Archer Materials Limited
Appendix 4E
Preliminary Final Report for the year ended 30 June 2026

1. Company details

Name of entity:	Archer Materials Limited
ABN:	64 123 993 233
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

	30 June 2026 $	30 June 2025 $	Variance $	Variance %
Revenue from ordinary activities	-	-	-	-
Profit/(loss) from ordinary activities after tax attributable to members	(6,361,253)	(6,972,006)	610,753	8.8%
Net profit/(loss) for the period attributable to members	(6,361,253)	(6,972,006)	610,753	8.8%

Dividends
No dividends have been paid or proposed during the current reporting period.

Key notes
The net loss of the Group for the year ended 30 June 2026 was $6,361,253 (2025: $6,972,006) and includes:

- Share based payments expense of $403,103 representing the expense associated with unlisted options and performance right granted during the year (2025: $1,889,842) net of forfeitures.
- Direct expenditure on quantum and biochip technology research activities (including allocation of direct personnel costs) of $5,861,986 (2025: $4,791,577)
- Unrealised loss associated with the fair value adjustment of investments in Volatus Capital Corp (shares) and other financial assets as at 30 June 2026 of $48,055 (2025: $455,227).

The above expense items are offset by:
- An income amount of $2,351,354 being the estimated research and development tax incentive receivable based on associated expenditure for the year ended 30 June 2026 adjusted for actual amounts received the prior year tax incentive claimed (30 June 2025: $2,055,447); and
- Interest income of $479,104 (2025: $743,288)
- Other income of $12,389 (2025: $Nil)

The loss for the consolidated entity after providing for income tax amounted to $6,361,253 (30 June 2025: $6,972,006).

3. Net tangible assets

	30 June 2026 (cents)	30 June 2025 (cents)	Variance (cents)	Variance
Net tangible assets per share	3.96 cents	6.30 cents	(2.34) cents	(37%)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The Financial Statements and accompanying notes for the Group for the year ended 30 June 2026, contained in the attached Annual Report, upon which this Appendix 4E is based, have been audited by Grant Thornton Audit Pty Ltd. An unmodified audit report has been provided.

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11. Attachments

Details of attachments (if any):

The Annual Report of Archer Materials Limited for the year ended 30 June 2026 is attached.

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12. Signed

Signed ___________________________ Date: 27 August 2026

Greg English
Executive Chair

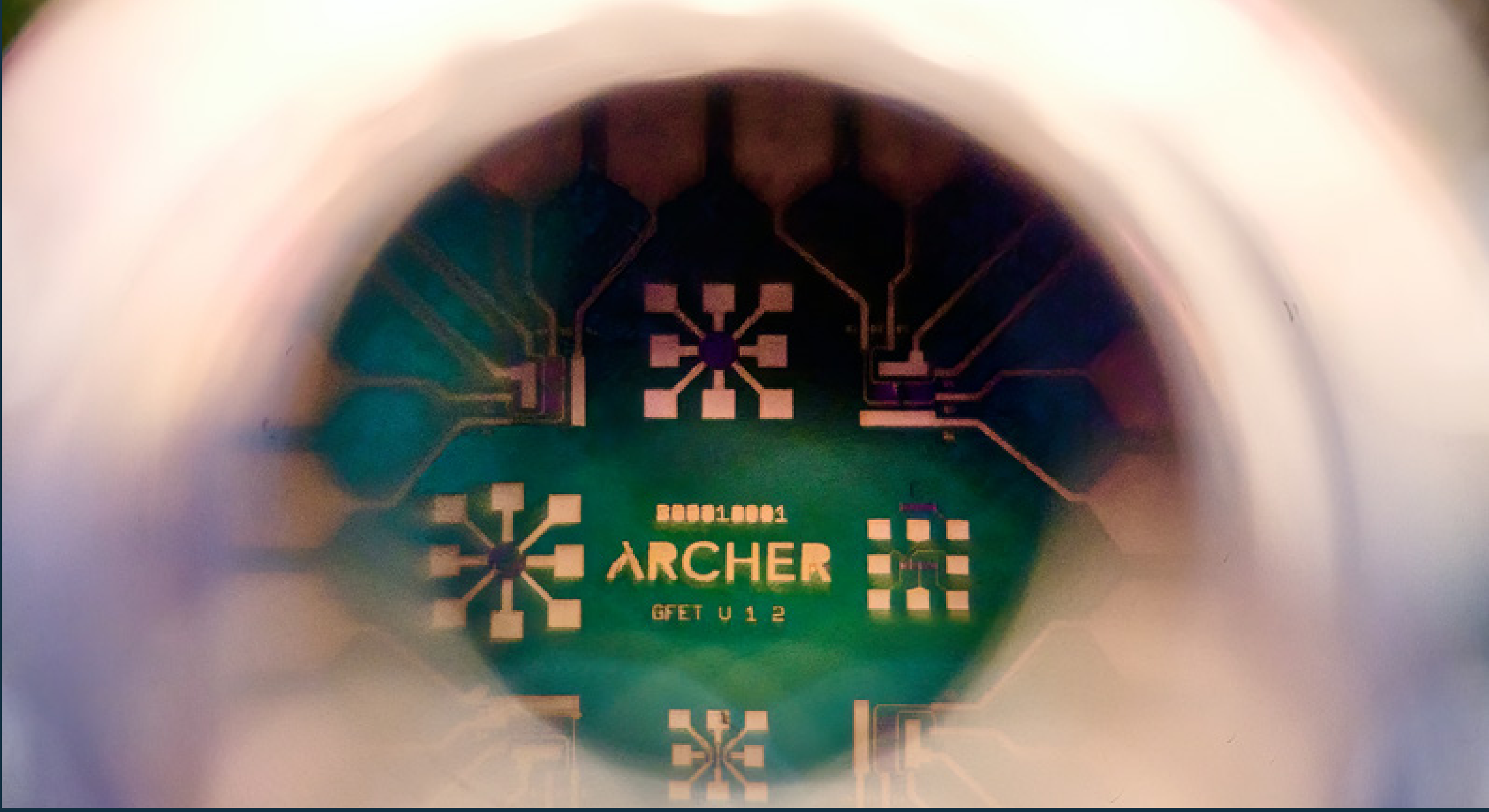
ARCHER

ASX: AXE

Annual Report

Financial year ended 30 June 2026

2026



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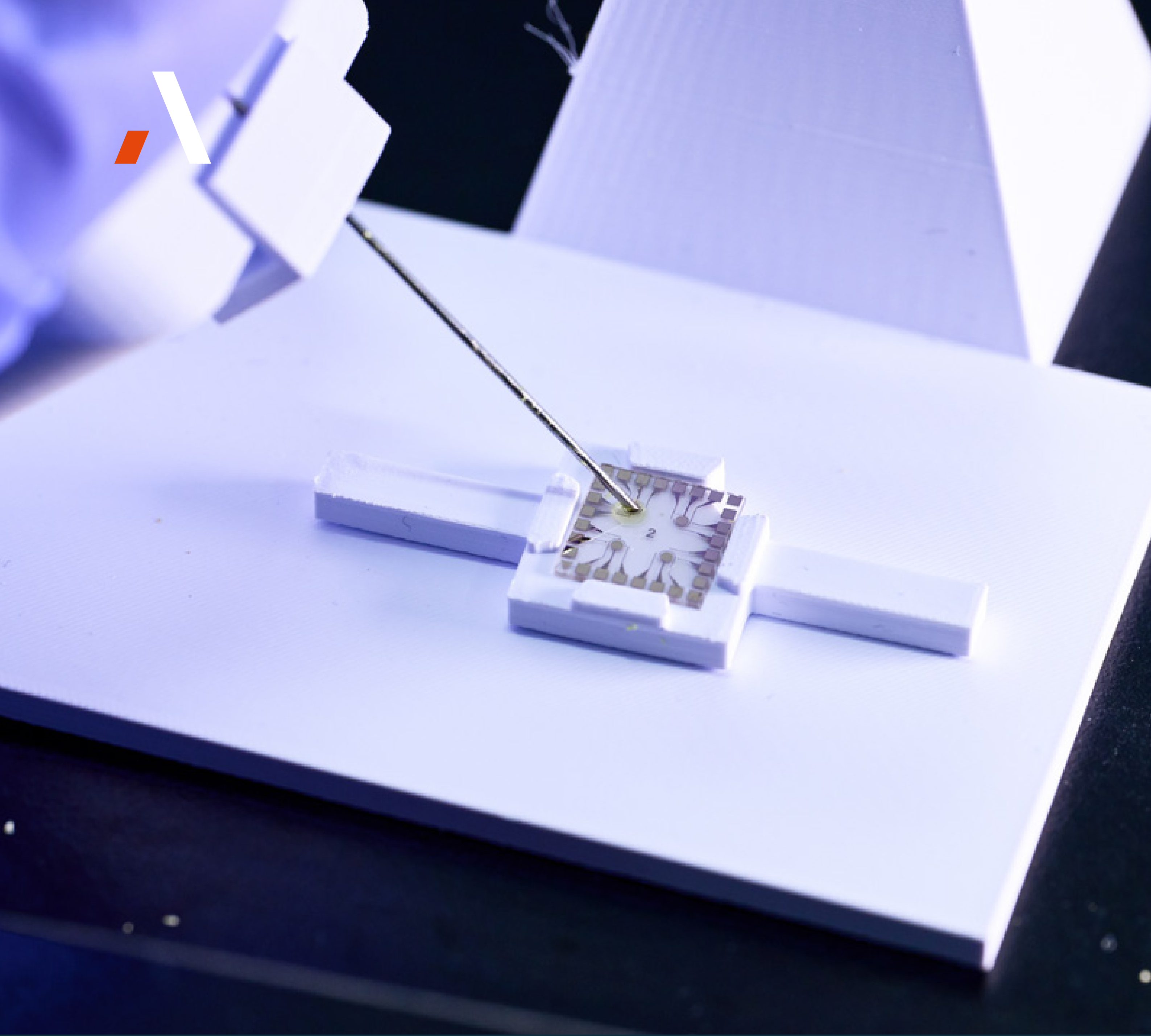


01
Chair’s Message

Chair's Message

Over the past 12 months, Archer has methodically progressed each of its technology projects to the next stage of development. Across our quantum and Biochip programs, the focus has increasingly included bringing individual components together, refining prototypes, testing manufacturing approaches and engaging with potential partners and customers. This work builds on the scientific foundation established over previous years and is intended to create clearer pathways towards future products and commercial opportunities.

The Archer team continued to make progress across our quantum and Biochip programs during FY26. We undertook further work on integrated prototype systems, wafer-scale semiconductor fabrication and foundry-compatible development. With the Biochip, we increased our engagement with potential customers, clinicians, regulators, foundries and manufacturing partners. In simple terms, each project has moved to its next stage, with a greater emphasis on the engineering, manufacturing and commercial work that will be required if Archer is to successfully achieve product commercialisation.

Our 12CQ program remains focused on demonstrating a functional carbon-based qubit. During the year, the team made progress on two different methods for reading quantum information from the chip. The first uses electrically detected magnetic resonance, or EDMR, to detect spin states directly on the chip. Direct electrical detection has the potential to reduce system complexity and improve compatibility with established semiconductor manufacturing processes.

"We do not intend to wait for a future quantum computer to arrive in Australia before building the business around it."

Greg English, Executive Chair

The second readout method uses single-electron transistors and electrical gating structures. These devices are designed to isolate a single electron and measure its spin state. During FY26, the team completed several design, fabrication and testing cycles, demonstrating electrical gating in carbon-based quantum devices and continuing to refine charge and spin control. There is still considerable work to do before we can demonstrate a complete functional qubit, but these results progressed this part of the program to its next stage.

We also continued work on the materials and manufacturing aspects of the 12CQ program. Archer successfully synthesised its carbon qubit material on a one-inch silicon wafer and achieved electron spin lifetimes exceeding 0.4 microseconds at room temperature. At the same time, the team worked with foundry partners on wafer-scale fabrication of graphene quantum device designs. This work is intended to help us understand how the technology may eventually be produced more consistently and at greater scale.

We also continued to build our quantum software capability. In November 2025, Archer began a joint project with CSIRO to develop quantum machine-learning software for financial fraud detection. The project progressed through data preparation, feature engineering, simulation and initial testing on a quantum computer. The early results were encouraging and support further benchmarking against conventional models. This work matters because quantum hardware will only create value when customers have useful applications that can run on it.

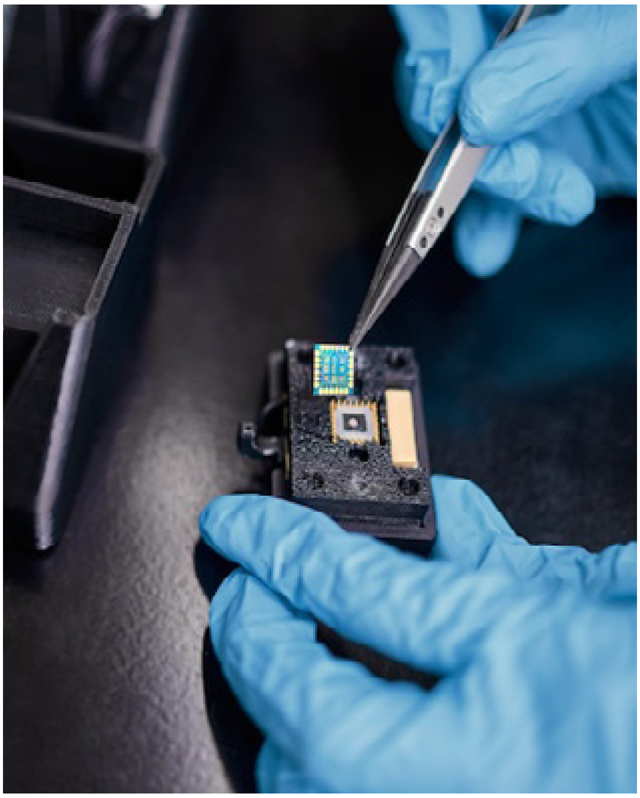
The Biochip program also progressed to its next stage during the year. We continued the move from proof-of-concept work towards product development, completing an integrated alpha prototype and commencing work on a beta prototype intended for external laboratory testing and pre-clinical evaluation. The prototype brings together the sensing chip, cartridge, microfluidics, packaging and electronic readout system. Integrating these components allows the team to begin addressing the practical issues involved in developing a complete diagnostic device.

Our collaboration with IMEC expanded the Biochip platform to include silicon-based sensors that demonstrated potassium measurement performance equivalent to our graphene devices, while offering faster readout, lower manufacturing risk and greater compatibility with established semiconductor supply chains.

The team also advanced the Biosensor cartridge, handheld electronics and manufacturing plan, while engaging with clinicians, regulatory advisers, potential commercial partners and contract manufacturers. These discussions are helping us design a product that fits clinical workflows and customer needs, rather than focusing on technical performance alone. We also began feasibility work on additional ions, which may broaden the future use of the platform.

Just after the end of the financial year, Archer entered into a three-year Quantum Compute Agreement with IonQ, a global leader in quantum computing systems and cloud-based quantum access. This is an important strategic development for Archer and a major part of our plans for the next stage of the Company's quantum activities.

The agreement gives Archer access to the IonQ Quantum Cloud, including a Forte-class system, IonQ's quantum simulator and, when available, access to a Tempo-class system or its successor. IonQ will



also provide advisory and consulting support. This gives our team access to advanced commercial quantum computing capability now, while we continue developing our own 12CQ technology.

The first stage of the collaboration is practical. We will use IonQ's systems to develop quantum algorithms, applications and solutions, build our internal capability and engage with customers. We do not intend to wait for a future quantum computer to arrive in Australia before building the business around it. Cloud access allows us to start developing applications, skills, partnerships and customer relationships immediately.

At the same time, Archer and IonQ will assess the future deployment of an IonQ quantum computer in Australia. This work will include evaluating suitable data-centre infrastructure and engaging with potential users across government, industry, research and education. A sovereign quantum computing capability could support important Australian priorities in areas including defence, cybersecurity, artificial intelligence, mining and resources, financial services, healthcare, advanced manufacturing and scientific research.

The IonQ collaboration does not replace our 12CQ program. The two strategies are complementary. Our 12CQ technology gives Archer the opportunity to create valuable proprietary quantum hardware and intellectual property. The IonQ agreement gives us immediate access to commercial quantum systems and a pathway to build applications, services and customers. Together, they allow Archer to participate across more of the quantum value chain and reduce our reliance on a single technical milestone.

Looking ahead, the IonQ collaboration will be our main strategic project. Our priority is to build a credible Australian quantum business around cloud access, software applications, engineering services and the longer-term opportunity for sovereign quantum infrastructure. We will continue the work required to demonstrate a functional 12CQ qubit. We will also progress the Biochip beta prototype through external validation, manufacturing development and the clinical and regulatory pathway.

As each project progresses to its next stage, disciplined execution will become increasingly important alongside scientific invention. We will be selective about where we invest, work with partners that can help accelerate development and focus our resources on projects with clearer commercial pathways. The opportunities in quantum computing, sensing and medical diagnostics are substantial, but realising them will require consistent engineering, strong partnerships and a clear understanding of what customers need.

I want to thank the Archer team for the work they have done over the past year. Progressing research programs towards engineered products requires discipline, collaboration and persistence, and the team has continued to move each project forward. I also thank our shareholders for their continued support and belief in what we are building. We enter FY27 with our projects at their next stage of development, a broader quantum strategy through the IonQ collaboration and a clear focus on the work still required to create commercial outcomes.

Greg English
Executive Chair

Yours sincerely,

Greg English
Executive Chair
August 2026

02

Operating and Financial Review

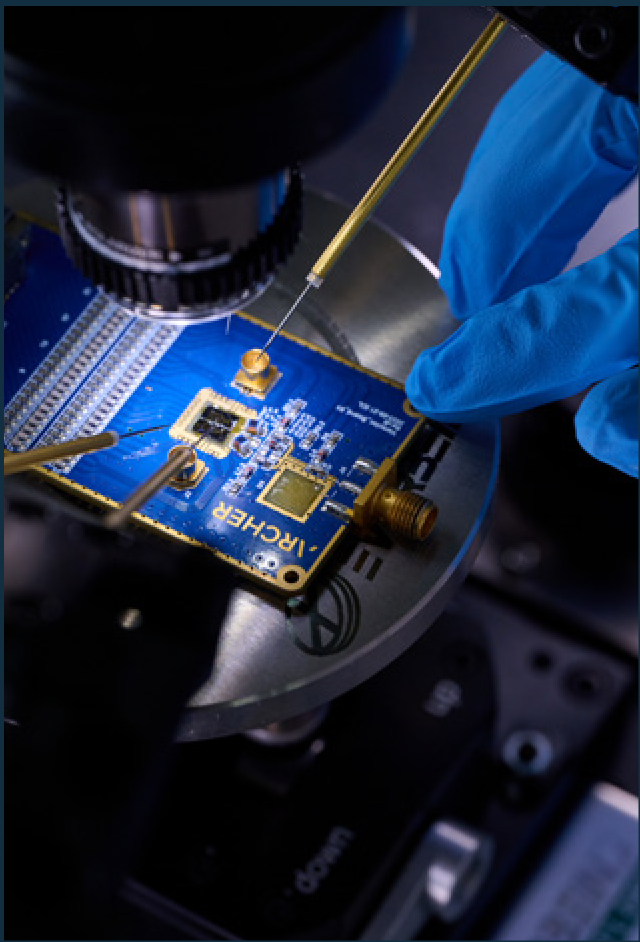
Strategy

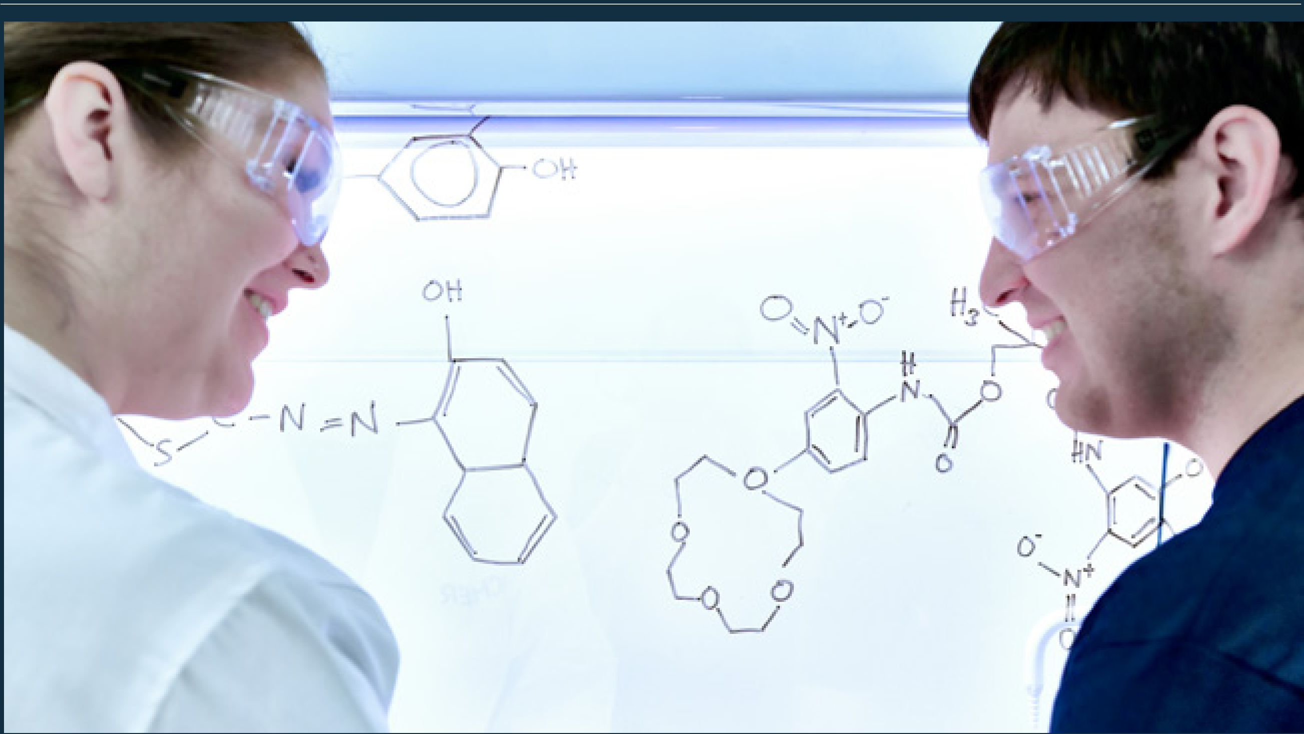
Archer is developing advanced technologies in quantum computing and medical diagnostics.

In 2025/2026, the Company:

- Progressed the 12CQ program towards the demonstration of a functional carbon-based qubit, including further development of two potential readout methods.
- Advanced the materials and manufacturing aspects of the 12CQ program through synthesis of its carbon qubit material on a one-inch silicon wafer and continued wafer-scale.
- Expanded its quantum software capability through the joint project with CSIRO on quantum machine learning for financial fraud detection, including simulation and initial testing on a quantum computer.
- Progressed the Biochip platform from proof-of-concept work towards product development by completing an integrated alpha prototype and commencing a beta prototype intended for external laboratory testing and pre-clinical evaluation.
- Expanded the Biochip platform through its collaboration with IMEC to include silicon-based sensors.
- Advanced the Biochip cartridge design, handheld electronics and manufacturing planning, increased engagement with clinicians, regulatory advisers, potential commercial partners and contract manufacturers, and commenced feasibility work on additional ions.
- The Group completed the technical evaluation of the Quantum TMR sensor project and is now focussed on assessing potential lead applications and the development work required to progress the sensor toward a defined product.
- Continued to strengthen its intellectual property portfolio and external development network to reduce technical and manufacturing risk and support future commercial pathways.

Subsequent to the end of FY26, Archer entered into a three-year Quantum Compute Agreement with IonQ. The agreement provides access to commercial quantum computing systems, technical support, existing industry use cases and early applications and establishes a framework to assess the potential future deployment of an IonQ quantum computer in Australia.





In 2026/27, Archer will refine this strategy by:

- Making the IonQ collaboration its main strategic project and building an Australian quantum business around cloud access, quantum software applications, engineering services and customer engagement, while assessing demand, infrastructure requirements and the business case for potential sovereign quantum computing infrastructure in Australia.
- Continuing the work required to demonstrate a functional 12CQ qubit, including further development of qubit control and readout, materials engineering and foundry-compatible manufacturing, with milestones refined as technical results and partner contributions develop.
- Engaging with potential partners to identify potential use cases and customers for the TMR sensor.
- Progressing the quantum machine-learning project through further benchmarking against conventional models and developing additional quantum applications that can support future customer engagement and make use of the IonQ platform where appropriate.
- Progressing the Biochip beta prototype through external validation, manufacturing development and preparation for clinical and regulatory activities, while maintaining the initial focus on blood potassium monitoring and evaluating additional ion-sensing applications.
- Being selective about where it invests, working with partners that can accelerate development and focusing resources on projects with clearer engineering, manufacturing and commercial pathways.
- Protecting and growing the Company's intellectual property portfolio through internal development, strategic collaboration and, where appropriate, the acquisition of complementary technologies.
- Continuing to strengthen the team and external partner network required to execute the Company's engineering, product development and commercialisation activities. Factors and Risks affecting future performance are included on page 15.

Summary of Financial Performance

The net loss of the Group for the year ended 30 June 2026 was $6,361,253 (2025: $6,972,006) and includes:

- Share based payments expense of $403,103 representing the expense associated with unlisted option vesting during the year (2025: $1,889,842) net of forfeitures.
- Direct expenditure on quantum and biochip technology research activities (including allocation of direct personnel costs) of $5,861,986 (2025: $4,791,577).
- Unrealised gains and losses associated with the fair value adjustment of Archer's investments in Volatus Capital Corp (shares) and other financial assets as at 30 June 2026 loss of $48,055 (2025: loss of $455,227).

The above expense items are offset by:

- An income amount of $2,351,354 being the estimated research and development tax incentive receivable based on associated expenditure for the year ended 30 June 2026 adjusted for actual amounts received the prior year tax incentive claimed (30 June 2025: $2,055,447); and
- Interest income of $479,104 (2025: $743,288)
- Other income of $12,389 (2025: $Nil)

During the year ended 30 June 2026 the Group's net cash position (defined as cash and short term deposits) decreased by $5,325,687 from $13,744,700 (1 July 2025) to $8,419,013 (30 June 2026), and the Group has no corporate debt.

This net decrease in cash and short term deposits was predominantly influenced by the following cash outflows:

- Direct expenditure on quantum and biochip technology research activities ($5,544,210); and
- Intellectual property assets and plant and equipment ($54,193); and
- Corporate, administration and wages (net of allocations to quantum and biochip technology research activities) expenditure ($2,434,153).

These cash outflows were offset by inflows associated with:

- Research and development tax incentive receipt in respect of the claim for the year ended 30 June 2026 $2,102,231; and
- Interest receipts $622,968.

Changes in Equity

Shares

- The number of Archer ordinary shares ("Shares") on issue did not change during the year. At 30 June 2026 there were 254,847,013 Shares on issue (1 July 2025: 254,847,013).

Unlisted Options

- The number of Archer unlisted share options on issue did not change during the year. At 30 June 2026 there were 17,250,000 share options exercisable at $0.53 each, with an expiry date of 30 June 2028.

Performance Rights

- The number of performance rights on issue increased to 2,114,960 (30 June 2025: Nil) during the year as a result of the following events:
- 1,474,962 performance rights issued to Archer employees on 8 September 2025 with an expiry date of 30 June 2030.
- 1,085,391 performance rights issued to Archer KMP on 20 November 2025 with an expiry date of 30 June 2030.
- 445,393 performance rights issued to Archer employees, expiring 30 June 2030, were forfeited in accordance with the terms of issue.

Dividends

- There were no dividends paid, recommended or declared during the current or previous reporting period, or as at the date of this report.

Risk Management

Risk management is fundamental to maximising the value of Archer's business and informing its strategic direction.

The Company's approach to risk management is governed by our risk management framework, as outlined in our risk management policy, and delivered through our system of risk management. Our risks are regularly assessed and managed at both a company-wide strategic level and at a tactical level for operations, project and function risks. Our risk assessment criteria consider the potential impact of a risk event on our business and people.

The following describes some of the external factors and business risks that could have a material impact on the Company's ability to deliver its strategy:

Access to Funding

The Company does not receive any income from its operating business, and the Company is reliant on capital raisings, Commonwealth Government research and development tax incentives and the sale of non-core assets to fund its future operations. Therefore, the Company's ability to continue to develop its technology is contingent upon the Company's ability to source timely access to additional funding as it is required.

Key Agreements

Development and potential commercialisation of the 12CQ quantum technology intellectual property and associated patents and patent applications are dependent on the Licence Agreement with the University of Sydney remaining in-place. Termination of the Licence Agreement would mean that Archer would be unable to access the intellectual property required to commercialise the associated quantum technology.

Development and potential commercialisation of the transaction with IonQ depend on the agreement with IonQ remaining in force. Termination of this agreement would mean that Archer would be unable to access or purchase an IonQ quantum computer.

As at the date of this document, the Company is not aware of any grounds that the University of Sydney may have to terminate the Licence Agreement or for IonQ to terminate the agreement with Archer.

Intellectual Property

Commercially exploiting and legally protecting the intellectual property underlying the Company's technology, including its graphene-based lab-on-a-chip biochip technology development, is dependent on the Company progressing its associated patent applications. The protection of intellectual property, including patents and patent applications, has the potential for third-party claims against the Company's owned or licensed intellectual property. There is a risk that all reasonable efforts by the Company to protect proprietary rights may not be sufficient or effective, including risks that intellectual property may not have adequate patent or copyright protection for certain innovations, that the scope of available protections is insufficient, or that an issued patent may be deemed invalid or unenforceable in certain jurisdictions. As at the date of this document, the Company is not aware of third-party claims against the Company's owned or licensed intellectual property or any patent or patent application lapsing, being refused, or expiring.

Access to Facilities

The development of the Company's technologies requires access to institutional scale infrastructure and facilities which if shutdown, would restrict Company access during the periods of closure. The Company currently has access to facilities and collaborators in numerous locations in Australia, Europe, Asia, and North America to help limit the impact of any closures.

Key Personnel

The Company's technology is unique, with very few people available globally with the required knowledge, skills, relationships, and experience to develop the technologies towards future possible commercialisation. The Company's projects may be delayed or materially adversely affected if key personnel are not available to work.

Potential mergers, acquisitions and divestments

As part of its business strategy, the Company may make acquisitions or divestments of, or significant investments in, companies, products, technologies or technology projects. Any such future transactions would be subject to the risks commonly encountered in making acquisitions or divestments of companies, products, technologies, or technology projects.

Cyber Security Risk

Breaches of cyber security are a growing global risk as the volume and sophistication of threats have increased. Risks include unauthorised access to data and information, malicious attacks resulting in outages and disruptions to operations and ransom demands with financial consequences to the Company.

Potential commercial viability of products

The 12CQ and Biochip projects are in the research and development phase. Company staff and external consultants are in laboratories conducting experiments to determine if the materials underlying the technologies can perform as predicted. There is no guarantee that these experiments will be successful.

The Company has not yet commercialised any products and has no revenues. The Company's ability to commercialise the intellectual property and sell products to customers may be affected by many factors, including the commercial viability of, and potential delays in, the delivery of products and technology and the ability to find customers for the Company's products. There is no certainty that the Company will be able to make and sell commercially viable products.

Regulatory and Compliance Risk

For technologies in the medical and quantum fields, navigating complex and evolving regulatory environments is critical. Medical technologies, in particular, must meet strict safety, performance, and ethical standards before they can be sold or even tested in human trials. This includes approvals from regulatory bodies such as the Therapeutic Goods Administration (TGA) in Australia, the FDA in the United States, and relevant European agencies. Non-compliance or delays in obtaining approvals can stall product development and increase costs.

In the quantum sector, while regulation is less mature, increasing global attention on data security, cryptography, and dual-use technology may lead to new compliance challenges. Failure to meet these emerging regulatory obligations—or to anticipate them in the design and application of the technology—could limit market access or expose the company to fines and reputational damage.

Market Adoption Risk

Even if the Company successfully develops operational quantum or medical technologies, market acceptance is not guaranteed. Quantum computing is still an emerging field, and its applications are not yet fully integrated into mainstream commercial operations. Similarly, new medical diagnostic tools often face resistance from clinicians, health systems, or patients due to unfamiliarity, perceived complexity, or insufficient clinical validation.

If customers are hesitant to adopt new technologies, or if the Company fails to demonstrate clear benefits over incumbent solutions, the commercial potential of the product may be undermined. This risk is amplified in highly conservative or cost-sensitive sectors like healthcare, where new tools must not only work but also integrate seamlessly into existing systems and workflows.

Commercial partners

The Company's growth strategy may be impacted if it is unable to find suitable commercialisation partners. The Company's due diligence processes and commercial negotiations may not be successful and a commercial partnership may not eventuate or if finalised may not perform to the level expected.

Through the agreement with IonQ, the Company has previously announced its intent to build a customer base in Australia to enable the Company to buy and build an IonQ quantum computer in Australia to establish sovereign quantum compute capability. There is no guarantee that Archer will be able to find suitable customers and partners needed to justify the purchase by the Company of an IonQ quantum computer.

Changes in economic conditions

General economic conditions, movements in financial markets, interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business and activities, as well as on its ability to fund those activities.

Core Technology Development

Review of Operations

Archer Materials is developing advanced technologies in quantum computing and medical diagnostics. During FY26, the Company made significant progress in transitioning its technology programs from research-led development towards engineered products designed for manufacturing and customer evaluation – both essential to successful commercialisation of the technologies.

Across both the 12CQ quantum program and the Biochip diagnostics platform, development has increasingly focused on integrating individual technology components into functional prototypes, improving manufacturability through semiconductor foundry processes, and reducing technical and manufacturing risk. This transition reflects the Company's strategy of complementing scientific innovation with disciplined engineering, product development and preparation for commercial engagement.

Key achievements during the year included:

- Progressing the Biochip technology platform towards tangible prototypes suitable for demonstrations, including the operation of a Beta prototype for Biochip platform.
- The 12CQ project made progress towards a qubit demonstrator device and early manufacturing development.
- Advancing manufacturing readiness through wafer-scale semiconductor fabrication and foundry-compatible development.
- Demonstrating technical performance that supports potential future commercial products, including clinically relevant Biochip accuracy and continued progress towards scalable quantum devices.
- Expanding development into adjacent commercial opportunities quantum software applications.
- Strengthening strategic collaborations to accelerate engineering development, manufacturing scale-up and market readiness.
- Initiating engagement with customers, clinicians, regulators, manufacturing partners and industry to align product development with potential future commercialisation.

The past year's activities position Archer to enter the next phase of development, where engineering execution, product validation, manufacturing capability and commercial partnerships will become increasingly important drivers of value creation

Quantum 12CQ Program

Overall, the 12CQ program advanced across materials development, device engineering, sensing technologies and manufacturing scalability, positioning Archer for continued progress towards the plan to demonstrate a functional qubit and enabling potential future commercial applications in quantum computing and quantum sensing.

Qubit Chip

During the year, the Company demonstrated the fundamentals for two read out methods that can be implemented in the qubit chip design. One is via on-chip electrically detected magnetic resonance (EDMR) in its proprietary carbon qubit material. In collaboration with École Polytechnique Fédérale de Lausanne (EPFL), Archer validated electrical spin-state detection directly on a chip, reducing system complexity while improving compatibility with established semiconductor manufacturing processes.

The second readout approach, via a single-electron transistor (SET) devices and electrical gating structures. The engineering team accelerated design, fabricate, and test cycles and completed multiple testing iterations. Through these learning cycles Archer demonstrated electrical gating in their carbon-based quantum devices and refined charge and spin control capabilities. Readout is done with SETs by using them to isolate a single electron then using the transistor to measure the spin state of that single electron.

These milestones in demonstrating readout methods built on previous year's work that successfully showed carbon material coupling to microwave resonators. Microwave control of electron spins is the qubits in the complementary control method to the readout.

Materials engineering and manufacturing scale-up

The first half of the year saw great progress on the synthesis of Archer's novel carbon films for quantum hardware. Archer successfully synthesised its carbon qubit material on a 1-inch silicon wafer and achieved electron spin lifetimes exceeding 0.4 microseconds at room temperature. These outcomes help the scalability and manufacturability of the 12CQ platform.

In addition to the work on scaling up of Archer's carbon material to full wafers, manufacturability of qubit chips continued to improve through wafer-scale fabrication runs of graphene qubit spin designs. The engineering team has worked with our foundry partners to produce graphene wafers, build test devices, and iterate on graphene growth to work towards quantum device quality graphene that will allow the Company to scale from one qubit to many millions across a whole wafer. This will be key to realising full quantum circuits on a chip and manufacturing of many chips per wafer. Device testing and materials characterisation demonstrated improved fabrication consistency, performance and scalability, reinforcing Archer's strategy of developing quantum technologies compatible with existing semiconductor foundry infrastructure.

To strengthen the pathway from laboratory devices to scalable manufacture, Archer expanded its external development ecosystem. Work with Queen Mary University of London continued on electrically gated quantum devices, while an agreement with Emergence Quantum introduced specialist support in materials engineering, device architecture and foundry-compatible development. During the second half, Archer also advanced work to assess wafer-scale graphene materials and semiconductor manufacturing routes for future spin-qubit devices and adjacent technologies that could be developed by leveraging the learning to-date on qubits.

Strategic collaborations remained central to development activities and will continue to be. Looking forward, however, as we progress from research and into development and commercialisation, our collaborations will transition to wafer foundries, quantum computing system builders, and medical technology product companies.

Sensing

Archer also expanded its quantum sensing capabilities through successful development of Tunnel Magnetoresistance (TMR) sensors capable of magnetic field measurements at cryogenic temperatures. The engineering team took the foundry sensors and integrated them into a test system that could go into a helium dilution refrigerator that cools to temperatures close to absolute zero. Magnetic field response was then characterised over a range of field directions and strengths relevant to certain cryogenic applications like quantum computing and quantum chips.

The technology is being evaluated as a potential compact magnetic-field sensing platform for quantum hardware diagnostics and other demanding applications in aerospace, defence, and scientific instrumentation. The Company completed the technical evaluation of the Quantum TMR sensor project and is now focussed on assessing potential lead applications and the development work required to progress the sensor toward a defined product.

Software

In November 2025, Archer commenced a joint project with CSIRO to develop quantum machine-learning software for financial fraud detection. During the year, the project progressed through data preparation, feature engineering and dimensionality reduction using a large, highly imbalanced transaction dataset. The team established the classical and quantum model workflows required for simulation and benchmarking and commenced evaluation of quantum neural-network approaches against relevant classical baselines.

This work broadened Archer's quantum program beyond hardware development and established an applications capability intended to support future customer engagement, algorithm development and access to commercial quantum-computing infrastructure. Looking forward, the Company will expand on this work and grow a portfolio of quantum software applications that will facilitate engagement with customers across various high-value sectors.

Biochip Program

Archer continued to advance development of its Biochip platform, progressing from proof-of-concept validation towards product development while expanding manufacturing capability, strengthening intellectual property and preparing for clinical evaluation.

The Biochip and Sensor Platform

The Company's partnership with the Interuniversity Microelectronics Centre (IMEC) expanded the Biochip platform from graphene to silicon-based sensor technology over the year. Silicon devices demonstrated blood potassium measurement performance equivalent to graphene while offering faster readout, lower manufacturing risk and improved compatibility with established semiconductor supply chains. The de-risked silicon approach makes the most sense as the choice of sensor in Archer's beachhead products. However, graphene-based devices allow for development of novel, high-value sensor technology for applications on our future roadmap.

The Company consistently demonstrated blood potassium measurement accuracy within ±0.3 mM, meeting Clinical Laboratory Improvement Amendments (CLIA) performance requirements. These results validate the Biochip's technical capability for point-of-care potassium monitoring and support its planned clinical development.

Beyond potassium sensing, Archer commenced feasibility studies evaluating additional ion detection applications. The adaptable sensor platform provides opportunities for future expansion into broader point-of-care diagnostics, environmental monitoring and industrial sensing markets.

The Company also continued to strengthen its intellectual property portfolio through the grant of an Australian patent covering graphene technologies and the preparation of additional provisional patent applications supporting future commercial discussions.

Prototypes

Archer completed development of an integrated alpha prototype incorporating the sensing chip, cartridge, microfluidics, packaging and electronic readout systems. The prototype successfully demonstrated stable operation and provided the foundation for manufacturing optimisation and product refinement.

Development subsequently progressed to the beta prototype phase, focusing on a user-ready diagnostic platform suitable for external laboratory testing and pre-clinical evaluation. During the year, Archer advanced cartridge design, handheld readout electronics, manufacturing planning and engagement with contract development and manufacturing organisations to support future production.

Clinician and Market Engagement

Archer expanded engagement with clinicians, regulatory advisers, potential commercial partners and other healthcare stakeholders to refine the initial use case, clinical evidence plan and pathways toward Australian and United States regulatory submissions. These activities were directed at ensuring that product development is aligned with clinical workflow, manufacturability, reimbursement and customer requirements rather than technical performance alone.

Collectively, these milestones advanced the Biochip program towards clinical trials, regulatory planning and commercial partnering while reducing manufacturing risk and strengthening the platform's long-term commercial potential.

Archer's technology patents and patents pending

The following tables detail Archer's patents and patents pending for the Quantum and Biochip technologies.

Quantum technology

Priority Date & Stage	Title & Summary	
3 Dec 2015	**A quantum electronic device**	
Granted	**Patent Office**	**Patent/Application Number**
	Japan	6809670
	South Korea	10-2288974
	China	CN 108430912
	United States of America	11,126,925
	Australia	2016363118
	Hong Kong	1256636
	Europe (designated countries): Belgium, Switzerland, Germany, Spain, France, United Kingdom, Republic of Ireland, Italy, Netherlands, Sweden, Turkey	3383792
9 June 2023	**Electron spin containing materials and methods for producing said materials**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia	AU 2024286636
	China	CN 202480038561.2
	Europe	EP 24818158.8
	Japan	JP 2025-571468
	South Korea	KR 10-2026-7000626
	USA	US 19/491302
22 Mar 2024	**On-chip detection and spin manipulation of advanced qubit materials and uses thereof**	
Pending	**Patent Office**	**Patent/Application Number**
	PCT	PCT/AU2025/050282
22 Mar 2024	**Carbon film structures for spin-based applications**	
Pending	**Patent Office**	**Patent/Application Number**
	PCT	PCT/AU2026/050295

Biochip technology

Priority Date & Stage	Title & Summary	
15 Feb 2019	**Graphene complexes and compositions thereof**	
Granted	**Patent Office**	**Patent/Application Number**
	Australia	PCT/AU2020/050128
	United States of America	US 12,202,730
31 Mar 2022	**Fabrication and processing of graphene electron devices on silicon with a SiO2 passivation layer**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia	AU 2023242796
	Canada	CA 3246577
	China	CN 202380038942.6
	Europe	EP 23777508.5
	Japan	JP 2024-557938
	Korea	KR 10-2024-7036460
	United States of America	US 18/850,697
	Hong Kong	HK 62025107034.3
11 Nov 2022	**A device, system, and method for sensing an electronic property of fluid sample**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia	AU 2023377817
	Europe	EP 23887211.3
	United States of America	US 19/127,333
23 Dec 2022	**Methods for fabrication of graphene field effect transistors with a liquid top-gate and associated componentry**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia	AU 2023407204
	Europe	EP 23904873.9
	USA	US 19/136,770
21 Jun 2024	**Graphene field effect transistors and methods for their production**	
Pending	**Patent Office**	**Patent/Application Number**
	PCT	PCT/AU2025/050662
25 Nov 2025	**Method and device for determining an analyte concentration of a fluid sample**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia (provisional)	AU 2025905769
11 Dec 2025	**An improved sensing chip**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia (provisional)	AU 2025906232
15 June 2026	**Compositions for ion-selective membranes and associated methods and sensors incorporating same**	
Pending	**Patent Office**	**Patent/Application Number**
	Australia (provisional)	AU 2026905523

03 Directors' Report

Directors' Report

The Operating and Financial Review (which includes the Chair's Message) of this Annual Report is incorporated by reference into, and can be found on pages 4 to 14 of this Annual Report.

Your Directors present this report on Archer Materials Limited and its consolidated entities ('Company', 'Group' or 'Archer'), for the year ended 30 June 2026.

Directors

Mr Greg English	Executive Chair
Ms Bernadette Harkin	Independent Non-Executive Director
Mr Andrew Just	Independent Non-Executive Director, appointed 1 December 2025
Mr Kenneth Williams	Independent Non-Executive Director, resigned 1 December 2025

Chief Executive Officer

- Dr Simon Ruffell

Company Secretary

- Jake van der Hoek

Information on continuing Directors and Management

Greg English

Executive Chair | LLB, BE (Mining)

Greg English is the co-founder and Executive Chair of Archer. He has been Chair of the board since 2008 and has overseen Archer's growth as a technology company that operates within the quantum computing, machine learning and sensing industries. He has more than 30 years of engineering and legal experience and has held senior roles for Australian and multinational companies.

Greg has received recognition for his work as a lawyer. Greg is an experienced company director and has also served on the boards of other ASX listed companies. He holds a bachelor's degree in engineering and a law degree (LLB).

Directorships of other ASX Listed entities in the last 3 years:

- Core Lithium Limited (ASX: CXO) (resignation effective 30 June 2026).
- Lincoln Minerals Limited (ASX: LML) (current)
- Axiant Resources Limited (ASX:AXR) (current)

Interest in Shares, Options and Performance Rights:
11,509,852 ordinary shares. 5,000,000 unlisted options, exercisable at $0.53 and expiring on 30 June 2028. 660,867 performance rights expiring on 30 June 2030.

Special Responsibilities:

- Executive Chair
- Member, Audit & Risk Management Committee
- Member, Remuneration & Nomination Committee

Bernadette Harkin
Non-Executive Director | MBA, GAICD

Bernadette Harkin is a Non-Executive Director with more than 30 years' experience leading technology, consulting and business transformation across Australia, North America, Europe and Asia. She is Founder and Principal of Lucentis Advisory, advising boards on AI governance, technology governance and the responsible adoption of emerging technologies. Bernadette has held senior executive roles including Managing Partner, Chief Operating Officer and Head of Consulting, with responsibility for strategy, commercial growth, digital transformation and organisational performance. She brings deep expertise in governance, commercialisation, technology strategy, cyber, data and AI, supporting organisations developing and scaling innovative technologies.

Directorships of other ASX Listed entities in the last 3 years: Nil

Interest in Shares, Options and Performance Rights: No interest in shares or performance rights. 3,000,000 unlisted options, exercisable at $0.53 and expiring on 30 June 2028.

Special Responsibilities:

- Chair, Remuneration & Nomination Committee.
- Member, Audit & Risk Management Committee.

Andrew Just
Non-Executive Director

Andrew was appointed as a Director of the Company on 1 December 2025. Andrew is an experienced director and health industry executive. He has 30 years' global experience in delivering growth and scale competencies with leading Fortune 500 companies, including GE Healthcare, Danaher, Stryker, Roche, and Cochlear. He has held a variety of senior leadership roles with diverse business functions, and has particular expertise in sales and marketing, performance management, regulatory compliance, commercial transactions, and investor relations in both turnaround and growth environments. He is currently CEO of ASX listed Aeris Environmental Ltd (ASX:AEI) and a non-executive director of Singular Health Group Limited (ASX:SHG). Mr Just offers deep expertise in MedTech commercialisation, governance, and global market leadership, directly addressing Archer's need as it develops the Biochip technology.

Directorships of other ASX Listed entities in the last 3 years:
Singular Health Group (ASX:SHG) (current)

Interest in Shares, Options and Performance Rights:
No interest in shares, options or performance rights

Special Responsibilities:

- Member, Remuneration & Nomination Committee.
- Chair, Audit & Risk Management Committee.

Current Management

Dr Simon Ruffell
Chief Executive Officer

MEng (Electrical & Electronic Engineering), PhD (Physics)

Simon has a PhD in Physics from the University of Western Ontario and a Masters of Electronic and Electrical Engineering (first class) from the University of Surrey, UK. He brings over 20 years of international experience working on technology projects and managing multifunctional teams, including hardware, process and software engineering teams.

Before joining Archer, Simon was a Principal Hardware Engineering Manager at Microsoft where he led a team developing hardware for Microsoft's quantum program. Prior to Microsoft he spent 10 years at Applied Materials (US) having roles in R&D from process engineer through to Senior Manager, where he led process and hardware teams to take a new product from R&D through productisation. He has recently worked as Semiconductor, and Quantum Engagement Manager at the University of Sydney.

Directorships of other ASX Listed entities in the last 3 years: Nil

Interest in Shares, Options and Performance Rights: No interest in shares. 2,000,000 unlisted options, exercisable at $0.53 and expiring on 30 June 2028. 424,524 performance rights expiring on 30 June 2030.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Board of Directors		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Gregory English	12	12	5	5	3	3
Bernadette Harkin	12	12	5	5	3	3
Andrew Just	6	6	2	2	1	1
Kenneth Williams	6	6	3	3	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Principal activities

Archer is a quantum technology company that operates within the semiconductor industry. The Company is developing advanced semiconductor devices, including chips relevant to quantum computing, sensing, and medical diagnostics.

During the year, the principal activities of the Group were:

- Technology research and development of the carbon nano onion quantum material ("12CQ Project"), TMR sensor project and lab-on-a-chip biosensing chip (Biochip").
- Utilising semiconductor development infrastructure and facilities, R&D, people, and IP, to support technology research and development.
- Internationally protecting and prosecuting intellectual property (e.g. patents and patent applications).
- Collaborating and partnering with organisations in computing, deep tech, technology research and development, and manufacturing as part of global networks in the semiconductor industry.

Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the year ended 30 June 2026, other than as disclosed in this report.

Matters subsequent to the end of the financial year

On 1 July 2026 the Group signed a strategic Quantum Compute Agreement with IonQ, Inc (NYSE:IONQ). Under the Agreement, the Group will gain access to the IonQ Quantum Cloud allowing the Group to advance its algorithms such as its Quantum Machine Learning (QML) fraud detection program and to work with partners and potential customers to develop additional quantum applications. An IonQ specialist engineering team will support the Group to advance its quantum computing applications, including algorithm selection, evaluation and planning for future quantum systems.

The Agreement has an initial term of three years and can be renewed by mutual agreement between the Group and IonQ. During the term, the Group will pay IonQ $250,000 USD on signing the Agreement and then $250,000 USD every six months thereafter (total of $1,500,000 USD).

On 3 July 2026 the Group announced a two-tranche placement and Share Purchase Plan. On 9 July 2026 the Group completed tranche 1 of the placement issuing 25,407,416 fully paid ordinary shares which raised approximately $6,860,000 before costs.

On 10 August 2026 the company issued 3,530,820 new fully paid ordinary shares at an issue price of $0.27 per share, raising $953,321 before costs. These shares were issued under the Share Purchase Plan announced on 3 July 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Remuneration report (Audited)

The Directors of Archer Materials Limited (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel (KMP), prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

A. Who does this report cover?

This report sets out the remuneration arrangements for the Group's Key Management Personnel ('KMP'). The term KMP refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. Throughout the Remuneration Report, KMP are referred to as either Executive Officers or Non-Executive Directors.

The KMP of the Group comprises the Board of Directors and Executive Officers, which are set out below. Start and end dates for various roles that commenced or ended during FY26 are noted for transparency.

The names and roles of the Company's KMP during the year are:

Non-Executive Directors

Current

- Bernadette Harkin – Non-Executive Director
- Andrew Just – Non-Executive Director (appointed 1 December 2025)

Former

- Kenneth Williams - Non-Executive Director (resigned 1 December 2025)

Executive Officers

Current

- Greg English – Executive Chair
- Dr Simon Ruffell – Chief Executive Officer

B. FY26 Overview

The Board recognises that the continued success of the business depends upon the quality of its people. To ensure the Company continues to innovate and grow, it must attract, motivate, develop and retain highly skilled Directors, Executive KMP and employees.

The Company's total rewards philosophy is designed to provide Executive KMP and employees with a strategic, purpose-driven approach designed to drive optimal business performance. It is delivered through a combination of financial (fixed and variable remuneration) and non-financial benefits, providing a holistic employee value proposition that connects the Archer strategy and purpose to individual remuneration and reward outcomes.

After careful consideration and the finalisation of a thorough review and benchmarking exercise, in July 2025 the Board implemented a Group-wide short-term incentive (STI) and long-term incentive (LTI) plan for all Executive KMP and staff. The STI and LTI program aims to incentivise and retain staff as Archer's projects progress to the next stage of development and potential commercialisation. Under the FY26 remuneration framework, employees are offered market-competitive fixed pay, with additional rewards through the offer of annual short-term incentives for outperformance and long-term incentives to drive sustained performance and align company success. If KPIs are achieved, LTIs vest after three years and promote Archer share ownership and retention.

Elements of KMP and staff Remuneration Program

	Component	Description	Measurement / Vesting Period
Fixed	Total Fixed Remuneration	Fixed cash compensation including base salary and compulsory superannuation	One year
Variable	Short Term Incentive	Variable cash payment earned upon achievement of financial and operational goals set. Annual goals include company, team and individual goals.	One year
Variable	Long Term Incentive	Equity based compensation in the form of performance rights. Vesting conditions are based on continuous employment and Archer share price performance.	Three years

The following remuneration initiatives were implemented at a Board and Executive KMP level for FY26:

- Ken Williams resigned as a Non-Executive Director on 1 December 2025. Mr Williams was not entitled to receive any additional payment because of his resignation. Mr Williams' remuneration is set out in section H of this report.
- Andrew Just was appointed as a Non-Executive Director on 1 December 2025. Mr Just's remuneration is set out in section H of this report.
- At the Company's 2025 AGM, Archer shareholders approved the issue of 660,867 performance rights to Greg English. The terms of the performance rights are set out in section J of this report.
- After careful consideration and benchmarking other companies, in July 2025 the Board implemented the Group wide Remuneration Program described above.

C. Remuneration governance and framework

Remuneration and Nomination Committee

In accordance with best practice corporate governance, the Board established a Remuneration and Nomination Committee (Committee) effective 16 February 2023, comprising Bernadette Harkin (Chair), Kenneth Williams (resigned 1 December 2025), Andrew Just (appointed 1 December 2025) and Greg English. The Remuneration and Nomination Committee assists the Board in discharging its responsibilities in relation to people and remuneration activities, including oversight of risks related to people performance management, Company culture, succession planning, capacity and capability, and inclusion and diversity.

Archer's remuneration philosophy is to seek, attract and retain high performing staff and incentivise executives to lead our Company. The Board focuses on demonstrating clear links between business performance and remuneration outcomes while continuing to build value for all stakeholders.

The Board believes that individual salary negotiation is more appropriate than formal remuneration policies and external advice and market comparisons are sought where necessary. The Group discloses the fees and remuneration paid to all Directors as required by the Corporations Act 2001. The Board recognises that the attraction of high calibre executives is critical to generating shareholder value.

Role of the Board and Nomination and Remuneration Committee

The Board of Directors is responsible for establishing and overseeing the implementation of the Group's remuneration policies and frameworks and ensuring that it is aligned with the objectives of shareholders and the business.

The Remuneration and Nomination Committee are responsible for the Group's remuneration structure and arrangements and makes recommendations to the Board. In particular, the Remuneration and Nomination Committee reviews and recommends to the Board:

- Remuneration and arrangements for KMP and other employees.
- Equity based remuneration plan for KMP and other employees.
- Superannuation arrangements for KMP and other employees.
- Incentive plans (including equity-based plans).
- The Group's remuneration and incentive policies.

Use of remuneration consultants and other advisors

The Board and the Remuneration and Nomination Committee may seek and consider advice from independent remuneration consultants as required to ensure they have all the relevant information at their disposal to determine KMP remuneration and remuneration practices. Remuneration consultant engagement is governed by internal protocols that set the parameters around the interaction between management and consultants to ensure recommendations were free from undue influence and ensure compliance with the Corporations Act 2001.

The Company has not engaged the services of a remuneration consultant during the year.

Voting and comments made at the Company's 2025 Annual General Meeting

The Company received 92.7% 'for' votes on its Remuneration Report for the financial year ending 30 June 2025. The Company received no specific feedback on its Remuneration Report at the 2025 Annual General Meeting.

D. Principles used to determine the nature and amount of remuneration

Remuneration Strategy

The Group seeks to attract and retain high-performing individuals, both in executive and other roles, and incentivise them to outperform. The approach to remuneration is to provide executives with a market-competitive Total Fixed Remuneration (TFR) and to reward outperformance through performance-linked, 'at-risk' remuneration.

The remuneration strategy illustrates the connections between remuneration and business strategies, as well as their influence on Archer's actual remuneration arrangements. The overriding business objective is to build value for all stakeholders (including shareholders).

The proportion of fixed and at-risk remuneration varies, depending on the role and grading of executives, as well as the performance of the Group. Senior positions have a more significant proportion of at-risk remuneration. The Archer Materials Incentive Plan governs the at-risk component of remuneration and comprises both Short-Term Incentives (STI) and Long-Term Incentives (LTI).

The Board's strategy for determining the nature and amount of remuneration for Board members and other Key Management Personnel of the Group is as follows:

- The remuneration strategy, which sets the terms and conditions for the Executive Chair, Chief Executive Officer, and Key Management Personnel, was developed by the Board. The Board annually reviews the packages of Key Management Personnel, referencing the Group's performance, the KMP's performance, and comparable information from industry sectors and other ASX listed peer companies.
- The Board may exercise discretion in relation to approving incentives, performance bonuses, options and performance rights. The strategy is designed to attract the highest-calibre individuals and reward them for performance that aligns with shareholder interests.
- KMP are also entitled to participate in the Company's Performance Rights and Share Option Plan (Incentive Plan) as approved by shareholders at the Annual General Meeting held on 29 November 2023.
- The Board strategy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required.

The objective of the Group's remuneration strategy is to ensure that reward for performance is competitive and appropriate for the results delivered. This aligns rewards with the achievement of objectives and the creation of value for shareholders, and it is considered to conform to market best practice for the delivery of rewards.

Following best practice corporate governance, the structure of KMP and Non-Executive Director remuneration is separate.

E. Key Management Personnel remuneration

KMP remuneration mixes and components

The Group's executive remuneration framework for FY26 is summarised below. It includes components of remuneration that are fixed and also structured in a manner

Total Fixed Remuneration (TFR)	Short Term Incentive (at risk)	Long Term Incentive (at risk)
Base salary plus superannuation and other benefits	Subject to performance targets for the 12 month reporting period. Maximum. 25% of TFR for Executive Chair and CEO	Subject to performance targets for the three-year measurement period. Maximum. 35% of TFR for Executive Chair and 30% for CEO.
Influenced by job size, role requirements, market benchmarks, individual skills, qualifications, experience, and performance	Based on the achievement of set performance objectives, linked to personal and business outcomes	Based on the achievement of set performance objectives, linked to Archer share price performance
Reviewed annually on a cycle aligned to the financial year	Performance generally measured over 12 months	Performance generally measured over three years

Total Fixed Remuneration

The KMP's fixed remuneration comprises base salary, employer superannuation contributions, and other benefits as the Group and the individual agree, provided that the Group incurs no extra cost for these benefits.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee with reference to the Group's performance, the individual's performance against set objectives, and comparable information from industry sectors and other ASX listed peer companies.

In July 2025, the Board (with Mr English abstaining) approved a 2.4% CPI-related increase in wages for Executive KMP and Archer staff with effect from 1 July 2025. Except for increases in the statutory superannuation guarantee and subject to the non-concessional contributions cap, no additional changes to the fixed remuneration approach were implemented during FY26.

Short term incentive (STI)

Variable performance-based remuneration strengthens the link between pay and performance. This scheme aims to make a large proportion of the total reward package subject to meeting various targets linked to Archer's business objectives.

The STI plan component is delivered in the form of a performance-based cash bonus if objectives for the financial year are achieved. The STI remuneration framework, which has a short-term focus over a 12-month performance period, utilises performance measures based on group targets related to safety, sustainability, project development, and financial strength. Additionally, the KMP had individual or role-specific targets, which were measured as part of their overall annual performance evaluations.

The STI opportunity offered to each executive KMP as a percentage of Total Fixed Remuneration is defined by the individual's role and reward grade. The STI opportunity is market benchmarked and reviewed annually by the Board and the Nomination and Remuneration Committee.

During the 2026 financial year, holistic performance objectives were adopted for KMP. The Board chose these objectives for their ability to drive executive focus on short- and medium-term business continuity and performance, related not only to technical success but also to Archer's culture and employee and investor engagement.

Long term incentive (LTI)

The Long-Term Incentive Plan (LTIP) is designed to retain and motivate employees to drive sustained company success by aligning their efforts with long-term performance and shareholder returns. It supports strategic, forward-looking decisions, follows best practice governance, and encourages an ownership mindset through competitive, market-aligned rewards.

The LTIP is delivered through performance rights (Rights) granted under the Archer Materials Performance Rights & Share Option Plan (Incentive Plan). If the vesting conditions are achieved, then Rights vest at the end of a three-year measurement period.

LTI awards are based on an employee's role and reward grade, calculated as a percentage of Total Fixed Remuneration (TFR). Eligible employees receive annual grants, and with continued service, can accumulate multiple awards and thereby further aligning their interests with shareholders. The number of performance rights granted is determined by the employee's TFR, LTI amount, and Archer's share price at the start of the three-year measurement period.

Employee Incentive Plan

The Archer Incentive Plan was approved by shareholders at the Annual General Meeting in November 2023. The number of eligible securities able to be issued under the Incentive Plan is limited to 10% of the issued capital of the Company, for awards under the Plan in relation to which monetary consideration is payable. The 10% limit includes grants under all plans made in the previous three years (with certain exclusions under the Corporations Act 2001).

There are no voting or dividend rights attached to the share options or performance rights.

F. FY26 Executive KMP remuneration outcome summary

Fixed Remuneration	CEO	The Board awarded a 4.00% increase to the fixed remuneration	*Refer to page 40*
	Executive Chair	The Board awarded a 4.00% increase to the fixed remuneration	*Refer to page 40*
STI awarded	CEO	After assessment of individual performance and behaviours, the overall STI outcome was 75% of maximum	*Refer to page 36*
	Executive Chair	After assessment of individual performance and behaviours, the overall STI outcome was 75% of maximum	*Refer to page 36*
LTI awarded	CEO	424,524 performance rights were issued to the CEO with a three-year measurement period ending 30 June 2030	*Refer to page 42*
	Executive Chair	660,867 performance rights were issued to the Executive Chair with a three-year measurement period ending 30 June 2030	*Refer to page 42*

Total Fixed Remuneration (TFR)

The TFR offered to Executive KMP during FY26, as well as the terms of employment under their employment contracts, are outlined below:

Name	Position	TFR (Inclusive of superannuation)	Unit of measure
Greg English	Executive Chair	$460,720	Salary
Dr Simon Ruffell	Chief Executive Officer	$345,280	Salary

Short-term incentive (STI)

STI is delivered in the form of a performance-based cash bonus if objectives for the financial year are achieved. The STI remuneration framework, which has a short-term focus over a 12-month performance period, includes performance measures based on Board approved Group targets for the year.

The STI opportunity offered to each Executive KMP as a percentage of TFR is defined by the individual's role and reward grade. The following table outlines the FY26 STI scorecard in detail:

CEO PERFORMANCE

Category	Weighting	Outcome	Achievement
Technology Execution & Technical Leadership	50%	35%	Reporting, review and oversight processes were strengthened during the year, supported by changes to the engineering leadership structure.
Capital Markets and External Engagement	20%	16%	The Company increased the frequency of market updates, investor presentations and other shareholder engagement activities during the year.
Strategic Planning, Commercialisation and Financial Roadmap	10%	8%	Responsible for the development and ongoing refinement of the Company's strategic plan and operating budget during the year.
Leadership, Talent and Organisational Capability	10%	9%	Development of the senior leadership team and the strengthening of operational capabilities across the business.
Strategic Initiatives and Board Priorities	10%	7%	Initiatives were effectively implemented to a high standard.
Total	100%	75%	

EXECUTIVE CHAIR PERFORMANCE

Category	Weighting	Outcome	Achievement
Technology Development	20%	15%	Delivery of the Company's approved technology programs and the development of frameworks for potential acquisitions, partnerships and new intellectual property opportunities.
Investor Relations and Market Communication	50%	30%	Led investor and shareholder engagement during the year, including market communications, capital-raising activities and the refinement of the Company's investment narrative.
Board Governance and Leadership	10%	10%	Board and corporate governance standards improved and board renewal successfully implemented.
Team Leadership and Organisational Growth	10%	10%	Effective executive development, succession planning and the ongoing review of the Company's advisory arrangements
Other	10%	10%	Completed additional strategic activities requested by the Board, including the negotiation and execution of the IonQ transaction.
Total	100%	75%	

OVERALL FY26 STI AWARD OUTCOMES FOR EXECUTIVE KMP

Executive KMP	Maximum STI opportunity	FY26 actual % of maximum STI awarded	Calculated STI awarded
Greg English	$110,750 (25% TFR)	75%	$83,063
Simon Ruffell	$83,000 (25% TFR)	75%	$62,250

Long-term incentive (LTI)

The Board believes that the Archer LTI program will focus and motivate executives to achieve longer term performance outcomes, ensure that business decisions consider the Group's long-term performance and create an immediate ownership mindset among the executives. This aligns them with shareholders' interests by linking a substantial portion of their potential total reward to the Group's shareholder returns.

For performance rights granted in FY26 to successfully vest at the end of the three-year measurement period, the following performance conditions are to be met:

1. The Group meets the performance conditions described below;

- Absolute Total Shareholder Return (aTSR) (50% weighting) where aTSR is the change in price of a share on the first day of the measurement period and the last day of the measurement period plus any dividends paid during the measurement period. TSR is typically expressed as a percentage of the initial investment.
- Relative Total Shareholder Return (rTSR) (50% weighting) where rTSR over the three-year measurement period is determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the ASX listed companies in the peer group over the same three-year measurement period.

2. The executive KMP meeting the service conditions under the Archer Incentive Plan.

The number of performance rights granted is determined by the employee's TFR, LTI amount, and Archer's share price for the last ten trading days of June prior to the start of the measurement period.

G. Non-Executive Director remuneration

Appointment of new Director

After engaging an executive search firm and undertaking a thorough search, on 1 December 2025, the Company announced the appointment of Andrew Just as a Non-Executive Director of Archer. Mr Just is an experienced Director and health industry executive. He has 30 years' global experience in delivering growth and scale competencies with leading Fortune 500 companies and has held a variety of senior leadership roles with diverse business functions. Mr Just offers deep expertise in MedTech commercialisation, governance, and global market leadership, directly addressing Archer's need as it develops the Biochip technology.

Resignation of director

On 1 December 2025, Archer also announced the resignation of Ken Williams as a Non-Executive Director of the Company. Mr Williams served as a Director and Chair of the Audit and Risk Committee and oversaw the transition from a mineral exploration company to a quantum and medical device company.

Remuneration of Non-Executive Directors

In remunerating Non-Executive Directors, the Group aims to attract and retain qualified and experienced directors, including:

- The specific responsibilities and requirements for the Board,
- Comparative roles in the external market, and
- The size and complexity of the Group's operations.

The Non-Executive Directors and executives receive a superannuation guarantee contribution required by the government of 12% per annum (11.5 % in the 30 June 2025 year). Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation and/or elect to increase superannuation contributions as part of their salary package.

All remuneration paid to Directors and executives is valued at the cost to the Group. The Group has established a Performance Rights and Share Option Plan (Plan) for the benefit of Directors, officers, senior executives and consultants.

The Board's policy is to remunerate non-executive directors at the market rates for time, commitment and responsibilities. The Board determines payments to executives and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors, in aggregate, is $500,000 per annum, which has not changed since Archer listed on the ASX in August 2007. These amounts are not linked to the financial performance of the consolidated Group. However, to align the directors' interests with the shareholders' interests, the directors are encouraged to hold shares in Archer.

At the Company's 2024 AGM, Archer shareholders approved the issue of 3 million incentive share options to Ken Williams. The share options issued to Ken Williams did not lapse on his resignation as a Director.

H. Statutory remuneration disclosures

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (KMP) of the Group are shown in the table below. The value of earnings realised includes cash salary, superannuation and cash bonuses earned during the year, plus the intrinsic value of share options granted during the financial year.

As a general principle, the Accounting Standards require a value to be placed on share options based on probabilistic calculations at the time of grant, which may be reflected in the Remuneration Report even if ultimately the share options do not vest because performance or service hurdles are not met.

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2026	Cash salary and fees $	Cash bonus $	Annual Leave $	Superannuation $	Long service leave $	Unlisted options $	Performance Rights $	Total $
Non-Executive Directors:								
Ms Harkin Independent	76,042	-	-	9,125	-	-	-	85,167
Mr Just * Independent	44,643	-	-	5,357	-	-	-	50,000
Mr Williams ** Independent	29,167	-	-	3,500	-	-	-	32,667
Executive Directors:								
Mr English Executive Chair Not independent	413,000	83,063	25,292	30,000	13,322	-	52,176	616,853
Other Key Management Personnel:								
Dr Simon Ruffell Chief Executive Officer	302,006	62,250	9,330	30,000	6,228	118,653	33,516	561,983
	864,858	145,313	34,622	77,982	19,550	118,653	85,692	1,346,670

*Appointed 1 December 2025 **Resigned 1 December 2025

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2025	Cash salary and fees $	Cash bonus $	Annual Leave $	Superannuation $	Long service leave $	Unlisted options $	Performance Rights $	Total $
Non-Executive Directors:								
Ms Harkin Independent	70,000	-	-	8,050	-	383,850	-	461,900
Mr Williams Independent	70,000	-	-	8,050	-	383,850	-	461,900
Executive Directors:								
Mr English Executive Chair Not independent	401,080	67,381	-	29,932	18,218	639,749	-	1,156,360
Other Key Management Personnel:								
Dr Simon Ruffell Chief Executive Officer	262,388	13,256	1,150	28,962	4,293	106,585	-	416,634
Dr Choucair Former Chief Executive Officer	255,223	-	-	22,660	-	-	-	277,883
Mr Connor Former Company Secretary and CFO	208,687					255,900		464,587
	1,267,378	80,637	1,150	97,654	22,511	1,769,934	-	3,239,264

In accordance with Accounting Standards, remuneration includes a portion of the notional value of the performance rights and options granted during the year. The notional value of options are determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that the employee may ultimately realise should the option vest and become exercisable. The notional value of the options as at the grant date has been determined in accordance with the accounting policy detailed at Note 1 and calculation details in note 18.

Short-term incentive cash bonus, approved by the non-executive directors, related to KPI achievement, pursuant to Mr Ruffell's and Mr English's employment contracts.

I. Employment Contracts of Directors and Other Key Management Personnel

Remuneration and other terms of employment for the Directors and other Key Management Personnel are formalised in either contracts of employment or service agreements. The main provisions of the agreements relating to remuneration are set out below:

Name	Remuneration	Unit of measure	Term of Agreement	Notice Period
Gregory English Executive Chair	**Total Fixed Remuneration:** $460,720 per annum inclusive of superannuation. Effective 1 July 2026 **Short-term incentive:** Discretionary up to 25% of TFR each year, is determined with reference to KPIs as set by the Board annually. **Long-term incentive:** Entitled to receive Options or Performance Rights equal to the maximum number of Options or Performance Rights granted to a director of the Company in the same financial year, subject to shareholder approval and KPIs including the Company's share price movement compared with the ASX Small Ordinaries Resources Index.	Salaried employee	Permanent employee, no fixed term.	Between 1 month and 6 months' notice depending on the circumstances. Any applicable termination payment is calculated based on reasons for termination from 1 month salary plus leave entitlements up to 12 months' salary plus leave entitlements.
Bernadette Harkin Non-Executive Director	**Base Remuneration** $80,357 per annum plus superannuation	Director fees	No fixed term	None
Andrew Just Non-Executive Director	**Base Remuneration** $80,357 per annum plus superannuation	Director fees	No fixed term	None
Dr Simon Ruffell Chief Executive Officer	**Total Fixed Remuneration:** $345,280 per annum inclusive of superannuation **Short-term incentive:** Discretionary up to 25% of salary each year, is determined with reference to KPIs as set by the Board annually. **Long-term incentive:** Entitled to receive Options or Performance Rights equal to the maximum number of Options or Performance Rights granted to a director of the Company in the same financial year, subject to shareholder approval and KPIs including the Company's share price movement compared with the ASX Small Ordinaries Resources Index.	Salaried employee	Permanent employee, no fixed term.	Either party may terminate by providing 6 months' notice.

Mr English's and Mr Ruffell's superannuation contributions will be based on the superannuation guarantee levy rate prescribed by the Superannuation Guarantee Administration Act 1992 (Cth), being 12% per annum, up to the maximum superannuation contribution base (MSCB).

J. Share-based remuneration

Issue of shares

There were no shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2026 (30 June 2025: Nil).

Options

All Options refer to Options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

The Group has established a Performance Rights and Share Option Plan for the benefit of Directors, officers, senior executives and consultants. Under the Performance rights and Share Option Plan, the Company, through the Board, may offer Options to eligible persons on such terms that the Board considers appropriate, including any performance or other vesting hurdles that may apply.

There were no options over ordinary shares issued to Directors and other Key Management Personnel as part of compensation that were outstanding as at 30 June 2026 (30 June 2025: 15,000,000).

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other Key Management Personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
20 November 2024	1 January 2026	30 June 2028	$0.534	$0.128
20 November 2024	1 January 2027	30 June 2028	$0.534	$0.128

No options granted to KMP were exercised during the reporting period (30 June 2025: Nil).

Options granted carry no dividend or voting rights.

Performance rights

The Company's Performance Rights and Share Option Plan provides for the issue of Rights to Directors, employees and contractors of the Company and its associated body corporates.

All Rights issued under the Plan refer to Rights over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. Vesting of Rights is generally subject to the achievement of particular performance conditions as determined by the Board.

During the reporting period 1,085,391 performance rights with an exercise price of $0.00 and expiring on 30 June 2030 were granted to KMP (30 June 2025: Nil).

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other Key Management Personnel in this financial year or future reporting years are as follows:

Name	Number of performance rights granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per performance right at grant date
Mr English	660,867	20 November 2025	30 June 2028	30 June 2030	$0.000	$0.342
Dr Ruffell	424,524	20 November 2025	30 June 2028	30 June 2030	$0.000	$0.342

No performance rights granted to KMP were exercised during the reporting period (30 June 2025: Nil).

K. Bonuses included in remuneration

Details of the short-term incentive cash bonuses awarded as remuneration to each Key Management Personnel, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited because the person did not meet the performance criteria is set out below.

Employee	Included in remuneration ($)	Percentage vested during the year	Percentage forfeited during the year
Greg English[1] Executive Chair	$83,063 (inclusive of superannuation)	100%	25%
Simon Ruffell[2] Chief Executive Officer	$62,250 (inclusive of superannuation)	100%	25%

1 Mr English's contract of employment provides for a discretionary cash bonus of up to 25% of his salary each year, determined with reference to KPIs set by the Board annually. The KPI's subject of the bonus payable for the financial year were determined with reference to satisfaction of performance targets relating to corporate strategy objectives, funding and stakeholder management. Mr English achieved 75% of his performance criteria during the financial year.

2 Mr Ruffell's contract of employment provides for a discretionary cash bonus of up to 25% of his salary each year, determined with reference to KPIs set by the Board annually. The KPI's subject of the bonus payable for the financial year were determined with reference to satisfaction of performance targets relating to key technical and corporate strategy objectives. Mr Ruffell achieved 75% of his performance criteria during the financial year.

No other key management personnel were awarded short-term incentive cash bonuses as remuneration during the year ended 30 June 2026

L. Other information

Option Holdings of Key Management Personnel as at 30 June 2026

The number of Options over ordinary shares in the Company held, directly, indirectly, or beneficially, by each specified Director and other Key Management Personnel, including their personally related entities as at reporting date, is as follows:

Key Management Personnel	Held at 1 July 2025	Granted as remuneration	Exercised	Forfeited/ lapsed/ expired/ cancelled	Held at 30 June 2026	Vested and exercisable at 30 June 2026
Mr English	5,000,000	-	-	-	5,000,000	5,000,000
Ms Harkin	3,000,000	-	-	-	3,000,000	3,000,000
Mr Williams*	3,000,000	-	-	-	3,000,000	3,000,000
Mr Just	-	-	-	-	-	-
Dr Ruffell	2,000,000	-	-	-	2,000,000	1,000,000

*The share options issued to Ken Williams did not lapse on his resignation as a Director on 1 December 2025.

Performance Rights Holdings of Key Management Personnel as at 30 June 2026

Key Management Personnel	Held at 1 July 2025	Granted as remuneration	Exercised	Forfeited/ lapsed/ expired/ cancelled	Held at 30 June 2026	Vested and exercisable at 30 June 2026
Mr English	-	660,867	-	-	660,867	-
Ms Harkin	-	-	-	-	-	-
Mr Williams*	-	-	-	-	-	-
Mr Just	-	-	-	-	-	-
Dr Ruffell	-	424,524	-	-	424,524	-

Share Holdings of Key Management Personnel as at 30 June 2026

The number of ordinary shares of Archer Materials Limited held, directly, indirectly, or beneficially, by each Director and other Key Management Personnel, including their personally related entities as at reporting date:

Key Management Personnel	Balance at the start of the year	Granted as remuneration	Options exercised	Other changes	Balance at the end of the year
Mr English	11,509,852	-	-	-	11,509,852
Ms Harkin	-	-	-	-	-
Mr Williams*	-	-	-	-	-
Mr Just	-	-	-	-	-
Dr Ruffell	-	-	-	-	-
	11,509,852	-	-	-	11,509,852

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Archer Materials Limited under option at the date of this report are as follows:

Issued to	Issue date	Grant Date	Number of Options Granted	Option Exercise Price	Expiry Date
Directors	20/11/2024	20/11/2024	11,000,000	$0.534	30/06/2028
CEO	20/11/2024	20/11/2024	2,000,000	$0.534	30/06/2028
Other employees	20/11/2024	20/11/2024	4,250,000	$0.534	30/06/2028

All options are unlisted and exercisable into fully paid ordinary shares in the Company on a one for one basis. These Options do not entitle the holders to participate in any share issue of the Company.

Refer to note 18 for details of movement in Options during the reporting period. No Options over ordinary shares have been issued, forfeited, cancelled or lapsed since the end of the reporting period.

Shares issued on the exercise of options

There were no ordinary shares of Archer Materials Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Performance Rights

Unissued ordinary shares of Archer Materials Limited under performance rights at the date of this report are as follows:

Issued to	Issue date	Grant Date	Number of Performance Rights Granted	Exercise Price	Expiry Date
Directors	20/11/2025	20/11/2025	660,867	$0.000	30/06/2030
CEO	20/11/2025	20/11/2025	424,524	$0.000	30/06/2030
Other Employees	08/09/2025	08/09/2025	1,029,569	$0.000	30/06/2030

Shares issued on the exercise of performance rights

There were no ordinary shares of Archer Materials Limited issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report.

Environmental Issues

The Group's operations are subject to significant environmental regulations under the laws of the Commonwealth and/or State. No notice of any breach has been received and to the best of the Directors' knowledge no breach of any environmental regulations has occurred during the financial year or up to the date of this Annual Report.

Indemnity and insurance of officers

The Company's Constitution provides that the Company indemnifies, on a full indemnity basis and to the full extent permitted by law, officers of the Company for all losses or liabilities incurred by the person as an officer of the Company or a related body corporate. In conformity with the Constitution, the Company is party to Deeds of Indemnity in favour of each of the Directors referred to in this report who held office during the year.

The Company has paid premiums to insure each of the Directors, Officers and Consultants against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Executive of the Company, other than conduct involving wilful breach of duty or a lack of good faith in relation to the Company. The policy does not specify the individual premium for each officer covered and the amount paid is confidential. Since the end of the year the Company has paid, or agreed to pay, premiums in respect of such contracts for the year ending 30 June 2026.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

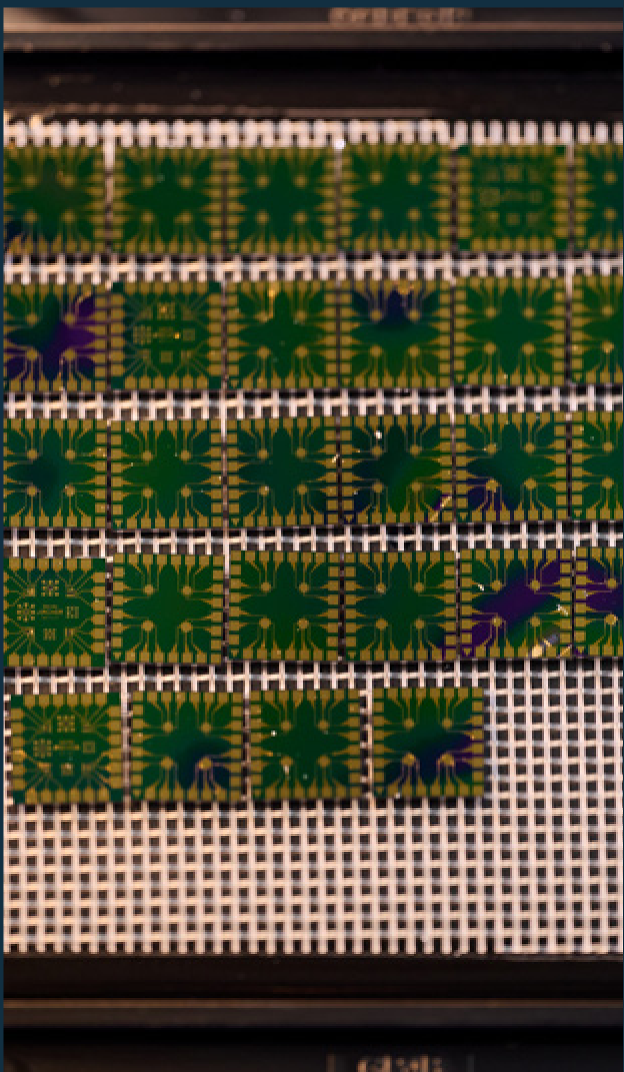
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 7 to the financial statements.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.



Corporate Governance

The Board has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations 4th Edition" (ASX Recommendations). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and the status of its projects and activities. Good corporate governance practices are also supported by the ongoing activities of the Audit & Risk Management Committee and the Remuneration and Nomination Committee.

The Company's Corporate Governance Statement for the financial year ending 30 June 2026 is dated 26 August 2026 and was approved by the Board on 26th August 2026.

The Corporate Governance Statement provides a summary of the Company's ongoing corporate governance practices in accordance with the ASX Recommendations. The Corporate Governance Statement is supported by a number of policies, procedures, code of conduct and formal charters, all of which are located in the Corporate Governance section of the Company's website: https://www.archerx.com.au/corporate-governance

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Greg English
Executive Chair

27 August 2026

Grant Thornton

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Archer Materials Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Archer Materials Limited for the year ended 30 June 2026, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 27 August 2026

04

Financial Information

Statement of profit or loss and other comprehensive income

	Notes	2026 $	2025 $
Other income			
Research and development tax concession		2,351,354	2,055,447
Other income	4	491,493	743,288
Total income		**2,842,847**	**2,798,735**
Expenses			
Depreciation expense		(53,693)	(133,445)
Amortisation of intangible assets	12	(47,454)	(40,419)
Quantum and biochip technology research expenditure		(5,779,574)	(4,791,577)
Employee benefits expense		(1,861,424)	(1,393,439)
Share based payments expense	18	(403,103)	(1,889,842)
Fair value loss on financial assets	10	(48,055)	(455,227)
Corporate consultants and public relations expense		(362,878)	(474,507)
ASX listing and share registry expense		(136,115)	(147,014)
Other expenses		(511,804)	(445,271)
Total expenses		**(9,204,100)**	**(9,770,741)**
Loss before income tax expense		(6,361,253)	(6,972,006)
Income tax expense	5	-	-
Loss after income tax expense for the year		(6,361,253)	(6,972,006)
Other comprehensive income		-	-
Total comprehensive income for the year		(6,361,253)	(6,972,006)
		Cents	**Cents**
Basic loss per share (cents)	16	(2.50)	(2.74)
Diluted loss per share (cents)	16	(2.50)	(2.74)

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

Statement of financial position as at 30 June 2026

	Notes	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents		1,845,647	2,661,950
Term deposits - short term	8	6,573,366	11,082,750
Trade and other receivables	9	2,479,862	2,375,647
Other financial assets	10	25,045	73,100
Prepayments		169,295	475,960
Total current assets		11,093,215	16,669,407
Non-current assets			
Intangible assets	12	675,966	669,227
Property, plant and equipment		97,286	116,571
Right-of-use assets		-	14,973
Total non-current assets		773,252	800,771
Total assets		11,866,467	17,470,178
Liabilities			
Current liabilities			
Trade and other payables	13	514,599	408,323
Lease liabilities		-	14,974
Employee entitlements	14	528,346	290,846
Total current liabilities		1,042,945	714,143
Non-current liabilities			
Employee entitlements	14	63,656	38,019
Total non-current liabilities		63,656	38,019
Total liabilities		1,106,601	752,162
Net assets		10,759,866	16,718,016
Equity			
Issued capital	15	47,799,119	47,799,119
Reserves	17	2,292,945	1,889,842
Accumulated losses		(39,332,198)	(32,970,945)
Total equity		10,759,866	16,718,016

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

Statement of changes in equity

For the year ended 30 June 2026

	Issued capital $	Share based payment reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	47,799,119	14,219,548	(40,218,487)	21,800,180
Loss after income tax expense for the year	-	-	(6,972,006)	(6,972,006)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,972,006)	(6,972,006)
Transactions with owners in their capacity as owners:				
Expense associated with unlisted option vesting during the period (note 18)	-	1,889,842	-	1,889,842
Transfer of lapsed share-based payments to accumulated losses	-	(14,219,548)	14,219,548	-
Balance at 30 June 2025	47,799,119	1,889,842	(32,970,945)	16,718,016

	Issued capital $	Share based payment reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2025	47,799,119	1,889,842	(32,970,945)	16,718,016
Loss after income tax expense for the year	-	-	(6,361,253)	(6,361,253)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,361,253)	(6,361,253)
Transactions with owners in their capacity as owners:				
Share-based payments (performance rights granted)	-	150,965	-	150,965
Share based payments (options granted)	-	252,138	-	252,138
Balance at 30 June 2026	47,799,119	2,292,945	(39,332,198)	10,759,866

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

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,152,448)	(2,348,928)
Payments for quantum and biochip technology research activities		(5,835,939)	(4,850,786)
Interest received		622,968	822,551
Research and development tax concession received		2,102,231	2,189,556
Other receipts		10,024	-
Net cash used in operating activities	19	(5,253,164)	(4,187,607)
Cash flows from investing activities			
Proceeds from redemption of short term deposits		4,537,605	4,288,395
Payments for intellectual property	12	(54,193)	(206,891)
Payments for property, plant and equipment		(32,491)	(6,286)
Proceeds from sale of property, plant and equipment		10,000	8,636
Proceeds from sale of financial assets		-	38,932
Payments for bonds		(8,613)	(15,606)
Net cash from investing activities		4,452,308	4,107,180
Cash flows from financing activities			
Repayment of lease liability		(15,447)	(96,298)
Net cash used in financing activities		(15,447)	(96,298)
Net decrease in cash and cash equivalents		(816,303)	(176,725)
Cash and cash equivalents at the beginning of the financial year		2,661,950	2,838,675
Cash and cash equivalents at the end of the financial year		1,845,647	2,661,950

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

Notes to the financial statements

Note 1. Statement of Material Accounting Policies

Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Archer Materials Limited is a for profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The principal accounting policies adopted in the above preparation of the financial statements are set out below.

Principles of Consolidation

The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A list of controlled entities is contained in note 11 to the financial statements.

As at reporting date, the assets and liabilities of controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-group balances and transactions between entities in the consolidated group, including any recognised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with those adopted by the parent entity.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In preparing the financial statements, the Directors have assessed the ability of the Group to continue as a going concern and are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the date of approval of the financial statements.

Accordingly, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Property, plant and equipment

Property, plant and equipment is carried at cost less where applicable, accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

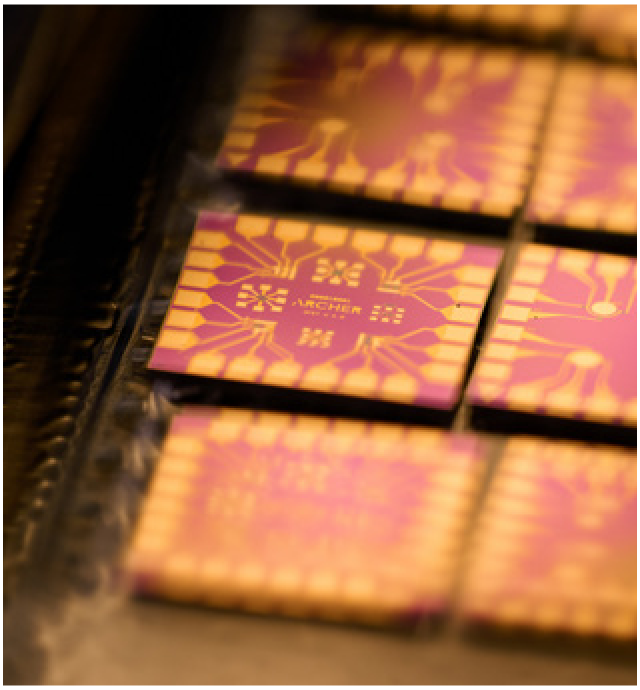
Class of non-current asset	Depreciation rate	Basis of depreciation
Plant and equipment	10 - 33%	Straight line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposables are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.



The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs

Research costs expensed as incurred and included in the statement of profit or loss as quantum and biochip technology research expenditure. Development expenditures on an individual project are recognised as an intangible asset only when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use

- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit Amortisation is recorded in cost of sales, During the period of development, the asset is tested for impairment annually.

Patents and licences

The Group has made payments in respect of patents and licences and also pays for on-going patent prosecution costs. The Licences have been granted for patents which undergoing prosecution by the relevant government agencies and the Company also owns a patent undergoing prosecution.

Patents have a life of up to 20 years and are assessed on a case by case basis. Licences for the use of intellectual property are granted for periods ranging between three and five years depending on the specific licences. The licences require an annual fee to be paid to continue to access the licenses which is expensed. As a result, those licences are assessed as having a finite useful life.

A summary of the policies applied to the Group's intangible assets is, as follows:

	Licences	Patents
Useful lives	Finite (5 years)	Finite (20 years)
Amortisation method used	Amortised on a straight-line basis over the period of the licence	Amortised on a straight-line basis over the period of the patent
Internally generated or acquired	Acquired	Acquired

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cashflows are discounted using market yields on high quality corporation bonds with terms to maturity that match the expected timing of cashflows.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Share-based payments

Equity-settled transactions

The Company provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Company currently provides benefits under a Performance Rights and Share Option Plan.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted.

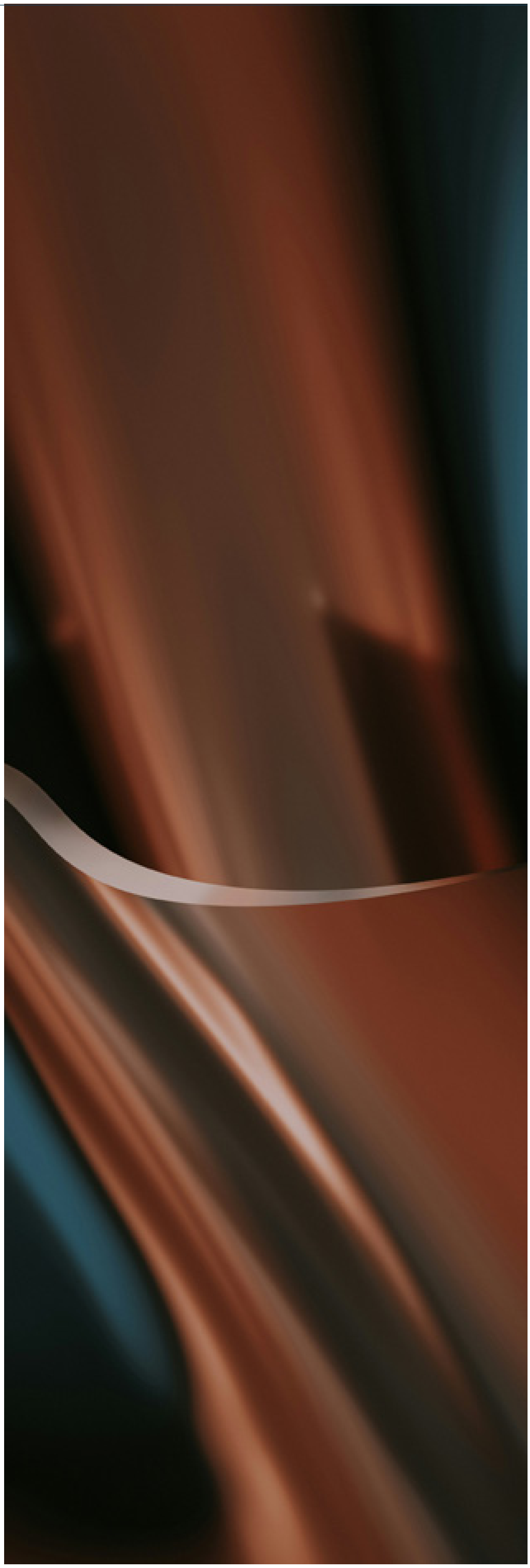
In valuing equity-settled transactions, no account is taken of any performance conditions. other than conditions linked to the price of the shares of the Company ('market conditions'). The cost of equity—settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the number of awards that in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.



Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation. and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding Options and Rights is reflected as additional share dilution in the computation of earnings per share.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or Options are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component for which the Group has applied the practice expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

- For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit and loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to dispose and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates

the recoverable amount of the cash-generating unit to which the asset belongs.

Income Tax

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(income) is charged credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset recognised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover settle the carrying amount of the related asset liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement and settlement of the respective asset are liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Archer Materials Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2007.

Research and Development Tax Concession

To the extent that research and development costs are eligible activities under the “Research and development tax incentive” programme, a refundable tax offset is available for companies with annual turnover of less than $20 million. The Group recognises refundable tax offsets received in the financial year as R&D tax concession income in statement of profit loss, resulting from the monetisation of available tax losses that otherwise would have been carried forward. These amounts are recognised at their fair value only to the extent that where there is reasonable assurance that the incentive will be received.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing or financing activities which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office.

New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the AASB issued AASB 18 Presentation and Disclosure in Financial Statements, which will replace AASB 101 Presentation of Financial Statements, introducing new operating, investing and financing categories for income and expenses, two new required subtotals (operating profit and profit before financing and income tax), and a new note disclosing management-defined performance measures. The Standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier adoption permitted. Archer Materials Limited has not early adopted the Standard and is currently assessing its impact on the Group's statement of profit or loss and related note disclosures.

Management have adopted all relevant pronouncements, as applicable, for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Note 2. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data obtained both externally and within the Group.

Key estimates

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost of disposal calculations which incorporate various key assumptions.

Research and development (R&D) tax concession

The Group is entitled to claim R&D tax incentives in Australia. The R&D tax incentive is calculated using the estimated expenditures multiplied by a 48.5% non-refundable tax offset (as a non-base rate entity) or otherwise 43.5% (as a base rate entity). It has been established that the conditions of the R&D incentive have been met and that the expected amount of the incentive can be reliably measured. Estimated amounts receivable are recognised as research and development tax concession income.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Archer Materials Limited ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Archer Materials Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The financial report was authorised for issue on 26 August 2026 by the Board of Directors.

Share-based payments

The Group measures the cost of equity-settled share-based payment transactions with employees and other service providers by reference to the fair value of the equity instruments granted at the grant date in accordance with AASB 2 Share-based Payment.

The determination of the fair value of share-based payment awards requires the use of valuation techniques and significant estimates and assumptions. The selection of an appropriate valuation model and the determination of inputs require management judgement.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation of the current financial year.

Note 3. Operating Segments

The Directors have considered the requirements of AASB 8 - Operating segments and internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded at this time there are no separately identifiable segments. The group operates in one segment being materials technology research.

Note 4. Other income

Line item	2026 $	2025 $
Interest income	479,104	743,288
Net gain on disposal of property, plant and equipment	2,365	-
Workcover reimbursement	10,024	-
Other income	491,493	743,288

Note 5. Income tax

	2026 $	2025 $
a) The components of income tax benefit comprise:	-	-
Current tax	-	-
b) The prima facie tax on loss from before income tax is reconciled to the income tax as follows: 2026: 30% (2025: 30%)	-	-
Loss before income tax expense	(6,361,253)	(6,972,006)
Tax at the statutory tax rate of 30%	(1,908,376)	(2,091,602)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
(Non-assessable income) / Non-deductible expenses	809,727	1,184,891
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	1,098,649	906,711
Income tax attributable to loss	-	-

	2026 $	2025 $
Tax losses not recognised		
c) Unused tax losses for which no deferred tax asset has been recognised	11,871,423	10,755,833
d) Timing difference for which no deferred tax asset/(liability) has been recognised	932,492	276,686

Note 6. Key management personnel compensation

a) Names and positions held of consolidated entity key management personnel in office at any time during the financial year are:

Name	Position
Mr Greg English	Chair - Executive
Ms Bernadette Harkin	Director - Non-executive
Mr Andrew Just	Director - Non-executive (appointed 1 December 2025)
Mr Kenneth Williams	Director - Non-executive (resigned 1 December 2025)
Dr Simon Ruffell	Chief Executive Officer

Other than the directors and officers of the company listed above, there are no additional key management personnel.

b) Key Management Personnel Compensation

Refer to the Remuneration Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel (KMP). Detailed disclosures regarding remuneration are found in the Remuneration report contained in the Directors report.

	2026 $	2025 $
Short-term employee benefits	1,044,793	1,349,165
Post-employment benefits	77,982	97,654
Long-term benefits	19,550	22,511
Share-based payments	204,345	1,769,934
	1,346,670	3,239,264

Note 7. Auditor remuneration

Total fees paid or payable for services provided by Grant Thornton Audit Pty Ltd and its related practices were as follows:

	2026 $	2025 $
Audit services		
Audit and review of the financial reports	81,992	75,430

No non audit services were provided.

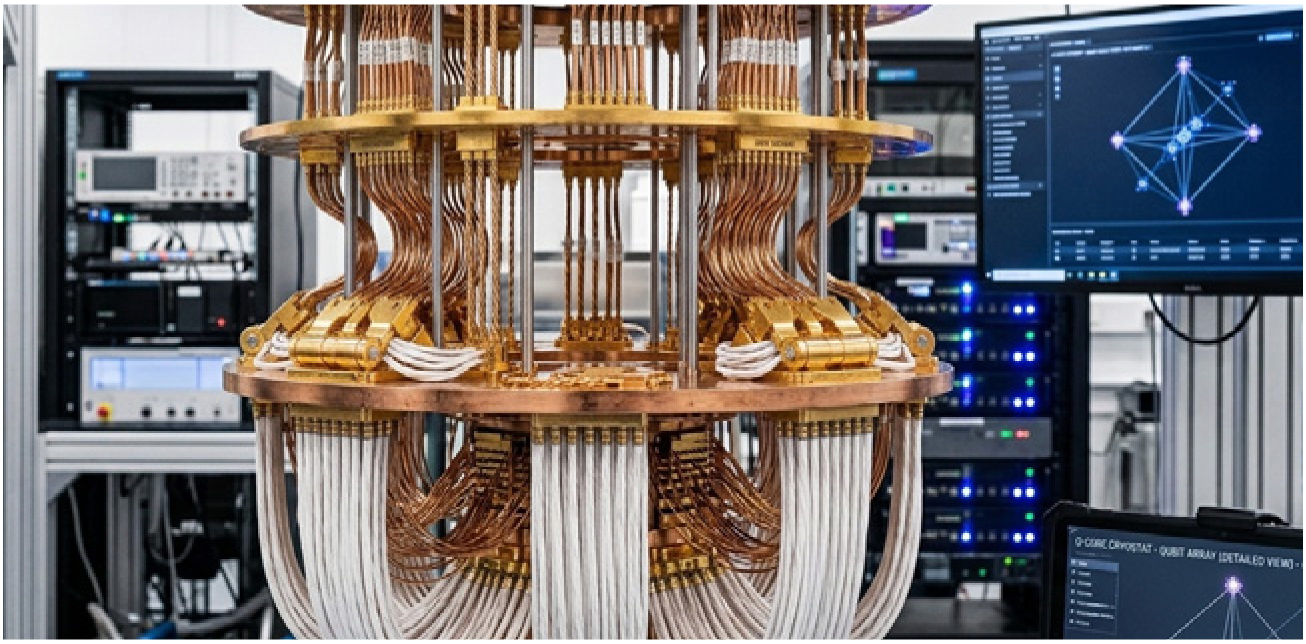
Note 8. Term deposits - short term

	2026 $	2025 $
Current assets		
Term deposits - short term	6,573,366	11,082,750

For the year ended 30 June 2026, the Group has deposited any funds surplus to immediate requirements in higher yielding short term deposits. Maturity dates for short term deposits vary between 122 and 365 days at 30 June 2026. The weighted average interest rate on the short term deposit is 4.47%. Short term bank deposits are able to be converted to available cash with 30 days' notice. The Group's exposure to interest rate risk is summarised at note 22.

Note 9. Trade and other receivables

Line item	2026 $	2025 $
Current assets		
Research and development tax incentive receivable	2,245,014	1,995,891
Accrued interest receivable - short term deposits	120,849	293,373
Other receivables	113,999	86,383
	2,479,862	2,375,647



Note 10. Other financial assets

	2026 $	2025 $
Current assets		
Listed Investment in Volatus Capital Corp ("Volatus") - shares	25,045	73,100
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	73,100	567,259
Disposals - consideration for sale of listed shares in ChemX	-	(38,932)
Net fair value loss	(48,055)	(455,227)
Closing fair value	25,045	73,100

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The fair value of listed investments (publicly traded equity securities) is based on quoted market prices at the end of the reporting period (Level 1).

Note 11. Investment in controlled entities

		Percentage Owned	
Subsidiaries of Archer Materials Limited	**Country of incorporation**	**2026** %	**2025** %
Carbon Allotropes Pty Limited	Australia	100.00%	100.00%
Archer Energy and Resources Pty Ltd	Australia	100.00%	100.00%
Archer Metals Pty Ltd	Australia	100.00%	100.00%
Archer IOCG Pty Ltd	Australia	100.00%	100.00%

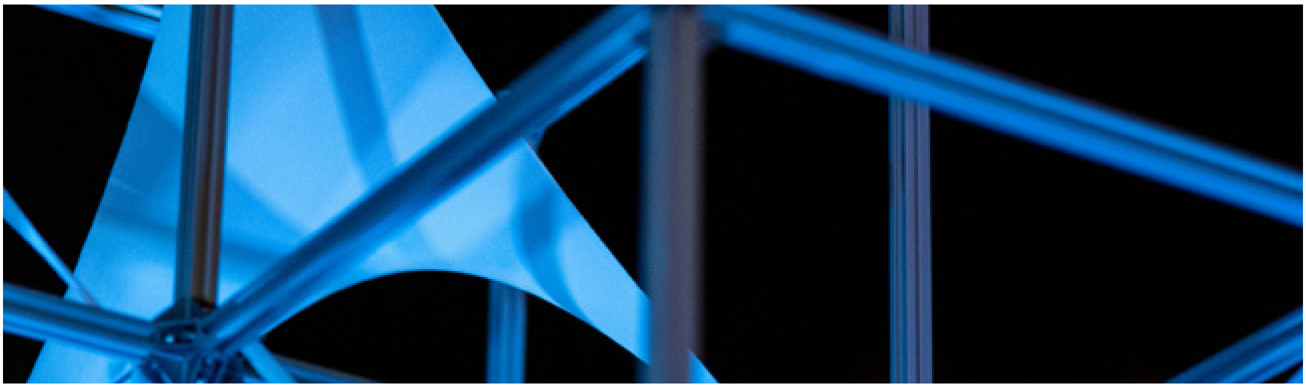
Note 12. Intangible assets

	2026 $	2025 $
Non-current assets		
Patents, licences and trademarks - at cost	835,289	781,095
Less: Accumulated amortisation	(159,323)	(111,868)
	675,966	669,227

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Line item	Patents, licences and trademarks $
Balance at 1 July 2025	669,227
Additions	54,193
Amortisation expense	(47,454)
Balance at 30 June 2026	675,966



Note 13. Trade and other payables

	2026 $	2025 $
Current liabilities		
Trade payables	262,584	228,938
Other creditors and accruals	252,015	179,385
	514,599	408,323

Note 14. Employee entitlements

	2026 $	2025 $
Current liabilities		
Annual leave provision	123,020	46,452
Long service leave provision	129,617	152,557
Remuneration provision	275,709	91,837
	528,346	290,846
Non-current liabilities		
Long service leave provision	63,656	38,019
	592,002	328,865

Note 15. Issued capital

a) Shares on issue

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	254,847,013	254,847,013	47,799,119	47,799,119

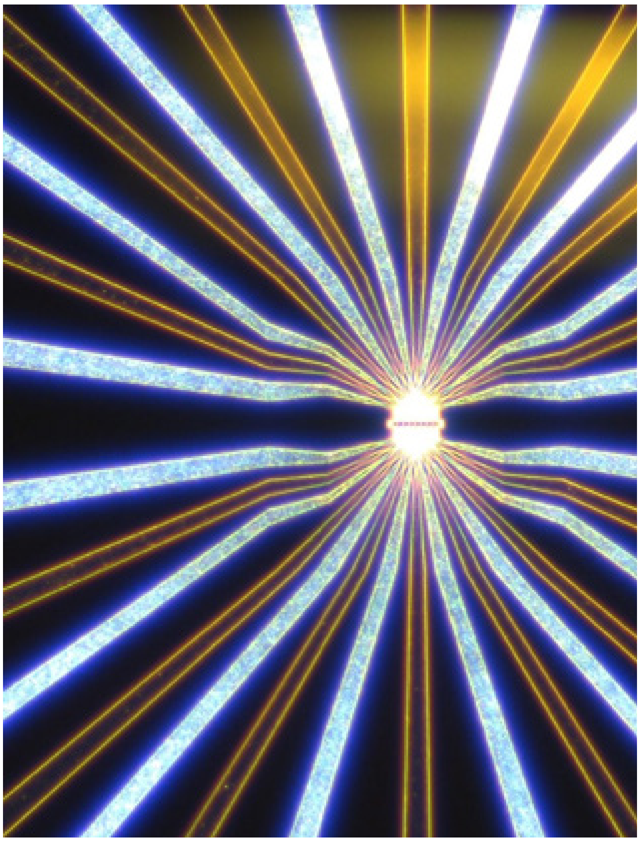
Movements in ordinary share capital

There is no movement in issued capital for the year.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.



b) Options on issue

All options on issue are unlisted options.
Details of the options outstanding as at the end of the year are set out below:

Issued to	Issued date	Grant date	Number of options granted	Exercise price	Expiry date	Balance as at 30 June 2026	Balance as at 30 June 2025
Directors, CEO and other employees	20/11/2024	20/11/2024	17,250,000	$0.53	30/06/2028	17,250,000	17,250,000
Total			17,250,000			17,250,000	17,250,000

All options are unlisted and are exercisable into fully paid ordinary shares in the company on a one for one basis.

Options granted during the year

No options granted during the year.

On 20 November 2024, 17,250,000 unlisted share options were issued to key management personnel and other employees following shareholder approval at the company's Annual General Meeting held on 20 November 2024. The Options with an exercise price of $0.53 and expiring 30 June 2028. The Options were granted at no cost to the recipient and vest as follows:

- 13,000,000 Options issued to Directors and the former Company Secretary vested on 1 January 2025; and
- 4,250,000 Options issued to other employees. 50% of these Options vested on 1 January 2026 and the remaining 50% vest on 1 January 2027.

Options exercised during the year

No options were exercised during the year.

Options lapsed or forfeited during the year

No options lapsed or forfeited during the year.

c) Performance rights on issue

A summary of the performance rights on issue during the period is as follows:

Issued to	Issued date	Grant Date	Number of performance rights granted	Exercise price	Expiry date	Balance at 30 June 2026	Balance at 30 June 2025
Directors and CEO	20/11/2025	20/11/2025	1,085,391	$0.000	30/06/2030	1,085,391	-
Other employees	08/09/2025	05/09/2025	1,474,962	$0.000	30/06/2030	1,029,569	-
Total			2,560,353			2,114,960	-

c) Performance rights on issue

Issued to	Issued date	Grant Date	Number of performance rights granted	Exercise price	Expiry date	Balance at 30 June 2026	Balance at 30 June 2025
Directors and CEO	20/11/2025	20/11/2025	1,085,391	$0.000	30/06/2030	1,085,391	-
Other employees	08/09/2025	05/09/2025	1,474,962	$0.000	30/06/2030	1,029,569	-
Total			2,560,353			2,114,960	-

Performance rights exercised during the year

No performance rights were exercised during the year.

Performance rights lapsed or forfeited during the year

445,393 performance rights with an expiration date of 30 June 2030 were forfeited in accordance with the terms of which they were issued.

d) Capital management

Management effectively manages the Group's capital and capital structure by assessing the Group's financial risks through regular monitoring of budgets and forecast cashflows. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business, including through the issue of shares. The Group's capital is shown as issued capital in the statement of financial position. The Group is not subject to any external capital restrictions.

Note 16. Loss per share

	2026 $	2025 $
Earnings per share for loss from continuing operations		
Loss after income tax	(6,361,253)	(6,972,006)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	254,847,013	254,847,013
Weighted average number of ordinary shares used in calculating diluted earnings per share	254,847,013	254,847,013

In accordance with AASB 133 "Earnings per Share" as potential ordinary shares may only result in a situation where their conversion results in a decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.

	Cents	Cents
Basic loss per share (cents)	(2.50)	(2.74)
Diluted loss per share (cents)	(2.50)	(2.74)

Note 17. Reserves

	2026 $	2025 $
Share-based payments reserve	2,292,945	1,889,842

Movements in reserves

Movements associated with Performance Rights and Options during the year:

	Share based payments reserve $
Balance at 1 July 2025	1,889,842
Granted - expense associated with performance rights during the year	150,965
Granted - expense associated with options vesting during the year	252,138
Balance at 30 June 2026	2,292,945

The share-based payments reserve records items recognised as an expense on the valuation of Options or Performance Rights.

Refer to note 18 for further details regarding the movement in Performance Rights issued during the reporting period.

Note 18. Share based payments

Unlisted options

During the year an amount of $252,138 was recorded to the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense' for the expense associated with options vesting during the year (30 June 2025: $1,889,842).

Options exercised during the year

No options were exercised during the year.

Options vested during the year

2,125,000 options granted to other employees vested on 1 January 2026 during the year.

Performance rights on issue

During the year an amount of $150,965 was recorded to the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense' for the expense associated with performance rights vesting during the year (30 June 2025: $Nil).

A summary of the performance rights on issue during the period is as follows:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted during the year	Exercised	Lapsed	Balance at the end of the year
05/09/2025	30/06/2030	$0.00	-	1,474,962	-	445,393	1,029,569
20/11/2025	30/06/2030	$0.00	-	1,085,391	-	-	1,085,391

The weighted average remaining contractual life of performance rights at 30 June 2026 is 4 years.

The fair value of the performance rights issued during the period was calculated by utilising a Monte Carlo Simulation methodology and was estimated on the date of the grant using the following:

Description	Considerations	Employee performance rights - Tranche 1	Employee performance rights - Tranche 2	KMP performance rights - Tranche 1	KMP performance rights - Tranche 2
Valuation date	Grant date	05/09/2025	05/09/2025	20/11/2025	20/11/2025
Spot price	Closing price on valuation date	$0.270	$0.270	$0.385	$0.385
Exercise price	As noted in Performance Rights terms	nil	nil	nil	nil
Life (years)	Expected life of Performance Rights	2.6	2.6	2.6	2.6
Volatility	Based on historical volatility of Archer shares	80.01%	80.01%	80.01%	80.01%
Dividend yield	Based on discussions with Archer management	0.0%	0.0%	0.0%	0.0%
Risk free rate	Yield on Commonwealth bonds matching assumed life of Performance Rights	3.46%	3.46%	3.8%	3.8%
TSR	TSR from the start of the measurement period to valuation date	14.89%	14.89%	64%	64%
Percentile	TSR ranking on valuation date	n/a	50%	n/a	80%
	Assessed value	$0.199	$0.245	$0.319	$0.365

Performance rights exercised during the year

No performance rights were exercised during the year.

Performance rights lapsed during the year

445,393 performance rights with an expiration date of 30 June 2030 were forfeited in accordance with the terms of which they were issued.

Note 19. Cash flow information

a) Reconciliation of cash flows from operations with loss after income tax

	2026 $	2025 $
Loss after income tax expense for the year	(6,361,253)	(6,972,006)
Adjustments for:		
Amortisation of intangibles	47,454	40,419
Depreciation and amortisation	53,693	133,445
Fair value movement on financial assets (note 10)	48,055	455,227
Share-based payments	403,103	1,889,842
Write off of property, plant and equipment	-	18,350
Net gain on disposal of property, plant and equipment	(2,365)	(8,636)
Other non cash adjustment	4,733	2,633
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(104,216)	215,889
Decrease in prepayments	306,664	285,276
Increase/(decrease) in trade and other payables	87,831	(210,253)
Increase/(decrease) in employee entitlements	263,137	(37,793)
	(5,253,164)	(4,187,607)

b) Non-cash financing and investing activities

There were no non-cash investing or financing activities undertaken during reporting period.

Note 20. Contingent assets, liabilities & commitments

Sugarloaf Land Option

In November 2018 Archer announced the sale of its Sugarloaf farmland for $1.35 million. The transaction settled on 1 July 2019 with Archer receiving the $1.35 million sale proceeds in July 2019. The purchaser of the farmland has granted Archer an option to buy back approximately 30% of the Sugarloaf farm land, which may be required for the construction of the Sugarloaf Graphite Processing Facility ("Land Option"). The Land Option may be exercised by Archer any time before 4 December 2028. The Land Option was not assigned to iTech Minerals Ltd.

ChemX Materials Limited –royalty

In June 2021 Archer announced the completion of the sale of tenements to ChemX Materials Limited. In addition to the consideration already received, Archer is also entitled to a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the tenements sold to ChemX.

ChemX Materials Limited (ASX: CMX) was suspended from official quotation on ASX on 16 December 2024 and remained in suspension at 30 June 2025. On 2 January 2025, ChemX Materials Limited (ASX: CMX) announced that it had appointed voluntary administrators, as disclosed in their ASX release dated the same day. On 18 July 2025 CMX announced the effectuation of a Deed of Company Arrangement, and remained in suspension at 30 June 2026. The future operations of CMX remain uncertain, impacting Archer's potential entitlement to a Net Smelter Return royalty.

Leigh Creek Project bonus payment

In August 2020, the Company sold the Leigh Creek Magnesite Project ("Project") to Magmetal Tech Pty and Witchimag Pty Ltd ("Witchimag"). Under the terms of the Project sale agreement, Archer is entitled to a bonus payment if Witchimag lists on a stock exchange after completion. The bonus payment is equal to 5% of the value of the consideration paid to the owners of Witchimag under the listing ("bonus payment").

In June 2022, Canadian Stock Exchange listed Crest Resources Inc (whose name changed to Mineral Road Discovery Inc in September 2024) ("Crest") announced that it had entered into a Letter of Intent to acquire 69.5% interest in Witchimag and, in May 2024, announced that it had negotiated to purchase 100% of the Leigh Creek Magnesite Project. The Company has received legal advice that it may be entitled to a bonus payment up to C$150,000. However, this position has been denied by the counterparts and the Company continues to consider its options.

The Group did not have any further contingent assets or liabilities as at 30 June 2026.

Note 21. Related party transactions

Parent entity

Archer Materials Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 11.

Transactions with related parties

Piper Alderman lawyers were paid a total of $14,757 (2025: $33,777) for legal services rendered to the Group.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 22. Financial instruments

a) Financial risk management policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables.

b) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. It is the policy of the group to keep surplus cash in high yielding deposits.

i) Treasury risk management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

ii) Financial risk exposure and management

The main risk the group is exposed to through its financial instruments is interest rate risk.

c) Sensitivity analysis

Interest rate and price risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2026, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2026 $	2025 $
Change in loss		
- Increase in interest rates by 2%	36,913	274,894
- Decrease in interest rates by 2%	(36,913)	(274,894)
Change in equity		
- Increase in interest rates by 2%	36,913	274,894
- Decrease in interest rates by 2%	(36,913)	(274,894)

d) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalent and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the balance sheet of the consolidated entity.

e) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

f) Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Trade payables are generally payable on 30-day terms.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
2026						
Non-derivatives						
Non-interest bearing						
Trade payables	-	557,449	-	-	-	557,449
Total non-derivatives		557,449		-	-	557,449
2025						
Non-derivatives						
Non-interest bearing						
Trade payables	-	408,323	-	-	-	408,323
Interest-bearing - variable						
Lease liability	4.10%	14,974	-	-	-	14,974
Total non-derivatives		423,297	-	-	-	423,297

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

g) Market risk

Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD).

Price risk

The Group is exposed to price risk associated with the investment in listed company shares.

Note 23. Archer Materials Limited parent company information

	30 June 2026 $	30 June 2025 $
Assets		
Current assets	11,066,869	16,595,007
Other financial assets	25,045	73,100
Investment in subsidiaries	1,256	1,299
Other non-current assets	773,252	800,772
Total Assets	11,866,422	17,470,178
Liabilities		
Current liabilities	1,125,312	714,145
Non-current liabilities	63,656	38,019
Total Liabilities	1,188,968	752,164
Equity		
Issued capital	47,799,119	47,799,119
Share based payments reserve	2,292,945	1,889,842
Retained losses	(39,414,610)	(32,970,945)
Total Equity	10,677,454	16,718,016
Financial performance	**2026**	**2025**
Loss for the year	(6,443,665)	(6,971,783)
Other comprehensive income	-	-
Total loss	(6,443,665)	(6,971,783)

Guarantees in relation to relation to the debts of subsidiaries

Archer Materials Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiaries Archer Energy & Resources Pty Ltd, Carbon Allotropes Pty Limited, Archer IOCG Pty Ltd and Archer Metals Pty Ltd.

Note 24. Events after the reporting period

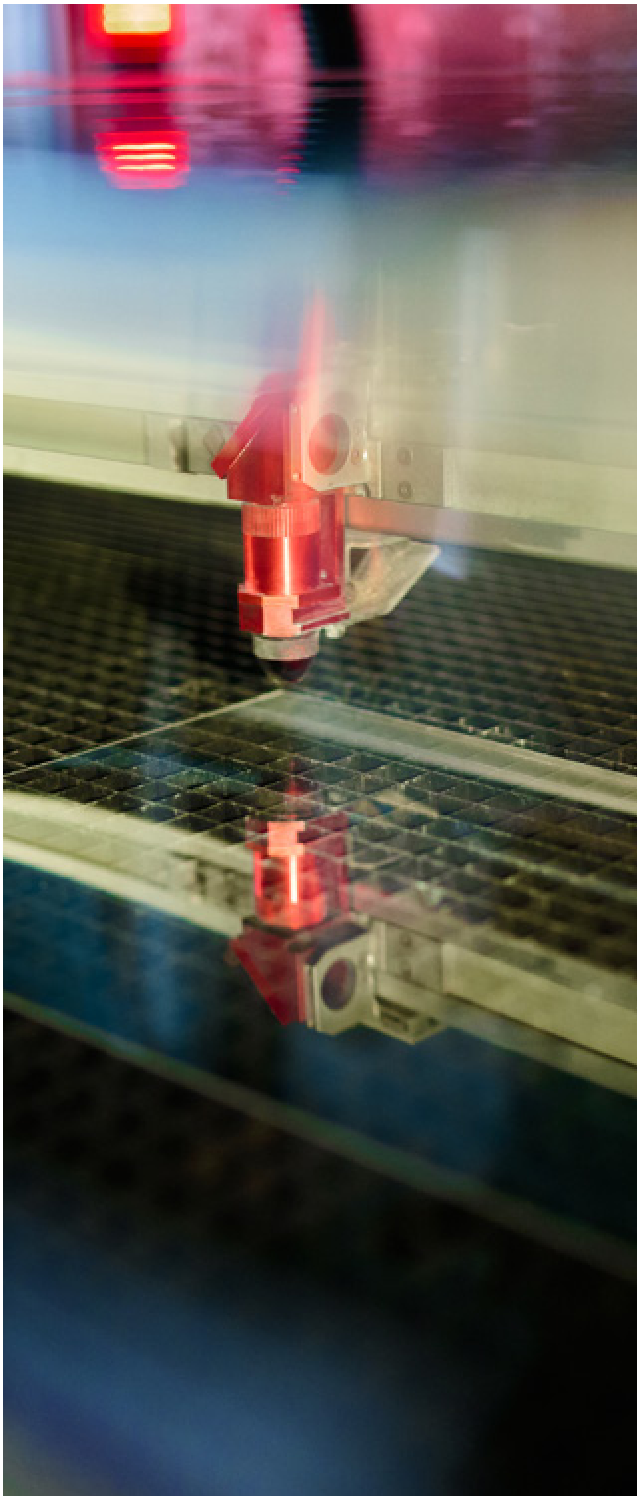
On 1 July 2026 the Group signed a strategic Quantum Compute Agreement with IonQ, Inc (NYSE:IONQ). Under the Agreement, the Group will gain access to the IonQ Quantum Cloud allowing the Group to advance its algorithms such as its Quantum Machine Learning (QML) fraud detection program and to work with partners and potential customers to develop additional quantum applications. An IonQ specialist engineering team will support the Group to advance its quantum computing applications, including algorithm selection, evaluation and planning for future quantum systems.

The Agreement has an initial term of three years and can be renewed by mutual agreement between the Group and IonQ. During the term, the Group will pay IonQ $250,000 USD on signing the Agreement and then $250,000 USD every six months thereafter (total of $1,500,000 USD).

On 3 July 2026 the Group announced a two-tranche placement and Share Purchase Plan. On 9 July 2026 the Group completed tranche 1 of the placement issuing 25,407,416 fully paid ordinary shares which raised approximately $6,860,000 before costs.

On 10 August 2026 the company issued 3,530,820 new fully paid ordinary shares at an issue price of $0.27 per share, raising $953,321 before costs. These shares were issued under the Share Purchase Plan announced on 3 July 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



Consolidated entity disclosure statement

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
Archer Materials Limited	Body corporate	Australia	-	Australian
Carbon Allotropes Pty Ltd	Body corporate	Australia	100.00%	Australian
Archer Energy and Resources Pty Ltd	Body corporate	Australia	100.00%	Australian
Archer Metals Pty Ltd	Body corporate	Australia	100.00%	Australian
Archer IOCG Pty Ltd	Body corporate	Australia	100.00%	Australian

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Greg English
Executive Chair
27 August 2026

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Independent Auditor's Report

To the Members of Archer Materials Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Archer Materials Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Research and development tax incentive and receivable – Notes 1 & 9	
The Group recognises an incentive, and associated receivable, in respect of the Australian Government's Research and Development (R&D) Tax Incentive program. Under the program, eligible entities may receive a refundable tax offset for qualifying R&D expenditure incurred during the year. The determination of the R&D tax incentive, and associated receivable, requires management to assess the eligibility of expenditure incurred considering whether the related activities satisfy the requirements of the relevant R&D tax legislation. This involves significant judgement and interpretation of the legislative criteria to the Group's development activities. This is a key audit matter due to the significance of the incentive recognised to both the financial position and performance of the Group and the degree of auditor judgement involved in assessing management's determination of the eligibility of R&D expenditure.	Our audit procedures included: • obtaining an understanding of management's process for identifying eligible R&D activities and estimating the R&D tax incentive receivable; • assessing the methodology applied by management in calculating the estimated R&D claim by evaluating the nature of costs included and excluded from the estimate, testing the mathematical accuracy of the calculation, comparing the methodology to prior periods, and considering whether the approach was consistent with management's historical claim experience and the requirements of the R&D Tax Incentive program; • comparing the prior year receivable balances to the actual cash receipt to assess the accuracy of management's previous estimate; • evaluating the competence, capabilities and objectivity of management's R&D tax specialist; • for a sample of expenditure included in the claim estimate, obtaining supporting documentation to test the amounts included in the claim and assess the eligibility against the requirements of the R&D Tax Incentive program; and • assessing the appropriateness of the related disclosures against Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 29 to 44 of the Directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Archer Materials Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

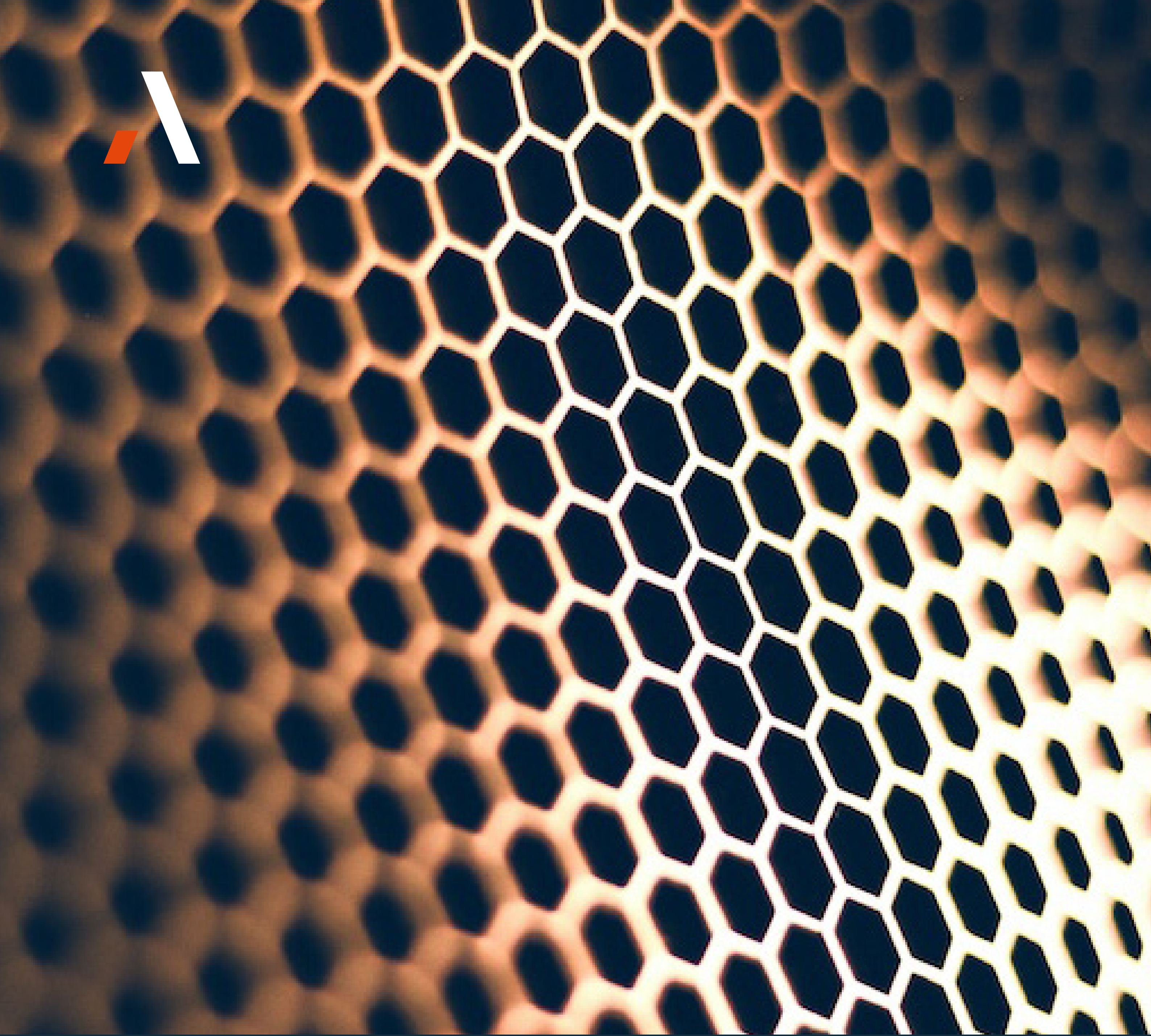
The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 27 August 2026



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Shareholder Information

Shareholder Information

The shareholder information set out below was applicable as at 13 August 2026.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Holding	Ordinary shares Number of holders	Options over ordinary shares Number of holders	Performance rights over ordinary shares Number of holders
1 to 1,000	1,936	-	-
1,001 to 5,000	3,822	-	-
5,001 to 10,000	1,558	-	-
10,001 to 100,000	2,572	-	8
100,001 and over	450	7	5
	10,338	7	13

Unmarketable parcels	Minimum parcel size	Holders	Ordinary shares
Minimum $500.00 parcel at $0.225 per share	2,223 shares	3,699	3,931,350

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
Holder	**Number held**	**% of total shares issued**
CITICORP NOMINEES PTY LIMITED	13,234,531	5.19
BNP PARIBAS NOMS PTY LTD	10,422,649	4.09
GDE EXPLORATION (SA) PTY LTD <DRAGON MINING INV A/C>	7,471,798	2.93
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	5,664,132	2.22
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,786,783	1.49
INVERTON PTY LTD <ALICE MCCLEARY SUPER A/C>	3,379,745	1.33
GDE EXPLORATION (SA) PTY LTD <A1 ENGLISH FAMILY A/C>	3,006,719	1.18
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,731,434	1.07
MR FORBES VALE SPRAWSON + MRS MARGARET MARY SPRAWSON	2,300,000	0.90
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,267,247	0.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,130,403	0.84
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,078,781	0.82
KOOYAP PTY LTD <YAP & FOO S/F A/C>	2,026,534	0.80
MR ALISTAIR CHARLES JACKSON	1,547,347	0.61
MRS DEBORAH ANNETTE ROSSITER	1,463,679	0.57
UBS NOMINEES PTY LTD	1,331,484	0.52
EDWIN HOLDING PTY LTD	1,316,970	0.52
WADE BOLLENHAGEN	1,218,300	0.48
MR CHUEN CHING LI	1,213,074	0.48
MR MARK WILLIAM DANIEL + MRS SUZANNE LOUISE DANIEL <M & S DANIEL SUPER FUND A/C>	1,199,634	0.47
Total	**69,791,244**	**27.40**

Unquoted equity securities		
Class	Number on issue	Number of holders
Options over ordinary shares issued	17,250,000	7
Performance rights over ordinary shares issued	2,114,960	13

Substantial holders

There are no substantial holders in the Company.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options

No voting rights.

Performance rights

No voting rights.

There are no other classes of equity securities.

Corporate Governance Statement for the year ended 30 June 2026

The Corporate Governance Statement for the Group has been released as a separate document and is located in the Corporate Governance section of the Company's website at:
https://www.archerx.com.au/corporate-governance

Corporate Directory

Directors
Gregory English - Executive Chair

Bernadette Harkin - Independent Non-Executive Director

Andrew Just - Independent Non-Executive Director

Chief Executive Officer
Dr Simon Ruffell

Company secretary
Jake van der Hoek

Registered office
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Adelaide SA 5000

+61 8 8272 3288

hello@archerx.com.au

Share registry
Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide, SA 5000

Auditor
Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street

Adelaide SA 5000

Stock exchange listing
Archer Materials Limited shares are listed on the Australian Securities Exchange (ASX code: AXE)

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Website	archerx.com.au
Newsletter	eepurl.com/dKosXI

ANNUAL REPORT FY26

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