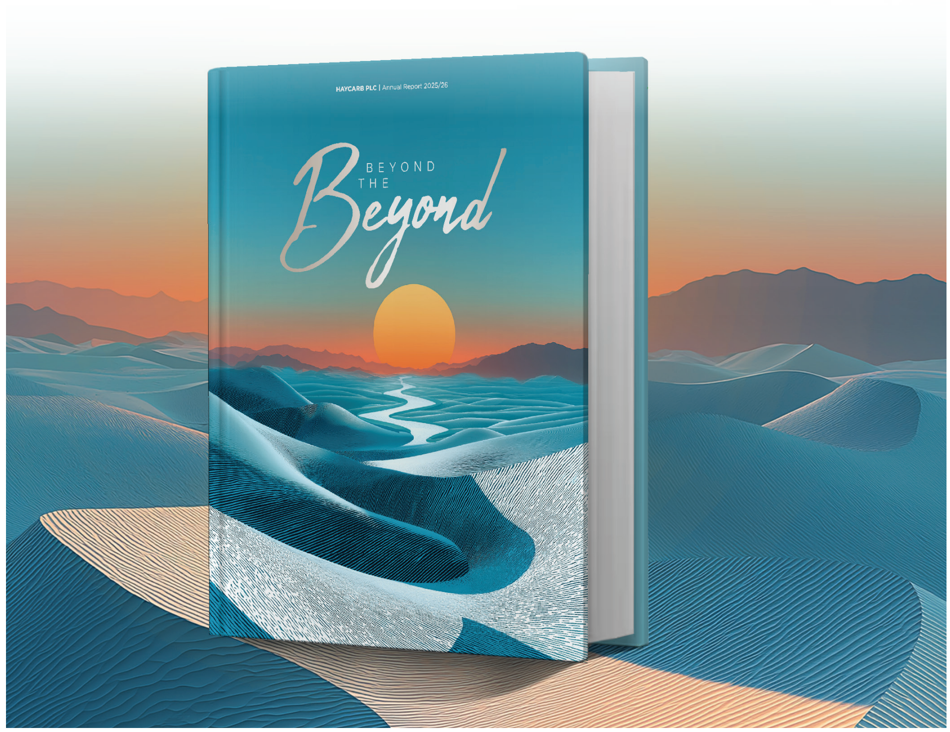
OUR APPROACH TO REPORTING

WE ARE PLEASED TO PRESENT THE 6TH INTEGRATED ANNUAL REPORT OF HAYCARB PLC FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026. THIS REPORT PROVIDES BALANCED AND CONCISE OVERVIEW OF THE GROUP'S PERFORMANCE, STRATEGIC DIRECTION AND VALUE CREATION JOURNEY DURING THE YEAR UNDER REVIEW. IT REFLECTS HOW THE GROUP RESPONDED TO EVOLVING MARKET DYNAMICS AND OPERATING CONDITIONS WHILE CONTINUING TO CREATE SUSTAINABLE VALUE ACROSS FINANCIAL, SOCIAL, ENVIRONMENTAL AND GOVERNANCE DIMENSIONS. THE REPORT FURTHER SETS OUT OUR STRATEGIC PRIORITIES, OUTLOOK AND APPROACH TO SUSTAINING LONG-TERM VALUE CREATION IN THE PERIODS AHEAD.



From the Depths to the Horizon

Our Journey Continues

Last year, the Blue Whale symbolised our strength, scale and resilience in navigating a dynamic world. This year, the Horizon represents where that journey is taking us — towards new possibilities, sustainable growth and value creation that goes **Beyond the Beyond.**

Connected by **Purpose Progress and Possibility**

Our journey continues from the depths of resilience to the horizon of opportunity, guided by innovation, sustainability and a commitment to create long-term value for all our stakeholders

2024/25 – THE WHALE
Strength. Resilience. Global Impact.

2025/26 – THE HORIZON
New Possibilities. Sustainable Future.

Like the Blue Whale, we demonstrated endurance, intelligence and adaptability – powering our growth, deepening our capabilities, and creating ripples of positive impact across the world

Like the Horizon, we look ahead with clarity and ambition – exploring new frontiers, unlocking opportunities and moving Beyond the Beyond for a more sustainable world.

Two powerful themes. One continuous journey.

Creating sustainable value for a better tomorrow.

Global Reach | Sustainable by Design. | Innovation that Matters. | Partnerships that Empower. | Value Creation that Endures

CREATING VALUE THROUGH BETTER REPORTING

We view reporting as more than a compliance requirement. It is an important means of communicating our strategy, performance and long-term value creation journey to stakeholders. During 2025/26, we introduced several enhancements to improve transparency, accessibility, comparability and the overall user experience of our Annual Report.

	Improvement	Value created
A Smarter Digital Annual Report	» AI enabled Conversational Report Intelligence » Adaptive Stakeholder Experiences » Predictive Intelligence Analytics » Multilingual & Accessible Intelligence » AI-Powered Insight Visualisation & Report Generation. » Interactive Impact Intelligence » Gamified Report Exploration	To reimagine corporate reporting through intelligent digital capabilities that enhance accessibility, stakeholder engagement and decision-usefulness, enabling users to interact with, analyse and understand information through a more personalised and intuitive reporting experience.
Sustainability Reporting	Enhanced disclosures aligned with SLFRS S1 and SLFRS S2 and **obtained independent assurance over selected disclosures.** **Early alignment with the revised GRI Energy and Emissions Standards** (GRI 102 and GRI 103), ahead of their effective date.	Strengthens the credibility, reliability and decision-usefulness of sustainability-related information while embracing emerging reporting expectations.
Financial Reporting	**Early adopted SLFRS 18 ahead of its mandatory effective date** and incorporated the revised presentation requirements within the financial statements.	SLFRS 18 represents an important evolution in the structure and presentation of financial statements. Its adoption enhances the clarity, transparency and usefulness of Haycarb's financial information.
	Expanded explanatory notes and disclosures of Financial Statements, providing deeper insight into financial information.	Supports deeper analysis, research and interpretation of financial information.
Corporate Governance	**Enhanced the visual presentation of Corporate Governance information** through a more engaging layout and reduced reliance on narrative disclosures.	Makes important governance information easier to navigate, transforming a section often perceived as complex and narrative. This improves accessibility without compromising the depth and integrity of governance disclosures.
Accessibility Features	Continued Braille reporting and expanded video content incorporating **sign-language interpretation.**	Improves inclusiveness and enables a broader range of stakeholders to access and engage with our reporting.
Similar Annual Report Structure	Considerable efforts were made to maintain **similar Annual report structure** from year to year .	Especially to provide comparability for non-financial information for understanding progress and trends from year to year .
Concise reporting	Considerable efforts were made to maintain a **concise and focused Annual Report** despite the inclusion of additional disclosures arising from the adoption of SLFRS S1 and SLFRS S2.	Enhances relevance and readability by focusing on material information while minimising information overload.

THE NEXT HORIZON OF INTELLIGENT REPORTING

As stakeholder expectations continue to evolve, we have reimagined the Annual Report as an intelligent reporting ecosystem, transforming how stakeholders discover, explore and engage with information. Through conversational AI, adaptive stakeholder experiences, predictive intelligence, intelligent visualisation, sustainability intelligence and enhanced accessibility, we are creating a more personalised, inclusive and insight-driven reporting experience

INTERACTIVE IMPACT INTELLIGENCE

Enables stakeholders to explore sustainability indicators, business impacts, and future oriented scenarios through interactive dashboards and intelligent insights.

MULTILINGUAL & ACCESSIBLE INTELLIGENCE

AI powered translation, accessibility enhancements and adaptive content delivery create a more inclusive and globally accessible reporting experience.

GAMIFIED REPORT EXPLORATION

Introducing a gamified experience that promotes exploration and knowledge discovery, creating a more immersive stakeholder experience.

CONVERSATIONAL REPORT INTELLIGENCE

An AI enabled reporting companion that understands stakeholder intent, delivers contextual responses, retains conversational context, guiding users through relevant information.

PREDICTIVE INTELLIGENCE ANALYTICS

An intelligence driven analytics capability that enables stakeholders to explore trends, correlations and future oriented scenarios through a more insightful reporting experience.

AI-POWERED INSIGHT VISUALISATION & REPORT GENERATION

Transforms report content into intelligent visualisations, summaries, stakeholder-focused insights and customised report outputs, enabling more interactive exploration of information.

ADAPTIVE STAKEHOLDER EXPERIENCES

The report adapts to stakeholder profiles and interests, delivering personalised pathways, contextual recommendations and relevant insights throughout the reporting journey.

Scan the QR code for AI guided report exploration	Scan the QR code for visual insights and customised reports	Scan the QR code to discover personalised stakeholder insights	Scan the QR code to explore trends and future focused scenarios	Scan the QR code for an engaging exploration and discovery	Scan the QR code to navigate impact driven insights

OUR APPROACH TO REPORTING

Our approach to reporting reflects our commitment to transparency, accountability, and value creation. This Annual Report has been prepared in compliance with all applicable regulatory requirements and is guided by internationally recognised reporting frameworks, standards, and best practices. In addition to mandatory disclosures, we have adopted a range of voluntary local and global reporting standards and codes to provide stakeholders with a balanced and comprehensive view of our financial and non-financial performance. The reporting frameworks and standards that informed the preparation of this Report are outlined below.

The <IR> principles that guided the preparation of this Report

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

Financial Reporting

- Sri Lanka Financial Reporting Standards (SLFRSs)
- Sri Lanka Accounting Standards (LKASs)
- The Companies Act No. 7 of 2007
- Listing requirements of the Colombo Stock Exchange

ESG & Sustainability Reporting

- SLFRS S1 General requirements for disclosure of sustainability related financial information
- <IR> Framework
- GRI Universal Standards
- Sustainability Accounting Standards Board (SASB) - Chemical Standard
- UN Sustainable development goals (SDGs)
- Gender parity reporting framework of CA Sri Lanka
- Non-financial reporting guidelines of CA Sri Lanka

Corporate Governance

- Listing requirements - Section 7 of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)
- Corporate Governance - Section 9 of the Colombo Stock Exchange
- Transparency in Corporate Reporting Assessment

Climate Related Reporting

- SLFRS S2 Climate related disclosures - with the incorporation of the Recommendations of the Task Force on Climate Related Financial Disclosures (TCFD)
- ISO 14064-1:2018 Organisation Level GHG Emissions/ Removal Reporting Standard
- GHG Protocol Corporate Accounting & Reporting Standard, developed by the World Resources Institute (WRI) & the World Business Council for Sustainable Development (WBCSD)

DOUBLE MATERIALITY LENS

Financial Materiality

Impact Materiality

TOP 3 MATERIAL TOPICS IN 2025/26

- Materials
- Regulations and compliance
- Customer satisfaction

SCOPE AND BOUNDARY GRI 2-1

The financial information presented within the Financial Statements and accompanying narrative reflects the Group on a consolidated basis, unless otherwise stated. Likewise, the non-financial information contained in this Report provides a consolidated perspective of the Group, encompassing material risks and opportunities arising from the operating environment, together with the outcomes and impacts attributable to our key stakeholder groups.

Headquartered in Sri Lanka, the Group maintains operations across eleven countries, reflecting Haycarb's extensive international footprint. As at 31 March 2026, assets located in Sri Lanka represented 61% of the Group's total asset base. The Group structure of Haycarb PLC is presented below.

HAYCARB PLC (PARENT COMPANY)

Environmental Engineering	Investment	Manufacturing	Marketing and Business Development
Puritas (Pvt) Ltd **(100%)**	Haycarb Holdings Bitung Ltd **(100%)**	Recogen (Pvt) Ltd **(100%)**	Eurocarb Products Ltd **(100%)**
Lakdiyatha (Pvt) Ltd **(49%)**	Carbotels (Pvt) Ltd **(25.2%)**	*Ultracarb (Pvt) Ltd **(100%)**	Haycarb Holdings Australia (Pty) Ltd **(100%)**
Puricarb Pte. Ltd **(100%)**	Haycarb Singapore Pte Ltd. **(100%)**	Carbokarn Co. Ltd **(50%)**	Haycarb USA Inc **(100%)**
		CK Regen Systems Co. Ltd **(50%)**	Haycarb Activated Carbon (Pvt) Ltd **(100%)**
		Shizuka Co. Ltd **(50%)**	Eurocarb Germany GmbH **(100%)**
		PT Mapalus Makawanua Charcoal Industry **(100%)**	
		PT Haycarb Palu Mitra **(60%)**	
		Haycarb Philippines Corporation **(100%)**	

*Amalgamated with Haycarb PLC on 01st October 2025

ICON NAVIGATION

Capitals

Financial Capital · Natural Capital · Intellectual Capital · Human Capital · Social and Relationship Capital · Manufactured Capital · Digital Capital

Stakeholders

Shareholders · Employees · Customers · Suppliers · Business Partners · Communities · Government · Certification bodies · Financial Institutions

Strategy

Market growth · Innovation led growth · Strengthen global supply chains · Purpose driven and committed teams · ESG Mindset

BASIS OF PREPARATION GRI 2-2 to 6

Reporting entity

» This Integrated Annual Report covers the operations of Haycarb PLC, its 16 subsidiaries, and 2 associate companies, collectively called 'The Group'.

Reporting cycle

» We adopt an annual reporting cycle.

» This Report builds on our previous report published for the financial year ended 31st March 2025.

Joint Assurance

» A joint assurance approach ensures the integrity of our Integrated Annual Report.

» Internal assurance is obtained from the Board Audit Committee, Internal Auditors and our Senior Management.

» External assurance is provided as follows,

Annual Report Section	Nature of Assurance	Independent Assurance Provider
Financial Reporting	Reasonable Assurance	Messrs. Ernst & Young
Integrated Reporting	Limited Assurance	Messrs. Ernst & Young
SLFRS S1 and S2 Reporting	Limited Assurance	Messrs. Ernst & Young
GRI Indicators	Limited Assurance	Messrs. Ernst & Young
GHG Emissions	Reasonable Assurance	Control Union Inspections in line with ISO 14064-1:2018

Changes to reporting

» No major changes to the Group's size, shareholding, structure, or supply chain took place during the year under review, except for the amalgamation of Ultracarb Company (Pvt) Ltd with Haycarb PLC, which became effective on 01st October 2025

» Comparative information has been reclassified where necessary to align with the presentation requirements of SLFRS 18. No major restatements were made to the financial information disclosed in the previous Report, and the reclassifications had no material impact on the Group's reported financial performance, financial position, or cash flows.

STATEMENT OF COMPLIANCE

Our financial and non-financial reporting complies with all mandatory regulatory requirements while also aligning with international best practice through the adoption of numerous voluntary international and local reporting standards and codes. The regulatory and voluntary frameworks that informed the preparation of this Report is set out below.

FORWARD-LOOKING STATEMENTS

This Report includes statements regarding our expectations and plans for future performance given its importance to assessing our potential to create long-term value. These forward-looking statements can be found in Strategy and Resource Allocation, the Capitals Report and Future Outlook among others. These statements have been made based on our current understanding, interpretation and expectations of internal and external information but are inherently uncertain as they relate to future events, outcomes, and impacts beyond our control. Therefore, we advise users of our Integrated Annual Report to use the latest information available at the time of assessment when evaluating forward-looking statements, as future conditions may differ materially from those expressed in this Report. All forward-looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report due to the reasons given above.

PRECAUTIONARY PRINCIPLE

GRI 2-3

In compliance with Principle 15 of the Rio Declaration on Environment and Development, we are committed to implementing cost effective measures to prevent environmental degradation where there are threats of serious or irreversible damage, despite lack of full scientific certainty.

FEEDBACK GRI 2-3

We value feedback and welcome any suggestions you may have in terms of what you would like to see in our next report. Please direct your feedback to:

Director Finance,
Haycarb PLC
400, Deans Road,
Colombo 10,
Sri Lanka
E-mail: haycarbgroup@haycarb.com

STATEMENT OF RESPONSIBILITY

GRI 2-3

Haycarb's Board of Directors is responsible for ensuring the integrity of the Report. We, the Board of Directors hereby confirm that we have reviewed the Annual Report for 2025/26 prepared by the Senior Management in accordance with the Integrated Reporting <IR> Framework and that it addresses all relevant material matters and fairly represents the Group's integrated performance. We have authorised and approved the Report for publication.

Chairman

Managing Director

This report is available in printed form and online at http://www.haycarb.com/

Digital feedback form

GRI 2-3

Digital version of Annual Report