

- Awarded a rental contract for a mobile PFAS treatment system to treat groundwater contamination at a site in North Dakota for the U.S. Department of Defense.
- Commenced participation in a multiple technology pilot trial treating PFAS contamination at a municipal wastewater treatment facility.
- Continued landfill leachate trial with pre-treatment system installed for PFAS remediation.

Corporate

- Appointed Gareth Kaminski-Cook as Chairman of the Board of Directors.
- Elevated Matthew Goysich, Director of Engineering, to Executive Vice President and Jim Weidler to Executive Vice President of Business Development. Hired a Sales Lead in the Permian Basin responsible for scaling MYCELX's brand and increasing sales.
- Opened a \$500,000 line of credit ('LOC') which will increase funds available for sales and marketing, trial equipment, and bridging project accounts receivable as the Company expands and accelerates its reach to meet the growing demand for its technology in Produced Water treatment and PFAS remediation.

Outlook

MYCELX enters 2026 with positive momentum, a growing enquiry pipeline and an increasingly focused commercial strategy centred on Produced Water treatment, where demand continues to rise as operators seek lower-cost, more reliable water management solutions. Building on recent project awards, successful trials and long-standing customer relationships, the Board believes the Company is well positioned to expand its presence in the Permian Basin and Gulf of Mexico markets. The Middle East also remains a focus market, but the Company believes it is too early to gauge the impact the current conflict could have on our business in 2026. In parallel, MYCELX will continue to pursue selective opportunities in PFAS remediation and Water Services, while maintaining financial discipline and leveraging its proprietary technology platform to drive sustainable growth and enhance shareholder value.

Connie Mixon, CEO, commented:

“2025 was a transformational year for MYCELX as we delivered strong revenue growth, returned to profitability and made meaningful commercial progress across our core markets. Our results reflect the benefits of the strategic actions taken over the past two years to streamline the business, sharpen our market focus and concentrate resources on the highest-value opportunities for our proprietary technologies.

We are seeing increasing demand for advanced Produced Water treatment solutions, particularly in the Permian Basin, Gulf of Mexico and Middle East, where operators are under growing pressure to reduce costs, improve water quality and oil recovery, and meet stricter environmental standards. Recent project awards, successful trials, and critical hires give us confidence that MYCELX is well positioned for further growth.

As we enter 2026, we remain focused on converting our pipeline of opportunities, scaling recurring revenue streams and maintaining financial discipline. With an experienced team, differentiated technology and clear strategic direction, we believe MYCELX is entering an exciting new phase of sustainable growth and value creation.”

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¹ *EBITDA is a non-U.S. GAAP measure that the Company uses to measure and monitor performance and liquidity and is calculated as net profit before interest expense, provision for income taxes, and depreciation and amortisation of fixed and intangible assets, including depreciation of leased equipment which is included in cost of goods sold. This non-U.S. GAAP measure may not be directly comparable to other similarly titled measures used by other companies and may have limited use as an analytical tool.*

Chairman’s Statement

2025 marked an important year in MYCELX’s development as the Company transitioned from a period of strategic restructuring to one focused on commercial execution and growth. Over the past two years we have taken decisive steps to streamline the organisation, sharpen our market focus, and strengthen and concentrate our commercial resources on the areas where our proprietary technology can deliver the greatest value.

These actions have led to improved financial performance. For FY2025, the Company recognised revenue of approximately \$11.7 million, representing 140 percent growth compared to FY2024. The Company also achieved a positive EBITDA of \$0.7 million and profit before tax of \$0.3 million, exceeding market expectations and surpassing the previous year’s figures by \$3 million and \$3 million, respectively.

This performance reflects disciplined cost management, operational leverage, and increasing contributions from higher-margin revenue across our core markets.

Strategic focus on Produced Water treatment

The Board believes that MYCELX’s greatest opportunity lies in the global Produced Water treatment market, particularly in the United States Permian Basin, the Gulf of Mexico, and applications associated with Enhanced Oil Recovery (‘EOR’).

Produced Water is a rapidly growing challenge for the oil industry. As reservoirs mature, increasing volumes of water must be managed during production. In major producing regions such as the Permian Basin, water-to-oil ratios already exceed five barrels of water for every barrel of oil produced and are expected to continue rising significantly over the coming decades.

This “water tsunami” is forcing operators to rethink traditional water disposal approaches. Increasing regulatory scrutiny of disposal wells, seismicity concerns, and new regulatory frameworks supporting water reuse are creating strong demand for technologies capable of treating produced water efficiently and economically.

MYCELX's patented technology platform, including our REGEN media and MAC coalescer system, is specifically designed to address these challenges by improving oil recovery while enabling the treatment of produced water for reuse, discharge or beneficial application.

Commercial progress in Produced Water markets

During the year the Company made encouraging progress across several key Produced Water opportunities.

In the Permian Basin, the most active oil producing region in the world, MYCELX was awarded a \$3.9 million Produced Water treatment project by a major midstream operator providing water management services to leading oil producers. This project represents an important step in expanding the Company's presence in the U.S. onshore market and demonstrates growing industry recognition of the performance advantages of MYCELX's technology.

In addition, successful trials with oil producers have confirmed the ability of the MYCELX two-stage system to recover more than 99% of oil from produced water while delivering high-quality treated water suitable for reuse. These results illustrate the economic benefits that our systems can deliver to operators by both improving oil recovery and reducing water management costs.

The Company has been successfully treating produced water during offshore oil production in the Gulf of Mexico for over 15 years, ensuring the operator is reliably able to discharge water overboard that meets and exceeds regulatory standards. This sector has experienced increased production activity in recent years which has led to additional high margin lease and filter sales for MYCELX.

Enhanced Oil Recovery opportunities

The Company continues to see significant opportunities in Enhanced Oil Recovery ('EOR') operations, particularly in the Middle East where EOR techniques are increasingly used to maintain production from mature reservoirs.

Traditional water treatment systems in these environments are often unable to manage chemically complex produced water streams. MYCELX's REGEN media and patented retrofit solutions allow operators to upgrade existing filtration systems and improve water treatment performance without requiring costly new infrastructure. The result is reliable production with minimal downtime and well integrity maintenance.

The Company has received a strong endorsement from a major EOR producer in the Middle East in recognition of the advantages of REGEN in achieving their production goals while using less water. The Board believes that this technology will play an increasingly important role in enabling efficient water management for EOR production globally.

PFAS remediation

PFAS contaminated water is recognised as a global threat to human health but has only in the last several years been brought to the attention of the public through heightened media exposure. In the U.S., the EPA has extended the timelines to comply with the mandated EPA remediation requirements to 2029, but recently announced certain regulations may go into effect sooner. The Company continues to view this market as a strategic focus. While resource allocation has been reduced, we will continue to engage with customers and innovate to ensure our technology is preeminent when decisions are made to comply with regulation enforcement.

Leadership transition and governance

In September 2025 the Company welcomed Gareth Kaminski-Cook as Chairman of the Board, succeeding Tom Lamb who remains a Non-Executive Director. Gareth brings extensive experience leading industrial and technology companies and will help guide the Company through the next phase of growth. In recognition of outstanding leadership and demonstrated commitment, the Company elevated Matthew Goysich to Executive Vice President of Engineering and Jim Weidler to Executive Vice President of Business Development.

The Board remains committed to maintaining strong governance while supporting management in executing the Company's strategy.

Outlook

MYCELX enters 2026 with a clear strategic focus and a dedicated commercial team, which is creating a fast-growing enquiry pipeline and positive momentum.

Demand for efficient water treatment solutions across the oil industry continues to grow as operators seek to reduce costs, recover additional oil and comply with increasingly stringent environmental regulations.

With its patented technologies, growing customer relationships and expanding opportunity pipeline, the Board believes MYCELX is well positioned to capture a meaningful share of the Produced Water treatment market while continuing to explore emerging opportunities in PFAS Remediation and Water Services.

On behalf of the Board, I would like to thank our employees for their commitment and hard work during the year, and our shareholders for their continued support.

Chief Executive Officer's Statement

2025 was a year of meaningful progress for MYCELX as we advanced our strategy to establish the Company as a leading provider of advanced water treatment solutions for the global oil and gas industry.

Our focus remains clear: to deploy our proprietary technologies in applications where traditional systems struggle to manage complex water streams and where our solutions can deliver both economic and environmental benefits.

Financial progress and operational momentum

During the year, MYCELX achieved an important milestone by delivering profitability for FY2025, with revenue of \$11.7 million, a significant improvement compared with the prior year.

This performance reflects the progress we have made in commercialising our technology and the benefits of the streamlined organisational structure established following the sale of our Saudi Arabia operations.

Our focus on higher-margin activities, including recurring media sales, project deployments and technology trials, continues to strengthen the Company's financial profile.

Produced Water: a growing global challenge

The oil industry is facing an increasingly urgent challenge in managing Produced Water. In the Permian Basin alone, water production volumes are already substantial and are expected to grow significantly as production increases and reservoirs mature. Disposal wells – historically the primary method of managing produced water – are facing capacity limits and regulatory scrutiny, creating strong demand for technologies that enable water reuse and recycling. In the Middle East, the Enhanced Oil Recovery ('EOR') method of oil production that allows efficient recovery of oil from aged wells is driving operators to advanced water treatment solutions replacing failing traditional water treatment systems.

MYCELX's technology platform is uniquely positioned to address these challenges.

Our proprietary MAC coalescer and REGEN media systems enable operators to recover additional oil while producing treated water suitable for reuse in production processes or beneficial applications such as irrigation and industrial uses.

Expanding presence in the Permian Basin and Gulf of Mexico

The Permian Basin represents one of the most significant growth opportunities for MYCELX.

During the year, we were awarded a \$3.9 million Produced Water treatment project by a major midstream operator serving large producers in the Permian Basin.

In addition, trials conducted with leading producers demonstrated the ability of our systems to deliver superior oil recovery and treated water quality compared with traditional technologies. These results have generated significant interest from operators seeking to reduce water management costs while improving production economics.

The Company has operated in offshore Gulf of Mexico for over 12 years protecting operators by ensuring overboard discharge of produced water is always in compliance with Federal BSEE regulations. We expect to increase our lease business with existing customers who require more advanced water treatment and are references to other producers.

To support our expansion in the U.S., we have also strengthened our industry relationships and advisory capabilities, positioning the Company to pursue additional projects across the Permian Basin and other onshore regions as well as offshore Gulf of Mexico.

Enhanced Oil Recovery opportunities

In parallel, we continue to see strong demand for our REGEN technology in Enhanced Oil Recovery ('EOR') applications in the Middle East market.

As oil fields mature, EOR production techniques require increasing volumes of water, which in turn creates complex treatment challenges. REGEN media enables operators to treat chemically complex produced water streams more effectively and efficiently than traditional filtration systems, improving throughput and providing better reinjection water quality while saving water.

Industry validation of REGEN's performance continues to strengthen with a major operator endorsement. We believe that retrofit opportunities in existing facilities represent a substantial market opportunity that will add to high-margin filter revenue over the coming years.

PFAS Remediation and Water Services

While Produced Water remains our primary focus, MYCELX also continues to make progress in the emerging PFAS remediation and Water Services market.

During the year, we leased a mobile PFAS treatment system to a U.S. Department of Defense site, addressing groundwater contamination associated with firefighting foam. Projects such as this provide valuable validation of our technology and position the Company to participate in what is expected to be a long-term global remediation effort.

Looking ahead

We enter 2026 with increasing commercial traction and a strong pipeline of opportunities across our core markets.

The global oil industry is undergoing a structural shift in how produced water is managed to ensure reliable production for years to come. U.S. operators are increasingly focused on recycling and beneficial reuse rather than disposal, and this transition is creating significant opportunities for advanced water treatment technologies that can provide solutions that deliver better water at lower cost.

MYCELX is well positioned to play an important role in this transition.

With a growing installed base with major operators and water midstream companies, we believe the Company is entering a period of accelerating adoption and sustainable growth.

I would like to thank our employees for their dedication, our customers and partners for their continued collaboration, and our shareholders for their support as we work to deliver proprietary technology that is proven at scale.

Financial Review

Driven by revenue from the Nigeria REGEN and Middle East EOR projects, total revenue increased 140% to \$11.7 million for 2025, compared to \$4.9 million for 2024. Revenue from equipment sales and leases increased 1400% to \$7.5 million for 2025 (FY24: \$0.5 million) and revenue from consumable filtration media and service decreased 5% to \$4.2 million (FY24: \$4.4 million). Whilst the equipment sales are one-off by nature, there is longevity to the media sales and ongoing lease and service revenues.

Gross profit increased by 331% to \$5.6 million during the year, compared to \$1.3 million in 2024, and gross profit margin increased to 48% (FY24: 27%) due to higher margins on equipment sales and service revenue.

Total operating expenses for 2025, including depreciation and amortisation, decreased by 8% to \$5.4 million (FY24: \$5.9 million). The largest component of operating expenses was selling, general and administrative expenses, which decreased by approximately 9% to \$5.0 million (FY24: \$5.5 million) due to the elimination of overhead expenses associated with the branch office in Saudi Arabia. Depreciation and amortisation within operating expenses were relatively unchanged at \$0.2 million (FY24: \$0.2 million).

EBITDA was \$0.7 million, compared to negative \$2.2 million in 2024. EBITDA is a non-U.S. GAAP measure that the Company uses to measure and monitor performance and liquidity and is calculated as net profit before interest expense, provision for income taxes, and depreciation and amortisation of fixed and intangible assets, including depreciation of leased equipment which is included in cost of goods sold, and includes gains on sale of fixed assets (which includes gains from the sale of Saudi Arabia branch assets – see Note 13). This non-U.S. GAAP measure may not be directly comparable to other similarly titled measures used by other companies and may have limited use as an analytical tool.

The Company recorded a profit before tax of \$0.3 million in 2025, compared to a loss before tax of \$2.6 million in 2024. Basic profit per share was 1 cent in 2025, compared to basic loss per share of 12 cents in the previous year.

As of 31 December 2025, total assets were \$8.7 million with the largest assets being accounts receivable of \$3.2 million, \$2.2 million of inventory, \$1.0 million of property and equipment, and \$0.9 of cash and cash equivalents including restricted cash.

Total liabilities as of 31 December 2025 were \$3.0 million and stockholders' equity was \$5.7 million. Total liabilities include a \$0.5 million advance on a line of credit and \$0.5 million of deferred revenue related to milestone payments on projects expected to be delivered in 2026.

The Company ended the period with \$0.9 million of cash and cash equivalents, including restricted cash, compared to \$1.3 million in total at 31 December 2024. The Company used approximately \$0.9 million of cash in operations in 2025 (FY24: \$2.2 million used in operations). The Company used \$0.04 million in investment activities in 2025, compared to \$2.2 million generated in the first half of 2024 from proceeds from the sale of the Saudi branch assets. Financing activities included a \$0.5 million advance against a line of credit in 2025 (FY24: \$0.8 million).

In August 2025, the Company opened a line of credit ('LOC') which allows the Company to access up to \$0.5 million, as and when required. The proceeds will enable MYCELX to increase funds available for sales and marketing, trial equipment and bridging project accounts receivable as the Company expands and accelerates its reach to meet the growing demand for its technology in Produced Water treatment and PFAS remediation. The LOC has a floating rate based on the Adjusted One Month Term of the Secured Overnight Financing Rate plus 1.5% margin and is personally guaranteed by MYCELX's Chief Executive Officer.

Statements of Operations

(USD, in thousands, except share data)

For the Year Ended 31 December:	2025	2024
Revenue	11,742	4,903
Cost of goods sold	6,126	3,559
Gross profit	5,616	1,344
Operating expenses:		
Research and development	203	219
Selling, general and administrative	5,007	5,466
Depreciation and amortisation	213	212
Total operating expenses	5,423	5,897
Operating income (loss)	193	(4,553)
Other income (expense)		
Interest expense	(15)	(13)
Gain on sale of property and equipment	159	1,928
Profit (loss) before income taxes	337	(2,638)
Provision for income taxes	(3)	(85)
Net profit (loss)	334	(2,723)
Profit (loss) per share – basic	0.01	(0.12)
Profit (loss) per share – diluted	0.01	(0.12)
Shares used to compute basic profit (loss) per share	24,363,814	23,429,416
Shares used to compute diluted profit (loss) per share	25,816,965	23,429,416

The accompanying notes are an integral part of the financial statements.

Balance Sheets

(USD, in thousands, except share data)

As at 31 December:	2025	2024
Assets		
Current Assets		

Cash and cash equivalents	812	1,260
Restricted cash	50	50
Accounts receivable – net	3,183	558
Unbilled accounts receivable	—	1,206
Inventory	2,247	4,002
Prepaid expenses and other assets	83	106
Total Current Assets	6,375	7,182
Property and equipment – net	1,034	955
Intangible assets – net	493	704
Operating lease asset – net	767	1,208
Total Assets	8,669	10,049
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	843	274
Payroll and accrued expenses	435	178
Contract liabilities	456	2,913
Customer deposits	15	164
Line of credit	450	—
Operating lease obligations – current	399	380
Total Current Liabilities	2,598	3,909
Operating lease obligations – long-term	412	877
Total Liabilities	3,010	4,786
Stockholders' Equity		
Common stock, \$0.025 par value, 100,000,000 shares authorised, 24,363,814 shares issued and outstanding at 31 December 2025 and 2024	609	609
Additional paid-in capital	45,655	45,593
Accumulated deficit	(40,605)	(40,939)
Total Stockholders' Equity	5,659	5,263
Total Liabilities and Stockholders' Equity	8,669	10,049

The accompanying notes are an integral part of the financial statements.

Statements of Stockholders' Equity

(USD, in thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	\$			
Balances at 31 December 2023	22,983,023	574	44,799	(38,216)	7,157
Issuance of common stock, net of offering costs	1,380,791	35	757	—	792

Stock-based compensation expense	—	—	37	—	37
Net loss for the period	—	—	—	(2,723)	(2,723)
Balances at 31 December 2024	24,363,814	609	45,593	(40,939)	5,263
Stock-based compensation expense	—	—	62	—	62
Net profit for the period	—	—	—	334	334
Balances at 31 December 2025	24,363,814	609	45,655	(40,605)	5,659

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows

(USD, in thousands)

For the Year Ended 31 December:	2025	2024
Cash flows from operating activities		
Net profit (loss)	334	(2,723)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortisation	315	398
Amortisation of right of use asset	441	(363)
Gain on sale of property and equipment	(159)	(1,928)
Loss on abandonment or expiration of patent	140	—
Inventory reserve adjustment	(426)	(525)
Stock compensation	62	37
Change in operating assets and liabilities:		
Accounts receivable – net	(2,625)	1,254
Unbilled accounts receivable	1,206	139
Inventory	2,052	(163)
Prepaid expenses and other assets	23	170
Operating liabilities	(446)	368
Accounts payable	569	(1,267)
Payroll and accrued expenses	257	(615)
Contract liability	(2,457)	2,913
Customer deposits	(149)	154
Net cash used in operating activities	(863)	(2,151)
Cash flows from investing activities		
Payments for purchases of property and equipment	(35)	(32)
Proceeds from sale of property and equipment	—	2,281
Payments for internally developed patents	—	(13)
Net cash (used in) provided by investing activities	(35)	2,236
Cash flows from financing activities		
Net proceeds from stock issuance	—	792
Advances on line of credit	450	—
Net cash provided by financing activities	450	792
Net (decrease) increase in cash, cash equivalents and restricted cash	(448)	877
Cash, cash equivalents and restricted cash, beginning of year	1,310	433

Cash, cash equivalents and restricted cash, end of year	862	1,310
Supplemental disclosures of cash flow information:		
Cash payments for interest	14	13
Cash payments for income taxes	3	156
Non-cash movements of inventory and fixed assets	288	103

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

1. Nature of Business and Basis of Presentation

Basis of presentation – These annual financial statements have been prepared using recognition and measurement principles of Generally Accepted Accounting Principles in the United States of America ('U.S. GAAP').

Nature of business – MYCELX Technologies Corporation ('MYCELX' or the 'Company') was incorporated in the State of Georgia on 24 March 1994. The Company is headquartered in Norcross, Georgia with operations in Houston, Texas and the United Kingdom. The Company provides clean water technology equipment and related services to the oil and gas, power, marine and heavy manufacturing sectors and the majority of its revenue is derived from the United States.

2. Summary of Significant Accounting Policies

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements and accompanying notes. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The primary estimates and assumptions made by management relate to the inventory valuation, accounts receivable valuation, useful lives of property and equipment, volatility used in the valuation of the Company's share-based compensation and the valuation allowance on deferred tax assets. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from the estimates and the differences may be material to the financial statements.

Revenue recognition – The Company's revenue consists of sales of filtration media product, equipment leases, professional services to operate the leased assets, turnkey operations and equipment sales. The Company recognises revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, for consumable filtration media, equipment sales and services. Revenue from equipment leases is accounted for under ASC 842, *Leases*. These sales are based on mutually agreed upon pricing with the customer prior to the delivery of the media product and equipment. The Company recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Revenue from filtration media sales and spare parts (part of equipment sales) is billed and recognised when products are shipped to the customer. Revenue from equipment leases is recognised over time as the equipment is available for customer use and is typically billed monthly. Revenue from professional services provided to monitor and operate the equipment is recognised over time when the service is provided and is typically billed monthly. Revenue from turnkey projects whereby the Company is asked to manage the water filtration process end to end is recognised on a straight-line basis over time as the performance obligation, in the context of the contract, is a stand-ready obligation to filter all water provided. Revenue from contracts related to construction of equipment is recognised upon either factory acceptance testing or shipment of the equipment to the customer because the control transfers at acceptance or the point of shipment and there is no enforceable right to payments made as customer deposits prior to that date. Customer deposits for equipment sales represent payments made prior to transferring control at the point of shipment that can be refunded at any time when requested by the customer. Contract liabilities represent milestone payments on large equipment sales.

Sales tax charged to customers is presented on a net basis within the Statements of Operations and therefore recorded as a reduction of net revenues. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfilment cost and are included in cost of goods sold.

The Company's contracts with the customers state the final terms of the sales, including the description, quantity, and price of media product, equipment (sale or lease) and the associated services to be provided. The Company's contracts are generally short-term in nature, and in most situations the Company provides products and services ahead of payment and has fulfilled the performance obligation prior to billing.

The Company believes the output method is a reasonable measure of progress for the satisfaction of its performance obligations that are satisfied over time, as it provides a faithful depiction of (1) performance toward complete satisfaction of the performance obligation under the contract and (2) the value transferred to the customer of the services performed under the contract. All other performance obligations are satisfied at a point in time upon transfer of control to the customer.

The Company's contracts with customers often include promises to transfer multiple products and services. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgement. Judgement is required to determine stand-alone selling price ('SSP') for each distinct performance obligation. The Company develops observable SSP by reference to stand-alone sales for identical or similar items to similarly situated customers at prices within a sufficiently narrow range.

All equipment sold by the Company is covered by the original manufacturer's warranty. The Company does not offer an additional warranty and has no related obligations.

Unbilled accounts receivable represents revenue recognised in excess of amounts billed. Contract liability represents billings in excess of revenue recognised. Unbilled accounts receivable at 31 December 2025 and 2024, and 1 January 2024 was \$nil, \$1.2 million and \$255,000, respectively. Contract liability at 31 December 2025 and 2024, and 1 January 2024 was \$456,000, \$2.9 million and \$nil, respectively.

Timing of revenue recognition for each of the periods and geographic regions presented is shown below:

Year Ending 31 December (USD, in thousands)	Equipment Leases, Turnkey Arrangements, and Services Recognised Over Time		Consumable Filtration Media, Equipment Sales and Services Recognised at a Point in Time	
	2025	2024	2025	2024
Nigeria	—	—	6,569	—
Middle East	—	871	1,401	954
United States of America	—	141	2,448	1,664
Australia	—	—	280	772
Other	—	—	835	430
Total revenue recognised under ASC 606	—	1,012	11,533	3,820
Total revenue recognised under ASC 842	209	71	—	—
Total revenue	209	1,083	11,533	3,820

Contract costs – The Company capitalises certain contract costs such as costs to obtain contracts (direct sales commissions) and costs to fulfil contracts (upfront costs where the Company does not identify the set-up fees as a performance obligation). These contract assets are amortised over the period of benefit, which the Company has determined is customer life and averages one year.

During the years ended 31 December 2025 and 2024, the Company did not have any costs to obtain a contract and any costs to fulfil a contract were inconsequential.

Cash, cash equivalents and restricted cash – Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety days of purchase. At 31 December 2025, all of the Company's cash, cash equivalent and restricted cash balances were held in checking and money market accounts. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. At 31 December 2025 and 2024, cash in non-U.S. institutions was \$nil and \$1,000, respectively. The Company has not experienced any losses in such accounts. The Company classifies as restricted cash all cash whose use is limited by contractual provisions. At 31 December 2025 and 2024, restricted cash included \$50,000 in a money market account to secure the Company's corporate credit card.

Reconciliation of cash, cash equivalents and restricted cash at 31 December 2025 and 2024:

	31 December 2025 US\$000	31 December 2024 US\$000
Cash and cash equivalents	812	1,260
Restricted cash	50	50
Total cash, cash equivalents and restricted cash	862	1,310

Accounts receivable – Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company provides credit in the normal course of business to its customers and performs ongoing credit evaluations of those customers and maintains allowances for doubtful accounts, as necessary. Accounts are considered past due based on the contractual terms of the transaction. Credit losses, when realised, have been within the range of the Company’s expectations and, historically, have not been significant. The Company measures its credit losses using a current expected credit loss model. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amounts. The allowance for credit losses represents the Company’s best estimate of probable future losses in the accounts receivable balance, primarily based on known troubled accounts, historical experience and other currently available evidence. Accounts receivable are written off against the allowance when the Company believes that the receivable will not be recovered. The allowance for doubtful accounts at 31 December 2025 and 2024 was \$nil and \$83,000, respectively.

Inventories – Inventories consist primarily of raw materials and filter media finished goods as well as equipment to house the filter media and are stated at the lower of cost or net realisable value. Equipment that is in the process of being constructed for sale or lease to customers is also included in inventory (work-in-progress). The Company applies the Average Cost method to account for its inventory. Manufacturing work-in-progress and finished products inventory include all direct costs, such as labour and materials, and those indirect costs which are related to production, such as indirect labour, rents, supplies, repairs and depreciation costs. A valuation reserve is recorded for slow-moving or obsolete inventory items to reduce the cost of inventory to its net realisable value. The Company determines the valuation by evaluating expected future usage as compared to its past history of utilisation and future expectations of usage. The inventory reserve at 31 December 2025 and 2024 was \$249,000 and \$675,000, respectively. Changes to the inventory reserve are included in cost of goods sold. At 31 December 2025 and 2024, the Company had REGEN-related inventory of 53 percent and 32 percent of the total inventory balance, respectively, which is in excess of the Company’s current requirements based on the recent level of sales. The inventory is associated with efforts to expand into the Enhanced Oil Recovery and Beneficial Reuse markets that the Company has identified as large global markets.

Prepaid expenses and other current assets – Prepaid expenses and other current assets include non-trade receivables that are collectible in less than 12 months, security deposits on leased space and various prepaid amounts that will be charged to expenses within 12 months. Non-trade receivables that are collectible in 12 months or more are included in long-term assets.

Property and equipment – All property and equipment are valued at cost. Depreciation is computed using the straight-line method for reporting over the following useful lives:

Leasehold improvements	Lease period or 1–5 years (whichever is shorter)
Office equipment	3–10 years
Manufacturing equipment	5–15 years
Research and development equipment	5–10 years
Purchased software	Licensing period or 5 years (whichever is shorter)
Equipment leased to customers	5–10 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalised. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense includes depreciation on equipment leased to customers and is included in cost of goods sold.

Intangible assets – Intangible assets consist of the costs incurred to purchase patent rights and legal and registration costs incurred to internally develop patents. Intangible assets are reported net of accumulated amortisation. Patents are

amortised using the straight-line method over a period based on their contractual lives which approximates their estimated useful lives.

Impairment of long-lived assets – Long-lived assets to be held and used, including property and equipment and intangible assets with definite useful lives, are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss, if any, is recognised for the difference between the fair value and carrying value of the assets. Impairment analyses, when performed, are based on the Company’s business and technology strategy, management’s views of growth rates for the Company’s business, anticipated future economic and regulatory conditions, and expected technological availability. For purposes of recognition and measurement, the Company groups its long-lived assets at the lowest level for which there are identifiable cash flows, which are largely independent of the cash flows of other assets and liabilities. No impairment charges were recorded in the years ended 31 December 2025 and 2024.

Research and development costs – Research and development costs are expensed as incurred. Research and development expense for the years ended 31 December 2025 and 2024 was approximately \$203,000 and \$219,000, respectively.

Advertising costs – The Company expenses advertising costs as incurred. Advertising expense for the years ended 31 December 2025 and 2024 was \$46,000 and \$31,000, respectively, and is recorded in selling, general and administrative expenses.

Income taxes – The provision for income taxes for annual periods is determined using the asset and liability method, under which deferred tax assets and liabilities are calculated based on the temporary differences between the financial statement carrying amounts and income tax bases of assets and liabilities using currently enacted tax rates. The deferred tax assets are recorded net of a valuation allowance when, based on the weight of available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realised in future periods. Decreases to the valuation allowance are recorded as reductions to the provision for income taxes and increases to the valuation allowance result in additional provision for income taxes. The realisation of the deferred tax assets, net of a valuation allowance, is primarily dependent on the ability to generate taxable income. A change in the Company’s estimate of future taxable income may require an addition or reduction to the valuation allowance.

The benefit from an uncertain income tax position is not recognised if it has less than a 50 percent likelihood of being sustained upon audit by the relevant authority. For positions that are more than 50 percent likely to be sustained, the benefit is recognised at the largest amount that is more-likely-than-not to be sustained. Where a net operating loss carried forward, a similar tax loss or a tax credit carry forward exists, an unrecognised tax benefit is presented as a reduction to a deferred tax asset. Otherwise, the Company classifies its obligations for uncertain tax positions as other non-current liabilities unless expected to be paid within one year. Liabilities expected to be paid within one year are included in the accrued expenses account.

The Company recognises interest accrued related to tax in interest expense and penalties in selling, general and administrative expenses. During the years ended 31 December 2025 and 2024 the Company recognised no interest or penalties.

Earnings per share – Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and potentially dilutive shares outstanding during the period. Potentially dilutive shares consist of the incremental common shares issuable upon conversion of the exercise of common stock options. Potentially dilutive shares are excluded from the computation if their effect is anti-dilutive. There were no common stock equivalents consisting of unexercised stock options that were excluded from computing diluted net loss per share for the year ended 31 December 2025 and there were no adjustments to net income available to stockholders as recorded on the Statement of Operations.

The following table sets forth the components used in the computation of basic and diluted net (loss) profit per share for the periods indicated:

	Years Ended 31 December	
	2025	2024
Basic weighted average outstanding shares of common stock	24,363,814	23,429,416
Effect of potentially dilutive stock options	1,453,151	—
Diluted weighted average outstanding shares of common stock	25,816,965	23,429,416

Fair value of financial instruments – The Company uses the framework in ASC 820, Fair Value Measurements, ('ASC 820') to determine the fair value of its financial assets. ASC 820 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value and expands financial statement disclosures about fair value measurements.

The hierarchy established by ASC 820 gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Unobservable inputs for the asset or liability.

There were no transfers into and out of each level of the fair value hierarchy for assets measured at fair value for the years ended 31 December 2025 or 2024.

Transfers between Levels 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Levels 2 and 3 generally relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety.

The Company's financial instruments as of 31 December 2025 and 2024 include cash and cash equivalents, restricted cash, accounts receivable and accounts payable. The carrying values of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate fair value due to the short-term nature of those assets and liabilities.

Foreign currency transactions – From time to time the Company transacts business in foreign currencies (currencies other than the United States Dollar). These transactions are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency transaction gains or losses are included in selling, general and administrative expenses.

Stock compensation – The Company issues equity-settled share-based awards to certain employees, which are measured at fair value at the date of grant. The fair value determined at the grant date is expensed, based on the Company's estimate of shares that will eventually vest, on a straight-line basis over the vesting period. Fair value for the share awards representing equity interests identical to those associated with shares traded in the open market is determined using the market price at the date of grant. Fair value is measured by use of the Black Scholes valuation model (see Note 10).

Recently issued accounting standards – In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures*, to enhance disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after 15 December 2023. The Company adopted the new accounting standard for the fiscal year 2024. The adoption of this ASU did not have a material effect on the Company's financial statements, other than the newly required disclosure for significant expense. Refer to Note 12, Segment and Geographic Information.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, to improve the disclosures by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortisation) in commonly presented expense captions (such as cost of sales, SG&A, and research and development). In January 2025, the FASB issued 2025-01, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)*, to modify the effective date previously stated in ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after 15 December 2026. Early adoption is permitted. We are currently evaluating the impact that adopting ASU 2024-03 would have on our financial statements and will adhere to the clarified effective date in ASU 2025-01 if implementation is necessary.

Recent accounting pronouncements not discussed above are either not applicable or are not expected to have a material impact on the Company.

3. Accounts Receivable

Accounts receivable and their respective allowance amounts at 31 December 2025 and 2024:

	31 December 2025 US\$000	31 December 2024 US\$000
Accounts receivable	3,183	641
Less: allowance for doubtful accounts	—	(83)
Total receivable – net	3,183	558

4. Inventory

Inventories consist of the following at 31 December 2025 and 2024:

	31 December 2025 US\$000	31 December 2024 US\$000
Raw materials	850	1,048
Work-in-progress	52	1,691
Finished goods	1,345	1,263
Total inventory	2,247	4,002

5. Property and Equipment

Property and equipment consist of the following at 31 December 2025 and 2024:

	31 December 2025 US\$000	31 December 2024 US\$000
Leasehold improvements	530	530
Office equipment	616	616
Manufacturing equipment	709	709
Research and development equipment	427	427
Purchased software	207	207
Equipment leased to customers	2,132	1,809
	4,621	4,298
Less: accumulated depreciation	(3,587)	(3,343)
Property and equipment – net	1,034	955

During the years ended 31 December 2025 and 2024, the Company removed property and equipment and the associated gross and accumulated depreciation of approximately \$nil and \$7.5 million, respectively, to reflect the disposal of property and equipment.

Depreciation expense for the years ended 31 December 2025 and 2024 was approximately \$244,000 and \$330,000, respectively, and includes depreciation on equipment leased to customers. Depreciation expense on equipment leased to customers included in cost of goods sold for the years ended 31 December 2025 and 2024 was \$102,000 and \$186,000, respectively.

6. Intangible Assets

During 2009, the Company entered into a patent rights purchase agreement. The patent is amortised utilising the straight-line method over a useful life of 17 years which represents the legal life of the patent from inception. Accumulated amortisation on the patent was approximately \$96,000 and \$89,000 as of 31 December 2025 and 2024, respectively.

In January 2023, the Company entered into a patent rights purchase agreement. The patents are amortised utilising the straight-line method over useful lives of 13 and 14.75 years which represent the remaining legal life of the patents on the date of purchase. Accumulated amortisation on the patents was approximately \$11,000 and \$7,000 at 31 December 2025 and 2024, respectively.

In addition to the purchased patents, the Company has internally developed patents. Internally developed patents include legal and registration costs incurred to obtain the respective patents. The Company currently holds various patents and numerous pending patent applications in the United States, as well as numerous foreign jurisdictions outside of the United States. In 2025, there was no new expense for internally developed patents and fees on patents in progress.

Intangible assets as of 31 December 2025 and 2024 consist of the following:

	Weighted Average Useful Lives	31 December 2025 US\$000	31 December 2024 US\$000
Internally developed patents	15 years	1,389	1,529
Purchased patents	17 years	150	150
		1,539	1,679
Less accumulated amortisation – internally developed patents		(939)	(879)
Less accumulated amortisation – purchased patents		(107)	(96)
Intangible assets – net		493	704

At 31 December 2025, internally developed patents include approximately \$34,000 for costs accumulated for patents that have not yet been issued and are not amortised.

Approximate aggregate future amortisation expense is as follows:

Year Ending 31 December (USD, in thousands)	
2026	68
2027	63
2028	56
2029	51
2030	44
Thereafter	178

Amortisation expense for the years ended 31 December 2025 and 2024 was approximately \$71,000 and \$68,000, respectively.

7. Income Taxes

The components of income taxes shown in the Statements of Operations are as follows:

	31 December 2025 US\$000	31 December 2024 US\$000
Current:		
Federal	—	—

Foreign	—	81
State	3	4
Total current provision	3	85
Deferred:		
Federal	—	—
Foreign	—	—
State	—	—
Total deferred provision	—	—
Total provision for income taxes	3	85

The provision for income tax varies from the amount computed by applying the statutory corporate federal tax rate of 21 percent, primarily due to the effect of certain non-deductible expenses, foreign withholding tax, and changes in valuation allowances.

A reconciliation of the differences between the effective tax rate and the federal statutory tax rate is as follows:

	31 December 2025	31 December 2024
Federal statutory income tax rate	21.0%	21.0%
State tax rate, net of federal benefit	28.5%	(1.0%)
Valuation allowance	(47.7%)	(14.0%)
Other	(0.8%)	(6.8%)
Foreign withholding tax	—	(2.4%)
Effective income tax rate	1.0%	(3.2%)

The significant components of deferred income taxes included in the Balance Sheets are as follows:

	31 December 2025 US\$000	31 December 2024 US\$000
Deferred tax assets		
Net operating loss	7,709	7,822
Equity compensation	132	119
Research and development credits	91	91
Right of use liability	176	274
Inventory valuation reserve	54	147
Other	9	53
Total gross deferred tax asset	8,171	8,506
Deferred tax liabilities		
Property and equipment	(245)	(323)
Right of use asset	(167)	(263)
Total gross deferred tax liability	(412)	(586)
Net deferred tax asset before valuation allowance	7,759	7,920

Valuation allowance	(7,759)	(7,920)
Net deferred tax asset (liability)	—	—

Deferred tax assets and liabilities are recorded based on the difference between an asset or liability's financial statement value and its tax reporting value using enacted rates in effect for the year in which the differences are expected to reverse, and for other temporary differences as defined by ASC-740, Income Taxes. At 31 December 2025 and 2024, the Company has recorded a valuation allowance of \$7.8 million and \$7.9 million, respectively, a change of \$161,000 and \$370,000 for each year, for which it is more likely than not that the Company will not receive future tax benefits due to the uncertainty regarding the realisation of such deferred tax assets.

As of 31 December 2025, the Company has approximately \$36.1 million of gross U.S. federal net operating loss carry forwards and \$2.0 million of gross state net operating loss carry forwards that will begin to expire in the 2026 tax year and will continue through 2044 when the current year net operating losses will expire. As of 31 December 2024, the Company had approximately \$36.2 million of gross U.S. federal net operating loss carry forwards and \$3.3 million of gross state net operating loss carry forwards.

On 4 July 2025, the One Big Beautiful Bill Act ('OBBBA') was signed into law in the U.S., which contains a broad range of tax provisions. The Company has evaluated the provisions and does not expect the adoption or implementation of OBBBA to have a material impact on its consolidated financial statements, including its effective tax rate. The Company does not anticipate that OBBBA will result in any additional tax credits, deductions, or other tax-related differences. Accordingly, the Company does not expect OBBBA to have a material impact on its overall tax position.

The Company's tax years 2021 through 2025 remain subject to examination by federal, state and foreign income tax jurisdictions. However, net operating losses that were generated in previous years may still be adjusted by the Internal Revenue Service if they are used in a future period.

8. Line of Credit

In August 2025, the Company entered into a bank line of credit (TriState Capital Bank) that allows for borrowings up to \$500,000. The line of credit is revolving and is payable on demand. The line of credit is secured by a security interest in a brokerage account held by Connie Mixon, CEO and Director. Borrowings bear interest at a rate per annum equal to (a) the Term SOFR Reference Rate, a forward-looking term rate based on SOFR, for a period of one month plus (b) the Term SOFR Adjustment, which is defined as a percentage equal to 0.11448 percent per annum. 'SOFR' means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York. The balance on the line of credit at 31 December 2025 was \$450,000. The interest rate on 31 December 2025 was 5.3728 percent. Interest expense related to this loan for the year ended 31 December 2025 was \$4,600.

9. Stock Compensation

In July 2011, the Company's shareholders approved the Conversion Shares and the Directors' Shares, as well as the Plan Shares and Omnibus Performance Incentive Plan ('Plan'). This included the termination of all outstanding stock incentive plans, cancellation of all outstanding stock incentive agreements, and the awarding of stock incentives to Directors and certain employees and consultants. The Company established the Plan to attract and retain Directors, officers, employees and consultants. The Company reserved an amount equal to 10 percent of the Common Shares issued and outstanding immediately following its public offering.

Upon the issuance of these shares, an award of share options was made to the Directors and certain employees and consultants, and a single award of restricted shares was made to a former Chief Financial Officer. In addition, additional stock options were awarded in each year subsequent. The awards of stock options and restricted shares made upon issuance were in respect of 85 percent of the Common Shares available under the Plan, equivalent to 8.5 percent of the Public Offering.

In July 2019, the Company's shareholders approved the extension of the Plan to 2029 and the increase in the possible number of shares to be awarded pursuant to the Plan to 15 percent of the Company's issued capital at the date of any award. The total number of shares reserved for stock options under this Plan is 3,654,572 with 1,495,000 shares allocated as of 31 December 2025. The shares are all allocated to employees, executives and consultants.

Any options granted to Non-Executive Directors, unless otherwise agreed, vest contingent on continuing service with the Company at the vesting date and compliance with the covenants applicable to such service.

Employee options vest over three years with a third vesting rateably each year, partially on issuance and partially over the following 24-month period, or if there is a change of control, and expire on the tenth anniversary date the option vests. Vesting accelerates in the event of a change of control. Options granted to Non-Executive Directors, Consultants and one

Executive vest partially on issuance and will vest partially one to two years later. The remaining Non-Executive Director options expired at the end of 2016 on the five-year anniversary date of the grant.

As discussed in Note 2, the Company uses the Black Scholes valuation model to measure the fair value of options granted. The Company's expected volatility is calculated as the historical volatility of the Company's stock over a period equal to the expected term of the awards. The expected terms of options are calculated using the weighted average vesting period and the contractual term of the options. The risk-free interest rate is based on a blended average yield of two- and five-year United States Treasury Bills at the time of grant. The assumptions used in the Black Scholes option pricing model for options granted in 2025 and 2024 were as follows:

	Number of Options Granted	Grant Date	Risk-free Interest Rate	Expected Term	Volatility	Exercise Price	Fair Value Per Option
2024	25,000	13/03/2024	3.97%	6.0 years	65.00%	\$0.64	\$0.40
	225,000	15/03/2024	3.97%	6.0 years	65.00%	\$0.59	\$0.37
	50,000	15/03/2024	3.97%	5.75 years	65.00%	\$0.59	\$0.36
2025	200,000	09/04/2025	4.04%	5.75 years	62.00%	\$0.31	\$0.19

The Company assumes a dividend yield of 0.0 percent.

The following table summarises the Company's stock option activity for the years ended 31 December 2025 and 2024:

Stock Options	Shares	Weighted- Average Exercise Price	Weighted- Average Contractual Term (in years)	Average Grant Date Fair Value
Outstanding at 31 December 2023	1,753,375	\$1.12	5.8	\$0.66
Granted	300,000	\$0.59	6.0	\$0.37
Forfeited	(741,707)	\$1.53		
Outstanding at 31 December 2024	1,311,668	\$0.80	5.8	\$0.50
Granted	200,000	\$0.31	5.8	\$0.37
Forfeited	(16,668)	\$2.15		
Outstanding at 31 December 2025	1,495,000	\$0.65	5.8	\$0.42
Exercisable at 31 December 2025	1,303,333	\$0.68	5.5	

The total intrinsic value of the stock options exercised during the years ended 31 December 2025 and 2024 was approximately \$nil.

A summary of the status of unvested options as of 31 December 2025 and changes during the years ended 31 December 2025 and 2024 is presented below:

Unvested Options	Shares	Weighted- Average Fair Value at Grant Date
Unvested at 31 December 2023	341,667	\$0.40
Granted	300,000	\$0.37

Vested	(108,333)	\$0.57
Forfeited	(325,000)	
Unvested at 31 December 2024	208,334	\$0.37
Granted	200,000	\$0.19
Vested	(216,667)	
Unvested at 31 December 2025	191,667	\$0.28

As of 31 December 2025, total unrecognised compensation cost of approximately \$58,000 was related to unvested share-based compensation arrangements awarded under the Plan which is expected to be recognised over the next two years.

Total stock compensation expense for the years ended 31 December 2025 and 2024 was approximately \$62,000 and \$37,000, respectively.

10. Commitments and Contingencies

Operating leases – As of 31 December 2025, the Operating Lease ROU Asset has a balance of \$767,000, net of accumulated amortisation of \$1,053,000, and an Operating Lease Liability of \$811,000, which are included in the accompanying balance sheet. The weighted-average discount rate used for leases is 5.25 percent, which is based on the Company's secured incremental borrowing rate.

The Company's lease arrangements are in relation to two property leases for office and warehouse space. The Company's leases do not include any options to renew that are reasonably certain to be exercised. The Company's leases mature at various dates through May 2029 and have a weighted-average remaining life of 2.7 years.

Future maturities under the Operating Lease Liability are as follows for the years ended 31 December:

Year Ending 31 December	Future Lease Payments US\$000
2026	432
2027	220
2028	151
2029	64
Total future maturities	867
Portion representing interest	(56)
Total	811

Total lease expense for the years ended 31 December 2025 and 2024 was approximately \$411,000 and \$412,000, respectively.

Total cash paid for leases for the years ended 31 December 2025 and 2024 was \$416,000 and \$410,000, respectively, and is part of prepaid operating leases on the Statements of Cash Flows.

The Company has elected to apply the short-term lease exception to all leases of one year or less and is not separating lease and non-lease components when evaluating leases. Total costs associated with short-term leases was \$32,000 and \$62,000 for the years ended 31 December 2025 and 2024, respectively.

Legal – From time to time, the Company is a party to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material adverse effect on the results of operations or financial position of the Company.

11. Related Party Transactions

The Company has held a patent rights purchase agreement since 2009 with a Director, who is also a shareholder, as described in Note 6 and has a bank line of credit secured by Connie Mixon, CEO and Director, as described in Note 8.

12. Segment and Geographic Information

ASC 280-10, Disclosures About Segments of an Enterprise and Related Information, ('ASC 280-10') establishes standards for reporting information about operating segments. ASC 280-10 requires that the Company report financial and descriptive information about its reportable operating segments. Operating segments are components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker ('CODM') in deciding how to allocate resources and in assessing performance. The Company's CODM is the Chief Executive Officer ('CEO'). While the CEO is apprised of a variety of financial metrics and information, the business is principally managed on an aggregate basis as of 31 December 2025. The CODM, or CEO, uses net income to evaluate income generated from the Company's assets (return on assets) in deciding whether to reinvest profits into further business development activities or to pay dividends. Net income is also used by the CEO to monitor overall budget versus actual results. The CEO is regularly provided with only the consolidated expenses as noted on the face of the income statement. For the year ended 31 December 2025, all of the Company's assets were in the United States of America ('U.S.') and the Company's revenues were generated primarily in Nigeria, the Middle East and the U.S.. Additionally, the majority of the Company's expenditures and personnel either directly supported its efforts in Nigeria, the Middle East and the U.S. or cannot be specifically attributed to a geography. Therefore, the Company has only one reportable operating segment.

Revenue from customers by geography is as follows:

Year Ending 31 December (USD, in thousands)	2025	2024
Nigeria	6,569	—
United States of America	2,657	1,856
Middle East	1,401	1,825
Australia	280	772
Other	835	450
Total	11,742	4,903

13. Concentrations

At 31 December 2025, four customers represented 92 percent of accounts receivable, including 52 percent from a single customer. During the year ended 31 December 2025, the Company received 84 percent of its gross revenue from five customers, including 56 percent from a single customer.

At 31 December 2024, five customers represented 93 percent of accounts receivable. During the year ended 31 December 2024, the Company received 64 percent of its gross revenue from seven customers.

14. Gain on sale of Saudi Arabia branch assets

On 29 February 2024, the Company sold its Saudi Arabia branch assets, including equipment and inventory, for an acquisition price of up to \$7.125 million (the 'Total Consideration') to Twarid Water Treatment LLC ('Twarid'). The Total Consideration was split \$3.125 million paid at closing with up to \$4 million deferred on a 24 month earn-out structure based on Twarid achieving defined revenue targets. The assets sold had a net book value of \$2.2 million. The Company initially recognised a gain of \$838,000 from the sale of fixed assets and operating profit of \$100,000 from the sale of inventory. The Company recognised an additional gain of \$1.1 million related to the earn-out for the period ended 31 December 2024 and \$159,000 for January and February 2025. Twarid did not achieve the revenue target in the second year earn-out period. Therefore, the Company did not recognise any gain for the period March 2025 thru February 2026. The proceeds of the sale enable the Company to focus on accelerating its marketing and sales plan for its unique technologies while continuing to grow its proprietary media and product sales in Saudi Arabia through an exclusive distribution agreement with Twarid.

15. Subsequent Events

The Company discloses material events that occur after the balance sheet date but before the financials are issued. In general, these events are recognised in the financial statements if the conditions existed at the date of the balance sheet but are not recognised if the conditions did not exist at the balance sheet date. Management has evaluated subsequent events through 6 May 2026, the date the financial statements were available to be issued, and no events have occurred which require further disclosure.