



ABN 30 107 424 519

IONDRIVE LIMITED
CONSOLIDATED FINANCIAL REPORT
For the Half Year Ended
31 December 2025

INDEX

	Page
Directors' Report	3
Auditor's Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Change in Equity	13
Consolidated Statement of Cash Flows	14
Condensed Notes to the Financial Statements	15
Directors' Declaration	21
Independent Auditor's Review Report	22

CORPORATE INFORMATION

ABN 30 107 424 519

DIRECTORS

Michael McNeilly	Non-Executive Chairman
Adam Slater	Non-Executive Director
Andrew Sissian	Non-Executive Director
Hugo Schumann	Non-Executive Director
Duncan Turner	Non-Executive Director

CHIEF EXECUTIVE OFFICER

Lewis Utting

CFO AND COMPANY SECRETARY

Ray Ridge

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Adelaide SA 5000
Telephone: +61 (0)8 8368 8888
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AUDITORS

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide SA 5000

SHARE REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

ASX CODE

Ordinary Fully Paid Shares: ION

DIRECTORS' REPORT

The Directors present their report together with the interim financial report of Iondrive Limited (the Company or Iondrive) and its controlled entities (together, the Group) for the six months ended 31 December 2025 and the independent auditor's review report thereon.

Names of Directors of the Company who held office during or since the end of the half year were:

Non-Executive Chairman	Michael McNeilly	BA (International Economics)
Non-Executive Director	Adam Slater	BA (Arts)
Non-Executive Director	Andrew Sissian	CPA, MAcc, BCom (Finance)
Non-Executive Director	Hugo Schumann	BBusSc, MBA, CFA
Non-Executive Director	Duncan Turner (appointed 19 January 2026)	PhD, BSc (Hons)
Non-Executive Director	Jack Hamilton (resigned 31 January 2026)	PhD, B.Eng (Chem), FAICD, FAIE

Names of Officers of the Company who held office during or since the end of the half year were:

Chief Executive Officer	Lewis Utting (appointed 19 January 2026)	BAppSc, GAICD
Chief Executive Officer	Ebbe Dommissie (resigned 19 January 2026)	B.Eng (Chem), MSc, PhD, MBA, GAIC
Chief Financial Officer and Company Secretary	Ray Ridge	BA (Acc), CA, GIA (cert)

Financial Results

The loss of the Group after providing for income tax for the Half Year was \$3,132,771 (2024 loss: \$1,729,554). The result included \$2,893,622 of Research and Development expenditure progressing the Group's IONSolv™ technology across a number of potential urban mining applications. \$1,700,712 of the research and development expenditure related to pilot plant being constructed with the support of a 50% grant under the Australian Government's Industry Growth Program.

Review of Operations

During the six-month period ended 31 December 2025 (the "Reporting Period", the "Half-Year Period", or the "Period"), **Iondrive Limited (ASX:ION)** placed its focus on advancing the commercialisation of its proprietary IONSolv™ technology, progressing key workstreams in its urban mining opportunities across battery recycling, e-waste, solar panels, and magnets in Australia as well as offshore.

Collectively, activities during the Reporting Period were intended to de-risk the next phase of development by aligning technical progress with feedstock availability, infrastructure readiness and defined commercial pathways, positioning the Company to move into pilot operations and early commercial engagement.

E-Waste & Battery Recycling

Pilot Plant Development & Preparation for Commissioning

During the Half-Year Period, Iondrive continued to advance its battery recycling pilot plant, commencing the EPCM phase with Wave International. Long-lead items were ordered and construction is progressing as a high priority for the Group.

The pilot plant facility is intended to represent the first continuous, integrated demonstration of Iondrive's IONSolv™ process under industrial conditions, initially focusing on black mass recycling. The plant has been specifically designed for future potential modifications in order to facilitate the processing of other urban mining feedstocks, such as e-waste and solar panel waste.

During the December 2025 Quarter, Iondrive reported that plant commissioning activities and formal preparation had commenced. The Group announced that a dry processing container had been commissioned following the December Quarter's end. Dry processing relates to the preparation of lithium-ion battery black mass ready for the extraction of nickel, cobalt, lithium and manganese.

Feedstock Access & Domestic Scale-Up

In September 2025, the Company announced that it had executed a binding agreement with **Livium Limited (ASX:LIT)** ("Livium"), which would serve to provide Iondrive access to multiple domestic feedstocks.

Under the agreement, Livium will be providing Iondrive with a supply of end-of-life solar panels, lithium-ion black mass, and rare earth magnets as well as support for dismantling and readiness for processing in order to support the Company's recycling initiatives, as well as its real-world evaluation of the technology, process, and opportunity. It was announced that this agreement may also present a potential pathway for the co-location of IONSolv™ processing units at Livium facilities.

At the time, Iondrive noted that its IONSolv™ process had already demonstrated >95% recovery of metals from battery black mass, and that the work during the Reporting Period was going to support the ongoing evaluation and scale-up planning across battery, solar and magnet applications.

European Consortium & Benchmarking

European Benchmarking Study (RWTH Aachen & Fraunhofer FFB)

In the September 2025 Quarter, Iondrive announced its participation in a European benchmarking study that had been led by RWTH Aachen University and Fraunhofer FFB. The Life Cycle Assessment (LCA) and Life Cycle Costing (LCC) program was said to be designed for comparing the environmental and cost performance of major battery recycling technologies. The benchmarking program was said to be intended to provide independent validation of Iondrive's IONSolv™ process against conventional hydrometallurgical and pyrometallurgical methods and to support engagement with regulators, customers and commercial partners in Europe.

The results from the LCA and LCC Assessments are expected to be finalised in March 2026.

European Battery Recycling Consortium (Germany)

During the December Quarter, Iondrive announced that a €3.1 million funded European battery recycling consortium led by PEM RWTH Aachen University had commenced, comprising a €2.068 million German government grant and €1.069 million committed by consortium participants. The consortium aims to support the development of a closed-loop battery recycling industry in Germany by demonstrating that battery cells manufactured using sustainably recycled materials are able to perform on par with those produced from virgin metals.

Under the consortium framework, Iondrive's role is to process battery black mass into high-purity battery-grade metals using IONSolv™, and to further upgrade recovered materials into precursor cathode active material (pCAM) for downstream battery cell manufacturing and testing. Participation in the consortium is expected to provide access to feedstock, OEM validation pathways, and other services intended to support Iondrive's European market entry.

Iondrive reported that the consortium has been developed over approximately 12 months of collaboration, with formal governance established following execution of cooperation agreements. Founding participants in the initiative include Accurec Recycling GmbH, NEUMAN & ESSER Process Technology GmbH, Constantia Patz GmbH (Constantia Flexibles), and PEM RWTH Aachen University.

Iondrive plans to operate its battery recycling pilot plant in Australia rather than relocate it to Germany following initial commissioning. Operating the pilot domestically is expected to avoid the time and cost associated with shipping the plant to Europe, eliminate the need for a senior European-based position, and provide closer proximity to management, enabling stronger operational oversight and commercially focused execution. It also allows greater flexibility to process additional feedstocks beyond those contemplated under the original European deployment, while opening opportunities for local Australian collaboration.

As a result of this decision, Iondrive will withdraw from, or reduce its access to, the German government grant funding. It is expected that the consortium will remain largely unaffected, with the grant funding remaining available to the other consortium participants. Iondrive expects to continue its key role within the consortium and plans to supply recovered metal samples to EU-based collaboration partners, including consortium members.

Iondrive's share of the grant is not considered material. The grant would have reimbursed up to 60% of eligible pilot operating costs in Germany, capped at €398,000 spread over four years (with annual limits). Comparable expenditure incurred in Australia is expected to be eligible to claim under the Australian Research and Development Tax Incentive program.

The original strategy contemplated commissioning in Australia prior to shipment to Europe. Operating the pilot in Australia achieves the same technical and consortium objectives while improving cost efficiency and execution control, including future adaptation of the plant to process other feedstock.

Urban Mining Extensions

E-Waste Expansion – U.S. Market

In the September 2025 Quarter, Iondrive signed a binding agreement with Colt Recycling LLC (“Colt”), a large and renowned e-waste recycler in North America. Colt is capable of processing approximately 40 million pounds of electronic waste annually, and was announced to be supplying mixed e-waste feedstock for evaluation using Iondrive’s IONSolv™ process under the agreement, with a focus on rare earth element (“REE”) recovery.

During the Reporting Period, Iondrive also reported that the first phase of engineering work had been completed in order to outline initial external technical work programs required in North America, and that techno-economic modelling (conducted by ProProcess Modular) was finalised and being used (alongside with Model Answer) to prepare detailed economic scenario planning for the next phase of work.

Toward the end of the Reporting Period, Iondrive announced that initial validation work had demonstrated >75% recovery of REE’s from e-waste using its proprietary IONSolv™ platform (prior to process optimisation). The Company also announced that a Phase 1 techno-economic evaluation had been completed for a modular REE recycling plant that would target e-waste.

Solar Panel Recycling Initiative

During the Reporting Period, Iondrive developed and announced the launch of its solar panel recycling initiative, extending the application of its proprietary IONSolv™ technology into an additional urban mining feedstock that is closely aligned with the Company’s broader battery recycling strategy.

The solar recycling initiative is focused on the recovery of high-purity silver and polysilicon from end-of-life photovoltaic (“PV”) panels, addressing a gap in existing solar recycling processes – valuable materials in solar panels are typically often lost, downcycled, or not economically recovered. Iondrive’s approach to the initiative was said to focus on the selective extraction and preservation of these materials using its low-temperature, closed-loop DES process.

Development activities during the period included the commencement of laboratory-scale test work to assess the applicability of IONSolv™ to PV cell materials, alongside early-stage process screening and evaluation. Subsequent to the Half-Year Period, Iondrive announced that the early stage screening, utilising elemental silver as the initial test feedstock, achieved silver recoveries in excess of 85%, establishing a strong baseline and confidence to move to the next stage. Next steps will include trials on mechanically prepared end-of-life photovoltaic feedstock supplied by Livium.

The solar panel recycling initiative has been designed to leverage the Company’s pilot plant infrastructure, enabling potential integration into the same modular processing platform that is currently being developed for battery recycling and e-waste applications. Iondrive had previously announced that the modular approach was intended to provide optionality to the Company for future scale-up opportunities, including the ability to process multiple urban mining feedstocks within a common operating framework.

The solar panel recycling initiative complements Iondrive’s broader battery recycling activities and reflects the Company’s broader strategy of deploying IONSolv™ across adjacent waste streams – focused on where selective, low-impact recovery of critical and high-value materials can materially improve recycling economics.

Expansion to Virgin Mining Concentrates – LAT66 (Finland)

During the Reporting Period, Iondrive announced that it had executed a binding term sheet with LAT66 Limited (ASX:LAT) (“LAT66”) in order to evaluate the application of the Company’s proprietary IONSolv™ technology for cobalt-rich concentrates sourced from LAT66’s Kuusamo projects in Finland.

Under the term sheet, LAT66 is set to provide representative metallurgical samples for test work, with Iondrive to conduct evaluation of the technology’s ability to recover cobalt and other payable metals. Results from the test program are intended to support feasibility studies as LAT66 progresses its projects toward potential development.

LAT66’s Kuusamo projects are described as hosting one of Europe’s largest undeveloped cobalt deposits, and the collaboration was positioned as strategically relevant given the increasing demand for secure, low-impact European supply chains for battery materials.

Graphite Recovery Upgrading

During the Reporting Period, Iondrive continued to advance its graphite recovery and upgrading workstream, which is intended to improve the overall economics of lithium-ion battery recycling by increasing the value recovered from black mass feedstocks.

As part of this strategy, Iondrive progressed a staged graphite upgrading program during the period. In the quarter ended 30 September 2025, the Company commenced a CSIRO-supported research and development project focused on graphite upgrading. This program is designed to assess the technical feasibility of removing binders and impurities from recovered graphite without compromising structural integrity, as a precursor to further purification and anode-grade evaluation.

During the December Quarter, Iondrive reported the successful completion of the first stage of the program, where it was able to demonstrate the removal of polyvinylidene fluoride (“PVDF”) without damaging the underlying graphite structure. This outcome supported progression toward further upgrading work aimed at producing higher-quality graphite products from battery black mass.

The Company expects that successful upgrading of graphite could materially enhance the value recovered from black mass, supporting improved commercial outcomes for future battery recycling operations.

Corporate & Financial

Non-Dilutive Grant Funding

In the September 2025 Quarter, Iondrive reported that it had been awarded non-dilutive funding under the Australian Government’s Industry Growth Program. The grant covers 50% of eligible construction and operating expenditure for the Company’s battery recycling pilot plant (up to a maximum amount of A\$3.9 million). During the Reporting Period, the Company has received two grant instalments under the Industry Growth Program totalling \$2.2 million, leaving \$1.7 million remaining available to be claimed on future eligible expenditure under the grant.

Equity Placement

In November 2025, Iondrive announced firm commitments to raise \$4.0 million (before costs) via a placement of shares (90,909,087 shares at \$0.044 per share). The placement was supported by

several of Iondrive's existing shareholders and included participation by Board and members of the management team, totalling \$180,000. During the Reporting Period, the first tranche of the placement was completed, raising \$3.4 million. Subsequent to the Reporting Period, the second tranche of \$0.6 million was completed following shareholder approval on 22 January 2026.

The purpose of the placement was to raise funds to advance the commercialisation of e-waste recycling opportunities in the United States and strengthening the Company's balance sheet.

R&D Tax Incentive & Grant Funding

In December 2025 of the Reporting Period, Iondrive announced that it had received A\$1,297,444 under the Australian Government's R&D Tax Incentive for the prior financial year (FY2025).

South Korea Exploration Divestment

During the Reporting Period, Iondrive continued to progress the potential sale of its exploration business in South Korea. In parallel, running costs of the exploration business have been significantly reduced and largely offset through \$235,000 in income from exclusivity fees and the provision of exploration consulting services. Iondrive has extended the timeline to allow the potential purchaser to make the necessary arrangements for their acquisition, and expects the transaction to be finalised shortly. In the meantime, the potential purchaser continues to pay \$20,000 exclusivity fees per month and the South Korean exploration business continues to generate income from consulting services.

Cash Position

At the conclusion of the December 2025 Quarter, Iondrive reported a consolidated cash balance of \$8.4 million.

Events Subsequent to Reporting Date

On 19 January 2026, the Company announced the appointment of Mr Lewis Utting as CEO, the appointment of Mr Duncan Turner as a Non-Executive Director and the impending retirement of Mr Jack Hamilton as a Non-Executive Director on 31 January 2026.

Following shareholder approval at a General Meeting held 22 January 2026, the Company completed the second tranche of its share placement by issuing 13,409,087 ordinary shares to investors, including participation by Directors. The shares were issued at \$0.044 per share and raised gross proceeds of \$0.6 million.

On 6 February 2026, 14,500,000 performance rights were converted to shares.

Forward-looking Statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;
- Estimates of future metal production; and
- Estimates of the resource base and statements regarding future exploration results.

Such forward looking statements are based on a number of estimates and assumptions made by londrive and its consultants in light of experience, current conditions and expectations of future developments which londrive believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However, the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but londrive does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this presentation or ASX release, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

Auditors Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is attached.

Dated at Adelaide this 24th day of February 2026 and signed in accordance with a resolution of the Directors.



M McNeilly
Non-Executive Chairman

Auditor's Independence Declaration

To the Directors of Iondrive Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Iondrive Limited for the half-year ended 31 December 2025. I declare that, 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; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 24 February 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2025

	Note	Half Year Ended 31 Dec 2025 \$	Half Year Ended 31 Dec 2024 \$
Interest received		25,074	13,693
R&D Tax offset		1,020,801	482,125
Grant income		834,795	-
Realised foreign exchange (loss)/gain		(1,999)	(436)
R&D expenditure		(2,893,622)	(1,018,155)
Salaries and wages		(249,673)	(74,495)
Directors fees		(158,000)	(154,333)
Shareholder relations		(149,708)	(96,147)
Other administrative expenses		(787,576)	(353,041)
Depreciation		(2,323)	(10,891)
Share based payments - options	8	(674,100)	(381,278)
Share based payment – performance rights	8	(13,796)	(58,554)
Loss before income tax		(3,050,127)	(1,651,512)
Income tax benefit/(expense)		-	-
Loss after income tax expense from continuing operations		(3,050,127)	(1,651,512)
Loss after income tax expense from discontinued operations	4	(82,644)	(78,042)
Loss after income tax expense from continuing operations for the half year		(3,132,771)	(1,729,554)
<u>Other Comprehensive Income</u>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation		6,551	79
Total comprehensive loss for the period		(3,126,220)	(1,729,475)
<u>Earnings Per Share</u>			
Earnings per share for profit from continuing operations			
Basic (cents per share)		(0.25)	(0.23)
Diluted (cents per share)		(0.25)	(0.23)
Earnings per share for profit from discontinued operations			
Basic (cents per share)		(0.01)	(0.01)
Diluted (cents per share)		(0.01)	(0.01)
Earnings per share for comprehensive loss			
Basic (cents per share)		(0.26)	(0.24)
Diluted (cents per share)		(0.26)	(0.24)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying condensed notes.

Consolidated Statement of Financial Position as at 31 December 2025

	Note	As at 31 Dec 2025 \$	As at 30 June 2025 \$
CURRENT ASSETS			
Cash and cash equivalent		8,421,443	5,867,961
Receivables	2	756,806	1,141,940
Other assets	3	291,223	316,679
Assets held for Sale	4	89,402	119,798
TOTAL CURRENT ASSETS		9,558,874	7,446,378
NON-CURRENT ASSETS			
Plant and equipment		11,409	13,731
Intangible assets	5	1,449,857	1,449,857
Other assets	3	6,150	83,669
TOTAL NON-CURRENT ASSETS		1,467,416	1,547,257
TOTAL ASSETS		11,026,290	8,993,635
CURRENT LIABILITIES			
Trade and other payables		855,758	1,255,663
Other Financial Liabilities	6	1,378,706	-
Provisions		36,613	35,009
Liabilities associated with assets classified as held for sale	4	246,401	248,082
TOTAL CURRENT LIABILITIES		2,517,478	1,538,754
NON-CURRENT LIABILITIES			
Provisions		4,858	3,045
TOTAL NON-CURRENT LIABILITIES		4,858	3,045
TOTAL LIABILITIES		2,522,336	1,541,799
NET ASSETS		8,503,954	7,451,836
EQUITY			
Issued capital	7	75,346,408	71,855,966
Reserves		1,351,119	812,967
Accumulated losses		(68,193,573)	(65,217,097)
TOTAL EQUITY		8,503,954	7,451,836

The above Statement of Financial Position should be read in conjunction with the accompanying condensed notes.

Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2025

	Issued Capital \$	Accumulated losses \$	Share- based payment reserve \$	Foreign currency translation reserve \$	Total \$
Balance at 1 July 2024	64,582,718	(60,621,659)	269,251	(194,230)	4,036,080
Total comprehensive income in the period	-	(1,729,554)	-	79	(1,729,475)
Transactions with owners:					
Issue of share capital	3,328,624	-	-	-	3,328,624
Options exercised	319,398	-	-	-	319,398
Fair value of options issued	-	-	381,278	-	381,278
Fair value of performance rights issued	-	-	58,554	-	58,554
Costs associated with the issue of shares	(195,200)	-	-	-	(195,200)
Balance at 31 December 2024	68,035,540	(62,351,213)	709,083	(194,151)	6,199,259
Balance at 1 July 2025	71,855,966	(65,217,097)	1,006,376	(193,409)	7,451,836
Total comprehensive income in the period	-	(3,132,771)	-	-	(3,132,771)
Exchange differences on translation	-	-	-	6,551	6,551
Transactions with owners:					
Issue of share capital	3,487,500	-	-	-	3,487,500
Fair value of options exercised	-	16,366	(16,366)	-	-
Fair value of options lapsed	-	139,929	(150,929)	-	(11,000)
Shares issued as remuneration	220,753	-	-	-	220,753
Fair value of options issued	-	-	685,100	-	685,100
Fair value of performance rights issued	-	-	13,796	-	13,796
Costs associated with the issue of shares	(217,811)	-	-	-	(217,811)
Balance at 31 December 2025	75,346,408	(68,193,573)	1,537,977	(186,858)	8,503,954

The above Statement of Changes in Equity should be read in conjunction with the accompanying condensed notes.

Consolidated Statement of Cash Flows for the Half Year ended 31 December 2025

	Note	Half Year Ended 31 Dec 2025 Inflows (Outflows) \$	Half Year Ended 31 Dec 2024 Inflows (Outflows) \$
Cash flows related to operating activities			
Interest received		55,155	13,798
R&D Tax offset received		1,297,444	406,364
Grant Income		2,213,501	-
Other income		115,048	402,952
Payments to suppliers and employees		(1,304,343)	(977,421)
Exploration and evaluation		(146,179)	(278,416)
R&D expenditure		(3,056,702)	(1,376,454)
Interest expense		-	(438)
Short term lease payments		(22,011)	(15,158)
Net operating cash (outflows)		(848,087)	(1,824,773)
Cash flows related to investing activities			
Payments for plant and equipment		-	(39,878)
Proceeds from the sale of plant and equipment		-	7,921
Exploration tenement exclusivity fee		120,000	76,877
Net investing cash inflows		120,000	44,920
Cash flows related to financing activities			
Proceeds from share issues		3,410,000	2,977,655
Proceeds from exercise of options		77,500	319,398
Payment for share issue costs		(197,134)	(190,792)
Repayment of lease liability		-	(14,645)
Net financing cash (outflows)/inflows		3,290,366	3,091,616
Net increase/(decrease) in cash		2,562,279	1,311,763
Cash at beginning of financial period		5,867,961	2,759,282
Exchange rate adjustments on opening cash		(8,797)	(348)
Cash at end of financial period		8,421,443	4,070,697

The above Statement of Cash Flows should be read in conjunction with the accompanying condensed notes.

Condensed Notes to the financial statements for the Half Year ended 31 December 2025

1. BASIS OF PREPARATION OF ACCOUNTS

This half year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 “Interim Financial Reporting”, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Iondrive Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the ASX Listing Rules.

The half year financial report does not include full disclosures of the type normally included in an annual financial report.

Iondrive Limited is a company domiciled in Australia (the Company or Iondrive). The Consolidated half year financial report for the six months ended 31 December 2025 comprises the Company and its subsidiaries (together referred to as the Consolidated Entity or the Group).

Changes in accounting policies and accounting policies applied for the first time

The accounting policies adopted by the Group are consistent with those of the previous financial year and corresponding period end.

New standards adopted as at 1 July 2025

The Group has considered the implications of new or amended Accounting Standards, and has determined that their application to the financial statements is either not relevant or not material.

2. RECEIVABLES

	31 December 2025	30 June 2025
	\$	\$
Trade and other receivables	10,930	63,067
R&D Tax Incentive	745,876	1,022,997
GST receivable	-	49,699
Lease and credit card bonds	-	6,177
	<u>756,806</u>	<u>1,141,940</u>

3. OTHER ASSETS

	31 December 2025	30 June 2025
	\$	\$
Current		
Prepayments	291,223	316,679
Non-Current		
Prepayments	6,150	83,669
	<u>297,373</u>	<u>400,348</u>

As at 31 December 2025, prepayments comprise amounts paid in advance for insurance, the University of Adelaide research agreements, and investor relations services. Insurance and University of Adelaide prepayments are expected to be expensed within 12 months and are classified as current assets. Investor relations prepayments are allocated between current and non-current assets, with the services to be provided over 24 months.

4. ASSETS and LIABILITIES CLASSIFIED AS HELD FOR SALE

a) Description

During the prior year ended 30 June 2025, the Board made a strategic decision to divest the Group's South Korean exploration business. The divestment is expected to reduce the Company's annual cost base by approximately \$600,000 and enable a full transition to a IONSolv™ technology focus.

Advanced negotiations are underway for the potential sale of the exploration business, with exclusivity fees of \$120,000 received during the half year. Iondrive has extended the timeline to allow the potential purchaser to make the necessary arrangement for their acquisition and expects the transaction to be finalised shortly. In the meantime, the potential purchaser continues to pay \$20,000 exclusivity fees per month.

b) Results of discontinued operations

	31 December 2025	31 December 2024
	\$	\$
Revenue	235,062	335,865
Expenses	(317,706)	(413,907)
Loss before tax from discontinued operations	(82,644)	(78,042)
Income tax benefit/(expense)	-	-
Loss after tax from discontinued operations	(82,644)	(78,042)

During the period ended 31 December 2025, the Group generated revenue of \$115,062 through exploration staff in South Korea providing consulting services to another exploration company based in South Korea and \$120,000 for exclusivity fees of \$20,000 per month being paid by the potential purchaser of the South Korean exploration business. This income assists with partly offsetting the cost base whilst the potential sale of the business is being finalised.

In the prior period ended 31 December 2024, Iondrive received a total of \$335,865 in revenue comprising:

- reimbursements of exploration expenses in South Korea, from a subsidiary of KoBold Metals Company, under a Earn-In and Joint Venture Agreement. This Earn-In and Joint Venture Agreement ceased 8 February 2025. As a result, exploration activities in South Korea were significantly scaled back, whilst the Group progressed the potential sale of the exploration business; and
- non-refundable deposits received under an agreement to divest three exploration leases in South Korea. The counterparty failed to complete the transaction in the required time.

c) Assets and liabilities of KMR classified as held for sale

The following assets and liabilities of Korea Metal Resources Ltd were reclassified as held for sale:

	31 December 2025	30 June 2025
	\$	\$
Assets classified as held for sale		
Trade and other receivables	56,391	67,701
Other assets	13,429	25,050
Plant and equipment	19,582	27,047
Total assets classified as held for sale	89,402	119,798
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	25,097	21,645
Provisions	221,304	226,437
Total liabilities directly associated with assets classified as held for sale	246,401	248,082

5. INTANGIBLE ASSETS

	31 December 2025	30 June 2025
	\$	\$
Research technologies acquired	1,449,856	1,449,856
	1,449,856	1,449,856

During the half year period, the Group has meaningfully progressed its commercialisation of battery recycling technology, further supporting the \$1,449,856 carrying value of the acquired intangible asset as at 31 December 2025. No impairment indicators identified as investment/progress/expenditure on the technologies continues.

6. OTHER FINANCIAL LIABILITIES

	31 December 2025	30 June 2025
	\$	\$
Unearned revenue	1,378,706	-
	<u>1,378,706</u>	<u>-</u>

londrive was awarded a grant of up to \$3,885,000 under the Australian Government's Industry Growth Program to accelerate the commercialisation of its environmentally friendly, urban mining technology. The funding will cover 50% of eligible pilot plant construction and operational costs.

During the Half-Year Period, londrive has received \$2,159,505 in grant income, with \$780,799 being recognised as revenue based on eligible expenditure incurred during the Half-Year Period and the remaining \$1,378,706 was recorded as unearned income. The unearned revenue will be recognised as earned as the corresponding eligible expenditure is incurred.

7. ISSUED CAPITAL

Fully paid ordinary shares issued

<i>Ordinary shares on issue</i>	Number	\$
At 30 June 2025	1,182,836,332	71,855,966
Shares issued as remuneration (5 August 2025)	4,799,001	220,753
Options exercised (25 September 2025)	3,000,000	75,000
Placement shares (1 December 2025)	77,500,000	3,410,000
Options exercised (17 December 2025)	100,000	2,500
Net costs associated with the issue of shares	-	(217,811)
At 31 December 2025	<u>1,268,235,333</u>	<u>75,346,408</u>

On 8 August 2025, the Group issued 3,839,201 shares to the CEO and 959,800 shares to the CFO as part of their annual bonuses. The bonus amount was based on a performance assessment by the Board against pre-set corporate key performance indicators for the year ended 30 June 2025. Half of the bonus was paid in cash and the other half paid in shares. The full amount of the bonuses had been expensed in the year ended 30 June 2025, with the shares being valued at \$0.046 per share for financial reporting purposes, being the share price prior to the date of board approval.

On 25 September 2025, the Group issued shares resulting from the exercise of 3,000,000 options at an exercise price of \$0.025 per option. The options had an expiry date of 9 November 2027.

On 25 November 2025, the Company announced that it had received firm commitments from sophisticated and professional investors for a placement of 90,909,087 fully paid ordinary shares at \$0.044 each to raise up to \$4,000,000. The first tranche was completed during the half year period, utilising available placement capacity, raising \$3,410,000 in cash through the issue of 77,500,000 shares on 1 December 2025. The second tranche was completed subsequent to the half year period, following shareholder approval at a General Meeting held 22 January 2026, raising a further \$590,000 in cash through the issue of 13,409,087 shares,

On 17 December 2025, the Group issued shares resulting from the exercise of 100,000 options at \$0.025 per option.

8. SHARE-BASED PAYMENTS RESERVE

During the half year ended 31 December 2025, the Share based payments reserve increased by \$531,601 to \$1,537,977. This change comprised:

Options – Series	No.	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Expensed during the period
<i>Employee & Consultants</i>						
LTI-2024 ¹	30,625,000	06/08/2024	06/08/2029	\$0.012	\$0.00424	11,454
Jun-2025 ²	10,000,000	17/06/2025	03/06/2028	\$0.025	\$0.01138	18,966
<i>Director Held</i>						
Dec-2025 ³	26,000,000	22/12/2025	22/1/2030	\$0.067	\$0.002518	654,680
Share based payments – options						685,100
Share based payments – performance rights¹						13,796
<i>Other changes in share-based payments reserve:</i>						
Options exercised						(16,366)
Options lapsed						(150,929)
Total change in share-based payments reserve						531,601

- The former CEO and CFO long-term incentive (LTI) plan comprising a total of 30,625,000 performance rights and 30,625,000 unlisted options. The issued securities vest in four tranches, after a minimum service period to 12 August 2025, when the 30-day volume-weighted average price of the Company's shares exceeds set price hurdles at any time before 12 February 2027. These securities have been recognised in the financial statements as follows:
 - The unlisted options are exercisable at \$0.012 at any time through to the expiry date of 6 August 2029 and were valued at \$129,719 or \$0.00424 per option using the Monte Carlo method. The option value was expensed over the vesting period from 12 April 2024 to 12 August 2025 with \$11,454 expensed in the current period.
 - Each performance right is convertible into one fully paid ordinary share upon vesting. The performance rights were valued at \$156,250 or \$0.00510 per right using the Monte Carlo method. The performance rights were expensed over the vesting period from 12 April 2024 to 12 August 2025, with \$13,796 expensed in the current period.
- 10,000,000 unlisted options were granted on 17 June 2025 under a consultancy agreement. 5,000,000 of these options vest over an 18-month period to 24 June 2026 (approximately 277,777 per month) and 5,000,000 options vest on the basis of agreements executed with industry or collaboration partners. All options are exercisable at \$0.025 at any time after vesting through to the expiry date of 3 March 2028. The \$113,800 fair value of the options was calculated using the Black Scholes valuation method, using a volatility of 88%, an interest rate of 3.797% (the three-year Australian Government bond rate) and an underlying share price of \$0.01138. \$56,900 of the valuation relating to the options subject to industry or collaboration partner agreements was previously expensed upfront while the other \$56,900 relating to the options vesting over time are expensed over the vesting period to 24 June 2026, with \$18,966 expensed in the current period.
- Total of 26,000,000 unlisted options were proposed to be granted to Directors, subject to shareholder approval at a general meeting scheduled for 22 January 2026, comprising 8,000,000 options to the Company's Chair Mr McNeilly, 6,000,000 to each of Messrs Sissian, Slater and Schumann. The proposed options are to vest immediately and are exercisable at \$0.067 at any time through to the expiry date four years following the issue date. The \$654,680 fair value of the options was calculated on 10 December 2025, being the date the Board approved the options to be proposed to shareholders. The valuation was calculated using the Black Scholes valuation method, using a volatility of 88%, an interest rate of 4.23% (the four-year Australian Government bond rate) and an underlying share price of \$0.044, being the ASX closing price of ION's shares on 9 December 2025 (the day prior to the Board resolution). Subsequent to the end of the period, on 22 January 2026, Shareholders approved the proposed issue of the options to Directors, and the options were issued on 6 February 2026.

9. COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES

Through the acquisition of IDT, the Group has commitments to provide research funding of \$2,500,000 to the University of Adelaide over a two-and-a-half-year period. To date the Group has provided funding of \$2,054,177, leaving the remaining commitments as at 31 December 2025:

	\$
Not later than one year:	445,823
Later than one year but not later than two years:	-
Later than two years but not later than five years:	-
Greater than five years	-
	<u>445,823</u>

Other than the above, there were no other material changes in contingent liabilities or contingent assets from those disclosed in the annual report for the year ended 30 June 2025.

10. GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern.

The consolidated Group incurred a net loss after tax from continuing operations of \$3,132,771 for the six months ended 31 December 2025, and a net cash outflow of \$728,087 from operating and investing activities. As at 31 December 2025, the Group had a cash position of \$8,421,443 and an accrued Research and Development Tax Incentive claim of \$745,876. Additionally, subsequent to the end of the half year period, the Company completed the second tranche placement of \$590,000, following shareholder approval on 22 January 2026.

Accordingly, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis. Therefore, no adjustments have been made to the financial report, as the Group expects to continue its operations as planned.

11. SUBSEQUENT EVENTS

On 19 January 2026, the Company announced the appointment of Mr Lewis Utting as CEO, the appointment of Mr Duncan Turner as a Non-Executive Director.

Mr Jack Hamilton retired as a Non-Executive Director on 31 January 2026.

The second tranche of the placement announced on 25 November 2025 was completed following shareholder approval at a General Meeting held 22 January 2026, raising a further \$590,000 in cash through the issue of 13,409,087 shares.

On 6 February 2026, 14,500,000 performance rights were converted to shares.

Directors' Declaration

Directors' Declaration for the six months ended 31 December 2025

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 11 to 20 are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standards AASB 134 Interim Financial Reporting; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025, and of its performance for the half-year ended on that date.
- 2) 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 Board of Directors.



M McNeilly
Non-Executive Chairman

Adelaide, South Australia
24th day of February 2026

Independent Auditor's Review Report

To the Members of Iondrive Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Iondrive Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected 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 accompanying half-year financial report of Iondrive Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2025 and of its 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility 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.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 24 February 2026