



FIRST GRAPHENE LIMITED

ACN 007 870 760
ABN 50 007 870 760

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2025 Annual Report

Corporate Directory

Directors

Warwick Grigor (Non-Executive Chairman)
Dr Andy Goodwin (Non-Executive Director)
Michael Quinert (Non-Executive Director)
Michael Bell (Managing Director and CEO)

Company Secretary

Brett Tucker (appointed 17 February 2026)
Elizabeth Lee (resigned 17 February 2026)

Principal Registered Office in Australia

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Henderson WA 6166
Telephone: +61 1300 660 448
Email: info@firstgraphene.net
Website: www.firstgraphene.net

Stock Exchange Listings

The Company is listed on the **Australian Securities Exchange** under the trading code **FGR**.

The Company is quoted on the **Frankfurt Stock Exchange** under the trading code **FSE:M11**.

The Company is quoted on the **OTCQB market** in the USA under the trading code **FGPHF**.

Share Registry

Automic Registry Services
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Perth WA 6000
All securityholder correspondence to:
PO Box 5193, Sydney, NSW 2001
Contact:
P: 1300 288 664 (within Australia)
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Auditor

PKF Perth
Dynons Plaza, Level 8, 905 Hay
Street, Perth WA 6000

Solicitors – Australia

EMK Lawyers
Suite 1, 519 Stirling Hwy, Cottesloe
WA 6011
PO Box 103, Cottesloe WA 6011

Bankers – Australia

Westpac Banking Corporation
Level 6, 109 St Georges Terrace,
Perth WA 6000

First Graphene Limited
For the half-year ended 31 December 2025

Results for announcement to the market

Revenue from ordinary activities	Up	53%	\$ 313,777
Loss from continuing ordinary activities after tax attributable to members	Up	18%	3,348,722
Net loss for the period attributable to members	Up	18%	3,348,722
Dividends			
No dividends have been paid or declared during the period			

	31 December 2025	31 December 2024
	Cents	Cents
Net tangible asset backing per share	1.00	0.50

During the first half of the period ended 31 December 2025, First Graphene experienced a **53% increase in revenue** on the same half the previous year. This was attributed predominantly to orders across a broad new customer base, primarily through footwear and cement and concrete additives. This was further supported by the continued growth in demand for graphene-enhanced swimming pools.

The net loss for the half-year was AUD 3,348,722, which includes non-cash expenses for finance costs for the prior capital raise in 2021 (AUD 1,729,010) and share based payments (AUD 165,328). Excluding these non-cash accounting expenses, the Company's operating loss is AUD 1,454,384 which is **43% lower than last year**.

The Company's financial strategy remains focused on achieving cashflow positive status by increasing its sales pipeline and converting sales opportunities into orders, without additional capital being raised.

DIRECTOR'S REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of First Graphene Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2025.

DIRECTORS

The following persons were Directors of First Graphene Limited during the half-year and up to the date of this report:

- Warwick Robert Grigor
- Michael Bell
- Michael Quinert
- Dr Andy Goodwin

OVERVIEW

	Dec 2025 (FY26 Q2)	Sep 2025 (FY26 Q1)	Jun 2025 (FY25 Q4)	QoQ Improvement	Comment
Customer cash receipts	\$271K	\$106K	\$90K	156%	Highest quarterly customer receipts in the Company's recent history.
Overall operating cash inflows	\$853K	\$163K	\$172K	423%	Highest quarterly overall operating cash inflows to date – combination of increased revenue and R&D rebates.
Net cash from (used in) operating activities	(\$73K)	(\$764K)	(\$744K)	90%	Lowest quarterly operating cash outflows to date. Approximately cashflow neutral for the first time.
Cash balance	\$4.9 mil	\$1.8 mil	\$2.6 mil	172%	Completed a \$3.5 million raise. Strong cash balance enables the Company to focus on commercial execution and accelerating growth.

First Graphene anticipates activity across a range of segments to remain steady for the remainder of FY2026, headlined by impending applications for the significant tonnage of graphene-enhanced cement produced with long-term partner Breedon Group plc (LON: BREE). A portion of the cement has been used to produce thousands of concrete roof tiles by FP McCann for sustainable housing. The remainder of the graphene-enhanced cement will be applied to an internal construction project by Breedon, rail and civil works with Morgan Sindall Group plc (LON: MGNS), and other additional applications in global markets across the Southern Hemisphere. These are expected to drive commercial revenue, in parallel to strong reoccurring sales forecast in the composites segment led by entrances into new markets, such as industrial composite manufacturing blades and Aquatic Leisure Technologies' expansion into the United States.

DIRECTOR'S REPORT

Developments

During the first half of FY2026, First Graphene further expanded commercial use cases of its PureGRAPH® product range as market interest and adoption increased. Customers secured by First Graphene include industry-leading participants across a variety of sectors, as outlined below.

Cement and concrete industry

Activity in this segment was headlined by the successful completion of the industrial-scale production run of approximately 600 tonnes of graphene-enhanced cement at Breedon's Hope Cement Works, which has become one of the largest commercial production runs of its kind in the world. The achievement resulted in a reduction of carbon emissions by up to 20% compared to production of conventional cement, while also providing stronger and more durable cement.

Energy industry

The Company secured an exclusive global license from Halocell Australia to manufacture, market and sell graphene-enhanced carbon paste. This market-ready product is used in perovskite solar cells (PSCs) and has broader applications in mobile power generation in other markets. First Graphene is also investigating potential sales and distribution agreements for the paste with other existing partners.

Defence industry

There has been a series of opportunities identified within the global defence industry to incorporate graphene, providing an additional commercial pathway for the Company. This is reflective of a notable rise in interest and demand from the defence and aerospace industry for high-performing materials like graphene, particularly for PSCs used in long-range drones. The Company has fulfilled requests for graphene products in this growing sector, including recurring commercial orders of PureGRAPH® for use by an aerospace defence customer.

Workwear industry

The Company successfully executed an initial production order from workwear manufacturer PT Alasmas Berkat Utama, where a 500kg graphene-enhanced TPU masterbatch was supplied for use in safety boots for the mining industry. There has been a significant increase in customers and orders across this segment, reinforcing the rising global demand for the performance benefits deliver by graphene and PureGRAPH®.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

DIRECTOR'S REPORT

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors and on behalf of the Directors by:



Michael Bell

CEO & Managing Director

Perth, Western Australia, 25 February 2026



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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF FIRST GRAPHENE LIMITED

In relation to our review of the financial report of First Graphene Limited for the half year ended 31 December 2025, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in blue ink that reads 'Shane Cross'.

SHANE CROSS
PARTNER

25 February 2026
PERTH, WESTERN AUSTRALIA

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

	Note	Half-Year	
		2025 \$	2024 (Restated) \$
Continuing operations			
Revenue from contracts with customers	2	313,777	205,558
Cost of goods sold		(232,622)	(269,240)
Gross profit / (loss)		81,155	(63,682)
Other income	3	619,816	58,677
Research & development	4(a)	(475,586)	(643,282)
Selling & marketing	4(b)	(204,515)	(236,628)
Mineral lease maintenance	4(c)	(26,715)	(68,131)
General & administrative	4(d)	(1,453,824)	(1,605,226)
Operating Loss from continuing operations before tax		(1,459,669)	(2,558,272)
Non-Operating Income / Expense			
Share Based Payment expense	11	(165,328)	(161,939)
Finance income		19,670	12,609
Finance expense	6	(1,743,395)	(140,057)
Loss before tax expense from continuing operations		(3,348,722)	(2,847,659)
Income tax benefit/(expense)		-	-
Loss after tax from continuing operations		(3,348,722)	(2,847,659)
Profit before tax from discontinued operations	17	-	870
Income tax benefit/(expense)		-	-
Profit after tax from discontinued operations	17	-	870
Loss after tax		(3,348,722)	(2,846,789)
Other comprehensive income			
<i>Items which may be reclassified to profit or loss</i>			
Foreign currency translation difference on foreign operations		(12,626)	25,052
Total comprehensive loss for the period		(3,361,348)	(2,821,737)
Loss for the period is attributable to:			
Non-controlling interest		-	-
Owners of First Graphene Limited		(3,348,722)	(2,847,659)
		(3,348,722)	(2,847,659)
Total comprehensive profit/(loss) for the period is attributable to:			
Continuing operations		(3,361,348)	(2,822,607)
Discontinued operations		-	870
		(3,361,348)	(2,821,737)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

Loss per share from continuing operations attributable to the owners of First Graphene Limited (cents):		
Basic earnings per share	(0.41)	(0.42)
Diluted earnings per share	(0.41)	(0.42)
Profit/ (Loss) per share from discontinued operations attributable to the owners of First Graphene Limited (cents):		
Basic earnings per share	-	-
Diluted earnings per share	-	-
Loss per share attributable to the owners of First Graphene Limited (cents):		
Basic earnings per share	(0.41)	(0.42)
Diluted earnings per share	(0.41)	(0.42)

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

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31 December 2025 \$	30 June 2025 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		4,899,585	2,612,941
Inventories	5	355,000	645,000
Other current assets		190,206	236,998
Trade and other receivables		49,023	115,838
Total Current Assets		5,493,814	3,610,777
<i>Non-Current Assets</i>			
Inventories	5	2,527,650	2,356,249
Property, plant, and equipment		1,341,956	1,586,833
Right of use assets		394,503	491,327
Intangible assets		28,375	38,339
Total Non-Current Assets		4,292,484	4,472,748
Total Assets		9,786,298	8,083,525
Liabilities			
<i>Current Liabilities</i>			
Financial liabilities	6	-	2,556,000
Trade and other payables		291,513	246,089
Employee liabilities		253,764	271,537
Lease liabilities		181,628	178,615
Total Current Liabilities		726,905	3,252,241
<i>Non-Current Liabilities</i>			
Lease Liabilities		244,295	338,105
Total Non-Current Liabilities		244,295	338,105
Total Liabilities		971,200	3,590,346
Net Assets		8,815,098	4,493,179
Equity			
Issued capital	7	122,378,382	115,117,491
Reserves		7,244,924	6,852,854
Accumulated losses		(120,808,208)	(117,477,166)
<i>Capital and reserves attributable to the owners of First Graphene Limited</i>		8,815,098	4,493,179
<i>Non-controlling interest</i>		-	-
Total Equity		8,815,098	4,493,179

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

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2025

	Issued capital	Share based payments reserve	Translation reserve	Other Reserve	Accumulated losses	Non- controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2025	115,117,491	6,816,876	35,978	-	(117,477,166)	-	4,493,179
Loss for the period	-	-	-	-	(3,348,722)	-	(3,348,722)
Foreign currency translation	-	-	(12,626)	-	-	-	(12,626)
Total comprehensive loss for the period	-	-	(12,626)	-	(3,348,722)	-	(3,361,348)
Shares issued	7,785,333	-	-	-	-	-	7,785,333
Share issue costs	(692,400)	-	-	-	-	-	(692,400)
Options issued	-	408,000	-	-	-	-	408,000
Performance rights issued/vested	-	165,328	-	-	-	-	165,328
Performance rights exercised	149,952	(149,952)	-	-	-	-	-
Options exercised	18,006	(1,000)	-	-	-	-	17,006
Performance rights expired	-	(17,680)	-	-	17,680	-	-
Balance at 31 December 2025	122,377,382	7,222,572	23,352	-	(120,808,208)	-	8,815,098
As at 1 July 2024	111,406,042	6,322,666	(10,299)	(76,966)	(112,139,885)	99,256	5,600,814
Correction of prior period error (note 16)	(658,000)	-	-	-	-	-	(658,000)
As at 1 July 2024 (Restated)	110,748,042	6,322,666	(10,299)	(76,966)	(112,139,885)	99,256	4,942,814
Loss for the period	-	-	-	-	(2,846,789)	-	(2,846,789)
Foreign currency translation	-	-	25,052	-	-	-	25,052
Total comprehensive loss for the period	-	-	25,052	-	(2,846,789)	-	(2,821,737)
Shares issued	480,000	-	-	-	-	-	480,000
Share issue costs	(5,420)	-	-	-	-	-	(5,420)
Performance rights issued/vested	-	161,939	-	-	-	-	161,939
Performance rights exercised	29,797	(29,797)	-	-	-	-	-
Balance at 31 December 2024 (Restated)	111,252,419	6,454,808	14,753	(76,966)	(114,986,674)	99,256	2,757,596

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

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2025

	Note	Half-Year	
		2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from customers		377,163	199,309
Payments to suppliers and employees		(1,838,858)	(1,999,748)
Interest received		6,987	13,860
Interest expense		(14,113)	(11,240)
Government grants and R&D tax rebates received		632,134	42,573
Net cash outflows from operating activities		(836,687)	(1,755,246)
Cash flows from investing activities			
Payments for property, plant, and equipment		(19,312)	(24,633)
Proceeds from disposal of property, plant and equipment		288	-
Net cash outflows from investing activities		(19,024)	(24,633)
Cash flow from financing activities			
Proceeds from placement of shares		3,500,000	-
Proceeds from exercise of options		17,006	-
Payments for share issue costs		(281,145)	(5,420)
Repayment of lease liabilities		(83,377)	(64,380)
Net cash inflows/(outflows) from financing activities		3,152,484	(69,800)
Net increase/(decrease) in cash and cash equivalents		2,296,773	(1,849,679)
Exchange rate adjustments		(10,129)	12,103
Cash and cash equivalents at beginning of the period		2,612,941	3,160,135
Cash and cash equivalents at the end of the period		4,899,585	1,322,559

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

Notes to the Consolidated Financial Statements

1. Basis of preparation of half-year financial statements

This interim consolidated financial report for the half-year reporting period ended 31 December 2025 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim consolidated financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Statements of First Graphene Limited as at 30 June 2025 and any public announcements made by First Graphene Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These interim financial statements were authorised for issue in accordance with a resolution of directors on 25 February 2026.

Accounting policies

New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025, except for the adoption of new standards effective as of 1 July 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Going Concern

For the period ended 31 December 2025 the Group recorded a loss of \$3,348,722 (2024: \$2,846,789) and had net cash outflows from operating activities of \$836,687 (2024: \$1,755,246).

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital. The Directors believe that they will continue to be successful in securing additional funds through equity issues as and when the need to raise working capital arises. Considering the cashflow projection for projects it is noted that no material uncertainty exists as the Company has just completed a placement of \$3,500,000 in November 2025.

The financial report has been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business. The financial report does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as going concern.

2. Revenue from Contracts with Customers

	31 December 2025 \$	31 December 2024 \$
Sales of goods	164,138	143,816
Sales of services	149,639	61,742
Total revenue from contracts with customers	313,777	205,558

Notes to the Consolidated Financial Statements

3. Other Income

	31 December 2025 \$	31 December 2024 \$
Research and Development (R&D) tax credits	518,632	-
Grant income	101,184	58,677
Total other income	619,816	58,677

4. Operating Expenses

	31 December 2025 \$	31 December 2024 (Restated) \$
(a) Research & development expenses		
Employee expenses	300,635	316,750
Depreciation and amortisation	104,370	85,684
Samples	(14,912)	68,831
Office expenses	19,094	54,459
Professional fees	19,454	38,470
Other	46,944	79,088
	475,585	643,282
(b) Selling & marketing		
Employee expenses	57,945	112,786
Advertising & promotions	116,678	111,752
Depreciation	344	413
Other	29,548	11,677
	204,515	236,628
(c) Mineral lease maintenance		
Site rent	-	29,060
Employee expenses	17,916	23,543
Other	8,799	15,528
	26,715	68,131
(d) General & administrative		
Employee expenses	659,362	712,981
Depreciation	242,911	243,081
Legal and other professional fees	114,817	165,691
Listing, share registry and other corporate costs	137,434	164,375
Insurances	59,461	77,071
Impairment of assets	16,709	45,404
Other expenses	223,131	196,623
	1,453,825	1,605,226

Notes to the Consolidated Financial Statements

5. Inventories

	31 December 2025 \$	30 June 2025 \$
Raw materials	1,982,906	1,995,196
Finished goods	893,456	999,647
Work in progress	6,288	6,406
	<u>2,882,650</u>	<u>3,001,249</u>
<i>Disclosed as:</i>		
Current	355,000	645,000
Non-current	2,527,650	2,356,249
Total inventory	<u>2,882,650</u>	<u>3,001,249</u>

6. Financial liabilities

	31 Dec 2025 \$	30 Jun 2025 \$
Current		
Convertible liabilities - Share Placement Agreement	-	2,556,000
	-	<u>2,556,000</u>
	31 Dec 2025 \$	31 Dec 2024 \$
Finance Expense		
Finance Cost -Share Placement Agreement (i)	1,729,010	130,000
Interest – Right of use Asset	11,895	10,057
Finance costs - Other	2,490	-
	<u>1,743,395</u>	<u>140,057</u>

(i) The finance cost noted above is in accordance to the terms of the Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) that the Company entered into on the 27th of May 2021. The expense recognises the value of the additional shares to be issued (\$1,729,010 (2024:\$130,000) over the life of the contract and the issuance shares at a discount to the prevailing market price per the terms of the agreement.

Opening Balance at 1st July 2025	2,556,000
50,000,000 Shares at an issue price of \$0.02 per Share on 29 Jul 2025	(1,000,000)
34,866,667 Shares at an issue price of \$0.03 per Share on 5 Sep 2025	(1,046,000)
2,800,000 Shares at an issue price of \$0.03 per share on 5 Sep 2025 (ii)	(84,000)
Fair value adjustment	(426,000)
Closing Balance at 31st Dec 2025	-

(ii) The Company issued the above shares to the Investor. On 5 September 2025, the financial liability due to the Investor was satisfied after the Investor elected to make an Initial Shareholding Election, i.e., to have the Group's obligation to issue part of the shares to be issued in the Settlement be satisfied by way of a reduction of the Initial Shareholding Number (2,800,000) which was previously issued in May 2021 at \$nil value per the Share Placement Agreement.

Notes to the Consolidated Financial Statements

7. Issued capital

	31 December 2025 Number of Shares	30 June 2025 Number of Shares	31 December 2025 \$	30 June 2025 \$
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Ordinary shares

Issued and fully paid	880,531,386	748,813,557	122,378,382	115,117,491
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	31 December 2025 Number of Shares	30 June 2025 Number of Shares	31 December 2025 \$	30 June 2025 \$
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Movements in ordinary share capital

At the beginning of the period (Restated)	748,813,557	659,251,723	115,117,491	110,748,042
Shares issued to third party (Note 6)	84,866,667	40,000,000	4,285,333	2,190,000
Placement shares issued (Note 11)	43,750,000	47,740,000	3,500,000	2,387,000
Exercise of performance rights (Note 10)	2,901,090	1,821,834	149,952	127,179
Exercise of options (Note 10)	200,072	-	18,006	-
Share issue costs	-	-	(692,400)	(334,730)
	880,531,386	748,813,557	122,378,382	115,117,491

8. Dividends

No dividends have been paid or declared during the period. (2024: Nil).

9. Earnings per share

	2025 A\$	2024 A\$
Loss attributable to the owners of First Graphene used from continuing operations in calculating basic and diluted loss per share	(3,348,722)	(2,847,659)
Loss attributable to the owners of First Graphene used from discontinued operations in calculating basic and diluted loss per share	-	870
	(3,348,722)	(2,846,789)
	Number of shares	Number of shares
Weighted average ordinary shares used in calculating basic and diluted earnings per share	825,029,632	665,197,962
Basic and diluted loss per share - cents per share	(0.41)	(0.42)

Notes to the Consolidated Financial Statements

10. Options and performance rights

(a) Share options	31 December 2025 Number	30 June 2025 Number
At the beginning of the period	86,398,682	4,500,000
Options issued (note 11)	36,875,000	86,398,682
Options exercised (note 7)	(200,072)	-
Options expired	-	(4,500,000)
Total	123,073,610	86,398,682

(b) Performance rights	31 December 2025 Number	30 June 2025 Number
At the beginning of the period	12,380,248	2,331,041
Performance rights issued (note 11)	4,000,000	13,067,955
Performance rights exercised (note 7)	(2,901,090)	(1,821,384)
Performance rights expired / lapsed	(260,000)	(1,196,914)
At the end of the period	13,219,158	12,380,248

11. Share based payments

Unlisted options

During the current period, the Company and Foster Stockbroking Pty Limited and Evolution Capital Pty Ltd (Brokers) entered into a mandate letter agreement under which the Company appointed Brokers as the joint lead managers for the Placement (note 7). As part of the Placement, the Brokers received fees equal to 6% (plus GST) of the capital raised under the Placement. These fees totalled \$212,000 (excluding GST) and were recognised in share issue costs. The Brokers were also granted options (Broker Options).

The Broker Options granted during the year were 15,000,000 with an exercise price of \$0.12 and valued using the Black Scholes model. The other valuation inputs are outlined below:

	Grant date	Spot price	Expiry date	Volatility	Risk free rate	Value per option
Broker Options	19/11/25	\$0.068	19/11/27	100%	3.437%	\$0.0272

The Broker Options vested immediately during the year had a total valuation of \$408,000 and recognised in share issue costs.

Notes to the Consolidated Financial Statements

Performance rights (PRs)

The company issued 4,000,000 Performance Rights to its CEO and Non-Executive Directors as announced to the ASX in the Company's Notice of Meeting for its 2025 Annual General Meeting.

	Tranche 1	Tranche 2	Tranche 3	Total
Vesting Conditions	Unvested	Unvested	Unvested	
Share Price ¹	\$0.07	\$0.11	\$0.17	
Sales (AUD) ²	\$1.5 million	\$2.0 million	\$5.0 million	
Personal KPI ³	To be achieved	To be achieved	To be achieved	
Service Condition ⁴	Remain employed	Remain employed	Remain employed	
KMP Name				
Michael Bell	666,666	666,667	666,667	2,000,000
Andrew Goodwin	166,666	166,667	166,667	500,000
Michael Quinert	166,666	166,667	166,667	500,000
Warwick Grigor	333,333	333,333	333,334	1,000,000
TOTAL	1,333,331	1,333,334	1,333,335	4,000,000

Notes:

1. 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY26; Tranche 2: FY27; Tranche 3: FY28) exceeds the price shown. 25% weighting i.e. 25% of the Performance Rights in a Tranche will be measured against this vesting condition. This is valued using a hybrid share option pricing model.

2. Sales revenue received during the applicable financial year (Tranche 1: FY26; Tranche 2: FY27; Tranche 3: FY28) is at least the amount shown, based on audited accounts. 40% weighting i.e. 40% of the Performance Rights in a Tranche will be measured against this vesting condition. These rights have been valued at the share price on the grant date.

3. 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY26; Tranche 2: FY27; Tranche 3: FY28) as determined by the Board; and

4. 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY26; Tranche 2: FY27; Tranche 3: FY28).

The Board will assess performance against the Vesting Conditions following the end of applicable financial year. If a Share Price or Sales revenue Vesting Condition is partially met, a proportionate percentage of the Performance Rights subject to that Vesting Condition will vest. For example, if FY26 Sales revenue is \$1.2 million, 32% of the Tranche 1 Performance Rights will vest (being 80% of 40%). Any Performance Rights that do not vest will lapse.

The PRs have expiry dates as follows: Tranche 1: 3 years from grant; Tranche 2: 4 years from grant; Tranche 3: 5 years from grant.

The PRs without market vesting conditions (Conditions 2 to 4), totalling 1,000,000 for each Tranche, were also valued at the 2025 Annual General Meeting of 6 November 2025 at a price of \$0.098 per share.

Notes to the Consolidated Financial Statements

The PRs with market vesting conditions (Condition 1), totalling 333,333 for each Tranche, were valued using a Parisian barrier option model. The inputs to the valuation are outlined below:

Tranche	Grant Date	Spot price	Exercise Price	Expiry	Share price target	Implied Parisian barrier	Volatility	Risk free rate	Value per right
1	6/11/25	\$0.098	\$Nil	30/9/28	\$0.07	\$0.09	85%	3.57%	\$0.095
2	6/11/25	\$0.098	\$Nil	30/9/29	\$0.11	\$0.141	85%	3.62%	\$0.085
3	6/11/25	\$0.098	\$Nil	30/9/30	\$0.17	\$0.218	85%	3.78%	\$0.078

The vesting dates and valuation of each Tranche for the current period are outlined below:

Tranche	Valuation (\$)
1	64,833
2	31,583
3	20,687

Share based payment expense Summary

The Group recognised total share-based payment expenses as follows:

Half Year	2025	2024
Performance rights issued to CEO	84,606	102,937
Performance rights issued to Non-Executive Directors	63,754	11,358
Performance rights issued to other employees	16,968	47,644
Total	165,328	161,939

12. Segment reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports which are reviewed and used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The existing operating segments are identified by management based on the way the Group's operations were carried out during the financial year. Discrete financial information about each of these operating businesses is reported to the Board on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the asset base and revenue or income streams, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group's segment information for the current reporting period is reported based on the following segments:

Graphene production

As the Company expands its graphene production and inventory, the Board monitors the Company based on actual versus budgeted expenditure incurred.

Research and development

As the Company expands its research inhouse and in conjunction with third parties, the Board monitors the Company based on actual versus budgeted expenditure incurred.

Corporate services

This segment reflects the overheads associated with maintaining the ASX listed FGR corporate structure, identification of new assets and general management of an ASX listed entity.

Mining asset maintenance

Although the Company has suspended its mineral exploration and development in Sri Lanka, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred.

Notes to the Consolidated Financial Statements

12. Segment reporting (continued)

Business Segment	Graphene Production		Research & Development		Corporate Services		Mining Asset Maintenance		Total	
	6 months to 31 December 2025 A\$	6 months to 31 December 2024 A\$	6 months to 31 December 2025 A\$	6 months to 31 December 2024 A\$	6 months to 31 December 2025 A\$	6 months to 31 December 2024 A\$	6 months to 31 December 2025 A\$	6 months to 31 December 2024 A\$	6 months to 31 December 2025 A\$	6 months to 31 December 2024 A\$
Revenue from external customers	164,138	143,816	149,639	61,742	-	-	-	-	313,777	205,558
Operating (Loss) / profit from continuing operations before tax	(157,903)	(608,601)	175,160	(522,864)	(1,450,210)	(1,359,057)	(26,715)	(68,131)	(1,459,669)	(2,558,653)
Depreciation expense	163,523	171,124	42,129	10,023	79,732	72,370	-	-	285,384	253,517
Amortisation expense	-	-	104,370	75,661	-	-	-	-	104,370	75,661
Business Segment	Graphene Production		Research & Development		Corporate Services		Mining Asset Maintenance		Total	
	31 December 2025	30 June 2025	31 December 2025	30 June 2025	31 December 2025	30 June 2025	31 December 2025	30 June 2025	31 December 2025	30 June 2025
Segment assets	3,069,719	3,268,950	1,572,488	1,796,198	5,136,175	3,009,925	7,916	8,451	9,786,298	8,083,524
Segment liabilities	-	-	228,743	274,972	738,257	3,309,316	4,200	6,058	971,200	3,590,346

Notes to the Consolidated Financial Statements

12. Segment reporting (continued)

Geographical areas

In presenting the information based on geographical areas, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

Geographical segments	6 months to 31 December 2025 Revenue \$	31 December 2025 Total Non- Current Assets \$	6 months to 31 December 2024 Revenue \$	30 June 2025 Total Non- Current Assets \$
Australia	301,191	4,074,624	205,558	4,197,452
United Kingdom	12,586	217,859	-	275,296
Sri Lanka	-	-	-	-
Total	313,777	4,292,483	205,558	4,472,478

Reconciliation of segment assets and liabilities to the Statement of financial Position

Reconciliation of segment assets to the Statement of Financial Position

	31 December 2025 \$	30 June 2025 \$
Total segments assets	15,307,100	13,915,445
Inter-segment elimination	(5,520,802)	(5,831,921)
Total assets per statement of financial position	9,786,298	8,083,524

Reconciliation of segment liabilities to the Statement of Financial Position

	31 December 2025 \$	30 June 2025 \$
Total segments liabilities	21,938,645	24,387,026
Inter-segment elimination	(20,967,445)	(20,796,680)
Total liabilities per statement of financial position	971,200	3,590,346

Reconciliation of segment operating loss to the Statement of Profit or loss and other comprehensive income

	31 December 2025 \$	31 December 2024 \$
Operating (Loss) / profit from continuing operations before tax	(1,459,669)	(2,558,653)
Share Based Payment expense	(165,328)	(161,939)
Finance income	19,670	12,609
Finance expense	(1,743,395)	(138,806)
Total loss per statement of profit or loss	(3,348,722)	(2,846,789)

Notes to the Consolidated Financial Statements

13. Subsequent events after Reporting Date

On 1 February 2026, 712 listed options were converted into ordinary shares at a price of 8.5 cents per share.

Other than the above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

14. Contingent liabilities and contingent assets

The Group has no commitments which are not recorded on the statement of financial position as at 31 December 2025 (30 June 2025: Nil).

In respect of the Group's mining site under care and maintenance in Sri Lanka, damages may be payable for the year ended 30 June 2017. As these damages are in the process of being assessed by the Sri Lankan courts, the magnitude of this liability cannot be determined at the date of this report.

15. Related Party Transactions

There has been no change to related party transactions other than the issue of Performance rights disclosed in note 11.

16. Correction of prior period error

During the year ended 30 June 2025, an overall review of the Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) and respective treatments was carried out. As part of this exercise, it was found that the historic treatment of the Initial Placement Shares issued was incorrectly applied, resulting in adjustments to the previously reported financial liability and share capital. As the matter identified related to periods preceding 1 July 2024, the impact was recognised as an adjustment to the opening balances as at 1 July 2024 in accordance with the requirements of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The aggregate effect of the error on the annual financial statements for the period ended 31 December 2025 is as follows:

	31 December 2024			Opening balance at 1 July 2024		
	Previously stated \$	Adjustments \$	Restated \$	Previously stated \$	Adjustments \$	Restated \$
Consolidated Statement of Changes in Equity						
Issued capital	111,910,419	(658,000)	111,252,419	111,406,042	(658,000)	110,748,042

Notes to the Consolidated Financial Statements

17. Discontinued operations

In May 2025, 2D Fluidics Pty Ltd (a 66.67% subsidiary of the Group) was applied to be voluntarily deregistered and no longer a subsidiary of First Graphene Limited, after its technology was determined to be commercially unfeasible. 2D Fluidics Pty Ltd was formally deregistered on 9 July 2025.

Financial performance information

	Period ended 31 December 2025	Period ended 31 December 2024
	\$	\$
Gross profit/(loss)	-	-
General and administrative	-	(381)
Operating Loss before tax expense and finance	-	(381)
Non-operating income/expense		
Finance income	-	1,251
Profit before tax expense	-	1,251
Income tax (expense)/benefit	-	-
Profit after tax	-	870

Financial position information

	31-Dec-2025	30-Jun-2025
	\$	\$
Total assets	-	-
Total liabilities	-	-
Net Assets	-	-

Cash flow information

	Period ended 31 December 2025	Period ended 31 December 2024
	\$	\$
Net cash from operating activities	-	1,191
Net increase in cash and cash equivalents from discontinued operations	-	1,191

Director's Declaration

In the Directors' opinion:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe First Graphene Limited 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 on 24 February 2026.



Michael Bell

CEO & Managing Director

Perth, Western Australia, 25 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRST GRAPHENE LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of First Graphene Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2025, or during the half year.

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 First Graphene Limited is not in accordance with the Corporations Act 2001 including:

- (a) 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; 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.

Independence

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 Interim 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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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 Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity'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 Corporation 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.



PKF PERTH



SHANE CROSS
PARTNER

25 February 2026
PERTH, WESTERN AUSTRALIA

Additional Securities Information

(Note this information does not form part of the audit reviewed financial statements)

Additional information not shown elsewhere in this report is as follows. This information is complete as at 13 February 2026.

a) Distribution of Shareholdings – Fully Paid Ordinary Shares:

Size of Holding	Number of Shareholders	Number of Shares
1 – 1,000	178	29,577
1,001 – 5,000	1,077	3,649,870
5,001 – 10,000	912	7,153,511
10,001 – 100,000	2,235	81,030,675
100,001 and over	561	788,668,465
	4,963	880,532,098

Equity Security	Quoted	Unquoted
Fully paid ordinary shares	880,532,098	-

b) Top 20 Security Holders – Fully Paid Ordinary Shares (FGR)

	Holder Name	Number of Shares	%
1	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	265,330,491	30.91%
2	BERGEN GLOBAL OPPORTUNITY FUND LP	65,528,890	7.44%
3	CITICORP NOMINEES PTY LIMITED	63,435,402	7.20%
4	BNP PARIBAS NOMS PTY LTD	34,283,695	3.89%
5	US REGISTER CONTROL ACCOUNT	19,064,747	2.17%
6	GREGORACH PTY LTD	15,685,946	1.78%
7	TWYNAM INVESTMENTS PTY LTD	15,562,308	1.77%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,456,481	1.64%
9	IPS NOMINEES LTD	13,828,400	1.57%
10	DEBT MANAGEMENT ASIA CORPORATION	12,857,146	1.46%
11	BUILDING ON THE ROCK LIMITED	12,370,000	1.40%
12	WRITEMAN PTY LIMITED <P L H A INVESTMENT A/C> HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	11,250,000	1.28%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,963,422	0.90%
14	MR MICHAEL BELL	7,263,795	0.82%
15	MR RICHARD HOPETOUN BITCON	5,389,886	0.61%
16	MR ADAM O'DONNELL FERRIS	3,210,000	0.36%
17	MR ADAM O'DONNELL FERRIS	3,000,000	0.34%
18	GREGORACH PTY LTD <GRIGOR SUPERFUND A/C>	2,606,899	0.30%
19	MR RYAN JEHAN ROCKWOOD	2,500,000	0.28%
20	RAYFOIL PTY LTD <THE JAMNL FAMILY A/C>	2,466,874	0.28%
	Total	578,054,372	65.65%
	Total issued capital - selected security class(es)	880,532,098	100.00%

At 13 February 2026, there were 1,471 shareholders holding less than a marketable parcel of shares (6,098 at \$0.082) in the Company totalling 4,902,345 ordinary shares amounting to 0.6% of the issued capital.