SCX.ai Holdings Limited
Level 16, 447 Kent Street
Sydney NSW 2000
ACN 688 872 095 | ASX Code: SCX

ASX Announcement
31 August 2026

1H FY26 Financial and Business Progress Update

Revenue from AI inference capacity passed $1.5 million from first few months of trading as token utilisation more than doubled each month, with July ARR growing to $6.5 million

SCX.ai Holdings Limited (SCX or the Company) is Australia's sovereign AI inference-as-a-service (IaaS) provider. The Company deploys production AI inference capacity on energy-efficient SambaNova ASIC chips within geolocationally-controlled data centre infrastructure, giving Australian and regional enterprises access to powerful AI compute that keeps data onshore and under Australian control. SCX's sovereign AI factory model is designed to support the long-term AI needs of enterprise customers without the data residency, sovereignty, or efficiency trade-offs of hyperscaler infrastructure.

Key highlights during the half year and events after the reporting date:

- Node 1 at Equinix SY5 went live in March 2026, delivering production AI inference capacity to Australian enterprise and government customers.
- Successful completion of the Company’s Initial Public Offering (IPO), raising gross proceeds of $40 million at an Offer Price of $0.30 per Share and commencement of trading on the ASX at 12 pm on Friday, 21 August 2026, under the ticker “SCX”.
- Token utilisation growth has more than doubled each month between April to July 2026, reflecting accelerating adoption of sovereign AI inference capacity. Paid utilisation reached approximately 35% by end of July, with capacity to scale within the existing node.
- Contracted Annual Recurring Revenue (ARR) has grown to $6.5 million as of 31 July 2026, up ~20.9% from $5.4 million at the end of May 2026, as disclosed in the Prospectus, driven by new enterprise customer wins and expansion across the existing customer base; Revenue for the half year ended 30 June 2026 passed $1.5 million since SCX commenced offering services to customers from March 2026.
- Active paying customers have grown 277% to 49 as of end of July 2026, up from 13 as at the Prospectus date.
- As of 31 July 2026, SCX had over 400 active users of the SCX Platform (comprising fee paying and non-fee paying users), compared with 298 as of 23 June 2026 (as disclosed in the Prospectus).

Strategic Partnerships:

- On 29 June 2026, SCX entered into a binding Strategic Partnership Agreement with Decidr.AI Pty Ltd (Decidr), expanding the parties’ previously announced sovereign inference relationship. Decidr's AI governance platform combined with SCX's infrastructure creates a complete sovereign AI stack for enterprise and government.
- On 25 August 2026, SCX announced a strategic partnership with global AI data intelligence company, DDN. The partnership will integrate DDN’s Infinia data intelligence platform with SCX’s ASIC accelerated infrastructure, strengthening the data layer supporting high concurrency and data intensive inference workloads. DDN has agreed to provide software and hardware to SCX for this purpose.
- Continued momentum in access to global token distribution with a new partnership announced with global token distribution company LLMGateway to sell SCX capacity into the international market demonstrating the potential for SCX to expand beyond the Australian market. Ismail Ghallou CEO and Founder of LLM Gateway said “We are pleased to welcome SCX.ai to the LLM Gateway platform. With SCX Infrastructure, customers on LLM Gateway can get access to fast speeds and efficient capacity delivered from Australia. The Asia Pacific region is one of our fastest growing regions and access to SCX.ai will help LLM Gateway customers next generation of AI applications and agents that will power our economy into the future."

Financial Summary

SCX appends to this document its 1H FY26 Half Year Report and Appendix 4D.

- On an underlying basis, the consolidated loss of the Consolidated Group for the financial period amounted to ($1,395,097).
- These results should be read in conjunction with the SCX.ai Trading Update announcement dated 21 August 2026, which provides a more current trading update than the enclosed half year results ending 30 June 2026.

SCX considers that certain costs incurred during the half year ended 30 June 2026 ('1H26') are not representative of the underlying and future financial performance of the Group, and as a result the statutory financial statements reduce the comparability of financial performance across reporting periods.

To improve comparability of SCX's financial performance for 1H26 with future periods, the results for SCX have been provided below, on a statutory and Underlying basis.

1H FY26 Financial Summary (Statutory and Underlying basis)

	1H26 $
Statutory net loss	**(2,526,531)**
Finance costs	892,838
Depreciation and amortisation	628,918
EBITDA	**(1,004,775)**
Underlying Adjustments:	
Transaction costs (expensed)[1]	139,175
Non-operating consulting costs[2]	105,000
Capital structure changes - convertible notes finance costs[3]	-
Underlying EBITDA	**(760,600)**

Underlying net loss has been calculated by removing:

- costs associated with the Consolidated Group's IPO (being, '*Transaction costs (expensed)*');
- non-operating and non-recurring consulting costs relating to abnormal levels of financial and accounting support in the Company's first 12 months of trading (being, '*Non-operating consulting costs*'); and
- non-operating convertible note costs comprising the amortised cost on the financial liability (being, '*Capital structure changes – convertible notes finance costs*').

Reconciliation of statutory net loss to Underlying net loss

	1H26 $
Statutory net loss	**(2,526,531)**
Transaction costs (expensed)[1]	139,175
Non-operating consulting costs[2]	105,000
Capital structure changes - convertible notes finance costs[3]	887,258
Underlying net loss	**(1,395,097)**

Notes to adjustments:

1. **Transaction costs (expensed):** Non-operating transaction costs (portion expensed to the statement of profit or loss) incurred in association with the Consolidated Group's IPO (listed on 21 August 2026). These costs include: legal, accounting and other professional fees, and do not relate to the ongoing operations of the Consolidated Group.
2. **Non-operating consulting costs:** Non-operating and non-recurring consulting costs relating to abnormal levels of financial and accounting support incurred.
3. **Capital structure changes - convertible notes finance costs:** The Group issued $3.4 million of convertible notes over the course of March 2026 to May 2026. The convertible notes liability has been recognised to the balance sheet as a derivative financial liability ($1.5 million) and a convertible notes host liability ($1.8 million).

   Between the date of issue and 30 June 2026, the finance cost on the convertible notes host liability and derivative financial liability amounted to $0.9 million. This is considered non-operating and largely non-cash, with $0.1 million of coupon interest accrued up to 30 June 2026, which will be payable in cash to convertible note holder upon conversion. The Group's convertible notes converted into ordinary shares upon IPO (on 21 August 2026).

   For the avoidance of doubt, convertible note finance costs are reported within finance costs which is not included within the definition EBITDA.

Statutory Finance costs breakdown

	1H26 $
Convertible notes coupon interest - payable in cash	(101,243)
Convertible notes coupon interest - accrued for conversion to ordinary shares (non-cash)	(101,243)
Convertible notes interest - remaining at amortised cost (non-cash)	(684,772)
Sub-total Convertible notes finance costs	**(887,258)**
Credit card interest	(4,598)
Lease liability interest	(983)
Finance costs	**(892,838)**

EBITDA, Underlying EBITDA, net loss and Underlying net loss, are financial measures which are not prescribed by Australian Accounting Standards (‘AAS’) and represent the statutory result under AAS adjusted for certain items as noted above. The directors consider Underlying EBITDA and Underlying net loss to reflect the core losses of the Group.

Authorised for release to the ASX by the Board of Directors of SCX.ai Holdings Limited.

For more information, please contact:

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Company Secretary

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1H FY26 Half Year Report and Appendix 4D

1. SCX.AI Holdings Limited (ASX: SCX)

- **Reporting Period:** Half-year ended 30 June 2026
- **Previous Corresponding Period:** Half-year ended 30 June 2025

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2. Preliminary Results for Announcement to the Market

2.1 All amounts are presented in thousands of Australian Dollars '$000' unless otherwise specified.

	HALF YEAR ENDED 30 JUNE 2026	HALF YEAR ENDED 30 JUNE 2025	CHANGE $	CHANGE %
Revenues from ordinary activities	1,505	-	1,505	N/A
Loss from continuing operations	(2,527)	-	(2,527)	N/A
Loss from ordinary activities after tax attributable to members	(2,527)	-	(2,527)	N/A
Net loss for the year attributable to members	(2,527)	-	(2,527)	N/A

The consolidated loss of the Consolidated Group for the financial period after providing for income tax amounted to ($2,526,531). The loss included non-operating costs of ($1,131,434), this comprised:

- non-operating finance costs associated with convertible notes which were converted to ordinary shares upon the Group's Initial Public Offering ('IPO') on 21 August 2026 amounting to ($887,258);
- costs associated with the IPO ($139,175); and
- non-operating consulting costs relating to abnormal levels of financial and accounting support ($105,000).

2.2 DIVIDEND INFORMATION

- **FINAL DIVIDEND: NIL (PCP: NIL)**
- **INTERIM DIVIDEND: NIL (PCP: NIL)**

2.3 Loss per share

Basic and diluted earnings per share

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	1H FY2026 $	1H FY2025 $
Basic and diluted earnings/(loss) per share (in cents)	(2.53)	-
Loss for the year used in the calculation	(2,526,531)	-
Weighted average number of ordinary shares	100,000,000	-

2.4 Net tangible assets

	30 JUNE 2026 $	30 JUNE 2025 $
Net liabilities	(234,537)	-
Less: Intangibles	-	-
Net tangible liabilities	(234,537)	-
Total shares issued	100,000,000	-
Net tangible assets per ordinary shares (in cents)	(0.23)	-

3. Dividends

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

4. Audit Status

The financial statements were subject to review by the auditors and the independent auditors review report is attached as part of the Financial Statements for the Half Year ended 30 June 2026.

Wayne Stevenson

Independent, Non-Executive Chairman

31 August 2026

SCX.AI Holdings Limited

ABN 96 688 872 095

Financial Statements

For the Half Year Ended 30 June 2026

SCX.AI Holdings Limited

ABN 96 688 872 095

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For the Half Year Ended 30 June 2026

SCX.AI Holdings Limited

ABN 96 688 872 095

Directors' Report

30 June 2026

The directors present their report on SCX.AI Holdings Limited (ASX: SCX) (the **Company**) and its controlled entity (together, the **Group** or **Consolidated Group**) for the half year ended 30 June 2026.

Directors

The names of each person who has been a director during the half year and to the date of this report are:

Wayne Stevenson	Independent, Non-Executive Chairman (appointed 30 June 2026)
Penny Fowler AM	Independent, Non-Executive Director (appointed 8 July 2026)
Thomas Amos	Non-Executive Director (appointed 8 July 2025)
David Keane	Chief Executive Officer / Managing Director (appointed 8 July 2025)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial half year were providing customers with a sovereign AI platform that delivers inference, infrastructure and managed services, enabling organisations to deploy AI workloads securely within Australia.

There were no significant changes in the nature of the Group's principal activities during the financial half year.

Significant changes in state of affairs

There were no significant changes in nature of the Group's state of affairs during the financial half year.

Review of operations

- The consolidated loss of the Consolidated Group for the financial period after providing for income tax amounted to ($2,526,531). The loss included non-operating costs of $1,131,434, this comprised:
  - non-operating finance costs associated with convertible notes which were converted to ordinary shares upon the Group's Initial Public Offering ('IPO') on 21 August 2026 amounting to $887,258;
  - costs associated with the IPO ($139,175); and
  - non-operating and non-recurring consulting costs relating to abnormal levels of financial and accounting support ($105,000).
- During the period the Consolidated Group secured funding of $3,200,000 net of transaction costs in the form of convertible notes.
- On 29 June 2026, SCX entered into a binding Strategic Partnership Agreement with Decidr.AI Pty Ltd (Decidr), expanding the parties' previously announced sovereign inference relationship. Under the agreement, Decidr will provide agreed services under the direction of SCX Labs and become a participating partner in the development of Project MAGPiE, SCX's sovereign Australian large language model. SCX will also become a non-exclusive reseller of Decidr and Sugarwork products and services, while providing Decidr with dedicated AI infrastructure, private model deployment, governance controls and managed operations.

Events after the reporting date

The Consolidated Group raised $40,000,000 of gross proceeds as part of its IPO, with their shares listed on the ASX on 21 August 2026. Upon IPO, the Consolidated Group's convertible notes and 50% of the accrued coupon payments were converted into ordinary shares. No further finance costs relating to the convertible notes are incurred after this point in time..

On 25 August 2026, SCX announced a strategic partnership with global AI data intelligence company, DDN. The partnership will integrate DDN's Infinia data intelligence platform with SCX's ASIC-accelerated infrastructure, strengthening

Events after the reporting date (continued)

the data layer supporting high-concurrency and data-intensive inference workloads. The combined architecture is intended to improve infrastructure utilisation and inference economics while ensuring that customer models, workloads and data remain within Australia. This additional capability will support bespoke enterprise workloads, the continued development of Project MAGPiE, and SCX's planned expansion of its sovereign AI node network.

Other than disclosed above and in Note 13 of the financial statements, no matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 June 2026 has been received and can be found on page 3 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Wayne Stevenson

Dated: 31 August 2026

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of SCX.ai Holdings Limited and its controlled entity for the half year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Melbourne, Victoria
Dated: 31 August 2026

SCX.AI Holdings Limited

ABN 96 688 872 095

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2026

	Note	For the period ended 30 June 2026 $
Sales		1,504,773
Cost of sales		(1,024,571)
Employee benefits expense		(1,199,470)
Promotion, marketing and advertising		(59,315)
Compliance, legal and consulting costs		(281,760)
Finance costs	8	(892,838)
Depreciation and amortisation expenses		(628,918)
Other income / (expenses)		55,568
Loss before income tax		**(2,526,531)**
Income tax expense		-
Loss from continuing operations		**(2,526,531)**
Loss for the half year		**(2,526,531)**
Other comprehensive income, net of income tax		-
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period		**(2,526,531)**
Loss attributable to:		
Members of the parent entity		(2,526,531)
Total comprehensive loss attributable to:		
Members of the parent entity		(2,526,531)
Loss per share		
Basic loss per share (cents)	10	(2.53)
Diluted loss per share (cents)	10	(2.53)

The accompanying notes form part of these financial statements.

SCX.AI Holdings Limited

ABN 96 688 872 095

Consolidated Statement of Financial Position

As At 30 June 2026

	Note	30 June 2026 $	31 December 2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	623,468	64,075
Trade and other receivables	4	1,076,084	6,600
Right-of-use assets		34,423	-
Other assets	5	2,430,302	-
TOTAL CURRENT ASSETS		**4,164,277**	**70,675**
NON-CURRENT ASSETS			
Property, plant and equipment	6	11,622,435	12,199,852
TOTAL NON-CURRENT ASSETS		**11,622,435**	**12,199,852**
TOTAL ASSETS		**15,786,712**	**12,270,527**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	11,899,016	11,151,438
Convertible notes	8	2,562,103	-
Derivative financial liabilities	8	1,525,156	-
Lease liabilities		34,794	-
TOTAL CURRENT LIABILITIES		**16,021,069**	**11,151,438**
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		**-**	**-**
TOTAL LIABILITIES		**16,021,069**	**11,151,438**
NET (LIABILITIES) / ASSETS		**(234,357)**	**1,119,089**
EQUITY			
Ordinary share capital	9	10,100	10,100
Capital contributions		1,765,566	1,559,101
Share based payments reserve		2,356,788	1,390,168
Accumulated losses		(4,366,811)	(1,840,280)
TOTAL EQUITY		**(234,357)**	**1,119,089**

The accompanying notes form part of these financial statements.

SCX.AI Holdings Limited

ABN 96 688 872 095

Consolidated Statement of Changes in Equity

For the Half Year Ended 30 June 2026

	Ordinary share capital	Capital contributions	Share based payments reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at January 1, 2026	10,100	1,559,101	1,390,168	(1,840,280)	**1,119,089**
Loss after income tax for the period	-	-	-	(2,526,531)	**(2,526,531)**
Transactions with owners in their capacity as owners					
Share-based payment settled by shareholder	-	-	966,620	-	**966,620**
Capital contributions (cash) during the period	-	206,465	-	-	**206,465**
Balance at 30 June 2026	**10,100**	**1,765,566**	**2,356,788**	**(4,366,811)**	**(234,357)**

SCX.AI Holdings Limited was incorporated and registered on 8 July 2025.

The accompanying notes form part of these financial statements.

SCX.AI Holdings Limited

ABN 96 688 872 095

Consolidated Statement of Cash Flows

For the Half Year Ended 30 June 2026

	Note	30 June 2026 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		618,266
Payments to suppliers and employees		(1,159,946)
Interest paid		(4,596)
Net cash used in operating activities		**(546,276)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(2,282,972)
Net cash used in investing activities		**(2,282,972)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible notes		3,200,000
Shareholder capital contributions		206,465
Repayment of lease liabilities on ROU assets		(17,824)
Net cash provided by financing activities		**3,388,641**
Net increase in cash and cash equivalents held		559,393
Cash and cash equivalents at beginning of the half year		64,075
Cash and cash equivalents at end of the half year	3	**623,468**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half Year Ended 30 June 2026

The financial report covers SCX.AI Holdings Limited (ASX: SCX) and its controlled entities ('the Group'). SCX.AI Holdings Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

SCX.AI Holdings Limited was incorporated and registered on 8 July 2025.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 31 August 2026.

No comparative information is presented for the corresponding six-month period of the prior year as the Company was incorporated on 8 July 2025 and therefore, no corresponding prior-period financial information exists.

1 Basis of Preparation

This condensed consolidated interim financial report for the reporting period ending 30 June 2026 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest statutory financial statements of SCX.AI Holdings Limited and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2025, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, with the additional application of the following accounting policy in relation to the convertible notes issued during the half year period:

Financial Instruments

(a) Initial recognition and measurement

Financial liabilities are recognised when the Consolidated Group becomes a party to the contractual provisions to the instrument.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(b) Classification and subsequent measurement

Classification between liabilities and equity

Financial instruments issued by the Consolidated Group are classified as either financial liabilities or equity instruments in accordance with AASB 132 *Financial Instruments*: Presentation, based on the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

1 Basis of Preparation (continued)

A financial instrument is classified as a financial liability where:

- There is a contractual obligation:
  - To deliver cash or another financial asset to another entity; or
  - To exchange financial assets or financial liabilities under conditions that are potentially unfavourable;

- The instrument may be settled in the entity's own equity instruments, and it:
  - Is a non-derivative for which the entity is or may be obliged to deliver a variable number of its own equity instruments; or
  - Is a derivative that will or may be settled other than by the exchange of a fixed amount of cash for a fixed number of equity instruments.

An instrument is classified as equity if:

- It evidences a residual interest in the assets of the entity after deducting all its liabilities, and
- There is no contractual obligation to deliver cash or another financial asset;

If settled in the entity's own equity instruments, it meets the "fixed-for-fixed" criterion (i.e. exchange of a fixed amount of cash for a fixed number of shares).

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost: Amortised cost of a debt instrument is calculated using the effective interest method and is allocated as interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition; or
- fair value through profit or loss: A financial liability is measured at fair value through profit or loss if the financial liability is:
  - a contingent consideration of an acquirer in a business combination to which AASB 3 Business Combinations applies; or
  - held for trading; or
  - initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

1 Basis of Preparation (continued)

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term; or
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

(c) Derecognition

Derecognition refers to the removal of a previously recognised financial liability from the statement of financial position.

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

1 Basis of Preparation (continued)

Going Concern

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

The Group incurred a loss of $2,526,531 and net cash outflow from operating activities of $546,276 for the half-year ended 30 June 2026 and, as at that date, had net current liabilities of $11,856,792 and net liabilities of $234,357.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, considering the Group has subsequently raised $40,000,000 of gross proceeds via an Initial Public Offering, where the Group listed on the ASX on 21 August 2026.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to recoverability or classification of assets, or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

2 Operating Segments

The Group has identified one operating segment based on the nature of its activities and the manner in which the results are reviewed and resources are allocated by the chief operating decision maker.

The principal activities of the Group during the financial half year were providing customers with a sovereign AI platform that delivers inference, infrastructure and managed services, enabling organisations to deploy AI workloads securely within Australia.

Accordingly, the Group operates in a single operating segment, being the provision of sovereign AI services segment. As the Group operates in a single operating segment, no further disaggregation of operating segment information is required.

3 Cash and Cash Equivalents

	30 June 2026 $	31 December 2025 $
Cash at bank and in hand	623,468	64,075
	623,468	**64,075**

4 Trade and Other Receivables

	30 June 2026 $	31 December 2025 $
CURRENT		
Trade receivables	1,076,084	6,600
	1,076,084	**6,600**

5 Other Assets

	30 June 2026 $	31 December 2025 $
CURRENT		
Prepayments	52,202	-
Deferred costs	2,205,912	-
Deferred IPO costs	160,921	-
Other receivables	11,267	-
	2,430,302	**-**

6 Property, Plant and Equipment

	30 June 2026 $	31 December 2025 $
Capital works in progress		
At cost	**-**	12,199,852
Total capital works in progress	-	**12,199,852**
AI hardware		
At cost	12,234,141	-
Accumulated depreciation	(611,706)	-
Total AI hardware	**11,622,435**	**-**
Total property, plant and equipment	**11,622,435**	**12,199,852**

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half year:

	Capital Works in Progress $	AI Hardware $	Total $
Half Year ended 30 June 2026			
Balance at the beginning of year	12,199,852	-	**12,199,852**
Additions	-	34,289	**34,289**
Transfers	(12,199,852)	12,199,852	**-**
Depreciation expense	-	(611,706)	**(611,706)**
Balance at the end of the half year	**-**	**11,622,435**	**11,622,435**

7 Trade and Other Payables

	30 June 2026 $	31 December 2025 $
CURRENT		
Trade and other creditors	3,155,356	180,361
Payables for AI Hardware	8,317,950	10,868,433
Credit card liabilities	74,595	87,876
Net GST (receivable) / payable	(21,337)	(5,232)
Accrued expenses	270,146	15,000
Other payables	102,306	5,000
	11,899,016	**11,151,438**

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days, except for the Payables for AI Hardware which are expected to be settled after the Group's IPO on 21 August 2026. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8 Convertible notes and derivative financial liabilities

	30 June 2026 $	31 December 2025 $
CURRENT		
Convertible notes	2,562,103	-
Derivative financial liabilities	1,525,156	-
	4,087,259	**-**

Convertible notes and derivative financial liabilities

Over the course of March 2026 to May 2026, the Consolidated Group issued $3,400,000 of convertible notes under a Convertible Note Deed Poll (signed 27 March 2026) for cash proceeds of $3,200,000 (net of transaction costs).

A total of 68 convertible notes were issued at a face value of $50,000 each with a maturity term of six months and mandatory conversion to ordinary shares when the Consolidated Group lists on the ASX. The applicable coupon rate is 2% per month, of which half is payable in cash at conversion or redemption of the convertible notes. On listing, the amounts owing under the convertible notes face value plus accrued interest (portion not settled in cash) will convert to ordinary shares at a 30% discount to the IPO Offer price.

The convertible notes have initially been recognised in two parts in accordance with AASB 132 *Financial Instruments: Presentation*, comprising (i) a derivative financial liability of $1,525,156 measuring the fair value of the notes' conversion feature; and (ii) a convertible notes host liability of $1,764,559 (net of a portion of transaction costs), to be carried at amortised cost.

Finance costs

Between the date of issue and 30 June 2026, the finance cost on the convertible notes host liability, calculated on an effective interest basis amounts to $797,543 (increasing the convertible notes host liability to $2,562,103 as at 30 June 2026). In addition, $89,715 of transaction costs attributable to the derivative liability is recognised in the statement of profit or loss as finance costs. The total finance costs recognised to the statement of profit or loss as finance costs relating to the convertible notes between the date of issue and 30 June 2026 is $887,258.

However, applying the coupon rate on the notes per the terms of the Convertible Note Deed Poll (2% per month), the coupon interest (from the date of issue up to 30 June 2026) is $202,485, of which $101,243 is expected to be payable to note holders in cash at conversion and the remaining amount will form part of the value that converts to ordinary shares.

9 Issued Capital

	30 June 2026 $	31 December 2025 $
100,000,000 (2025: 100,000,000) Ordinary shares	10,100	10,100
Total	**10,100**	**10,100**

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

10 Loss per share

	30 June 2026
Loss per share from continuing operations	
Basic and diluted loss per share (in cents)	(2.53)
Net loss used in the calculation of basic and diluted loss per share	(2,526,531)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	100,000,000

11 Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period.

12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2026 (31 December 2025: None).

13 Events Occurring After the Reporting Date

The Group raised $40,000,000 gross proceeds as part of its IPO, with their shares listed on the ASX on 21 August 2026.

Upon IPO, the Consolidated Group's convertible notes and 50% of the accrued coupon payments were converted into ordinary shares; and the remaining 50% coupon payments were cash settled with the noteholders, in-line with the terms of the Convertible Note Deed Poll. No further finance costs relating to the convertible notes are incurred after this point in time.

On 25 August 2026, SCX announced a strategic partnership with global AI data intelligence company, DDN. The partnership will integrate DDN's Infinia data intelligence platform with SCX's ASIC accelerated infrastructure, strengthening the data layer supporting high concurrency and data intensive inference workloads. The combined architecture is intended to improve infrastructure utilisation and inference economics while ensuring that customer models, workloads and data remain within Australia. This additional capability will support bespoke enterprise workloads, the continued development of Project MAGPiE, and SCX's planned expansion of its sovereign AI node network.

No other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

SCX.AI Holdings Limited

ABN 96 688 872 095

Directors' Declaration

In the directors' opinion:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements, including:

    (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and

    (b) give a true and fair view of the consolidated group's financial position as at 30 June 2026 and of its performance for the half-year ended on that date.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Wayne Stevenson

Director: Thomas Amos

Dated: 31 August 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of SCX.ai Holdings Ltd

REPORT ON THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the half-year financial report of SCX.ai Holdings Limited and its controlled entity ("Group) which comprises the consolidated statement of financial position as at reporting date, 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the company at the half-year end.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

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

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of SCX.ai Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the SCX.ai Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026, and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Dated: 31 August 2026
Melbourne, Victoria