PathKey

PATHKEY.AI LTD
ABN 71 063 144 865

ANNUAL REPORT

2026

30 JUNE 2026

PathKey Product Portfolio

Chipforge | TrialKey

Pathkey.AI Ltd
Corporate directory
30 June 2026

Directors	Shannon Robinson - Non-Executive Chair Damon Rasheed - Executive Director Paul Niardone - Non-Executive Director
Company secretary	Jonathan Hart
Registered office	Level 12, 347 Kent Street SYDNEY, NSW, AUSTRALIA, 2000
Principal place of business	Level 12, 347 Kent Street SYDNEY, NSW, AUSTRALIA, 2000
Share register	Xcend Pty Ltd Level 2, 477 Pitt Street Haymarket Sydney NSW 2000, Australia Telephone: + 61 2 8591 8509 Email: support@xcend.co Website: www.xcend.co
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000, Australia
Stock exchange listing	Pathkey.AI Ltd shares are listed on the Australian Securities Exchange (ASX code: PKY)
Website	www.pathkey.ai
Corporate Governance Statement	www.pathkey.ai/investors

Pathkey.AI Ltd
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30 June 2026

General information

The financial statements cover Pathkey.AI Ltd as a Group. The financial statements are presented in Australian dollars, which is Pathkey.AI Ltd's functional and presentation currency.

Pathkey.AI Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 12, 347 Kent Street
SYDNEY, NSW, AUSTRALIA, 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2026. The directors have the power to amend and reissue the financial statements.

Pathkey.AI Ltd
CEO and Chair Report
30 June 2026

Dear Stakeholders

We are pleased to present the annual report for Pathkey.AI Ltd (ASX: PKY, “PKY” or “the Company”) for the financial year ended 30 June 2026 (“FY26”).

PKY is an ASX listed AI enabled technology company. It applies advanced agentic AI, built on large language models and neuro-symbolic reasoning, to high-value industries where design and testing remain slow, costly and dependent on scarce expertise. The group operates two independent business units: Chipforge, in semiconductor design, and TrialKey, in clinical trial forecasting.

This financial year was a period of growth and consolidation for the PKY group. The Company raised $4,657,016 during the period executing a staged funding strategy via sophisticated investor placements, rights issue and exercise of existing options. This enabled the Company to focus on identifying new technology opportunities to compliment its existing business. This strategy was supplemented by a further strategic placement of $2.8 million following year end.

These are two different industries, and the two platforms are built and run separately. What they share is a method. A chip that has to be built twice and a clinical trial that fails are both enormously expensive, and in both cases almost all of the money is committed before anyone knows whether the finished product or drug will work. Both platforms attack the same problem and use AI over a large body of evidence to understand the outcome before the capital is spent.

Chipforge

Designing a custom chip is slow and expensive, and the process and approach used to do it were established decades ago. Chipforge is building something different.

There is a bigger opportunity here than cost saving. Because custom design is slow and expensive, most of the designs that could be created are never built. The idea is shelved, or forced onto general-purpose hardware that does not address the problem as well as a custom design would resolve it. If the time, expertise and effort required and the cost to design a chip are reduced enough the market for chip design does not simply get less expensive; it gets larger, because designs that were never viable become viable.

An engineer describes what they want in natural language using words, images, specifications or documents. The Chipforge AI enabled platform transforms these inputs into hardware design code. It then verifies the design to ensure that it is buildable, simulates how it will perform after it has been implemented on an FPGA. An FPGA (Field-Programmable Gate Array) is a chip that can be reconfigured multiple times after it has been manufactured — unlike most chips, which are hardwired to do one specific job forever.

During FY26 we produced working designs on the Chipforge platform for FPGA hardware. This achievement is a key milestone in the Chipforge development and commercialisation strategy. After our engineers provided natural language prompts to Chipforge, the platform created designs that were capable of being programmed on an FPGA. In FY27 we will deploy Chipforge into customer environments so that they can create custom FPGA designs to solve their real world problems.

Because the design flow runs in one environment, it can be utilised where a customer needs it: via a product that operates in the Chipforge cloud or within their own private cloud environment.

This year our engineers provided demonstrations, technical evaluation and early engagement with research organisations and prospective customers. In addition, we commenced implementation of our sales strategy to engage with early adopter commercial customers.

TrialKey

The TrialKey platform forecasts the probability that a clinical trial will succeed before it is run, drawing on decades of curated trial data, and uses that same evidence base to help sponsors structure trials that stand a better chance. A trial is one of the most expensive experiments any organisation can run, and almost all of the cost is committed before the result is known. Improving that decision is worth a great deal to a sponsor, and it is a decision that has never had good tools to manage the process upon which it is based.

During the financial year, the Company continued developing and commercialising the TrialKey platform in the clinical trial sector, including the appointment of a business development manager and attendance at the 2026 BIO International Convention in San Diego and other local conferences.

TrialKey also progressed its scenario-optimisation engine and tools for monitoring public trial data. In FY27, the Company plans to increase marketing and business development activity while continuing to enhance the platform to support broader customer adoption and revenue growth.

The year ahead

Our priorities for FY27 are to convert Chipforge platform demonstrations into paid engagements, to develop our secure infrastructure capability and to increase our engineering capability.

In addition, the Company continues to develop and commercialise the TrialKey platform in accordance with its technology roadmap. This includes developing automated document creation, which will draft protocol synopsis documentation directly from the trial design the platform's AI has identified as the best-performing variant, reducing the manual effort of moving from an optimised design to trial-ready documentation. As well as also building AI capability to anticipate operational problems before a trial begins, assessing a protocol at the point of design rather than judging only whether the trial will ultimately succeed. The Company continues to build its commercial pipeline, growing sales opportunities through industry conference attendance and targeted digital marketing to support broader adoption of the TrialKey platform.

The team we have assembled across Australia, Singapore and India is the reason I am confident about the year ahead. A flow like this needs hardware engineers and chip designers, AI researchers and software engineers working as one group, and that combination is genuinely difficult to put together. We are well on our way to having it.

We start FY27 with something we did not have a year ago. The TrialKey and Chipforge platforms have been built and are nearly ready for commercialisation. There is a great deal of work in front of us, we are encouraged by the prospects ahead and look forward to embracing the commercialisation journey.

The Board thanks its shareholders for their ongoing support.

Andrew Farnsworth	Shannon Robinson
Chief Executive Officer	Chairman

Directors
The following persons were directors of Pathkey.AI Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Shannon Robinson - Non-Executive Chair (appointed 28 November 2025)
Damon Rasheed - Executive Director
Paul Niardone - Non-Executive Director (appointed 21 October 2025)
Antanas Guoga - Non-Executive Director (resigned 28 November 2025)
Saurabh Jain - Chair and Executive Director (resigned 21 October 2025)

Principal activities
Pathkey.AI Ltd (ASX: PKY) is an Australian technology company applying advanced agentic AI, built on large language models and neuro-symbolic reasoning, to high-value industries where design and testing remain slow, costly and dependent on scarce expertise. PKY operates two business units: Chipforge, in semiconductor design, and TrialKey, in clinical trial forecasting. Each platform uses AI agents to generate candidate solutions, evaluate them against defined objectives and iteratively refine them through a structured reflection loop using reinforcement driven optimisation. The two platforms are developed and operated separately and do not share a common codebase.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
PKY is an ASX listed technology company that develops and applies artificial intelligence for smart software tools and design platforms. PKY uses agentic AI to bring forward the point at which an expensive outcome becomes knowable. Through its subsidiaries, PKY develops AI-native semiconductor design technology at Chipforge and AI driven clinical trial design and simulation at TrialKey. PKY uses artificial intelligence to target efficiencies and expansion opportunities across high-value industries that have been slow to modernise. Both units address industries with large global spend, long established workflows and a high cost of getting a decision wrong.

The loss for the Group after providing for income tax amounted to $3,652,677 (30 June 2025: $1,447,743).

<u>Chipforge – AI-native semiconductor design and verification platform</u>

A custom chip can be delivered in two ways.

An ASIC (application specific integrated circuit) is silicon built for a single purpose, such as the modem in a mobile phone, the switching chip in network equipment, or a dedicated AI accelerator in a data centre. It is the most efficient and lowest unit cost option at high volume, but the design is fixed at manufacture, development programs run for years, and they require scarce specialist engineers.

An FPGA (field programmable gate array) is a chip whose internal logic is configured after manufacture. The same physical device can be configured as a processor (the function of a CPU), a parallel compute engine (the function of a GPU), a signal processing unit (the function of a DSP), or a purpose built accelerator for a specific task such as machine vision, motor control or network packet processing. It can be reconfigured as requirements change. This removes the manufacturing step from the design cycle, at a higher unit cost than an ASIC at volume.

Both are designed using the same hardware description languages, principally Verilog and VHDL, and the same verification discipline, and both depend on engineering skills that are in short supply. That constraint is what Chipforge addresses. The platform targets FPGA design first, where a completed design can be proven in physical hardware without committing to a manufacturing run, with the same design flow extending to ASIC development.

Chipforge is developing an AI-native platform that translates high-level design intent into verified, synthesisable hardware code. AI-native means the design flow is built using AI models rather than adding AI features to a conventional toolchain. The platform targets a material reduction in the time and cost of custom chip development.

Once fully developed the Chipforge platform will enable automation of custom semiconductor design from end to end within a single workflow. Its AI agents and custom models take high-level design intent (expressed as text, images, speech or documents) and translate it into hardware design code, run the design through full verification and simulation, and carry it through synthesis and implementation into an FPGA.

The opportunity for the Chipforge platform is to expand the custom silicon market rather than just reduce the cost of existing design budgets. Custom silicon delivers performance and power advantages that general-purpose hardware cannot match, and the principal constraints on its adoption are the cost, duration and scarce specialist expertise that a custom design program requires. A platform that reduces those constraints addresses both existing design programs and designs that are not currently commercially viable.

As the entire flow runs in one environment, Chipforge can be deployed wherever a customer needs to work. The initial implementation of Chipforge will be in a dedicated Chipforge environment on the public cloud. In 2027 the Company plans to release an updated Chipforge environment that will operate in the customer's private cloud environment. In future years Chipforge intends to deploy the capability for customers to operate in a fully air-gapped environment on the customer's own premises. When the platform is deployed in a customer private cloud, or an air-gapped configuration, customer design data and design IP remain within an ecosystem the customer controls. This deployment flexibility is intended to support customers with sovereign or security requirements.

Activity during the year focused on early industry and customer engagement, including platform demonstrations and progressing discussions with research and development organisations. Chipforge did not generate revenue in FY26. Chipforge has engaged a global sales consultant to lead commercial engagement initiatives.

Chipforge will prioritise converting platform demonstrations into paid engagements; securing the business unit's first revenue-generating contracts; and growing engineering headcount across Australia, Singapore and India in FY27.

<u>TrialKey – large language model AI platform used for clinical trial forecasting and simulation</u>

The TrialKey platform forecasts the probability that a clinical trial will succeed before it is run. Drawing on decades of curated trial data, the platform predicts and simulates studies at scale and uses that evidence base to help sponsors structure trials, including through generative protocol design. The Company continues to develop and commercialise the TrialKey platform.

<u>Material business risks</u>

As part of its operations and the implementing of its strategy the Company is potentially exposed to a number of risks. These risks may affect the future strategy, operating and financial performance of PKY and the value of PKY shares.

Key personnel

PKY relies on a number of key personnel to conduct the business including certain personnel who are named as Key Management Personnel in the Remuneration Report. If such key personnel were to leave the business or for other reasons could not perform their duties, and there was an inability to recruit suitable replacements, this could result in an inability to continue to promote or operate the business plan.

Going Concern

The ability of the Company to continue to meet its cash requirements to maintain its operations and meet its financial obligations as they fall due depends on continuing to grow the business, increasing revenue, controlling costs and raising additional funds. Failure to generate sufficient revenue or raise additional funds may result in the Company not being able to meet its financial obligations as they fall due.

Competition

There is a risk that incumbents or new entrants to the market duplicate the technology and business model of PKY's business units. The industries in which PKY operates are competitive and include companies with significantly greater financial, technical, human, research and development and marketing resources than currently available to PKY. Consequently, PKY's current and future technologies and products may become obsolete or uncompetitive resulting in adverse effects on revenue, margins and profitability.

Economic, Financial and Capital Markets Risks

Market, financial or economic conditions may be affected by a range of factors including general economic outlook, investor sentiment and consumer confidence, changes to legislation including tax reform, monetary factors (including interest rate risk, inflation, foreign exchange risk, credit risk and supply or demand of capital), liquidity risk or other general factors such as terrorism or pandemics.

There is always increased risk due to changes in market, business or economic conditions which may result in: the Company's business being impacted either directly or indirectly; the value of investment being affected; the Company's exposure to share market volatility increasing; and as the business is still in growth mode, access to additional funding remains a risk.

Data Management and Security

There is a risk that the collection, usage and management of customer data is not consistent with the regulatory obligations or that it does not meet the expectations of customers.

With growth in volume of orders and traffic to the Company's websites, cyber infiltration or attack is a risk. Data security is critical to the Company. The Company relies on the availability of its platform, and the website of various third-party providers and integrations with other platforms to provide services to users, its corporate clients and to attract new business.

Hackers could render the websites unavailable through distributed denial of service or other disruptive attacks including accessing of confidential data. Although the Company has a range of strategies in place to minimise the threat of any of these attacks, as cyber-attacks are becoming more sophisticated and are increasing in frequency, these strategies may not be successful. This could result in the functionality of the Company's websites being compromised or confidential data being accessed.

The Company heavily relies on the automation of many of its processes, but some elements do rely on human interaction. There is always the risk of human error in the handling of such data.

Reliance on Third-Party Suppliers or Contractors

Where the Company uses third party suppliers of information, there is a risk they may not continue to allow the Company to access the information. While all care is taken to contract with third parties that have appropriate expertise and experience, there are no guarantees that those third parties will perform as expected or required. Denial of information access, non or poor performance by third-party suppliers or contractors may have a material adverse effect on the Company.

Reliance on Third-Party Infrastructure

Reliance upon systems supplied by third-party providers is an integral feature of providing software and systems as a service. The Company is ncreasing its integration with other platforms and places reliance on the proper operation and maintenance of those facilities outside of its direct control in order to deliver its product to market. Non-performance of, or the lack of availability of, third party infrastructure may have a material adverse effect on the Company.

Management of Growth

Management of growth is critical to the business. The Company has experienced periods of variable growth, and this fluctuating growth rate has placed pressure on resourcing. Building scalability (in infrastructure, systems and processes) and people capability are vital; the Company continues to implement initiatives in a timely manner to manage growth.

Technology and Intellectual Property Risks

Ability to compete may be compromised if the Company's proprietary rights are not adequately protected. There are risks associated with disruption to technology platform and systems, as these could affect the Company's reputation and financial performance.

Acquisition and integration risk

The Company completed the acquisition of Chipforge Pte Ltd late in FY26. Integration of the acquired business, including its people, systems and development pipeline, across Australia, Singapore and India may take longer or cost more than expected. Anticipated benefits of the acquisition may not be realised. The Company may also identify liabilities or issues in the acquired business that were not apparent during due diligence.

Export controls and defence-related regulation

The Chipforge platform relates to semiconductor design, and the Company offers deployment options suited to customers with sovereign and security requirements. Semiconductor design technology and related software can be subject to export control and technology transfer regulation, including the Australian Defence Trade Controls Act 2012, the Singapore Strategic Goods (Control) Act, and controls applying to technology of United States origin. Compliance obligations may restrict the customers the Company can supply, the jurisdictions in which it can operate, and the personnel who can access particular technology. Changes to these controls, or a finding of non-compliance, could delay or prevent customer engagements and could result in penalties.

Dependence on third-party design toolchains and hardware vendors

The Chipforge platform interoperates with third-party electronic design automation tools, FPGA hardware and vendor toolchains. The Company does not control the licensing terms, pricing, technical roadmaps or continued availability of these third-party products.

Cross-border operations

The Company operates through subsidiaries and personnel in Australia, Singapore and India. This exposes the Company to risks including changes in tax law and transfer pricing treatment across jurisdictions, foreign exchange movements, differing employment and immigration regimes, and the operational cost of maintaining compliance in multiple jurisdictions.

Market Expansion & Profile

FY26 broadened the Company's markets and its operating footprint. PKY entered the semiconductor design market alongside its existing position in clinical trial forecasting, giving the Company exposure to two large global markets rather than one. Operations now span Australia, Singapore and India.

During the year the Company raised its profile with the semiconductor and research community through platform demonstrations and direct engagement with research and development organisations, and engaged a global sales consultant to lead commercial engagement. PKY intends to build on that profile in FY27 through continued industry and investor engagement and through the development of its secure infrastructure capability.

Significant changes in the state of affairs
There were no significant changes to the Group's state of affairs during the financial year, other than those disclosed in the review of operations.

Matters subsequent to the end of the financial year
On 10 July 2026, the company issued a total of 38,654,492 fully paid ordinary shares on the conversion of options raising $966,500 before costs.

On 12 August 2026, the company announced that it had appointed Sam Weiss as a strategic advisor to the CEO and Chipforge team. As part of his remuneration, he is entitled to 40,000,000 performance rights which have yet to be issued.

On 20 August 2026, the company issued 100,000,000 fully paid ordinary shares valued at 2.8 cents per share, raising $2,800,000 before costs. On the same date, the company also issued 10,000,000 options over ordinary shares with an exercise price of 5 cents and expiring 17 December 2027, as part of the broker's remuneration for the capital raise.

On 20 August 2026, the company also issued 21,800,000 options over ordinary shares as consideration for corporate advisory services.

On 20 August 2026, the company issued 2,000,000 fully paid ordinary shares on the successful recruitment of a corporate advisor.

On 20 August 2026, the company issued a total of 5,452,380 fully paid ordinary shares on the conversion of options raising $73,571 before costs.

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

Likely developments and expected results of operations
Likely developments in the operations of Pathkey Ltd and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to Pathkey Ltd.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Shannon Robinson
Title:	Non-Executive Chair (appointed 28 November 2025)
Experience and expertise:	Shannon is an experienced company director and former corporate lawyer with 20 years corporate experience. She is a graduate of member of the Australian Institute of Company Directors and a fellow of the Governance Institute of Australia,
Other current directorships:	Yojee Ltd (ASX: YOJ), Fortifai Ltd (ASX: FTI) and FBR Limited (ASX: FBR)
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	4,000,000 options over ordinary shares
Interests in rights:	8,000,000 performance rights

Name:	Damon Rasheed
Title:	Executive Director
Experience and expertise:	Damon has more than 20 years' experience in the tech sector, including founding several successful start-ups. He is the founder of Rate Detective Group, one of Australia's largest financial comparison websites. He is also the co-founder of Advantage Data, a leading machine learning and AI consultancy business. His most recent venture is Aurum Data which has built a propriety AI model to value data and discover commercialisation strategies for data sets. He has sat on the boards of several private technology companies both in Australia and overseas. Damon's former roles include CEO of iBus Media Limited, one of the world's largest online media companies and as an economist assessing mergers at the Australian Competition and Consumer Commission (ACCC). Damon holds a Masters Degree in Commerce (Hons) and a Degree in Economics (Hons) majoring in statistics.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	16,769,695 ordinary shares
Interests in options:	5,400,000 options over ordinary shares.
Interests in rights:	Nil

Name:	Paul Niardone
Title:	Non-Executive Director (appointed 21 October 2025)
Experience and expertise:	Paul is a Perth based business executive and company director. He the founder and current Executive Director of the ASX listed real estate group the Agency. Previously he was founder and Managing Director of the largest Public and Investor Relations firm in WA and third largest in Australia. His career has been defined by his ability to identify structural inefficiencies and implement new business models. During his career he has established a large network of contacts in both business and government.
Other current directorships:	The Agency Group Australia Limited (ASX: AU1), Australian Critical Minerals Limited (ACM) and Metallium Limited (MTM)
Former directorships (last 3 years):	Nil
Interests in shares:	2,000,000 ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	Nil

Name:	Antanas Guoga
Title:	Non-Executive Director (resigned 28 November 2025)_
Experience and expertise:	Antanas Guoga is a renowned investor, technology entrepreneur, philanthropist and former member of the European Parliament for Lithuania (2014-2019). Antanas has extensive technology sector experience across start-ups, business development, management, and venture capital and is a strong advocate for innovation and entrepreneurship. He is currently Chairman of Canadian-listed Cypherpunk Holdings Inc. (CSE: HODL, OTC: CYFRF) and a former Non-Executive Director of Echo IQ Limited (ASX: EIQ). During Antanas's time in the European Parliament, he was an instrumental member of the European People's Party Group and worked on a range of digital policies in the Internal Market and Consumer Protection Committee.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A

Name:	Saurabh Jain
Title:	Executive Chair (resigned 21 October 2025)
Experience and expertise:	In 1997, Saurabh founded Netpro Express, an internet service provider that was later acquired by Telstra. Since then, Saurabh has held various senior executive roles at Ventia, Cushman Wakefield and was previously CEO and Executive Director of Urbanise. Most recently, Saurabh joined the Spacetalk board where he stepped into the role of acting CEO before transitioning to the current leadership, at which point he stepped back into his prior role as Non-Executive Director. Saurabh brings over 25 years of experience across both ASX boards and private companies, leveraging his entrepreneurial and commercial acumen, a history of deep technical expertise and oversight over transformative organisational change. His experience will be critical in accelerating the commercialisation of TrialKey, and driving equity value uplift across the business. Saurabh holds a Bachelor of Engineering (Software Engineering), an Executive Master of Business Administration and a Master of Business Technology from the Australian Graduate School of Management, UNSW.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A
Interests in performance rights:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Jonathan Hart

Mr Hart has over 22 years of corporate advisory experience across cross-border scale-ups, debt and equity financing, and governance. He is the founder and director of Hartness Consulting Pty Ltd and is also currently a director and company secretary of a number of listed and private companies.

Meetings of directors

	Full Board	
	Attended	Held
Shannon Robinson	6	6
Paul Niardone	6	6
Saurabh Jain	1	1
Damon Rasheed	7	7
Antanas Guoga	-	1

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

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency
- Capital management

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time receive advice from independent remuneration consultants to ensure non-executive director's fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive director's remuneration be determined periodically by a general meeting. The most recent determinations was at the Annual General Meeting held on 27 November 2015, where the shareholders approved a maximum annual aggregate remuneration of $300,000.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:
● base pay and non-monetary benefits
● share-based payments
● other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group, and comparable market remunerations.

The long-term incentives (‘LTI’) include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders’ value relative to the entire market and the increase compared to the Group’s direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

Use of remuneration consultants
During the year ended 30 June 2026, the company did not use remuneration consultants.

Voting and comments made at the company's 28 November 2025 Annual General Meeting ('AGM')
At the 28 November 2025 AGM, 99.97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Group performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. Shared based payments including options and performance rights mean that remuneration is linked to individual and Group performance. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the company consisted of the following directors and other personnel of the company:
● Shannon Robinson - Non-Executive Chair (appointed 28 November 2025)
● Damon Rasheed - Executive Director
● Paul Niardone - Non-Executive Director (appointed 21 October 2025)
● Antanas Guoga - Non-Executive Director (resigned 28 November 2025)
● Saurabh Jain - Chair and Executive Director (resigned 21 October 2025)
● Andrew Farnsworth - Chief Executive Officer (appointed 11 May 2026)

30 June 2026	Short-term benefits Cash salary and fees $	Short-term benefits Salary and settled in equity $	Post-employment benefits Super-annuation $	Short-term benefits non-monetary and Annual leave $	Long-term benefits and Long service leave $	Share-based payments Equity -settled option[6] $	Total $
Non-executive directors:							
Shannon Robinson	36,150	-	4,338	-	-	66,303	106,791
Paul Niardone	33,161	-	3,979	-	-	21,762	58,902
Antanas Guoga	18,750	-	-	-	-	-	18,750
Executive Directors:							
Damon Rasheed *	130,000	50,000	-	-	-	-	180,000
Saurabh Jain	80,000	-	-	-	-	166,667	246,667
Other							
Andrew Farnswroth	38,571	-	4,629	3,310	-	88,113	134,623
	336,632	50,000	12,946	3,310	-	342,845	745,733

* During the year Damon Rasheed received 2,500,000 shares settling fees totalling $50,000.

2025	Short-term benefits Cash salary and fees $	Short-term benefits Salary and settled in equity $	Post-employment benefits Super-annuation $	Short-term benefits non-monetary and Annual leave $	Long-term benefits and Long service leave $	Share-based payments Equity -settled option[6] $	Total $
Non-executive directors:							
Mark Simari	7,417	-	-	-	-	3,190	10,607
Antanas Guoga ***	45,000	-	-	-	-	4,301	49,301
Executive Directors:							
Damon Rasheed *	46,667	135,000	192	-	-	5,683	187,542
Saurabh Jain **	60,000	180,000	-	-	-	-	240,000
	159,084	315,000	192	-	-	13,174	487,450

* During the year Damon Rasheed received 4,500,000 shares and 2,250,000 options settling fees totalling $90,000 covering the period from 1 July 2024 to 31 December 2024. On 20 August 2025, received a further 4,500,000 shares and 2,250,000 options settling fees totalling $90,000 covering the period from 1 April 2025 to 30 September 2025.

** During the year Saurabh Jain received 6,000,000 shares and 3,000,000 options settling fees totalling $120,000 covering the period from 1 July 2024 to 31 December 2024. On 20 August 2025, received a further 6,000,000 shares and 3,000,000 options settling fees totalling $120,000 covering the period from 1 April 2025 to 30 September 2025.

*** During the year Antanas Guoga received 1,125,000 shares and 562,500 options settling fees totalling $22,500 covering the period from 1 July 2024 to 31 December 2024

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 30 June 2026	Fixed remuneration 30 June 2025	At risk - LTI 30 June 2026	At risk - LTI 30 June 2025
Non-Executive Directors:				
Shannon Robinson	38%	-	62%	-
Paul Niardone	63%	-	37%	-
Mark Simari	-	69%	-	31%
Antanas Guoga	100%	91%	-	9%
Executive Directors:				
Damon Rasheed	100%	97%	-	3%
Saurabh Jain	32%	100%	68%	-
Other Key Management Personnel: Andrew Farnsworth	35%	-	65%	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Shannon Robinson
Title:	Non Executive Chair
Agreement commenced:	28 November 2025
Term of agreement:	a) Remuneration: Fixed monthly salary $60,000 plus superannuation until 23 June 2026. After this date the annual rate was increased to $120,000 plus superannuation; b) Short-term incentives: No short-term incentives applicable.

Name:	Damon Rashed
Title:	Executive Director
Agreement commenced:	1 July 2024
Term of agreement:	(a) Remuneration: Fixed annual salary $180,000. (b) Short-term incentives: No short-term incentives applicable.

Name:	Paul Niardone
Title:	Non Executive Director
Agreement commenced:	21 October 2025
Term of agreement:	(a) Remuneration: Fixed monthly salary $48,000 plus superannuation (b) Short-term incentives: No short-term incentives applicable.

Name:	Andrew Farnsworth
Title:	Chief Executive Officer
Agreement commenced:	11 May 2026
Term of agreement:	(a) Remuneration: Fixed monthly salary $270,000 plus superannuation (b) Short-term incentives: Entitled to a cash payment of $67,500 if revenue for the 2027 financial year exceeds $200,000 and a further payment of $67,500 if revenue for the 2027 financial year exceeds $500,000.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

As at 30 June 2026, no other key management personnel have any service agreement with the Group.

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Date	Shares	Issue price
Damon Rasheed	3 December 2025	2,500,000	$0.020

The above shares were issued in lieu of fees.

Options
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:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Shannon Robinson *	4,000,000	9 February 2026	9 February 2026	20 August 2029	$0.030	$0.013
Paul Niardone **	2,000,000	3 December 2025	3 December 2025	20 August 2029	$0.050	$0.012

* A share-based payment expense of $50,979 has been recognised in the current year.
** A share-based payment expense of $21,762 has been recognised in the current year.

Options granted carry no dividend or voting rights.

Performance rights
There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Number of rights granted during the year 2026	Number of rights vested during the year 2026
Shannon Robinson	8,000,000	-
Andrew Farnsworth	46,000,000	-
Saurabh Jain	10,000,000	6,666,667

Details of performance rights over ordinary shares granted to key management personnel are below:

- On 20 August 2025, the company issued 3,333,333 rights to Saurabh Jain which vested if the Company achieved at least $100,000 of Trialkey sales. The rights lapsed when he resigned before the vesting condition had been met. and expense was recognised.
- On 20 August 2025, the company issued 6,666,667 rights to Saurabh Jain which vested upon the company successfully attracting and recruiting a Chief Executive Office or Chief Revenue Officer. The performance rights were subject to shareholder approval at an EGM on 25 July 2025, and the rights were valued at the share price on that date, as the performance rights had a nil exercise price An expense of $166,667 was recognised in relation to these performance rights. These rights vested during the year and were converted to fully paid ordinary shares on 1 September 2025, refer to note 12;
- On 23 June 2026, the company issued 2,000,000 performance rights to Shannon Robinson. These vest if the company's shares trade at 15 day VWAP equal to or greater than $0.06. An expense of $1,386 has been recognised in relation to these rights. These rights were valued using a Monte-Carlo model.;
- On 23 June 2026, the company issued 2,000,000 performance rights to Shannon Robinson. . These vest on the last day of four consecutive 3 month period of consecutive periods of continuous service. An expense of $8,492 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 2,000,000 performance rights to Shannon Robinson. These vest if a minimum viable product is delivered within 9 months of date of issue. An expense of $3,066 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 2,000,000 performance rights to Shannon Robinson. These vest upon execution of binding strategic partnership that embeds Trialkey within the partner's operational workflow for ongoing commercial use. An expense of $2,301 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 11,500,000 performance rights to key Andrew Farnsworth. These vest if the company's shares trade at 15 day VWAP equal to or greater than $0.06. An expense of $7,969 has been recognised in relation to these rights. These rights were valued using a Monte-Carlo model.;
- On 23 June 2026, the company issued 11,500,000 performance rights to Andrew Farnsworh. These vest on the last day of four consecutive 3 month period of consecutive periods of continuous service. An expense of $48,830 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 11,500,000 performance rights to Andrew Farnsworth. These vest if a minimum viable product is delivered within 9 months of date of issue. An expense of $17,628 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 11,500,000 performance rights to Andrew Farnsworth. These vest upon execution of binding strategic partnership that embeds Trialkey within the partner's operational workflow for ongoing commercial use. An expense of $13,233 has been recognised in relation to these rights;

Additional information
The earnings of the Group for the five years to 30 June 2026 are summarised below:

	2026 $	2025 $	2024 $	2023 $	2022 $
Sales revenue	47,632	27,783	397,637	617,907	902,413
Loss after income tax	(3,652,677)	(1,447,743)	(3,130,374)	(1,726,335)	(2,085,550)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end ($)	0.068	0.029	0.025	0.022	0.047
Basic earnings per share (cents per share)	(0.839)	(0.769)	(1.834)	(2.156)	(3.835)
Diluted earnings per share (cents per share)	(0.839)	(0.769)	(1.834)	(2.156)	(3.835)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received in in lieu of fees/ conversion of rights	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Shannon Robinson	-	-	-	-	-
Paul Niardone	-	-	2,000,000	-	2,000,000
Damon Rasheed	7,486,362	7,000,000	2,083,333	-	16,569,695
Antanas Guoga *	23,749,949	-	-	(23,749,949)	-
Saurabh Jain *	6,833,333	6,666,667	-	(13,500,000)	-
	38,069,644	13,666,667	4,083,333	(37,249,949)	18,569,695

* Held at time of resignation.

The additions of ordinary shares to key management personnel arose from the conversion of bridging loan, share-based payments and the purchase of on-market shares at market value.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Received in lieu of fees	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Damon Rasheed	3,450,009	-	-	-	3,450,009
Antanas Guoga *	6,133,333	-	-	(6,133,333)	-
Saurabh Jain *	3,000,000	-	-	(3,000,000)	-
Shannon Robinson	-	4,000,000	-	-	4,000,000
Paul Niardone	-	2,000,000	-	-	2,000,000
	12,583,342	6,000,000	-	(9,133,333)	9,450,009

* Held at time of resignation.

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Converted to to shares	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Saurabh Jain *	-	10,000,000	(6,666,667)	(3,333,333)	-
Shannon Robinson	-	8,000,000	-	-	8,000,000
Andrew Farnsworth	-	46,000,000	-	-	46,000,000
	-	64,000,000	(6,666,667)	(3,333,333)	54,000,000

* Held at time of resignation.

Other transactions with key management personnel and their related parties

During the financial year ended 30 June 2026, RDI Consulting Pty Ltd have been engaged to develop software for a machine learning/artificial intelligence algorithm that can predict the likelihood of clinical trial passing its primary objective. A total of $108,252 (2025: $133,147) has been incurred.

As Damon Rasheed is a shareholder of RDI Consulting Pty Ltd, as such RDI Consulting Pty Ltd is considered a related party.

Prior to his appointment as CEO, Andrew Farnsworth was engaged as a consultant. During this period, costs totalling $73,656 were incurred.

This concludes the remuneration report, which has been audited.

Performance rights over ordinary shares
At the date of signing this report, the company had a total of 204,000,000 million performance rights on issue.

Shares under option
Unissued ordinary shares of Pathkey.AI Ltd under option at the date of this report are as follows:

Shares under option

Details	Number under option
UNL OPTIONS EXP 10YRS GRANT DAY @ $1.20	42,480
UNL OPTIONS EXP 06/02/27@ $0.80	6,000
UNL OPTIONS EXP 20/03/27@ $2.50	14,916
UNL OPTIONS EXP 01/04/27@ $0.60	52,500
UNL OPTIONS EXP 26/01/28 @ $0.60	7,500
UNL OPT @ $0.30 EXP 10/09/2027	500,000
UNL OP EXP 10/12/26 @ $0.30	400,000
UNL OP EXP 10/12/26 @ $0.50	400,000
UNL OP EXP 10/12/26 @ $0.75	400,000
UNL OPT@ $0.10 EXP 10/12/2027	600,000
UNL OPT @ $0.15 EXP 10/12/2027	400,000
UNL OPT @ $0.20 EXP 10/12/2027	400,000
UNL OPT @ $0.06 EXP 30/12/2026	666,663
UNL OPT @ $0.04 EXP 17/08/2028	1,000,000
UNL OPT @ $0.05 EXP 15/09/2028	1,000,000
UNL OPT @ $0.05 EXP 15/10/2028	1,000,000
UNL OPT @ $0.04 EXP 15/11/2028	1,000,000
UNL OPT @ $0.03 EXP 01/12/2026	3,000,000
UNL DIRECTOR OPT @ $0.05 EXP 01/12/2028	400,000
UNL DIRECTOR OPT @ $0.075 EXP 01/12/2028	400,000
UNL DIRECTOR OPT @ $0.1 EXP 01/12/2028	22,200,000
UNL OPT @ $0.04 EXP 15/12/2028	1,000,000
UNL OPT @ $0.04 EXP 15/01/2029	1,000,000
UNL OPT @ $0.045 EXP 04/06/2027	5,000,000
UNL OPT @ $0.0525 EXP 04/06/2027	5,000,000
UNL OPT @ $0.03 EXP 17/12/2027	8,050,000
UNL OPT @ $0.05 EXP 17/12/2027	14,664,343
UNL OPT @ $0.03 EXP 20/08/2029	30,369,994
UNL OPT @ $0.015 EXP 20/08/2028	8,711,866
UUL OPT @ $0.025 EXP 4/02/2028 - CLASS A	27,920,000
UNL OPT @ $0.03 EXP 04/02/2029 - CLASS B	58,500,000
UNL OPT @ $0.035 EXP 4/02/2030- CLASS C	58,500,000
	252,606,262

Shares issued on the exercise of option and performance rights
The following ordinary shares of Pathkey Ltd were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options rights granted:

Date	Exercise price	Number of shares issued
23 June 2026	$0.030	600,000
30 June 2026	$0.015	13,333,333
30 June 2026	$0.025	18,330,000
30 June 2026	$0.030	3,075,000
10 July 2026	$0.015	5,709,016
10 July 2026	$0.025	21,500,000
10 July 2026	$0.030	11,445,476
20 August 2026	$0.030	5,452,380
		79,445,205

On 1 September 2025, the company issued 6,666,667 fully paid ordinary shares on the conversion of performance rights. These performance rights had a nil exercise price.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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.

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.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of William Buck
There are no officers of the company who are former partners of William Buck.

Auditor
William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

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

____
Shannon Robinson
Chair and Non-Executive Director

31 August 2026

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Pathkey.AI Ltd

As lead auditor for the audit of the financial report of Pathkey.AI Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in respect of Pathkey.AI Ltd and the entities it controlled during the year.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

Dennis Lee

W. H. D. Lee
Partner
Melbourne, 31 August 2026

Pathkey.AI Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Revenue from contracts with customers	4	47,632	27,783
Other income	5	220,912	294,208
Expenses			
Employee benefits expense		(235,011)	(629,392)
Depreciation and amortisation expense		(5,593)	(7,447)
Corporate compliance and management		(64,021)	(63,679)
Finance costs		(13,504)	(74,799)
Administration		(489,967)	(425,059)
Consultancy costs		(338,210)	(169,836)
Research & development costs		(495,004)	(371,181)
Share based payments		(2,279,911)	(28,341)
Loss before income tax expense		(3,652,677)	(1,447,743)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Pathkey.AI Ltd		(3,652,677)	(1,447,743)
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(134,157)	-
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		3,334	(38)
Other comprehensive loss for the year, net of tax		(130,823)	(38)
Total comprehensive loss for the year attributable to the owners of Pathkey.AI Ltd		(3,783,500)	(1,447,781)
		Cents	**Cents**
Basic earnings per share	24	(0.839)	(0.769)
Diluted earnings per share	24	(0.839)	(0.769)

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

Pathkey.AI Ltd
Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents		3,409,810	107,500
Trade and other receivables	7	87,586	56,767
Financial assets at fair value through other comprehensive income	8	-	329,400
Other		71,930	4,454
Total current assets		3,569,326	498,121
Non-current assets			
Other investment assets		2	2
Property, plant and equipment		9,565	15,158
Intangible assets	9	36,733,156	-
Total non-current assets		36,742,723	15,160
Total assets		40,312,049	513,281
Liabilities			
Current liabilities			
Trade and other payables	10	466,408	369,912
Borrowings	11	-	411,734
Employee benefits		4,106	-
Total current liabilities		470,514	781,646
Total liabilities		470,514	781,646
Net assets/(liabilities)		39,841,535	(268,365)
Equity			
Issued capital	12	57,974,939	23,640,010
Reserves	13	10,419,204	1,047,033
Accumulated losses		(28,552,608)	(24,955,408)
Total equity/(deficiency)		39,841,535	(268,365)

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

Pathkey.AI Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2024	22,501,913	1,135,345	(23,727,418)	(90,160)
Loss after income tax expense for the year	-	-	(1,447,743)	(1,447,743)
Other comprehensive loss for the year, net of tax	-	(38)	-	(38)
Total comprehensive loss for the year	-	(38)	(1,447,743)	(1,447,781)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	1,241,235	-	-	1,241,235
Lapse of expired options	-	(219,753)	219,753	-
Vesting charges for share-based payments	-	28,341	-	28,341
Issue of broker options	(103,138)	103,138	-	-
Balance at 30 June 2025	23,640,010	1,047,033	(24,955,408)	(268,365)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2025	23,640,010	1,047,033	(24,955,408)	(268,365)
Loss after income tax expense for the year	-	-	(3,652,677)	(3,652,677)
Other comprehensive loss for the year, net of tax	-	(130,823)	-	(130,823)
Total comprehensive loss for the year	-	(130,823)	(3,652,677)	(3,783,500)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	5,403,489	-	-	5,403,489
Lapse of expired options	-	(189,634)	189,634	-
Vesting charges for share-based payments	-	2,279,911	-	2,279,911
Issue of broker options	(63,019)	63,019	-	-
Conversion of performance rights and options	434,459	(434,459)	-	-
Transfer of sale of investments	-	134,157	(134,157)	-
Chipforge investment performance rights	-	7,650,000	-	7,650,000
Chipforge investment shares	28,560,000	-	-	28,560,000
Balance at 30 June 2026	57,974,939	10,419,204	(28,552,608)	39,841,535

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

Pathkey.AI Ltd
Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Receipts from customers		49,497	24,039
Government grants and incentives		208,256	292,869
Payments to suppliers and employees		(1,318,529)	(1,577,039)
Interest received		12,656	1,339
Refund of rental deposits		-	6,000
Interest and other finance costs paid		-	(31,493)
Net cash used in operating activities	23	(1,048,120)	(1,284,285)
Cash flows from investing activities			
Payments for investments		-	(329,400)
Payments for property, plant and equipment		-	(4,623)
Payment for Chipforge Pte Ltd investment	9	(483,602)	-
Cash acquired from Chipfoge Pte Ltd investment	9	176,175	-
Capital transactions costs paid		(56,238)	-
Proceeds from disposal of investments		195,243	-
Net cash used in investing activities		(168,422)	(334,023)
Cash flows from financing activities			
Proceeds from issue of shares	12	4,657,016	882,000
Share issue transaction costs		(138,164)	(85,837)
Proceeds from borrowings	11	-	825,000
Repayment of borrowings		-	(270,000)
Net cash from financing activities		4,518,852	1,351,163
Net increase/(decrease) in cash and cash equivalents		3,302,310	(267,145)
Cash and cash equivalents at the beginning of the financial year		107,500	374,645
Cash and cash equivalents at the end of the financial year		3,409,810	107,500

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

Note 1. Material accounting policy information

The principle accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, excluding financial assets which have been carried at fair value through the other comprehensive income.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in .

The parent entity disclosure related to the legal parent entity, Pathkey.AI Ltd.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pathkey.AI Ltd ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Pathkey.AI Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvements 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

The acquisitions of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 1. Material accounting policy information (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity, The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Revenue recognition
Rendering of services
The Group primarily generates revenue from sale of its annual subscription services, which enable its customer to access an online platform that allows them to search and source user generated content. The Group also sells advertising and content services that are sold in a one-off basis rather than a subscription model.

The Group recognises subscription revenue over the subscription period (generally 1 year) on a straight-line basis. For contracts where the Group is able to provide advertising services for a specific contract period, advertising revenue is recognised ratably over the advertising term.

In relation to the revenue streams of the Group, the main revenue streams are recognised as follows:

Project revenue - Project revenue is from ad-hoc projects. For project contracts, revenue is recognised when the performance obligations are satisfied over time.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants
Government grants are recognised in the profit or loss on a systematic basis over the periods in which the Group recognises, as expenses, the related costs for which the grants are intended to compensate.

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Intangible assets
Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit. The intellectual property held by the consolidated entity is not ready for use and therefore is not being amortised.

Employee benefits

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Note 1. Material accounting policy information (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. Performance rights with market-based vesting conditions are valued using a Monte Carlo model.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 1. Material accounting policy information (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Pathkey.AI Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Acquisition of Chipforge Pte Ltd
On 23 June 2026, the company completed the acquisition of Chipforge Pte Ltd, refer to note 9. The investment has been accounted for as an asset acquisition rather than a business combination on the grounds that the only significant assets acquired were intangible assets and the concentration test has been applied.

Under the accounting standards, an intangible asset that is not yet available for use must be tested for impairment annually, irrespective of whether there is any indication of impairment which includes an intangible initially recognised during the current annual period being tested for impairment before the end of that current annual period. The Group has assessed that it operates as a single cash generating unit, being a developer of agentic AI on large language models. The recoverable amount has been assessed on a fair value less costs of disposal basis, noting that the acquisition was completed seven days prior to the year ended 30 June 2026. As such, the recent transaction provided relevant evidence in estimating the fair value between knowledgeable and willing parties. As such, no impairment has been recognised.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model, Black-Scholes model, Monte Carlo model, and Geometric Brownian model. The valuation models take into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Equity accounted investments
The company holds and an investment in AI Bio Fund. The company has a one of three board members and key policy decisions are made at board level. Based on this it has been determined the company has significant influence over AI Bio Fund and it has been accounted for as an equity accounted for investment.

Non-recognition of deferred tax assets
We apply management judgement to recognise a deferred tax asset and review its carrying amount at each reporting date. The carrying amount is only recognised to the extent that it is probable that sufficient taxable profit will be available in the future to utilise this benefit. Any amount unrecognised could be subsequently recognised if it has become probable that future taxable profit will allow us to benefit from this deferred tax asset.

Non-recognition of research and development tax offset receivable
For financial reporting purposes, the R&D tax offset is analogised as other income see note 5. A credit will be recognised within other income when the entity satisfies the criteria to receive the credit. The criteria is usually satisfied post reporting date upon lodgement of the Consolidated group’s income tax return and as such management has opted to treat R&D tax refunds on a cash basis and recorded in the year they are received.

Accrual of research and development grant credits
The company is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claims lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and claw back those prior claims, potentially with penalties. Such a finding may only occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

Note 3. Operating segments

Identification of reportable operating segments
Management has determined the operating segments based on the reports reviewed by the Board of Directors. During the year, the Group continued to operate in one cash-generating unit, being a developer of agentic AI on large language models. This has been assessed with reference to reports provided to those charged with governance.

Note 4. Revenue from contracts with customers

	Consolidated	
	2026	**2025**
	$	**$**
Revenue from contracts with customers		
Retainer revenue	-	15,783
Project revenue	45,417	12,000
	45,417	27,783
Other revenue		
Dividends	2,215	-
Revenue from contracts with customers	47,632	27,783

Note 4. Revenue from contracts with customers (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2026 $	2025 $
Geographical regions		
Australia	45,417	27,783
Timing of revenue recognition		
Services transferred over time	45,417	27,783

Note 5. Other income

	Consolidated	
	2026 $	2025 $
Interest income	12,656	1,339
R&D tax refund	208,256	292,869
Other income	220,912	294,208

Note 6. Income tax expense

	Consolidated	
	2026 $	2025 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,652,677)	(1,447,743)
Tax at the statutory tax rate of 25%	(913,169)	(361,936)
Current year tax losses not recognised	270,643	316,160
Temporary and permanent differences	642,526	45,776
Income tax expense	-	-

	Consolidated	
	2026 $	2025 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	17,426,290	16,163,717
Potential tax benefit @ 25%	4,356,573	4,040,929

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Trade and other receivables

	Consolidated 2026 $	2025 $
Current assets		
Trade receivables	9,593	11,458
GST receivables	77,993	45,309
	87,586	56,767

Note 8. Financial assets at fair value through other comprehensive income

	Consolidated 2026 $	2025 $
Current assets		
Investment in Bitcoin Fund	-	329,400

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2026 $	2025 $
Opening fair value	329,400	-
Additions	-	329,400
Disposals	(195,243)	-
Revaluation decrements	(134,157)	-
Closing fair value	-	329,400

Refer to note 16 for further information on fair value measurement.

On 26 June 2025, the company purchased 9,000 units in the ASX listed exchange fund, Digital Bitcoin ETF (BTXX:ASX). The investment cost $329,400 and there was no movement in its fair value at 30 June 2025. This has been designated as a level 1 financial asset, refer to note 16.

The investment was disposed of in full during the year.

Note 9. Intangible assets

	Consolidated 2026 $	2025 $
Non-current assets		
Patents and trademarks - at cost	4,630	-
Intellectual property - at cost	36,728,526	-
	36,733,156	-

Note 9. Intangible assets (continued)

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

Consolidated	Patents $	$	Total $
Balance at 1 July 2024	-	-	-
Balance at 30 June 2025	-	-	-
Additions	4,630	-	4,630
Acquired from investment in Chipforge	-	36,728,526	36,728,526
Balance at 30 June 2026	4,630	36,728,526	36,733,156

Investment in Chipforge Pte Ltd
On June 2026, the company completed the acquisition of 100% of the issued capital of Chipforge Pte Ltd. The consideration was :

- 560,000,000 fully paid ordinary shares valued at $28,560,000;
- 150,000,000 performance rights valued at $7,650,000; and
- Cash payment of $483,602.

In addition, transaction costs totalling $98,036 have been capitalised.

The value of the intellectual property acquired has been reconciled below:

Fair value of shares issued	28,560,000
Fair value of performance rights issued	7,650,000
Cash consideration paid	483,602
Capitalised transactions costs	98,036
Cash acquired	(176,175)
Trade and other payables acquired	113,063
	36,728,526

The intellectual property acquired is not yet ready for use and therefore has not been amortised at 30 June 2026.

Under the accounting standards, an intangible asset that is not yet available for use must be tested for impairment annually, irrespective of whether there is any indication of impairment which includes an intangible initially recognised during the current annual period being tested for impairment before the end of that current annual period. The Group has assessed that it operates as a single cash generating unit, being a developer of agentic AI on large language models. The recoverable amount has been assessed on a fair value less costs of disposal basis, noting that the acquisition was completed seven days prior to the year ended 30 June 2026. As such, the recent transaction provided relevant evidence in estimating the fair value between knowledgeable and willing parties. As such, no impairment has been recognised.

Note 10. Trade and other payables

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Trade payables	255,396	229,410
Other payables	211,012	140,502
	466,408	369,912

Note 11. Borrowings

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Convertible notes payable	-	411,734

Refer to note 15 for further information on financial instruments.

The carrying amounts of assets pledged as security for borrowings are:

	Consolidated 2026 $	Consolidated 2025 $
Opening balance	411,734	-
Additions to convertible notes at fair value	-	630,000
Finance costs incurred	13,504	43,306
Repayment of convertible notes	-	(75,000)
Conversion of convertible notes (note 12)	(425,238)	(186,572)
Closing balance	-	411,734

Note 12. Issued capital

Movements in ordinary share capital

Details	Date	Shares		$
Balance	1 July 2024	170,714,634		22,501,913
Shares issued to convert loan notes	18 December 2024	9,328,685	$0.000	186,572
Shares issued to settle fees	18 December 2024	12,925,000	$0.000	258,500
Issue of shares - placement	12 May 2025	42,000,000	$0.000	882,000
Share issue cost		-	$0.000	(188,975)
Balance	30 June 2025	234,968,319		23,640,010
Issue of shares to creditors	8 July 2025	10,800,000	$0.020	216,000
Issue of shares	20 August 2025	22,285,714	$0.021	468,000
Shares issued to settle notes	20 August 2025	28,028,344	$0.014	400,762
Shares issued on conversion of performance rights	1 September 2025	6,666,667	$0.025	166,667
Shares issued to settle notes	3 December 2025	1,590,025	$0.020	24,476
Shares issued to settle fees to a payable to a director	3 December 2025	2,500,000	$0.015	50,000
Issue of shares	11 December 2025	19,783,786	$0.120	237,405
Issue of shares	12 January 2026	27,981,343	$0.012	335,776
Issue of shares	4 February 2026	237,277,972	$0.012	2,847,335
Issue of shares - to settle fees to broker	4 February 2026	10,195,580	$0.019	190,986
Issue of shares - to settle fees	4 February 2026	5,000,000	$0.025	125,000
Issue of shares to settle fees	23 June 2026	1,900,000	$0.036	68,400
Issue of shares- Chipforge acquisition	23 June 2026	560,000,000	$0.051	28,560,000
Issue of shares on conversion of options	23 June 2026	600,000	$0.052	31,209
Issue of shares on conversion of options	30 June 2026	13,333,333	$0.015	200,000
Issue of shares on conversion of options	30 June 2026	18,330,000	$0.035	645,133
Issue of shares on conversion of options	30 June 2026	3,075,000	$0.052	159,950
Share issue costs		-	$0.000	(392,170)
Balance	30 June 2026	1,204,316,083		57,974,939

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.

Capital risk management
The Group's objectives when managing capital is to safeguard is ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, issue new shares or sell assets to reduce debt.

Capital is regarded as total equity, as recognised in the financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 12. Issued capital (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

	Consolidated			
	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	1,204,316,083	234,968,319	57,974,939	23,640,010

Note 13. Reserves

	Consolidated	
	2026 $	2025 $
Foreign currency reserve	(377,779)	(381,113)
Options reserve	10,796,983	1,428,146
	10,419,204	1,047,033

Financial asset
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Option reserve
The reserve is used to recognise the value of equity benefits provided to employees, directors and other parties as part of their remuneration and compensation for services.

Note 13. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Financial asset $	Options $	Foreign currency $	Total $
Balance at 1 July 2024	-	1,516,420	(381,075)	1,135,345
Foreign currency translation	-	-	(38)	(38)
Lapse of expired options	-	(219,753)	-	(219,753)
Vesting charges for share-based payments	-	28,341	-	28,341
Issue of broker options	-	103,138	-	103,138
Balance at 30 June 2025	-	1,428,146	(381,113)	1,047,033
Revaluation - gross	(134,157)	-	-	(134,157)
Foreign currency translation	-	-	3,334	3,334
Transferred to accumulated losses on disposal of investment (note 8)	134,157	-	-	134,157
Vesting charges for share-based payments	-	2,279,911	-	2,279,911
Lapse of expired options	-	(189,634)	-	(189,634)
Chipforge investment performance rights (note 9)	-	7,650,000	-	7,650,000
Transfer to issued capital on conversion of performance rights (note 12)	-	(166,667)	-	(166,667)
Issue of broker options	-	63,019	-	63,019
Transfer to issued capital on conversion of options (note 12)	-	(267,792)	-	(267,792)
Balance at 30 June 2026	-	10,796,983	(377,779)	10,419,204

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 15. Financial instruments

Financial instruments consist of cash and cash equivalents, receivables, and payables. Financial risk is measured at Board level and managed through cashflow forecasting techniques. The only material financial instrument risk exposures faced by the group are credit risk, market risk (namely interest rate risk), and liquidity risk.

Market risk

Foreign currency risk
The Group is not exposed to significant foreign exchange risk.

Price risk
The Group was exposed to price risk in relation to its investment in Bitcoin Fund, which was disposed of during the year.

	Average price increase			Average price decrease		
Consolidated - 2025	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Bitcoin Fund.	20%	-	65,880	20%	-	(65,880)

Interest rate risk
The Group's borrowings are all convertible notes with fixed interest rates, and as such it not exposed to significant interest rate risk.

Note 15. Financial instruments (continued)

Credit risk
Given the Group's current level of revenue it is not exposed to material credit risk.

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

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.

Consolidated - 2026	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	446,408	-	-	-	446,408
Total non-derivatives	446,408	-	-	-	446,408

Consolidated - 2025	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	369,912	-	-	-	369,912
Interest-bearing - fixed rate					
Convertible notes payable	411,734	-	-	-	411,734
Total non-derivatives	781,646	-	-	-	781,646

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in Bitcoin Fund	329,400	-	-	329,400
Total assets	329,400	-	-	329,400
Liabilities				
Convertible notes payable	-	411,734	-	411,734
Total liabilities	-	411,734	-	411,734

At 30 June 2026, the consolidated entity did not hold any assets or liabilities that have been measured at level 1,2 or 3.

There were no transfers between levels during the financial year.

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term employee benefits	386,632	474,084
Post-employment benefits	12,946	192
Non-monetary benefits	3,310	-
Share-based payments including performance rights	342,845	13,174
	745,733	487,450

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the company.

	Consolidated 2026 $	Consolidated 2025 $
Audit services		
Audit or review of the financial statements - William Buck	56,500	48,405

Note 19. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Note 20. Related party transactions

Parent entity
Pathkey.AI Ltd is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

Transactions with related parties
During the financial years ended 30 June 2026 and 30 June 2024, RDI Consulting Pty Ltd, and Zappli Pty Ltd have been engaged to develop software for a machine learning/artificial intelligence algorithm which can predict the likelihood of clinical trial passing its primary objective.

	Consolidated	
	2026 $	2025 $
RDI Consulting Pty Ltd	108,252	133,418

As Damon Rasheed is a shareholder of RDI Consulting Pty Ltd, as such RDI Consulting Pty Ltd is considered a related party. RDI Consulting Pty Ltd is a major shareholder of Zappli Pty Ltd, Zappli Pty Ltd is considered a related party.

Prior to his appointment as CEO, Andrew Farnsworth was engaged as a consultant. During this period, costs totalling $73,656 were incurred.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2026 $	2025 $
Current payables:		
Trade payables to directors and related entities	1,288	270,349

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

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2026 $	2025 $
Current borrowings:		
Convertible notes payable to Antanas Guoga *	-	188,550

* Settled in full during the year via the issue of shares.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Interest in subsidiaries

(a) Ultimate parent
Pathkey.AI Ltd is the ultimate parent entity and the parent entity of the Group from a legal perspective. For accounting purposes, Pathkey.AI Ltd is the deemed ultimate parent of the Group in line with reverse acquisition accounting.
(b) Corporate structure
The legal corporate structure of the consolidated entity is set out below;

Name	Principal place of business / Country of incorporation	Ownership of interest 2026 %	Ownership of interest 2025 %
Legal parent			
Pathkey.AI Ltd	Australia	-	-
ShareRoot (Australian Ops) Pty Ltd	Australia	100.00%	100.00%
Opyl Services (Formerly The Social Science Pty Ltd)	Australia	100.00%	100.00%
Trialkey Pty Ltd	Australia	100.00%	-
Chipforge Technologies Pty Ltd	Australia	100.00%	-
Chipforge Pte Ltd	Singapore	100.00%	-

Note 22. Events after the reporting period

On 10 July 2026, the company issued a total of 38,654,492 fully paid ordinary shares on the conversion of options raising $966,500 before costs.

On 12 August 2026, the company announced that it had appointed Sam Weiss as a strategic advisor to the CEO and Chipforge team. As part of his remuneration, he is entitled to 40,000,000 performance rights which have yet to be issued.

On 20 August 2026, the company issued 100,000,000 fully paid ordinary shares valued at 2.8 cents per share, raising $2,800,000 before costs. On the same date, the company also issued 10,000,000 options over ordinary shares with an exercise price of 5 cents and expiring 17 December 2027, as part of the broker's remuneration for the capital raise.

On 20 August 2026, the company also issued 21,800,000 options over ordinary shares as consideration for corporate advisory services.

On 20 August 2026, the company issued 2,000,000 fully paid ordinary shares on the successful recruitment of a corporate advisor.

On 20 August 2026, the company issued a total of 5,452,380 fully paid ordinary shares on the conversion of options raising $73,571 before costs.

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

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2026 $	2025 $
Loss after income tax expense for the year	(3,652,677)	(1,447,743)
Adjustments for:		
Depreciation and amortisation	5,593	7,447
Share-based payments	2,279,911	28,341
Shars issued to settle trade creditors	459,400	258,500
Non cash interest and finance costs	13,504	43,306
Change in operating assets and liabilities:		
Increase in trade and other receivables	(30,819)	(49,053)
Decrease/(increase) in prepayments	(67,476)	801
Decrease/(increase) in other non-current assets	-	6,000
Decrease in trade and other payables	(59,662)	(126,261)
Increase/(decrease) in employee benefits	4,106	(5,623)
Net cash used in operating activities	(1,048,120)	(1,284,285)

Note 24. Earnings per share

	Consolidated 2026 $	2025 $
Loss after income tax attributable to the owners of Pathkey.AI Ltd	(3,652,677)	(1,447,743)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	435,339,946	188,357,014
Weighted average number of ordinary shares used in calculating diluted earnings per share	435,339,946	188,357,014
	Cents	**Cents**
Basic earnings per share	(0.839)	(0.769)
Diluted earnings per share	(0.839)	(0.769)

The amount of the dilution is the average market price of ordinary shares during the period minus the issue price. Therefore, to calculate diluted earnings per share, potential ordinary shares are treated as consisting of both the following:

- a contract to issue a certain number of the ordinary shares at their average market price during the period. Such ordinary shares are assumed to be fairly priced and to be neither dilutive nor antidilutive. They are ignored in the calculation of diluted earnings per share.
- a contract to issue the remaining ordinary shares for no consideration. Such ordinary shares generate no proceeds and have no effect on profit or loss attributable to ordinary shares outstanding. Therefore, such shares are dilutive and are added to the number of ordinary shares outstanding in the calculation of diluted earnings per share.

As the Group is in a loss position at the end of the financial year, the options and performance rights on issue are not considered to be dilutive.

Note 25. Non-cash investing and financing activities

During the year, the company issued 29,618,369 fully paid ordinary shares settling convertible notes valued at $425,238.

Note 25. Non-cash investing and financing activities (continued)

During the prior year, the company issued 9,238,685 fully paid ordinary shares settling convertible notes valued at $186,572.

Note 26. Share based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant options over ordinary shares in the company to certain personnel of the Group. Share options are issued at nil consideration.

In addition, options may also be issued to advisers of the company for example to assist with capital raising activities, and free attaching options have also been issued to settle creditors and in relation to convertible notes.

During the current year, the company granted options the following options:

- On 9 July 2025, the company granted 5,400,000 free attaching options with exercise price of $0.03 as part settlement of creditors;
- On 20 August 2025, the company issued 8,000,000 options with an exercise price of $0.03 in relation to broker options. Of these options a total of 4,704,000 were considered granted before 30 June 2025 because the related to capital raise completed before 30 June 2025. The remainder have been consider granted this year. An amount of $62,516 has been recognised as capital raising cost in the current year.
- On 25 July 2025, the company granted 32,142,850 free attaching options with exercise price of $0.03, 24,164,190 free-attaching options with an exercise price of $0.015 and 2,000,000 options with and exercise price of $0.025 on the conversion of convertible notes;
- On 28 November 2025, the company granted a further 1,590,025 free attaching options with exercise price of $0.015 on the conversion of convertible notes;
- On 28 November 2025, the company granted 2,000,000 options with exercise price of $0.03 to a director as part of their remuneration, an expense of $21,762 has been recognised in relation to these options;
- On 28 January 2026, the company granted 8,500,000 options to a corporate advisor with an exercise price $0.025 as part of their remuneration. An expense of $52,947 has been recognised;
- On 28 January 2026, the company granted 8,500,000 options to a corporate advisor with an exercise price $0.03 as part of their remuneration. An expense of $61,033 has been recognised;
- On 28 January 2026, the company granted 8,500,000 options to a corporate advisor with an exercise price $0.035 as part of their remuneration. An expense of $67,508 has been recognised;
- On 28 January 2026, the company granted 50,000,000 options to a corporate advisor with an exercise price $0.025 as part of their remuneration. An expense of $509,775 has been recognised;
- On 28 January 2026, the company granted 50,000,000 options to a corporate advisor with an exercise price $0.03 as part of their remuneration. An expense of $587,632 has been recognised;
- On 28 January 2026, the company granted 50,00,000 options to a corporate advisor with an exercise price $0.035 as part of their remuneration. An expense of $649,968 has been recognised;
- On 28 January 2026, the company granted 4,000,000 options with exercise price of $0.03 to a director as part of their remuneration, an expense of $50,979 has been recognised in relation to these options;

During the prior year, the company issued the following options:

- On 19 December 2024, the company issued 4,664,342 free attaching options with exercise price of $0.05 on the conversion of convertible notes;
- On 19 December 2024, the company issued 5,650,000 free attaching options with exercise price of $0.03 as part settlement of creditors;
- On 19 December 2024, the company issued 1,800,000 options with exercise price of $0.03 relating to the establishment of convertible notes;
- On 20 August 2025, the company issued 8,000,000 options with an exercise price of $0.03 in relation to broker options. Of these options a total of 4,704,000 were considered granted before 30 June 2025 because the related to capital raise completed before 30 June 2025. An amount of $103,136 has been recognised as capital raising cost.

Set out below are summaries of options granted is below:

Note 26. Share based payments (continued)

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expiry/ Forfeited/ Other	Balance at the end of the year
15/12/2016	05/12/2026	$1.200	42,480	-	-	-	42,480
06/02/2017	06/02/2027	$0.800	6,000	-	-	-	6,000
20/03/2017	20/03/2027	$2.500	14,916	-	-	-	14,916
01/04/2017	01/04/2027	$0.600	60,000	-	-	-	60,000
07/11/2020	07/11/2025	$0.300	400,000	-	-	(400,000)	-
07/11/2020	07/11/2025	$0.500	400,000	-	-	(400,000)	-
07/11/2020	07/11/2025	$0.750	400,000	-	-	(400,000)	-
10/09/2021	10/09/2027	$0.300	500,000	-	-	-	500,000
10/12/2021	10/12/2026	$0.300	400,000	-	-	-	400,000
10/12/2021	10/12/2026	$0.500	400,000	-	-	-	400,000
10/12/2021	10/12/2026	$0.750	400,000	-	-	-	400,000
26/07/2022	26/07/2025	$0.100	580,000	-	-	(580,000)	-
10/12/2022	10/12/2027	$0.100	600,000	-	-	-	600,000
10/12/2022	10/12/2027	$0.150	400,000	-	-	-	400,000
10/12/2022	10/12/2027	$0.200	400,000	-	-	-	400,000
03/01/2023	30/12/2026	$0.060	666,663	-	-	-	666,663
15/08/2023	17/08/2028	$0.040	1,000,000	-	-	-	1,000,000
15/09/2023	15/09/2028	$0.050	1,000,000	-	-	-	1,000,000
15/10/2023	15/10/2028	$0.040	1,000,000	-	-	-	1,000,000
15/11/2023	15/11/2028	$0.050	1,000,000	-	-	-	1,000,000
01/12/2023	01/12/2026	$0.030	12,250,000	-	-	-	12,250,000
01/12/2023	01/12/2028	$0.050	400,000	-	-	-	400,000
01/12/2023	01/12/2028	$0.075	400,000	-	-	-	400,000
01/12/2023	01/12/2028	$0.100	400,000	-	-	-	400,000
15/12/2023	15/12/2028	$0.040	1,000,000	-	-	-	1,000,000
15/01/2024	15/01/2029	$0.040	1,000,000	-	-	-	1,000,000
04/06/2024	04/06/2027	$0.045	5,000,000	-	-	-	5,000,000
04/06/2024	04/06/2027	$0.053	5,000,000	-	-	-	5,000,000
19/12/2024	17/12/2027	$0.050	4,664,342	-	-	-	4,664,342
19/12/2024	19/12/2027	$0.030	7,450,000	-	-	-	7,450,000
09/07/2025	17/12/2027	$0.030	-	5,400,000	-	-	5,400,000
25/07/2025	20/08/2030	$0.250	-	2,000,000	-	-	2,000,000
25/07/2025	20/08/2028	$0.015	-	24,164,190	(13,333,333)	-	10,830,857
25/07/2025	20/08/2029	$0.030	-	40,142,850	(3,675,000)	-	36,467,850
28/11/2025	20/08/2028	$0.015	-	1,590,025	-	-	1,590,025
28/11/2025	20/08/2029	$0.030	-	2,000,000	-	-	2,000,000
28/01/2026	04/02/2028	$0.025	-	50,000,000	(18,330,000)	-	31,670,000
28/01/2026	04/02/2029	$0.030	-	50,000,000	-	-	50,000,000
28/01/2026	04/02/2030	$0.035	-	50,000,000	-	-	50,000,000
28/01/2026	04/02/2028	$0.025	-	8,500,000	-	-	8,500,000
28/01/2026	04/02/2029	$0.030	-	8,500,000	-	-	8,500,000
28/01/2026	04/02/2030	$0.035	-	8,500,000	-	-	8,500,000
28/01/2026	20/08/2029	$0.030	-	4,000,000	-	-	4,000,000
			47,234,401	254,797,065	(35,338,333)	(1,780,000)	264,913,133
Weighted average exercise price			$0.072	$0.030	$0.022	$0.381	$0.026

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follow:

Set out below are the options exercisable at the end of the financial year:

Note 26. Share based payments (continued)

Grant date	Expiry date	2026 Number	2025 Number
15/12/2016	05/12/2026	42,480	42,480
06/02/2017	06/02/2027	6,000	6,000
20/03/2017	20/03/2027	14,916	14,916
01/04/2017	01/04/2027	60,000	60,000
07/11/2020	07/11/2025	-	1,200,000
10/09/2021	10/09/2027	500,000	500,000
10/12/2021	10/12/2026	1,200,000	1,200,000
26/07/2022	26/07/2025	-	580,000
10/12/2022	10/12/2027	600,000	600,000
10/12/2022	10/12/2027	400,000	400,000
10/12/2022	10/12/2027	400,000	400,000
01/03/2023	30/12/2026	666,663	666,663
15/08/2023	17/08/2028	1,000,000	1,000,000
15/09/2023	15/09/2028	1,000,000	1,000,000
15/10/2023	15/10/2028	1,000,000	1,000,000
15/11/2023	15/11/2028	1,000,000	1,000,000
01/12/2023	01/12/2026	12,250,000	12,250,000
01/12/2023	01/12/2028	400,000	400,000
01/12/2023	01/12/2028	400,000	400,000
01/12/2023	01/12/2028	400,000	400,000
15/12/2023	15/12/2028	1,000,000	1,000,000
15/01/2024	15/01/2029	1,000,000	1,000,000
04/06/2024	04/06/2027	5,000,000	5,000,000
04/06/2024	04/06/2027	5,000,000	5,000,000
19/12/2024	17/12/2027	12,114,342	12,114,342
09/07/2025	17/12/2027	5,400,000	-
25/07/2025	20/08/2030	2,000,000	-
25/07/2025	20/08/2028	10,830,857	-
25/07/2025	20/08/2029	36,467,850	-
28/11/2025	20/09/2028	1,590,025	-
28/11/2025	20/08/2029	2,000,000	-
28/01/2026	04/02/2028	31,670,000	-
28/01/2026	04/02/2029	50,000,000	-
28/01/2026	04/02/2030	50,000,000	-
28/01/2026	20/08/2029	4,000,000	-
		239,413,133	47,234,401

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.28 years (30 June 2025: 2.00 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Note 26. Share based payments (continued)

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28/11/2025	20/08/2029	$0.0160	$0.0300	118.35%	-	3.57%	$0.011
25/07/2025	20/08/2029	$0.0250	$0.0300	118.35%	-	3.57%	$0.019
28/01/2026	04/02/2028	$0.0190	$0.0250	113.38%	-	4.18%	$0.010
28/01/2026	04/02/2029	$0.0190	$0.0300	113.38%	-	4.24%	$0.012
28/01/2026	04/02/2030	$0.0190	$0.0350	113.38%	-	4.31%	$0.013
28/01/2026	04/02/2028	$0.0190	$0.0250	113.38%	-	4.18%	$0.010
28/01/2026	04/02/2029	$0.0190	$0.0300	113.38%	-	4.24%	$0.012
28/01/2026	04/02/2030	$0.0190	$0.0350	113.38%	-	4.31%	$0.013
28/01/2026	20/09/2029	$0.0190	$0.0300	113.38%	-	4.24%	$0.013

Performance rights

During the year. the company issued the following performance rights:-

- On 20 August 2025, the company issued 3,333,333 rights which vested if the Company achieved at least $100,000 of Trial Key sales. The rights lapsed when he resigned before the vesting condition was met and no expense has been recognised;
- On 20 August 2025, the company issued 6,666,667 rights which vested upon the company successfully attracting and recruiting a Chief Executive Office or Chief Revenue Officer. The performance rights were subject to shareholder approval at an EGM on 25 July 2025, and the rights were valued at the share price on that date, as the performance rights had a nil exercise price An expense of $166,667 was recognised in relation to these performance rights. These rights vested during the year and were converted to fully paid ordinary shares on 1 September 2025, refer to note 12. ;
- On 23 June 2026, the company issued 13,500,000 performance rights to key management personnel. These vest if the company's shares trade at 15 day VWAP equal to or greater than $0.06. An expense of $9,364 has been recognised in relation to these rights. These rights were valued using a Monte-Carlo model.;
- On 23 June 2026, the company issued 13,500,000 performance rights to key management personnel. These vest on the last day of four consecutive 3 month period of consecutive periods of continuous service. An expense of $57,726 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 13,500,000 performance rights to key management personnel. These vest if a minimum viable product is delivered within 9 months of date of issue. An expense of $20,769 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 13,500,000 performance rights to key management personnel. These vest upon execution of binding strategic partnership that embeds Trialkey within the partner's operational workflow for ongoing commercial use. An expense of $15,557 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 75,000,000 performance rights as part consideration for Chipforge acquistion, refer to note 9. These vest if a minimum viable product is delivered within 9 months of date of issue. An amount of $3,825,000 has been recognised in relation to these rights;
- On 23 June 2026, the company issued 75,000,000 performance rights as part consideration for Chipforge acquistion, refer to note 9. These vest upon the company announcing that it has entered into at least one binding agreement leveraging the Chipforge intellectual property. An amount of $3,825,000 has been recognised in relation to these rights;

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2026 $	Parent 2025 $
Loss after income tax	(3,481,867)	(1,203,153)
Total comprehensive loss	(3,481,867)	(1,203,153)

Note 27. Parent entity information (continued)

Statement of financial position

	Parent 2026 $	Parent 2025 $
Total current assets	3,207,166	481,686
Total assets	59,332,890	19,527,664
Total current liabilities	309,496	781,646
Total liabilities	309,496	781,646
Equity		
Issued capital	76,546,835	42,211,906
Options reserve	10,996,789	1,627,952
Accumulated losses	(28,520,230)	(25,093,840)
Total equity	59,023,394	18,746,018

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Pathkey.AI Ltd
Consolidated entity disclosure statement
As at 30 June 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Pathkey.AI Ltd	Body corporate	Australia	-	Australia
	Body corporate		100.00%	Australia
ShareRoot (Australian Ops) Pty Ltd	Body corporate	Australia	100.00%	Australia
Opyl Services (Formerly The Social Science Pty Ltd)	Body corporate	Australia	100.00%	Australia
Trialkey Pty Ltd	Body corporate	Australia	100.00%	Australia
Chipforge Technologies Pty Ltd	Body corporate	Australia	100.00%	Australia
Chipforge Pte Ltd	Body corporate	Singapore	100.00%	Australia

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

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

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency
The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts
None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

Pathkey.AI Ltd
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- The financial statements also comply with International Financial Reporting Standards as disclosed in note 1.

- the attached financial statements and notes give a true and fair view of the Group'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

____
Shannon Robinson
Chair and Non-Executive Director

31 August 2026

Independent auditor's report to the members of Pathkey.AI Limited

Report on the audit of the financial report

Opinion

In our opinion, the accompanying financial report of Pathkey.AI Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

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

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

What was audited?

We have audited the financial report of 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 for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities 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.

Accounting for an asset acquisition

Area of focus
(refer also to notes 1, 2, 9)

On 23 June 2026, the Group acquired 100% of the issued capital in Chipforge Pte Ltd, a Singapore-incorporated company, for cash & equity consideration of $36,693,602, along with incurring transaction costs of $98,036.

This acquisition has been accounted for as an asset acquisition and resulted in the recognition of intellectual property totalling $36,728,526.

The accounting for this acquisition required management to:

- Determine whether the transaction constituted a business combination or asset acquisition in accordance with the requirements of AASB 3 *Business Combinations*;
- Assess the disclosure requirements with respect to the asset acquisition.

As the intellectual property was not yet available for use at 30 June 2026, management was required to test it for impairment before the end of the reporting period. This included determining the Cash-Generating Unit (“CGU”) to which the intellectual property belongs and assessing its recoverable amount.

Given the level of judgment and estimation involved in determining whether the acquired assets constituted a business, identifying the relevant CGU’s and assessing the recoverable amount of the intellectual property, this was considered a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included:

- Reviewing the acquisition agreement and other supporting documentation to understand the transaction and identify the assets acquired and liabilities assumed;
- Assessing managements conclusion that the acquisition met the requirements of the asset concentration test under AASB 3 and therefore the transaction was treated as an asset acquisition;
- Evaluating the purchase date accounting for the acquisition;
- Assessing the measurement of the cash and equity consideration and agreeing the amounts paid to supporting documentation;
- Assessing the appropriateness of managements allocation of the intellectual property to the Group’s identified CGU
- Evaluating managements assessment of the recoverable amount of the intellectual property based on fair value less costs of disposal basis, including the relevance of the recent acquisition transaction as evidence of fair value; and
- Assessing whether the financial statement disclosures appropriately describe the transaction.

We also assessed the appropriateness of disclosures relating to these items in the financial statements.

Share-based payments	Area of focus (refer also to notes 1, 2 & 26)	How our audit addressed the key audit matter
	During the financial year the Group issued share-based payments as payments to directors, employees & other consultants for services provided to the entity. Management determined the accounting treatment of the various issued options, performance rights and share based payment arrangements in accordance with AASB 2 *Share Based Payments* and included market and non-market vesting criteria, including service conditions. Accounting for the awards required significant judgement and expertise, particularly in determining their fair value and assessing the likelihood of satisfying non-market performance and service conditions when determining the number of awards expected to vest and the related expense. This area is a Key Audit Matter due to the complexity of arrangements and judgements applied in valuing the share-based payment instruments issued.	Our audit procedures included: — Reviewing the terms of the options and performance rights being issued including the number of instruments issued, grant date, expiry date, exercise price and the presence of any market or non-market conditions; — For the options and performance rights issued without market conditions, we have evaluated the valuations prepared by management and management's expert and assessed that they were appropriately qualified to perform the valuation; — For the performance rights with market conditions we have reviewed the work performed by managements expert and assessed that they were appropriately qualified to perform the valuation; — Recalculating the share-based payments vesting charge over the vesting periods and recording of expense in the profit or loss statement and increment to share-based payments reserve with respect to the instruments issued in the current period; — Assessed the probability estimates determined by management with respect to the achievement of the non-market conditions; and We also assessed the appropriateness of disclosures relating to these items in the financial statements.

Other information

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 accordingly 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:

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

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- 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 ability of the Group 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.

William Buck
ACCOUNTANTS & ADVISORS

Report on the Remuneration Report

Opinion on the Remuneration Report

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

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

Dennis Lee

W. H. D. Lee
Director
Melbourne, 31 August 2026

Pathkey.AI Ltd
Shareholder information
30 June 2026

The shareholder information set out below was applicable as at 24 August 2026.

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

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	95	-
1,001 to 5,000	137	0.03
5,001 to 10,000	126	0.06
10,001 to 100,000	527	1.26
100,001 and over	531	98.65
	1,416	100.00
Holding less than a marketable parcel	417	0.12

Equity security holders

	Ordinary shares	
	Number held	% of total shares issued
SINGLEFIN ASIA PRIVATE FOUNDATION	72,800,000	5.39
MR ANTANAS GUOGA	65,494,739	4.85
RIVERSIDE TRUSTEES LIMITED	56,000,000	4.15
MAGPIRE CAPITAL PTE LTD	56,000,000	4.15
MS BAOYI ZHOU	54,885,600	4.06
NETWEALTH INVESTMENTS LIMITED (WRAP SERVICES A/C)	53,618,693	3.97
SANDTON CAPITAL PTY LTD (SANDTON FAMILY A/C)	50,700,000	3.75
ALFRED ROAD HOLDINGS PTY LTD (LIBERTINE A/C)	43,524,600	3.22
ACN 161 604 315 PTY LTD	36,400,000	2.70
UBS NOMINEES PTY LTD	31,445,239	2.33
MOWBRICK PTE LIMITED	28,000,000	2.07
MR FLYNN FEFE HUANG	26,833,334	1.99
IRWIN BIOTECH NOMINEES P/L (BIOA A/C)	26,679,493	1.98
MR YONGLU YU	25,000,000	1.85
BENGAL CAPITAL PTY LTD (BENGAL CAPITAL FAMILY A/C)	20,000,000	1.48
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED)	19,266,258	1.43
VERA FIDES HOLDINGS PTY LTD (VERA FIDES INVESTMENT A/C\)	19,169,211	1.42
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	17,262,231	1.28
ANUPAM CHATTOPADHYAY	16,800,000	1.24
CITICORP NOMINEES PTY LIMITED	16,493,222	1.22
	736,372,620	54.53

Pathkey.AI Ltd
Shareholder information
30 June 2026

Unquoted equity securities

	Number on issue	Number of holders
UNL OPTIONS EXP 10YRS GRANT DAY @ $1.20	42,480	4
UNL OPTIONS EXP 06/02/27@ $0.80	6,000	1
UNL OPTIONS EXP 20/03/27@ $2.50	14,916	3
UNL OPTIONS EXP 01/04/27@ $0.60	52,500	4
UNL OPTIONS EXP 26/01/28 @ $0.60	7,500	1
UNL OPT @ $0.30 EXP 10/09/2027	500,000	1
UNL OP EXP 10/12/26 @ $0.30	400,000	4
UNL OP EXP 10/12/26 @ $0.50	400,000	4
UNL OP EXP 10/12/26 @ $0.75	400,000	4
UNL OPT@ $0.10 EXP 10/12/2027	600,000	4
UNL OPT @ $0.15 EXP 10/12/2027	400,000	4
UNL OPT @ $0.20 EXP 10/12/2027	400,000	4
UNL OPT @ $0.06 EXP 30/12/2026	666,663	1
UNL OPT @ $0.04 EXP 17/08/2028	1,000,000	1
UNL OPT @ $0.05 EXP 15/09/2028	1,000,000	1
UNL OPT @ $0.05 EXP 15/10/2028	1,000,000	1
UNL OPT @ $0.04 EXP 15/11/2028	1,000,000	1
UNL OPT @ $0.03 EXP 01/12/2026	3,000,000	2
UNL DIRECTOR OPT @ $0.05 EXP 01/12/2028	400,000	4
UNL DIRECTOR OPT @ $0.075 EXP 01/12/2028	400,000	4
UNL DIRECTOR OPT @ $0.1 EXP 01/12/2028	22,200,000	9
UNL OPT @ $0.04 EXP 15/12/2028	1,000,000	1
UNL OPT @ $0.04 EXP 15/01/2029	1,000,000	1
UNL OPT @ $0.045 EXP 04/06/2027	5,000,000	5
UNL OPT @ $0.0525 EXP 04/06/2027	5,000,000	5
UNL OPT @ $0.03 EXP 17/12/2027	8,050,000	5
UNL OPT @ $0.05 EXP 17/12/2027	14,664,343	4
UNL OPT @ $0.03 EXP 20/08/2029	30,369,994	49
UNL OPT @ $0.015 EXP 20/08/2028	8,711,866	2
UUL OPT @ $0.025 EXP 4/02/2028 - CLASS A	27,920,000	7
UNL OPT @ $0.03 EXP 04/02/2029 - CLASS B	58,500,000	11
UNL OPT @ $0.035 EXP 4/02/2030- CLASS C	58,500,000	11
Performance Rights Class A	13,500,000	2
Performance Rights Class B	13,500,000	2
Performance Rights Class C	13,500,000	2
Performance Rights Class D	13,500,000	2
Vendor Performance Rights Class A	74,999,997	26
Vendor Performance Rights Class B	75,000,003	26
	456,606,262	223

Substantial holders
Singlefin Asia Private Foundation is a substantial holder 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.

Options and performance rights
All quoted and unquoted options and performance rights do not carry any voting rights