ANNUAL REPORT
FOR THE YEAR ENDED
30 June 2026

Adisyn Ltd

ASX:AI1

Directors	Kevin Crofton (Executive Chairman) Arye Kohavi (Non-Executive Director) Blake Burton (Executive Director) Dominic O'Hanlon (Non-Executive Director)
Company secretary	Kyla Garic
Registered office	Suite 7, 63 Shepperton Road Victoria Park Western Australia 6100
Telephone: Email: Website:	08 6158 9990 investors@adisyn.com www.adisyn.com
Share register	Xcend Pty Ltd Level 2, 477 Pitt Street Haymarket NSW 2000
Auditor	Hall Chadwick WA Audit Pty Ltd 283, Rokeby Road Subiaco WA 6008
Solicitors	Nova Legal 50 Kings Park Road Perth WA 6005
Stock exchange listing	Adisyn Ltd shares are listed on the Australian Securities Exchange (ASX code: **AI1**)

Dear Shareholders,

FY2026 was a defining year for Adisyn. Throughout the year, we focused on building the foundations required to transition the Company from technology development/R&D company to one that is entering commercialisation. By strengthening our technology portfolio, expanding our intellectual property, broadening our strategic focus and enhancing our leadership team, we believe Adisyn is emerging as a stronger and better-positioned business than it was twelve months ago.

Our greatest progress was made across our semiconductor graphene platform. During the year, we achieved a series of important technical milestones, including advances in our graphene deposition process, repeatable and uniform graphene deposition at temperatures well below 450°C independently verified by a leading graphene researcher at UNSW Sydney, and the allowance of a key United States patent protecting our graphene coating technology. Collectively, these achievements strengthened our intellectual property position and technical validation while reinforcing the potential for graphene to address challenges facing next-generation semiconductor device manufacturing.

FY2026 also demonstrated the versatility of our technology beyond semiconductors. We established a dedicated defence technology subsidiary, secured exclusive worldwide rights to commercialise graphene-based radar-signature-reduction technology and progressed the development of graphene-enhanced radar-absorbing materials and components for drones and unmanned aerial vehicles. Together, these initiatives broadened our opportunity set and potentially created an additional potential commercial pathway for the Company's graphene capabilities.

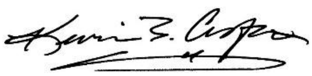
As our technology platform advanced, so too did the Company. The successful completion of a A$14 million institutional placement provided financial resources to accelerate our technology programs and demonstrated support from leading institutional investors for the Company's strategic direction.

Looking ahead, the strategic importance of semiconductor capability, advanced materials and defence technology continue to increase globally. This environment provides a supportive backdrop for technologies capable of addressing complex engineering challenges across these sectors.

Against this backdrop, FY2027 will be focused on execution. We will continue advancing our technology programs, expanding engagement with strategic partners and pursuing pathways that translate technical achievements into commercial outcomes. While significant work remains, the Board believes the foundations established during FY2026 position Adisyn to pursue these opportunities with increasing confidence.

Finally, I would like to thank our employees, scientists, engineers, management team, advisers and industry partners for their dedication, expertise and commitment throughout the year. Their collective efforts have been instrumental in the progress achieved to date. On behalf of the Board, I also thank our shareholders for your continued trust and support. We remain committed to disciplined execution and to building a business capable of delivering sustainable long-term value for all shareholders.

Yours sincerely,



Kevin Crofton
Executive Chairman

General information

The financial statements cover Adisyn Ltd as a Group consisting of Adisyn Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Adisyn Ltd's functional and presentation currency.

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

Registered office	Principal place of business
Suite 7, 63 Shepperton Road Victoria Park WA 6100	Unit 3, 4 McGrath Road Henderson WA 6166

A description of the nature of the Group's operations and its principal activities is 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 24 September 2026.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Adisyn Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

1. Directors

The following persons were directors of Adisyn Ltd during the financial year and up to the date of this report, unless otherwise stated:

Name	Position	Appointment date	Transition/Resignation date
Kevin Crofton	Executive Chairman	7 September 2026	-
	Non-Executive Chairman	17 March 2025	7 September 2026
Arye Kohavi	Non-Executive Director	7 September 2026	-
	Managing Director	04 February 2026	7 September 2026
Blake Burton	Executive Director	04 February 2026	-
	Managing Director	1 July 2022	04 February 2026
Dominic O'Hanlon	Non-Executive Director	17 March 2025	-

Information on directors

Name:	**Kevin Crofton**
Title:	Executive Chairman (From 7 September 2026) Non-Executive Chairman (appointed 17 March 2025 to 7 September 2026)
Qualifications:	MBA in International Business and BS in Engineering (Aerospace)
Experience and expertise:	Mr Crofton is an accomplished business leader with over three decades of extensive international experience in the technology industry serving in a number of key leadership roles for companies including: Lam Research Corporation (Nasdaq: LRCX, US$96B mkt cap), KLA Corporation (Nasdaq: KLAC, US$91B mkt cap), Newport Corporation (acquired for US$980M), NEXX Systems (acquired by Tokyo Electron) and Aviza Technology. Among his many achievements, Mr Crofton co-led a private equity backed buyout of Aviza Technology UK to create what became SPTS Technologies, where he was President and Managing Director from 2006 to 2020 and created a US$500M turnover, highly profitable, market leading company. SPTS was bought by Orbotech, which was later acquired by KLA for US$3.4B (US$2.3Bn attributed to SPTS). Mr Crofton has also served a period of nine years as a board member and Chair of SEMI International, the global industry association for semiconductors.
Other current directorships:	Chair at Creo Medical Group PLC (AIM: Creo) since July 2024
Former ASX directorships (last 3 years):	Nil
Interests in shares:	7,153,670 fully paid ordinary shares
Interests in options:	6,000,000 unlisted options, exercisable at $0.15 per option, expiring 19 May 2028
Interests in rights:	4,590,734 performance rights, expiring 9 January 2028

Name:	**Arye Kohavi**
Title:	Non-Executive Director (from 7 September 2026) Managing Director (appointed 4 February 2026 to 7 September 2026) Non-Executive Director (12 February 2025 to 4 February 2026)
Qualifications:	MBA (Finance) and BA in Economics and Accounting
Experience and expertise:	Recognized as one of the world's 100 Leading Global Thinkers and one of the world's top innovators, Mr Kohavi is a seasoned entrepreneur and innovator with a proven track record in building successful companies, including Watergen, a leading provider of atmospheric water generation technology. Mr Kohavi is the founder and CEO of 2D Generation Ltd ("2DG").
Other current directorships:	Nil
Former ASX directorships (last 3 years):	Nil
Interests in shares:	18,691,053 fully paid ordinary shares 17,310,357 fully paid ordinary shares escrowed to 9 January 2027
Interests in rights:	15,600,282 performance rights, expiring 9 January 2028

Name:	**Blake Burton**
Title:	Executive Director (appointed 4 February 2026) Managing Director (1 September 2020 to 4 February 2026)
Qualifications:	BCom (Accounting and Corporate Finance)
Experience and expertise:	Mr Burton possesses extensive experience in the IT industry. He was co-founder of web hosting company, Netorigin in 2011. Mr Burton grew Netorigin from inception and took the Company to successful trade sale in 2019 to Australia's largest privately owned web host VentraIP. At completion of the sale to Netorigin Mr Burton focused on Attained Group. Mr Burton has previously worked as an auditor at PwC, which included working with a number of ASX listed and international companies.
Other current directorships:	Non-Executive Director (ASX: BST) since 1 March 2026
Former ASX directorships (last 3 years):	Nil
Interests in shares:	17,100,000 fully paid ordinary shares
Interests in options:	6,000,000 unlisted options exercisable at $0.15 per option, expiring 14 April 2029
Interests in rights:	Nil

Name:	**Dominic O'Hanlon**
Title:	Non-Executive Director (appointed 17 March 2025)
Qualifications:	BA (Econ, Govt) Hons I, Fellow of the Australian Institute of Company Directors
Experience and expertise:	Mr. O'Hanlon has over 30 years of experience in the Information Technology industry. Throughout his career, Mr. O'Hanlon has held key executive roles, both domestically and internationally, consistently driving growth and commercial success in technology-focused businesses. Mr. O'Hanlon has served as Managing Director and CEO of Rhipe Limited (ASX: RHP) for over seven years. During Mr O'Hanlon's time as CEO of RHP, the business grew sales from AUD $74.5M to $377.4M (26.6% CAGR) and EBITDA from AUD $1.5M to $16.6M (41% CAGR). RHP had approximately 600 staff across 10 countries. Prior to RHP, Mr O'Hanlon had multiple technology build and scale experiences including as CEO of Haley Limited (sold to Oracle) and as Chief Strategy Officer of MYOB (sold to Bain Capital).
Other current directorships:	Non-Executive Director (ASX: 5GG) since 6 October 2023 Non-Executive Director (ASX: IOV) since 18 August 2026
Former ASX directorships (last 3 years):	Nil
Interests in shares:	1,100,263 Fully Paid Ordinary Shares
Interests in options:	6,000,000 unlisted options, exercisable at $0.15 per option, expiring 19 May 2028

'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.

2. Company secretary

Name	**Kyla Garic**
Qualifications	B Com, MAcc, CA, FGIA, FGIS
Experiences	Ms Garic is a Fellow of the Governance Institute of Australia and a member of the Institute of Chartered Accountants Australia and New Zealand. She is a Director of Onyx Corporate Pty Ltd a Company specialising in providing, company secretarial, corporate governance and corporate reporting services. Ms Garic acts as Company Secretary for a number of ASX listed companies.

3. Meetings of directors

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:

	Board Meeting	
	Eligible to Attend	Attended
Kevin Crofton	11	11
Arye Kohavi	11	11
Blake Burton	11	11
Dominic O'Hanlon	11	11

4. Principal activities

The Group has identified significant opportunities within the global semiconductor industry and is specialising in the development of graphene-based interconnects, the conductive pathways which connect different components or regions within an integrated circuit.

The Group's graphene technology is focused on advancing a patented low-temperature Atomic Layer Deposition (ALD) process to enable direct graphene growth on semiconductor wafers. This technology is anticipated to address the performance limits of copper interconnects and deliver faster, more energy-efficient computer processing. The Company's broader technology platform is supported by Adisyn Services which provides managed IT solutions, including cloud, cybersecurity and artificial intelligence, primarily to Australian SMEs.

5. Operating and financial review

Financial performance

The Group recorded a loss after income tax of $7,832,781 for the year (2025 restated: $8,034,441). The loss from continuing operations was $7,783,761 (2025 restated: $4,886,854).

Revenue from continuing operations, all from the Adisyn Services business, rose 30% to $4,236,485 (2025: $3,261,168). The growth came mainly from project revenue and managed support services.

The larger loss from continuing operations mainly reflects two items:

· Share-based payment expense of $2,325,333 (2025: $559,748), largely from performance rights that vested on achievement of Milestones 1 and 2.

· Research and development expenditure of $2,188,873 (2025: $886,106), as 2D Generation stepped up its graphene development and testing program.

Financial position

At 30 June 2026 the Group had cash of $15,488,326 (2025: $6,959,562) and no borrowings. Net cash used in operating activities was $4,469,943 (2025: $3,650,379). The institutional placement raised $13,800,000 before costs of $868,689, and option exercises raised a further $333,840.

Net assets increased to $59,339,723 (2025 restated: $34,068,776). The increase came from the placement and from the $15,400,000 added to the carrying value of the graphene technology intangible when the Class A and Class B performance rights vested. Intangible assets totalled $42,258,548 at year end.

Review of Operations

The financial year has been a groundbreaking period for Adisyn, with a number of successful developments culminating in the demonstration of repeatable graphene deposition at temperatures well below the industry standard of 450°C, significantly advancing the Company's progress towards producing next-generation semiconductor and elevating engagement with Tier 1 global semiconductor companies.

These developments have also coincided with the Company successfully identifying synergies for a graphene-based radar absorption technology for UAVs.

Following the commencement of the financial year, Adisyn announced on 17 July 2025, the successful installation, commissioning and calibration of its newly acquired Beneq TFS 200 Atomic Layer Deposition (ALD) system, completed by wholly owned subsidiary, 2D Generation ("2DG").

This system operates complimentary to the Beneq TFS 200 system located at Tel Aviv University's (TAU) Jan Koum Center for Nanoscience and Nanotechnology. Together, the dual-system configuration allows Adisyn to run concurrent testing and accelerate the validation of graphene films across various substrates, layer structures and operating conditions.

On 6 August 2025, the Company announced the beginning of a major phase of technical activity focused on optimising its patented low-temperature graphene technology foruse in industry recognized and adopted ALD systems used in high volume manufacturing environments.

Precursor Development and Graphene Growth was identified as a key development phase in which the results of several years of foundational research and internal experimentation required validation through controlled testing and iterative optimisation.

The first phase of activity was focused on precursor development and involved several interdependent steps designed to establish the graphene growth sequence. These include:

- **Plasma Pre-Clean:** This crucial initial step removes contamination from the surface enabling a clean substrate for the subsequent growth of ultra-thin atomic level films.
- **Deposition Sequence:** The graphene growth process begins by mixing gases with selected organic precursors to co-react and form graphene films.
- **Post-Anneal:** After deposition, annealing is used to enhance the crystalline quality and electrical properties of the graphene.
- **Characterisation and Feedback:** Resulting films are evaluated through rigorous testing, feeding into a continuous test-refine cycle to optimise growth parameters.

This cycle was repeated numerous times assessing at least three identified precursor candidates, with the aim of determining optimal growth conditions and repeatability.

On 17 November 2025, Adisyn announced the Company had successfully achieved the initial phase of developing a wafer (or coupon level) surface pre-clean step, one of several sub-processes within the overall pre-clean stage within its proprietary low- temperature graphene deposition process.

This achievement confirmed the Company's process architecture operates as expected and provided confidence to proceed into the next major development phase.

On 6 January 2026, the Company continued to report progress in the development of its low-temperature graphene deposition technology using an ALD machine, successfully meeting Milestone 1 under the Share Sale and Purchase Agreement ("SPA") relating to its acquisition of 2DG.

Milestone 1 related to the demonstration of low-temperature deposition of an sp^2-based carbon layer onto a metallic substrate, using an ALD system.

As defined under the SPA, the achievement of each milestone is subject to independent verification by a qualified professor from a recognised technical university in Australia or Israel, appointed by the Adisyn Board.

The Company confirmed that Professor Yoram Selzer, from the Faculty of Exact Sciences at TAU, completed an independent technical review and assessment of the results and formally confirmed in writing that Milestone 1 has been achieved.
Following receipt of Professor Selzer's confirmation, the Adisyn Board reviewed the findings and approved the achievement of Milestone 1 in accordance with the terms of the SPA.

On 20 April 2026, Adisyn advised of a major successful development which significantly enhanced the development of its graphene-based semiconductor technology. The Company announced the successful demonstration of full coverage graphene on a 1cmx1cm coupon using an industrial ALD system. The Company notes that the deposition process was well below 450°C.

This result demonstrated graphene formation within an industrial ALD system under semiconductor-compatible conditions, providing a pathway toward integration into semiconductor manufacturing.

Transmission Electron Microscopy analysis (Figure 1) and Raman Spectroscopy characterisation tests (Figure 2) confirmed continuous graphene layers across a 1cm x 1cm coupon.

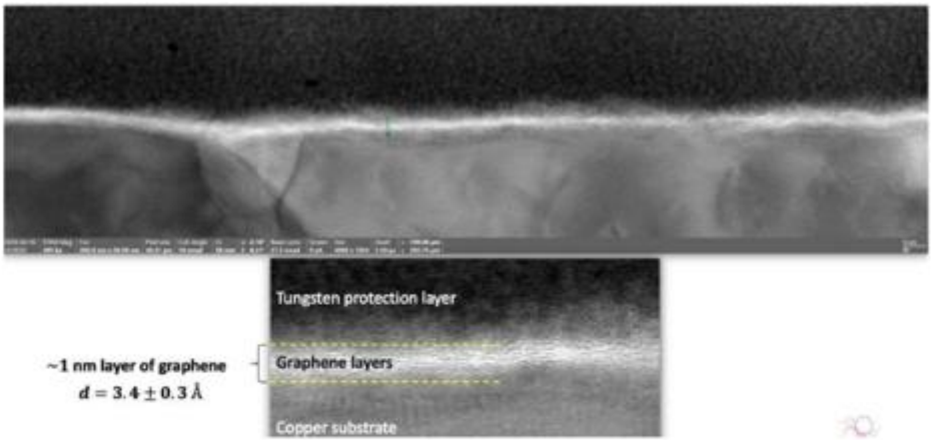


Figure 1: TEM / FIB-THEMIS cross-section showing graphene layers formed on copper substrate, demonstrating continuous layer formation (~1nm thickness).

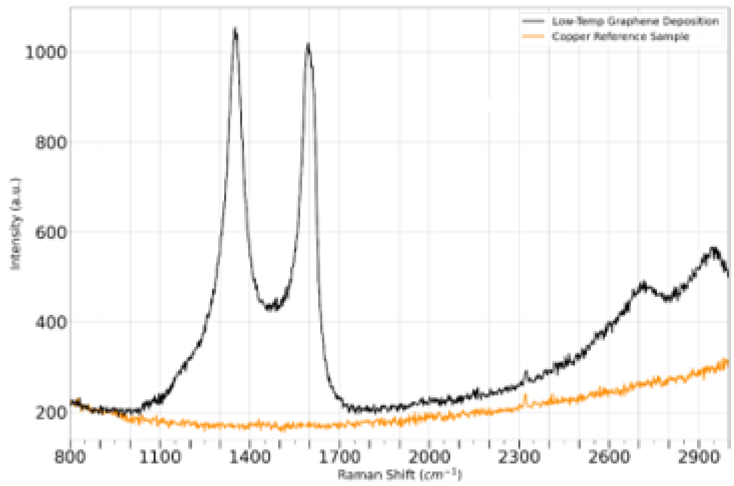


Figure 2: Raman Spectroscopy Analysis of Low Temperature Plasma Enhanced Atomic Layer Deposition (PEALD) of Graphene on Copper Substrate.

The deposition process operating under the semiconductor industry's thermal ceiling of approximately 450°C was considered significant as temperature compatibility is a key constraint in semiconductor manufacturing and any new material must be able to integrate within existing thermal budgets. Historically, graphene growth has required significantly higher temperatures, limiting its applicability.

In May, the United States Patent and Trademark Office allowed Adisyn's patent application No. 18/692,223 covering the Company's core graphene coating technology for metallic surfaces. The patent protects both the manufacturing method and the resulting graphene-coated products and devices, providing IP protection across the full value chain.

On 9 June 2026, Adisyn advised it had achieved Independent Expert verification of the repeatability of its graphene deposition process below 300°C across multiple independent runs, with uniform coverage across a 1cm^2 coupon.

The graphene layer, confirmed at approximately 1-2 nm thickness was verified by two independent characterisation methods (Figure 3):

- **Raman spectroscopy:** 10 measurement spots per coupon confirmed consistent graphene spectral signatures across the full sample surface.
- **UHR-TEM imaging:** cross-section electron microscopy at the Hebrew University of Jerusalem confirmed a continuous graphene layer with interlayer spacing of 3.4 ± 0.3 Å – consistent with characteristic graphite structure - and lateral continuity across several micrometres.

Critically, the layer was also confirmed uniform across the coupon itself. Three separate cross-section samples taken from different positions across the same 1 cm² coupon produced identical results – demonstrating that the deposition process covers the substrate evenly, not just in isolated patches.

The results demonstrate repeatability across independent runs and uniformity across the coupon surface.

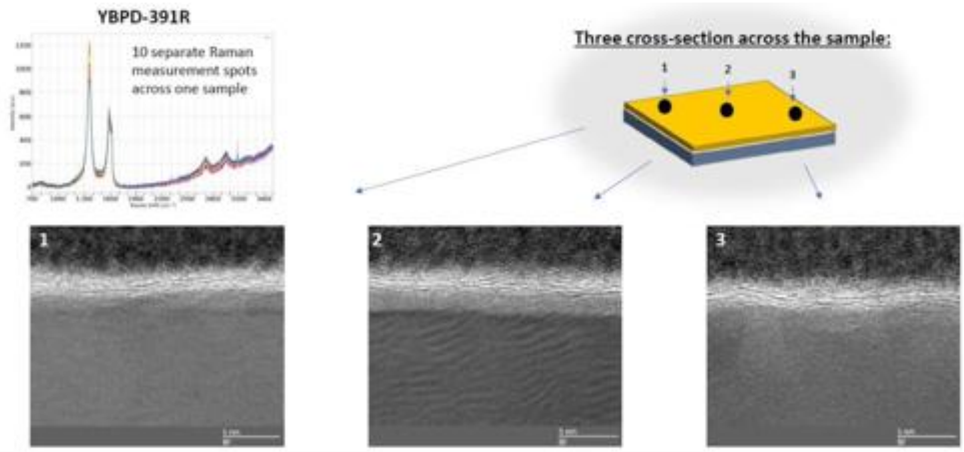


Figure 3: Three UHR-TEM cross-sections taken at positions 1, 2 and 3 across the same 1x1 cm² coupon (YBPD-391R). The same continuous graphene layer structure appears at every sampling position, confirming full-coupon uniformity.

Independent Expert verification was provided by Associate Professor Rakesh Joshi, who leads the Graphene Research Group at UNSW Sydney and serves as Theme Leader for Energy and Environment at the School of Materials Science and Engineering.

In accordance with the SPA, and following independent verification and Board approval, the achievement of Milestone 2 resulted in the issue of 100 million fully paid ordinary shares to the original shareholders of 2D Generation.

Proprietary Graphene Technology for Radar Reduction
In February, Adisyn advised it was presented with an additional opportunity to develop its proprietary graphene technology to target radar reduction, accessing significant potential in the defence, UAV, aerospace, and advanced composite materials markets.

The Company completed an initial proof-of-concept ("POC") program in collaboration with Ramot, the technology transfer company of TAU, demonstrating radar reflection reduction using graphene-enhanced composite materials.

Laboratory testing of composite samples demonstrated up to 20dB reduction in radar reflection coefficient relative to baseline materials under controlled testing conditions.

Radar signature management is a material design consideration in the UAV, aerospace and defence sectors, particularly as unmanned platforms become smaller, lighter and more widely deployed.

In March, Adisyn established a new defence technology subsidiary, 2D Radar Absorbers Ltd.

The Company is now progressing a targeted development program aimed at optimising the materials to achieve approximately 30dB radar signature reduction.

If achieved, such reductions may significantly reduce the radar detectability of drones and UAV platforms and have potential applications across defence, aerospace, and advanced materials sectors.

Adisyn initiated a structured development program with TAU to further develop and optimise graphene-enhanced radar absorption materials.

As part of the program:

- A full-time researcher has been engaged within Professor Ginzburg's research team,
- Additional team members from Prof. Max Sokol Lab, focus on synthesis, processing, and property-driven design of advanced composites,
- Research will utilise specialised radar and materials laboratories at TAU,
- Work will focus on optimisation of graphene-enhanced composite structures targeting ~30dB radar signature reduction.

In April, Adisyn announced 2D Generation's subsidiary, 2D Radar Absorbers Ltd, had entered into a binding Licence and Research Agreement with Ramot, the technology transfer company of TAU.

The Agreement grants Adisyn exclusive, worldwide rights to commercialise graphene-based radar signature reduction technology, marking a transition from research to a structured commercial development phase. Under the Agreement, Adisyn holds exclusive commercial rights across the defined field for Ramot's IP.

The agreement includes a 12-month AI1 funded research program with Tel Aviv University, led by Professor Pavel Ginzburg. The program will focus on improving radar absorption performance, manufacturability and scalability, supporting progression towards commercial deployment and real-world validation. The Company expects the cost of the 12-month research program to be less than AU$100k.

In May, Adisyn appointed Mr Tamir Zimber, a former Colonel in the Israeli Air Defense Array responsible for the operational execution of Iron Dome, Arrow, David's Sling and Patriot Systems, as the first member of a newly constituted Advisory Board. Mr Zimber currently serves as Senior Director for Air Defense Systems (India) at Israel Aerospace Industries, overseeing multi-billion-dollar defence programs.

Following the establishment of the advisory board, Adisyn announced 2D Radar Absorbers Ltd had signed an MoU with Raval A.C.S. Ltd, one of Israel's largest plastics groups, to co-develop graphene-enhanced injection-moulded parts for radar absorption in drones and UAVs.

The collaboration combines 2D Radar's graphene-based stealth materials platform – underpinned by exclusive worldwide rights licensed from Tel Aviv University – with Raval industrial scale, automotive-grade quality systems and serial production capabilities, providing Adisyn with a direct route from development to commercial manufacturing.

Raval is one of the largest plastics groups in Israel and a globally recognised supplier of sophisticated thermoplastic and structural composite components to leading automotive OEMs and tier-1 suppliers in Europe, North America and Asia.

The MOU establishes a pathway to a 50:50 manufacturing joint venture, subject to the parties demonstrating material technical progress within 12 months and declaring the collaboration commercially viable within 18 months.

Strong Balance Sheet Accelerating Graphene Technology Development
On 23 April 2026, Adisyn announced it had received firm commitments to raise A$14 million (before costs) through an institutional placement ("the Placement").

The Placement is priced at A$0.0675 per share and resulted in the issue of approximately 207.4 million new fully paid ordinary shares (New Shares). The issue price of A$0.0675 represented a:

- 10% discount to the Company's last closing price of A$0.07 on Tuesday, 21 April 2026,
- 5.78% discount to the Company's 15-day VWAP.

The New Shares under the Placement were issued under the Company's existing placement capacity under Listing Rules 7.1 and 7.1a. Shareholder approval will be sought for Directors Participation in the placement as soon as practical.

The Placement was cornerstoned by Regal Funds Management, one of Australia's most active institutional investors managing over A$20 billion, and Meitav, Israel's largest investment house managing approximately A$190 billion in assets on behalf of over one million clients. Both are sophisticated investors with deep expertise in technology and defence sectors – their participation provides meaningful validation of Adisyn's graphene technology platform and commercial direction.

Chairman Kevin Crofton and Non-Executive Director Dominic O'Hanlon subscribed for a total of $200,000, subject to shareholder approval.

Operational cashflow throughout the year was primarily driven by activities completed by the Company's Adisyn Services subsidiary, which is focused on the provision of higher-value managed IT and cyber security services to Australian SME and defence businesses. The Company continues to assess alternative options for unlocking shareholder value from the Adisyn Services business, which remains a non-core business operation, and the Company will continue to keep shareholders updated on this matter.

Outlook

The semiconductor sector represents a compelling long-term growth opportunity for Adisyn, driven by global demand for AI and advanced computing technologies. According to PwC, the AI market is projected to reach $15.7 trillion by 2030, with a compound annual growth rate of 26.4% between 2020 and 2024. The global AI chip market alone is expected to grow from $10.1 billion in 2020 to $253 billion by 2030.

With these strong industry tailwinds, Adisyn will continue to advance its graphene-based semiconductor technologies.

The Group confirms that during the financial year ended 30 June 2026, it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

6. Significant changes in the state of affairs

During the year:

· In April 2026, the Company completed an institutional placement raising $13,800,000 (before costs) through the issue of 204,444,445 fully paid ordinary shares at $0.0675 per share. A further $200,000 subscribed for by Directors remains subject to shareholder approval.

· Following independent verification of Milestones 1 and 2 under the 2D Generation Ltd Share Sale and Purchase Agreement, 200,000,000 Class A and Class B Performance Rights held by the 2DG vendors vested and converted into fully paid ordinary shares.

In March 2026, the Group incorporated 2D Radar Absorbers Ltd, which entered into an exclusive worldwide Licence and Research Agreement with Ramot, the technology transfer company of Tel Aviv University. Ramot holds a 20% equity interest in 2D Radar Absorbers Ltd.

· As announced on 23 December 2025, the Company commenced an assessment of alternative options for unlocking shareholder value from the Adisyn Services business, which may include a transaction, a change of control event or the sale of a minority interest.

7. Business risks

The Groups risk management framework assesses the key financial and non-financial risks that have the potential, should they occur, to materially impact the Group and its ability to achieve its strategic and operational objectives.

The framework is integrated into the daily management of the business to ensure the oversight and management of business risks, with systems and processes implemented to identify risks at an early stage. Further details of the risk management framework and processes are detailed in the Group's Corporate Governance Statement.

Listed below are key risks for the business identified in the risk management framework:

Technology Development and Commercialisation Risk

AI1's future growth relies heavily on successfully developing and commercialising its graphene semiconductor technologies and advanced materials. There is a risk that research outcomes may not achieve expected performance levels, may not scale commercially, or may not gain industry adoption. Failure to commercialise these technologies could adversely impact future revenue and shareholder value.

Early-Stage Technology Risk

The graphene interconnect and deposition technologies are still in the development phase. Significant testing, validation and industry qualification may be required before commercial deployment. There is no certainty that the technology will achieve widespread market acceptance.

Competing Technological Development
The Group operates in a sector characterised by intensifying competition and continual technological change. Several companies are pursuing alternative interconnect technologies, and these developing solutions may emerge as significant rivals to the Group's proprietary low temperature graphene technology. The emergence of new technologies and enhanced competing products, among rival companies could affect the Group's competitive standing, addressable market opportunities and future financial results.

Geopolitical Risk
The Group has operations in Israel and is therefore subject to risks stemming from developments in the regional political and security environment, including potential military activity. While the Company has not to date experienced disruption from conflict or attacks affecting Israel, it maintains business continuity plans covering a range of scenarios, including remote work capability and operational contingency measures, to safeguard the ongoing conduct of its activities. Should regional tensions escalate materially, this could have an adverse impact on the Company's operations, availability of staff, development programs and reputation.

Cybersecurity and Data Breach Risk
As a provider of managed IT and cybersecurity services, AI1 handles sensitive client systems and information. Cyberattacks, data breaches, ransomware incidents or service disruptions could result in:

- Loss of customer confidence
- Regulatory penalties
- Litigation exposure
- Reputational damage

This risk is inherent in its service offering.

Ability to source and retain key personnel
The Group's success is highly dependent on attracting and retaining experienced scientists, engineers, executives and technical specialists. Loss of key personnel could slow product development, strategic execution and customer acquisition.

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

9. Matters subsequent to the end of the financial year
On 7 September 2026, the Company announced a leadership transition as the Company progresses towards commercial execution. As part of this transition, Arye Kohavi transitioned to a Non-Executive Director position and Mr Kevin Crofton was transitioned to Executive Chairman with immediate effect. The Company further advised that Arye Kohavi's current service agreement as Chief Executive Officer of 2D Generation Ltd will conclude on 9 January 2027 and will not be extended.

Apart from discussed above, 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.

10. Likely developments and expected results of operations
The Group leverages cutting-edge technologies, including artificial intelligence and cybersecurity, to deliver bespoke solutions. Through its wholly owned subsidiary, 2D Generation, Adisyn is advancing graphene-based semiconductor technologies to overcome industry limitations and drive innovation across sectors including AI, telecommunications, and data storage. The Group’s future developments, prospects and business strategies are to continue to develop and commercialise these technologies.

11. Environmental regulation
Adisyn’s operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia. The Group confirms that during the year it has not breached any state, territory or federal environmental regulations.

12. Share options and performance rights

Unissued ordinary shares of Adisyn Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
09-Oct-2024	14-Nov-2027	$0.030	1,000,000
20-Dec-2024	20-Dec-2027	$0.075	10,513,807
09-Jan-2025	09-Jan-2028	$0.075	45,000,000
31-Jan-2025	31-Jan-2028	$0.150	20,000,000
13-May-2025	19-May-2028	$0.150	12,000,000
26-Nov-2025	14-Apr-2029	$0.150	6,000,000
			94,513,807

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

12.1 Shares issued on the exercise of options

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

Grant date	Expiry date	Exercise Price	Number of shares issued
20-Dec-2024	20-Dec-2027	$0.075	4,051,218
09-Oct-2024	14-Nov-2027	$0.030	1,000,000
20-Dec-2024	20-Dec-2027	$0.075	359,975
			5,411,193

12.2. Shares under performance rights

Unissued ordinary shares of Adisyn Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
16-Apr-2026	20-Apr-2028	900,000
09-Jan-2025	09-Jan-2028	100,000,000
26-Nov-2025	09-Jan-2028	15,000,000
06-Jan-2026	09-Jan-2028	3,000,000
28-Feb-2026	09-Jan-2028	7,500,000
		126,400,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

12.3 Shares issued on the exercise of performance rights

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

Grant date	Number of shares issued
30-Nov-2023	1,500,000
09-Jan-2025	200,000,000
26-Nov-2025	15,000,000
06-Jan-2026	7,000,000
28-Feb-2026	19,900,000
	243,400,000

13. Additional information

The earnings of the Group for the four years to 30 June 2026 are summarised below:

	2026 $	2025 (Restated) $	2024 $	2023 $
Sales revenue from continuing operations	4,236,485	3,261,168	5,495,434	2,675,217
EBITDA from continuing operations	(6,821,874)	(4,120,773)	(87,537)	(1,398,642)
EBIT from continuing operations	(7,755,606)	(4,779,146)	(1,427,677)	(2,216,244)
Loss after income tax from continuing operations	(7,783,761)	(4,886,854)	(1,427,677)	(2,216,244)

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

	2026 $	2025 $	2024 $	2023 $
Share price at financial year end ($)	0.17	0.04	0.02	0.02
Total dividends declared (cents per share)	-	-	-	-
Basic earnings per share (cents per share)	(0.95)	(1.04)	(1.42)	(2.19)
Diluted earnings per share (cents per share)	(0.95)	(1.04)	(1.42)	(2.19)

14. Indemnification of Officers and Auditors

The Company's Constitution requires it to indemnify each current and former officer of the Company against liabilities incurred in that capacity, to the extent permitted by the *Corporations Act 2001*. The Company has also entered into deeds of indemnity, insurance and access with each director and the Company Secretary. Under these deeds the Company indemnifies them against liabilities incurred as officers, to the extent permitted by law, and gives them access to Board papers.

During the financial year, the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against liabilities incurred as such an officer. The contract prohibits disclosure of the nature of the liability and the amount of the premium.

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.

15. Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in **Note 26** to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in **note 26** to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for theGroup, acting as advocate for the Group jointly sharing economic risks and rewards.

16. 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.

17. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and set out immediately after this Directors' report.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2026 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

(1) Introduction
(2) Remuneration governance
(3) Executive remuneration governance
(4) Non-executive Director fee arrangements
(5) Details of remuneration
(6) Equity instruments granted as compensation
(7) Additional disclosures relating to equity instruments
(8) Other transactions and balances with KMP and their related parties
(9) Voting of shareholders at last year's annual general meeting

1. Introduction

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group’s compensation strategy.

Key management personnel covered in this report are as follows:

Name	Position	Appointment date	Resignation date
Mr Kevin Crofton	Executive Chairman	7 September 2026	-
	Non-Executive Chairman	17 March 2025	7 September 2026
Mr Arye Kohavi	Non-Executive Director	7 September 2026	-
	Managing Director	4 February 2026	7 September 2026
Mr Blake Burton	Executive Director	4 February 2026	-
	Managing Director	1 July 2022	4 February 2026
Mr Dominic O'Hanlon	Non-Executive Director	17 March 2025	-
Mr Jesper Sentow	Chief Financial Officer	16 June 2023	7 May 2026

Note: Ms Jenny Tan was appointed as the Company's Non-Strategic Chief Financial Officer on 7 May 2026. As the role does not form part of the Company's key management personnel, Ms Tan has been excluded from the KMP disclosures presented in this report.

2. Remuneration Governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

During the financial year, the Company did not engage any remuneration consultants.

3. Executive Remuneration Arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation and equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

At the date of this report the Company has two executives, Mr Kevin Crofton as Executive Chairman and Mr Blake Burton as Executive Director of Adisyn Ltd. Mr. Arye Kohavi as 2D Generation CEO.

The terms of their Agreements with the Group are summarised in the following table.

Executive Name	Services Agreement Summary
Mr Arye Kohavi	- Fixed remuneration of ILS 840,000 per annum, payable in Israeli Shekels. Based on the exchange rate at 30 June 2026, this equated to approximately A$393,800. - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with Group's reimbursement policies. - The agreement has a formal commencement date being 9 January 2025 and shall be in effect twenty-four months (Initial term) following Completion of the transaction with Adisyn Ltd. The agreement can be continued by giving written notice. The agreement may be terminated by either party on 180 days' written notice. It may be terminated immediately with justifiable cause.
Mr Blake Burton	**- Base salary:** $210,000 per annum (exclusive of superannuation) from 1 July 2024, increased to $250,000 per annum from 1 August 2024, and further increased to $275,000 per annum effective 1 June 2026. **- Bonus entitlement:** Eligible for discretionary short- and long-term incentives as determined by the Board, which may be satisfied through cash, shares, options, performance rights or other securities, taking into consideration the Company's share price performance relative to comparable companies. - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with Group's reimbursement policies. - Indefinite term until termination.
Mr Jesper Sentow (resigned 7 May 2026)	- The Company entered into an engagement letter with Sommersted Enterprises Pty Ltd in which Mr Sentow will provide various financial and other corporate consulting services. - Fees will be charged at a rate of $1,200 per day (exclusive of GST). - Adisyn will reimburse Sommersted Enterprises for all reasonable out-of-pocket expenses properly incurred in performing this engagement. - The engagement will automatically terminate at expiry of the agreed term and can be terminated by either party by giving no less than 4 weeks' notice.

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

4. Non-executive Director Fee Arrangement

The Board policy is to remunerate non-executive directors at a level comparable to similar traded companies for time, commitment, and responsibilities. Non-executive directors may receive performance related compensation. directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-executive Directors.

The maximum aggregate amount of fees that can be paid to non-executive directors is presently limited to an aggregate of A$400,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Total fees for the non-executive directors for the financial year were $204,000 and cover main Board activities only. Non-executive directors may receive additional remuneration for other services provided to the Group.

Non-executive directors' cash fees are fixed and are not linked to the Company's performance. With shareholder approval, the Board may also grant equity to non-executive directors to conserve cash and align their interests with shareholders'.

At the Annual General Meeting on 26 November 2025, shareholders approved the grant of 9,000,000 performance rights to Mr Crofton, then Non-Executive Chairman, under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act.

These rights vest on achievement of the technical and commercial milestones described in section 6.2. The Board considered this grant appropriate having regard to the Company's stage of development and the need to preserve cash.

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

5. Details of Remuneration

Details of the remuneration of key management personnel, includes the current and former Directors of the Company during the year ended 30 June 2026:

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Annual leave provision	Super-annuation	Other Long Term Benefit	Equity-settled rights	Equity-settled options	Total
30 June 2026	$	$	$	$	$	$	$
Executives:							
Arye Kohavi	393,800	-	-	-	577,500	-	971,300
Blake Burton	252,083	6,900	27,476	-	(10,536)	63,496	339,419
Jesper Sentow[1]	151,200	-	-	-	-	-	151,200
Non-Executive Directors:							
Kevin Crofton	120,000	-	-	-	247,500	-	367,500
Dominic O'Hanlon	75,000	-	9,000	-	-	-	84,000
	992,083	6,900	36,476	-	814,464	63,496	1,913,419

(1) Balance at resignation date. Mr Sentow resigned from Chief Financial Officer role on 7 May 2026

30 June 2025	Short-term benefits Cash salary and fees $	Annual leave provision $	Post-employment benefits Super-annuation $	Long-term benefits Other Long Term Benefit $	Share-based payments Equity-settled rights $	Total $
Executives:						
Blake Burton	246,667	4,153	25,842	-	10,218	286,880
Arye Kohavi	184,212	-	-	-	-	184,212
Jesper Sentow	231,317	-	-	-	4,222	235,539
Non-Executive Directors:						
Kevin Crofton	43,125	-	-	-	147,221	190,346
Dominic O'Hanlon	21,875	-	2,516	-	147,221	171,612
Shane Wee[2]	56,718	-	6,523	-	-	63,241
Justin Thomas[3]	46,501	2,299	3,169	-	-	51,969
	830,415	6,452	38,050	-	308,882	1,183,799

(2) Balance at resignation date. Mr Wee resigned from his non-executive director role on 17 March 2025.
(3) Mr Thomas transitioned from his executive role to non-executive director role on 9 July 2024 and resigned from his non-executive director role on 12 February 2025.

6. Equity Instruments granted
6.1 Options granted
During the year ended 30 June 2026, the Company issued 6,000,000 unlisted options to Mr Burton under the Company’s Employee Share Incentive Plan (ESIP) as part of his remuneration. The options are exercisable at $0.15 per option and expire on 14 April 2029.

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Grant date	Vesting date	Value of options granted $	Number of options granted	Value of options vested $	Number of options lapsed	Value of options lapsed $
Blake Burton	26-Nov-25	14-Oct-26	100,512	3,000,000	42,292	-	-
Blake Burton	26-Nov-25	14-Apr-27	100,512	3,000,000	21,204	-	-

6.2 Performance rights granted
At the Company's Annual General Meeting held on 26 November 2025, shareholders approved the issue of performance rights to Director Mr Arye Kohavi and Non-Executive Chairman Mr Kevin Crofton under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act.

The performance rights were issued for nil consideration and were approved by shareholders as an incentive to the directors. The Class A and Class B milestones were achieved during the year ended 30 June 2026 and the related performance rights vested and converted into ordinary shares. The Class C performance rights remained on issue at 30 June 2026 and will vest only upon satisfaction of the applicable performance conditions. The terms and conditions of the performance rights are disclosed in Note 19.2 and the Remuneration Report.

Details of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel during the year ended 30 June 2026 are set out below:

Name	Grant date	Vesting date	Type	Number of rights granted	Value of rights granted	Value of rights vested	Number of rights lapsed	Value of rights lapsed
					$	$		$
Arye Kohavi	26-Nov-2025	9-Jan-2026	Class A	4,200,000	231,000	231,000	-	-
Arye Kohavi	26-Nov-2025	9-Jul-2026	Class B	6,300,000	346,500	346,500	-	-
Arye Kohavi	26-Nov-2025	9-Jan-2028	Class C	10,500,000	577,500	-	-	-
Kevin Crofton	26-Nov-2025	9-Jan-2026	Class A	1,800,000	99,000	99,000	-	-
Kevin Crofton	26-Nov-2025	9-Jul-2026	Class B	2,700,000	148,500	148,500	-	-
Kevin Crofton	26-Nov-2025	9-Jan-2028	Class C	4,500,000	247,500	-	-	-
Blake Burton	30-Nov-2023	31-Dec-2025	Tranche 1	3,000,000	22,665	1,997	1,500,000	7,933
Blake Burton	30-Nov-2023	31-Dec-2025	Tranche 2	2,000,000	46,000	-	2,000,000	4,600

7. Additional disclosures relating to key management personnel

7.1 Shareholding

The number of shares in the Company held during the financial year ended 30 June 2026 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	On exercised of Options/Rights	Expired/ Forfeited/ Other[1]	Balance at the end of the year
Executives					
Arye Kohavi	15,300,846		20,700,564		36,001,410
Blake Burton	16,416,028	-	1,500,000	(816,028)	17,100,000
Jesper Sentow[2]	1,555,555	-	-	-	1,555,555
Non-Executive Director					
Kevin Crofton	2,472,202	-	4,681,468	-	7,153,670
Dominic O'Hanlon	600,263	-	-	500,000	1,100,263
	36,344,894	-	26,882,032	(316,028)	62,910,898

[1] On market share-sale.
[2] Opening/Closing balance at Appointment/Resignation Date.

7.2 Option holding

The number of options over ordinary shares in the Company held during the financial year ended 30 June 2026 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	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Executives					
Arye Kohavi	-	-	-	-	-
Blake Burton	-	6,000,000	-	-	6,000,000
Jesper Sentow[3]	-	-	-	-	-
Non-Executive Directors					
Kevin Crofton	6,000,000	-	-	-	6,000,000
Dominic O'Hanlon	6,000,000	-	-	-	6,000,000
	12,000,000	6,000,000	-	-	18,000,000

7.3 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	Vested	Expired/ forfeited/ other	Balance at the end of the year
Executives					
Arye Kohavi	15,300,846	21,000,000	(20,700,564)	-	15,600,282
Blake Burton	5,000,000	-	(1,500,000)	(3,500,000)	-
Jesper Sentow[3]	-	-	-	-	-
Non-Executive Directors					
Kevin Crofton	272,202	9,000,000	(4,681,468)	-	4,590,734
Dominic O'Hanlon	-	-	-	-	-
	20,573,048	30,000,000	(26,882,032)	(3,500,000)	20,191,016

[3]Opening/Closing balance at Appointment/Resignation Date.

8. Other transactions and balances with KMP and their related parties

There were no other transactions conducted between the Group and key management personnel or their related parties, apart from those disclosed above and below, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

	30 June 2026	30 June 2025
	$	$
Kevin Crofton – Consultant fee pre appointment	-	9,375

8.1 Acquisition of 2D Generation Ltd – transactions with directors

On 9 January 2025, the Group acquired 100% of 2D Generation Ltd ("2DG"), accounted for as an asset acquisition (refer to **Note 21**). Two directors of Adisyn Ltd, Mr Arye Kohavi and Mr Kevin Crofton, were shareholders of 2DG and, in that capacity, received consideration shares and performance rights as part of the acquisition consideration.

The consideration was received by the directors in their capacity as vendors and shareholders of 2DG, on the same terms as all other 2DG shareholders. The consideration was not provided in respect of their services as directors of Adisyn Ltd and does not form part of key management personnel compensation. The issue of the consideration shares and performance rights was approved by shareholders of Adisyn Ltd (Resolutions 4(a) and 4(b)).

The consideration shares and performance rights received by the directors are set out below. The performance rights convert one-for-one into ordinary shares on achievement of the relevant milestones. The Class A and Class B milestones were achieved during the year ended 30 June 2026 and the corresponding rights vested and converted. The Class C performance rights remain outstanding at 30 June 2026 and will convert only if the relevant milestone is achieved within 36 months of the acquisition date.

Director	Relationship	Consideration Shares	Class A rights	Class B rights	Class C rights (unvested)
Arye Kohavi	Director	15,300,846	5,100,282	5,100,282	5,100,282
Kevin Crofton	Director	272,202	90,734	90,734	90,734

The consideration shares and the Class A and Class B performance rights (which vested during the year) are measured at the grant-date fair value of $0.077 per share/right, consistent with the measurement of the acquisition consideration described in **Note 21**.

On this basis, the fair value of the consideration shares and vested performance rights attributable to the directors is approximately $1,963,609 for Mr Kohavi and $34,933 for Mr Crofton.

8.2 Shareholdings
At the date of acquisition, Mr Kohavi held 548,060 ordinary shares in 2DG (5.10% of 2DG) and Mr Crofton held 9,750 ordinary shares (0.09%), which were acquired by the Group as part of the acquisition of 100% of 2DG.

8.3 Terms and conditions
All transactions with the directors in connection with the acquisition were made on the same terms as those applying to other 2DG shareholders. No amounts receivable from or payable to the directors arise in respect of the acquisition, other than the contingent obligation to issue ordinary shares on vesting of the outstanding Class C performance rights. No guarantees have been given or received. No expense has been recognised in the period in respect of impaired receivables due from related parties.

Other than as disclosed above, there were no other transactions with related parties during the year ended 30 June 2026.

9. Voting of shareholders at last year's annual general meeting
At the 26 November 2025 AGM, 99.06% 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.

This concludes the remuneration report, which has been audited.

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

____
Kevin Crofton
Executive Chairman

24 September 2026

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Adisyn Ltd and its controlled entities 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 of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 24th day of September 2026
Perth, Western Australia

Adisyn Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	30 June 2026 $	(Restated) 30 June 2025 $
Revenue from continuing operations			
Revenue	6	4,236,485	3,261,168
Other income		34,628	119,083
Interest revenue calculated using the effective interest method		212,836	99,165
Expenses			
Cost of goods sold		(2,255,814)	(1,616,824)
Selling and distribution expenses		(339,207)	(283,818)
Research and development expenses		(2,188,873)	(886,106)
Share-based payments	19	(2,325,333)	(559,748)
Administrative expenses	7	(1,274,124)	(1,198,956)
Other operating expenses	8	(3,663,656)	(3,411,341)
Impairment of assets	14	-	(301,769)
Finance costs		(28,155)	(107,708)
Loss on disposal of assets		(192,548)	-
Loss before income tax expense from continuing operations		**(7,783,761)**	**(4,886,854)**
Income tax expense	9	-	-
Loss after income tax expense from continuing operations		(7,783,761)	(4,886,854)
Loss after income tax expense from discontinued operations	22	(49,020)	(3,147,587)
Loss after income tax expense for the year attributable to the owners of Adisyn Ltd		**(7,832,781)**	**(8,034,441)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		2,086,046	854,970
Other comprehensive income for the year, net of tax		2,086,046	854,970
Total comprehensive income for the year attributable to the owners of Adisyn Ltd		**(5,746,735)**	**(7,179,471)**
Total comprehensive income for the year is attributable to:			
Continuing operations		(5,697,715)	(4,031,884)
Discontinued operations		(49,020)	(3,147,587)
		(5,746,735)	**(7,179,471)**

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

		Cents	(Restated) Cents
Earnings per share for loss from continuing operations attributable to the owners of Adisyn Ltd			
Basic earnings per share	**23**	(0.95)	(1.04)
Diluted earnings per share	**23**	(0.95)	(1.04)
Earnings per share for loss from discontinued operations attributable to the owners of Adisyn Ltd			
Basic earnings per share	**23**	(0.01)	(0.67)
Diluted earnings per share	**23**	(0.01)	(0.67)
Earnings per share for loss attributable to the owners of Adisyn Ltd			
Basic earnings per share	**23**	(0.96)	(1.71)
Diluted earnings per share	**23**	(0.96)	(1.71)

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

Adisyn Ltd and its controlled entities
Consolidated statement of financial position
As at 30 June 2026

	Note	30 June 2026 $	(Restated) 30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents		15,488,326	6,959,562
Trade and other receivables	11	738,022	337,331
Inventory		3,885	4,513
Other assets		189,100	86,467
		16,419,333	7,387,873
Assets of disposal groups classified as held for sale		-	209,803
Total current assets		**16,419,333**	**7,597,676**
Non-current assets			
Right-of-use assets	12	559,013	274,789
Plant and equipment	13	2,012,783	2,449,638
Intangibles	14	42,258,548	25,044,060
Other assets		23,305	23,305
Total non-current assets		**44,853,649**	**27,791,792**
Total assets		**61,272,982**	**35,389,468**
Liabilities			
Current liabilities			
Trade and other payables	15	742,618	514,951
Contract liabilities		380,031	259,189
Lease liabilities	16	94,688	202,048
Provisions		159,721	132,899
		1,377,058	1,109,087
Liabilities directly associated with assets classified as held for sale		-	64,712
Total current liabilities		**1,377,058**	**1,173,799**
Non-current liabilities			
Lease liabilities	16	518,922	78,230
Provisions		37,279	68,663
Total non-current liabilities		**556,201**	**146,893**
Total liabilities		**1,933,259**	**1,320,692**
Net assets		**59,339,723**	**34,068,776**
Equity			
Issued capital	17	77,691,504	46,730,520
Reserves	18	9,457,409	7,341,863
Accumulated losses		(27,809,190)	(20,003,607)
Total equity		**59,339,723**	**34,068,776**

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

	Issued capital $	Share-based payment reserve $	Translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024	**11,324,454**	**2,729,414**	**(11,230)**	**(11,969,166)**	**2,073,472**
Loss after income tax expense for the year	-	-	-	(8,034,441)	(8,034,441)
Other comprehensive income for the year, net of tax	-	-	854,970	-	854,970
Total comprehensive income for the year	-	-	854,970	(8,034,441)	(7,179,471)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs **(Note 17)**	11,011,147	1,723,645	-	-	12,734,792
Share-based payments **(Note 18)**	879,648	559,748	-	-	1,439,396
Conversion of performance rights **(Note 17)**	37,500	-	-	-	37,500
Issue of shares to KMP **(Note 17)**	267,146	-	-	-	267,146
Issue of shares related to asset acquisition - 2DG acquisition**(Note 21)**	23,100,000	-	-	-	23,100,000
Issue of options and facilitation shares related to asset acquisition - 2DG acquisition **(Note 21)**	-	1,485,316	-	-	1,485,316
Conversion of options **(Note 17)**	110,625	-	-	-	110,625
Balance at 30 June 2025 - restated (Note 4)	**46,730,520**	**6,498,123**	**843,740**	**(20,003,607)**	**34,068,776**

	Issued capital $	Share-based payment reserve $	Translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2025 - restated	**46,730,520**	**6,498,123**	**843,740**	**(20,003,607)**	**34,068,776**
Loss after income tax expense for the year	-	-	-	(7,832,781)	(7,832,781)
Other comprehensive income for the year, net of tax	-	-	2,086,046	-	2,086,046
Total comprehensive income for the year	-	-	2,086,046	(7,832,781)	(5,746,735)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs **(Note 17)**	13,800,000	-	-	-	13,800,000
Capital raising cost	(868,689)	-	-	-	(868,689)
Share-based payment **(Note 19)**	-	2,325,333	-	27,198	2,352,531
Issue of performance rights related to asset acquisition - 2DG acquisition **(note 21)**	-	15,400,000	-	-	15,400,000
Conversion of options **(Note 17)**	333,840	-	-	-	333,840
Conversion of performance rights **(Note 17)**	17,695,833	(17,695,833)	-	-	-
Balance at 30 June 2026	**77,691,504**	**6,527,623**	**2,929,786**	**(27,809,190)**	**59,339,723**

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

	Note	30 June 2026 $	30 June 2025* $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,390,305	3,460,326
Payments to suppliers and employees (inclusive of GST)		(8,996,637)	(7,221,246)
Receipts from other income		164,542	218,249
Interest and other finance costs paid		(28,153)	(107,708)
Net cash used in operating activities	**10**	**(4,469,943)**	**(3,650,379)**
Cash flows from investing activities			
Net of cash acquired from assets acquisition	**21**	-	894,744
Payments for investments		-	(1,783,595)
Payments for plant and equipment		(198,896)	(1,006,820)
Proceeds from disposal of plant and equipment		111,628	-
Net cash used in investing activities		**(87,268)**	**(1,895,671)**
Cash flows from financing activities			
Proceeds from issue of shares		14,133,841	14,628,625
Share issue transaction costs	**17**	(868,689)	(887,065)
Repayment of borrowings		-	(808,156)
Repayment of lease liabilities		(179,389)	(726,933)
Net cash from financing activities		**13,085,763**	**12,206,471**
Net increase in cash and cash equivalents		8,528,552	6,660,421
Cash and cash equivalents at the beginning of the financial year		6,959,562	299,141
Effects of exchange rate changes on cash and cash equivalents		212	-
Cash and cash equivalents at the end of the financial year		**15,488,326**	**6,959,562**

*The correction of error described in **Note 4** had no effect on net cash flows from operating, investing or financing activities for the comparative period, as the acquisition consideration was settled in equity instruments.

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

Note 1. Reporting entity

The consolidated financial report covers Adisyn Limited (**the Company**) and its controlled entities (referred to as **the Group**). Adisyn Limited is listed public company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The Group's financial statements are presented in Australian dollars (AUD), which is also the Company's functional currency.

The financial statements were issued in accordance with a resolution by the Board on 24 September 2026.

Note 2. Material accounting policies

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

a) Basis of preparation

The consolidated financial statements are general purpose financial statements which 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.

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 3**.

b) 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 31**.

c) Going concern

The Financial Report has 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.

As disclosed in the financial statements, the Group incurred a loss of $7,832,781 (30 June 2025 restated: $8,034,441) and had net cash outflows from operating activities of $4,469,943 (30 June 2025: $3,650,379) and investing activities outflow of $87,268 (30 June 2025 : outflow $1,895,671) respectively for the year ended 30 June 2026. As at that date, the Group had net assets of $59,339,723 (30 June 2025 restated: $34,068,776).

The Directors consider it appropriate to prepare the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2026.

d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adisyn Ltd ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Adisyn 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 involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the 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.

Note 2. Material accounting policies (continued)

The acquisition 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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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.

e) New or amended Accounting Standards and Interpretations adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group has assessed the impact of those new and amended Accounting Standards and Interpretations. Other than AASB 18 Presentation and Disclosure in Financial Statements, none is expected to have a material effect on the Group's financial statements in the period of initial application.

AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 Presentation of Financial Statements and applies to annual reporting periods beginning on or after 1 January 2027, being the year ending 30 June 2028 for the Group, with earlier application permitted. AASB 18 introduces defined categories and required subtotals in the statement of profit or loss, requires disclosure of management-defined performance measures, and introduces enhanced requirements for the aggregation and disaggregation of information. AASB 18 is not expected to change the recognition or measurement of any item in the Group's financial statements, but will change the presentation of the statement of profit or loss and the related disclosures. The Group is assessing the detailed effect of AASB 18 and will provide further information in future reporting periods

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability applies to the Group for the year ended 30 June 2026. The Group has assessed the amendments, having regard to the currencies in which the Group and its foreign operations transact, and concluded that the amendments have had no effect on the Group's financial statements for the current or prior reporting period.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments applies to annual reporting periods beginning on or after 1 January 2026, being the year ending 30 June 2027 for the Group. The Group has assessed the amendments, having regard to the nature of its financial assets and financial liabilities does not expect them to have a material effect.

Note 3. 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.

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 either the Binomial or Black-Scholes model taking 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 3. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Asset acquisition
The judgements and estimates set out in **Note 21** considered most significant to the acquisition of 2DG, accounted for as an asset acquisition.

Note 4. Restatement of comparatives

Correction of error
During the year ended 30 June 2026, management completed its assessment of the acquisition of 100% of the issued capital of 2D Generation Ltd ("2DG"), which was completed on 9 January 2025. The acquisition was previously accounted for as a business combination in accordance with AASB 3 *Business Combinations* in the financial statements for the year ended 30 June 2025.

On finalising its assessment, management concluded that 2DG did not meet the definition of a business under AASB 3 because the concentration test in AASB 3 Appendix B7B was met where substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable intangible asset, being the intellectual property relating to the process for growing graphene at low temperature. Accordingly, the transaction should have been accounted for as an asset acquisition as 2DG fits squarely within the test and there is no substantive process being acquired that, together with the IP, is capable of producing outputs in substance, the technology.

The error has been corrected by restating each of the affected financial statement line items for the prior period in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effect of the correction is:

Consideration transferred has been allocated to the identifiable assets acquired and liabilities assumed on the basis of their relative fair values at the acquisition date, with no goodwill recognised;

- Goodwill of $36,110,873 previously recognised has been derecognised;
- Acquisition-related transaction costs of $1,567,512 previously expensed have been capitalised as part of the cost of the assets acquired;
-No deferred tax was recognised on the initial recognition of the assets and liabilities, consistent with the initial recognition exemption in AASB 112 *Income Taxes.*

The error has been corrected by restating each of the affected financial statement line items for the comparative period and the opening balances of the earliest period presented, in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Note 4. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

Line Item	(Audited) 30 June 2025	Adjustment	(Restated) 30 June 2025
Administrative expenses	(1,281,152)	82,196	(1,198,956)
Share-based payment expenses	(2,045,064)	1,485,316	(559,748)
Loss before income tax expense from continuing operations	(6,454,366)	1,567,512	(4,886,854)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	131,115	723,855	854,970

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 30 June 2025. However, the acquisition was completed on 9 January 2025, as the transaction occurred during the comparative period, the opening balances at 1 July 2024 are not affected by the correction.

Line Item	(Audited) 30 June 2025	Adjustment	(Restated) 30 June 2025
Intangibles	351,820	23,818,385	24,170,205
Goodwill	36,260,873	(36,110,873)	150,000
Foreign currency translation - Translation uplift to intangible assets	-	723,855	723,855
Total Intangible assets	36,612,693	(11,568,633)	25,044,060
Net assets	45,637,409	(11,568,633)	34,068,776
Share-based payment reserve	20,358,123	(13,860,000)	6,498,123
Foreign currency translation reserve (FCTR) – translation of foreign operation (OCI)	119,885	723,855	843,740
Retained earnings	(21,571,119)	1,567,512	(20,003,607)
Net assets	45,637,409	(11,568,633)	34,068,776

Statement of cash flows

There was no impact on net cash flows from operating, investing or financing activities for the comparative period, as the acquisition was settled in equity instruments.

Earnings per share

Line Item	(Audited) 30 June 2025	Adjustment	(Restated) 30 June 2025
Basic loss per share (cents)	(2.05)	0.34	(1.71)
Diluted loss per share (cents)	(2.05)	0.34	(1.71)

Note 5. Operating segments

The Group has identified its operating segments based on the internal reports reviewed by the chief operating decision maker, being the executive management team, for the purposes of assessing performance and allocating resources. Reportable segments are determined in accordance with AASB 8 Operating Segments and reflect the manner in which the Group's activities are managed and reported internally.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

Note 5. Operating segments (continued)

- Nature of products and services;
- Nature of the production processes;
- Type of class of customer for the products and services;
- Methods used to distribute the products or provide the services, and if applicable.
- Nature of the regulatory environment.

Operating segments are reported separately where they meet the quantitative thresholds in AASB 8 or where separate disclosure is considered useful to users of the financial statements. The Group does not aggregate operating segments unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, production processes, customer type, distribution methods and, where relevant, the regulatory environment.

The Company disaggregates revenue from contracts with customers by operating segment where this information is regularly reviewed by the chief operating decision maker. Segment revenue, segment assets and segment liabilities are measured on the same basis as the amounts reported in the consolidated financial statements, except for items that are not allocated to individual operating segments.

The "Adisyn Services" segment includes managed support services, cyber security services, cloud and data centre co-location, network services and back-up services. Following the disposal of the "Miner Hosting" business and the acquisition of 2D Generation, the Group reassessed its operating segments based on the internal reporting reviewed by the chief operating decision maker. For the current reporting period, the reportable segments presented are Adisyn Services, and 2D Generation, together with unallocated items and consolidated totals.

Segment revenue represents sales to external customers and other revenue attributable to each reportable segment.

	Adisyn Services	2D Generation	Total
30 June 2026	$	$	$
Revenue			
Sales to external customers from continuing operations	4,228,209	-	4,228,209
Other revenue	8,276	-	8,276
Total sales revenue	4,236,485	-	4,236,485
Other income from continuing operations	34,628	-	34,628
Total revenue	4,271,113	-	4,271,113
EBITDA	(3,087,032)	(3,734,842)	(6,821,874)
Depreciation and amortisation	(427,405)	(506,327)	(933,732)
Finance costs	(4,966)	(23,189)	(28,155)
Loss before income tax expense	(3,519,403)	(4,264,358)	(7,783,761)
Income tax expense			-
Loss after income tax expense			(7,783,761)
Assets			
Segment assets	1,219,177	44,565,479	45,784,656
Unallocated assets:			
Cash and cash equivalents			15,488,326
Total assets			61,272,982
Liabilities			
Segment liabilities	1,079,745	853,514	1,933,259
Total liabilities			1,933,259

Note 5. Operating segments (continued)

30 June 2025	Adisyn Services $	2D Generation $	Total $
Revenue			
Sales to external customers from continuing operations	3,261,168	-	3,261,168
Other revenue from continuing operations	101,653	116,595	218,248
Total revenue	3,362,821	116,595	3,479,416
Assets			
Segment assets	4,335,855	23,884,248	28,220,103
Unallocated assets:			
Cash and cash equivalents			6,959,562
Discontinued activities			209,803
Total assets			35,389,468
Liabilities			
Segment liabilities	877,566	378,414	1,255,980
Unallocated liabilities:			
Discontinued activities			64,712
Total liabilities			1,320,692

Accounting policy for operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

Note 6. Revenue

	30 June 2026 $	30 June 2025 $
Major product lines		
Cloud services	458,577	365,228
Managed support services	2,574,925	2,337,861
Project revenue	1,202,983	558,079
	4,236,485	3,261,168
Geographical regions		
Australia	4,236,485	3,185,278
United Kingdom	-	75,890
	4,236,485	3,261,168
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Goods transferred over time	-	-
Services transferred at a point in time	-	-
Services transferred over time	4,236,485	3,261,168
	4,236,485	3,261,168

Contract liabilities represent amounts invoiced or received from customers in advance of the Group satisfying its performance obligations. At 30 June 2026, the Group recognised contract liabilities of $380,031 (30 June 2025: $259,189). These amounts have not been recognised as revenue during the year and will be recognised as revenue when the related goods or services are transferred to customers. Accordingly, contract liabilities are disclosed separately and are not included in the revenue disaggregated above, which reconciles to revenue recognised in profit or loss.

The Group disaggregates revenue based on the type of services provided to customers distinguishing between data centre and cloud services, the "Managed Support Services" includes Cyber Security Services as well as Network and Back-Up Services in line with the internal management reporting procedures.

Accounting policy for revenue recognition

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control (i.e. at a point in time or over time) requires judgement.

The Group assessed its revenue streams and the above noted performance obligations and measurement methods have been identified and adopted in the preparation of these financial statements. The Group recognises contract assets in relation to the Group's right to consideration for work completed but not invoiced at the reporting date. Certain arrangements with customer require the customers to formally accept the product before an invoice can be raised.

The contract assets are transferred to receivables when the rights become unconditional. The timing of invoicing and payment is dependent on the specific terms and conditions of the underlying contract.

Note 6. Revenue (continued)

Revenue arises mainly from the provision of data centre and cloud services, and managed support services.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. These services are billed to customers monthly.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods and associated bundled services
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, being when the goods have been shipped to the specific location agreed with the customer or when any associated agreed performance obligations attached to the sale of goods have been satisfied (where applicable). For example, the set-up and commissioning of equipment. All equipment sales are billed to customers monthly.

Note 7. Administrative expenses

	30 June 2026 $	(Restated) 30 June 2025 $
Accounting, auditing and compliance fees	340,267	119,626
Company secretarial and other consulting fees	825,977	933,176
Legal fees	69,724	128,758
Other expenses	38,156	17,396
	1,274,124	1,198,956

Note 8. Other operating expenses

	30 June 2026 $	30 June 2025 $
Salaries and wages	1,680,428	1,594,060
Superannuation	183,427	173,520
Depreciation	623,694	277,462
Amortisation	310,038	380,911
Insurance and ISO Expenses	95,848	130,540
Utilities and rates	18,944	14,770
Office administration expenses	4,221	23,693
Travel	221,561	85,463
Training and recruitment costs	6,188	329
Other expenses	390,895	624,385
Payroll Tax	92,264	59,335
Doubtful debts	36,148	46,873
	3,663,656	3,411,341

Note 9. Income tax

	30 June 2026 $	30 June 2025 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(7,783,761)	(4,886,854)
Loss before income tax expense from discontinued operations	(49,020)	(3,147,587)
	(7,832,781)	(8,034,441)
Tax at the statutory tax rate of 25%	(1,958,195)	(2,008,610)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	-	114
Share-based payments	581,333	119,388
Deferred tax position not recognised	450,378	1,860,542
Other expenses	3	28,566
	(926,481)	-
Difference in overseas tax rates	129,071	-
Deferred tax position not recognised in Israel	797,410	-
Income tax expense	-	-

	30 June 2026 $	30 June 2025 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Allowance for expected credit losses	6,316	-
Employee benefits	-	49,119
Provision	47,450	5,080
Business related costs	7,630	-
Accrued expenses	44,229	46,013
Business related costs	-	15,132
Plant and equipment under lease	197	13,559
Transaction costs arising on shares issued	308,369	231,870
Tax losses	5,042,360	3,601,186
Unrecognised deferred tax liabilities		
Non-recognition of deferred tax liabilities/losses	(5,456,551)	(3,961,959)
Total deferred tax assets not recognised	-	-

	30 June 2026 $	30 June 2025 $
Deferred Tax liability:		
Plant and equipment	(13,335)	-
Prepayments	(47,270)	(21,617)
Unrecognised deferred tax assets	60,605	21,617
	-	-

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 9. Income tax (continued)

The Company has tax losses that are available indefinitely to be offset against the future taxable profits of the Company. The potential deferred tax assets, arising from tax losses (as disclosed above) are not brought to account as management is of the view that there is uncertainty in the realisation of the related tax benefits through future taxable profits. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

Note 10. Cash flow information

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

	30 June 2026 $	30 June 2025 $
Loss after income tax expense for the year	(7,832,781)	(8,034,441)
Adjustments for:		
Depreciation of plant and equipment and right-of-use assets	623,694	277,462
Impairment of assets	-	2,025,097
Net loss on disposal of assets	157,920	1,087,227
Share-based payments	2,325,333	559,748
Foreign exchange differences	212	521,819
Amortisation of intangible assets	310,038	-
Allowance for credit losses	36,148	-
Interest and other finance costs	-	107,708
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(438,137)	172,900
Decrease in inventory	628	7,347
(Increase)/decrease in other current assets	(102,632)	175,737
Increase/(decrease) in trade and other payables	333,355	(566,000)
Increase in contract liabilities	120,841	26,257
Decrease in other provisions	(4,562)	(11,240)
Net cash used in operating activities	(4,469,943)	(3,650,379)

Non-cash investing and financing activities

	30 June 2026 $	30 June 2025 $
Additions to the right-of-use assets	420,694	340,160
Leasehold improvements - lease make good	30,463	370,172
Equities issued under share-based payment	2,325,333	559,748
Shares issued in relation to asset acquisition (**Note 21**)	-	23,100,000
Shares issued on vested performance rights (class A and B) (**Note 21**)	15,400,000	-
Options issue to consultants (**Note 21**)	-	1,485,316
	18,176,490	25,855,396

Note 11. Trade and other receivables

	30 June 2026 $	30 June 2025 $
Current assets		
Trade receivables	714,993	342,802
Less: Allowance for expected credit losses	(25,265)	(5,471)
	689,728	337,331
Interest receivable	48,294	-
	738,022	337,331

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	%	%	$	$	$	$
Not overdue	-	-	597,530	332,661	-	-
31 - 60 days overdue	6.34%	0.84%	90,526	4,659	5,739	39
61 - 180 days overdue	61.88%	99.09%	18,626	5,482	11,526	5,432
181 -360 days overdue	96.26%	-	8,311	-	8,000	-
			714,993	342,802	25,265	5,471

Trade receivables are non-interest bearing and generally on 7- or 15-days term (30 June 2025: 7 or 15 days). For allowance for expected credit losses analysis at the end of the reporting period, please refer to **note 20**.

Movements in the allowance for expected credit losses are as follows:

	30 June 2026 $	30 June 2025 $
Opening balance	5,471	120,479
Additional provisions recognised	19,794	5,471
Discontinued operations	-	(120,479)
Closing balance	25,265	5,471

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 15 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. For allowance for expected credit losses analysis at the end of the reporting period, please refer to **note 20**.

Note 12. Right-of-use assets

	30 June 2026 $	30 June 2025 $
Non-current assets		
Other finance leased assets - right-of-use	29,899	10,310
Less: Accumulated depreciation	(29,899)	(9,687)
	-	623
Property - right-of-use	644,411	340,160
Less: Accumulated depreciation	(85,398)	(65,994)
	559,013	274,166
	559,013	274,789

The Group initially leased office buildings in Bibra Lake, with the lease commencing on November 1, 2020, and set to expire on October 31, 2027. In last financial year, the Group surrendered this lease and entered into a new lease agreement for premises in Henderson, effective from September 16, 2024, to September 15, 2026.

Reconciliations

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

	Property $	Other Finance Leased Assets $	Total $
Balance at 1 July 2024	1,165,079	502,051	1,667,130
Additions	340,160	-	340,160
Classified as held for sale	-	(183,373)	(183,373)
Disposals	-	(26,264)	(26,264)
Exchange differences	(717)	2,833	2,116
Impairment expenses	-	(284,307)	(284,307)
Discontinued depreciation	-	(8,844)	(8,844)
Surrendered of lease	(1,060,786)	-	(1,060,786)
Depreciation expense	(169,570)	(1,473)	(171,043)
Balance at 30 June 2025	274,166	623	274,789
Additions	420,694	-	420,694
Revaluation increments	2,213	-	2,213
Depreciation expense	(138,060)	(623)	(138,683)
Balance at 30 June 2026	**559,013**	**-**	**559,013**

Note 13. Plant and equipment

	30 June 2026 $	30 June 2025 $
Non-current assets		
Plant and equipment - at cost	3,012,560	2,916,155
Less: Accumulated depreciation	(1,239,238)	(745,629)
	1,773,322	2,170,526
Property Improvements - at cost	400,635	370,172
Less: Accumulated depreciation	(161,174)	(91,060)
	239,461	279,112
CloudSigma equipment - at cost	147,913	147,913
Less: Accumulated depreciation	(147,913)	(147,913)
	-	-
	2,012,783	2,449,638

Reconciliations

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

	Property improvements $	Plant and equipment $	Total $
Balance at 1 July 2024	**244,352**	**692,542**	**936,894**
Additions	-	965,656	965,656
Additions through asset acquisition **(note 21)**	370,172	1,129,750	1,499,922
Disposals	(203,010)	(571,120)	(774,130)
Impairment of assets	(41,342)	41,342	-
Discontinued depreciation	-	(11,485)	(11,485)
Depreciation expense	(91,060)	(76,159)	(167,219)
Balance at 30 June 2025	**279,112**	**2,170,526**	**2,449,638**
Additions	30,463	20,734	51,197
Depreciation expense	(70,114)	(417,938)	(488,052)
Balance at 30 June 2026	**239,461**	**1,773,322**	**2,012,783**

Note 14. Intangibles

	30 June 2026 $	(Restated) 30 June 2025 $
Non-current assets		
Goodwill - at cost	451,769	451,769
Less: Impairment	(301,769)	(301,769)
	150,000	150,000
Development - at cost	335,929	335,929
Less: Accumulated amortisation	(335,929)	(327,794)
	-	8,135
Intellectual property - at cost	104,451	104,451
Less: Accumulated amortisation	(62,670)	(41,780)
	41,781	62,671
Customer contracts - at cost	843,039	843,039
Less: Accumulated amortisation	(843,039)	(562,026)
	-	281,013
Technology intangible assets - at cost	42,066,767	24,542,241
	42,258,548	**25,044,060**

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

	$
Balance at 1 July 2024	1,179,449
Additions through asset acquisition - **Note 4**	23,818,385
Foreign currency translation uplift - **Note 4**	723,855
Impairment of assets	(301,769)
Amortisation expense on finite-life as per below policy	(375,860)
Balance at 30 June 2025	**25,044,060**
Additions on vesting of Class A Performance Rights (Milestone 1 verified January 2026) - **Note 21**	7,700,000
Additions on vesting of Class B Performance Rights (Milestone 2 verified June 2026) - **Note 21**	7,700,000
Foreign currency translation uplift	2,124,526
Amortisation expense on finite-life as per below policy	(310,038)
Balance at 30 June 2026	**42,258,548**

Note 14. Intangibles (continued)

14.1 Description of intangible asset

The intangible asset comprises patented intellectual property acquired with 2D Generation Ltd in January 2025 relating to the low-temperature (sub-300°C) deposition of a graphene / sp^2-based carbon layer using Atomic Layer Deposition (ALD) technology, targeted at next-generation semiconductor interconnects.

Additions during the year of $15,400,000 represent the grant-date fair value of the Class A performance rights (vested in January 2026 on independent verification of Milestone 1) and the Class B performance rights (vested in June 2026 on independent verification of Milestone 2), each measured at $0.077 per right.

The Class C performance rights remain outstanding and will convert to additional cost of the intangible asset (a further $7,700,000, measured at the grant-date fair value of $0.077 per right) only if the vesting conditions are satisfied within the relevant timeframe.

14.2 Availability for use and amortisation

The intangible asset is not yet available for use at 30 June 2026. The Group considers that the asset will be available for use only when commercialisation arrangements are in place and the technology is deployed in a customer environment. In accordance with AASB 138 Intangible Assets, amortisation of an intangible asset commences when the asset is available for use. Accordingly, no amortisation has been charged during the year ended 30 June 2026 (2025: nil). Amortisation will commence, over the asset's assessed useful life, once it becomes available for use.

14.3 Foreign currency translation

The intangible asset is held within 2D Generation Ltd, whose functional currency is the Israeli shekel (ILS). On consolidation, the assets and liabilities of the foreign operation, including the intangible asset, are translated into the Group's presentation currency (Australian dollars) at the closing rate at the reporting date, in accordance with AASB 121.

The Effects of Changes in Foreign Exchange Rates. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. A translation gain of $2,124,526 (30 June 2025: $723,855) was recognised in other comprehensive income during the year, giving a cumulative foreign currency translation reserve attributable to the intangible of $2,848,382 at 30 June 2026.

14.4 Impairment test

AASB 136 Impairment of Assets requires that intangible assets not yet available for use are tested for impairment annually, irrespective of whether any indicators of impairment exist. The Group has performed an impairment test of the technology intangible asset (carrying amount A$42,066,767) at 30 June 2026. That asset is the sole substantive asset of the cash-generating unit and is tested at the individual asset level.

Recoverable amount has been determined as fair value less costs of disposal in accordance with AASB 13 Fair Value Measurement. Fair value has been measured by an independent valuation specialist using the income approach, applying a discounted cash flow analysis under the multi-period excess earnings method (MEEM), in which the after-tax cash flows attributable to the intellectual property are discounted to present value at a market-participant discount rate. The valuation is corroborated by observable transaction evidence and by the technical and commercial de-risking events that have occurred since acquisition. All significant inputs are unobservable and are categorised as Level 3 in the fair value hierarchy.

Note 14. Intangibles (continued)

a) Key inputs and assumptions

Input	Basis
Acquisition transaction value	Fair value of consideration transferred on 9 January 2025: $24,667,512.
Subsequent positive value drivers	(i) Milestone 1 verified January 2026; Milestone 2 verified June 2026; (ii) A$14 million placement completed 2026 with sophisticated cornerstone investors; (iii) increase in market capitalisation from approximately A$15 million at acquisition to A$200 million at 30 June 2026; (iv) execution of Ramot / Tel Aviv University radar absorption licence.
Discount rate (where applied to scenario cash flows)	28.5% post-tax, reflecting risk-free rate, equity risk premium, size premium and asset-specific risk.
Useful life assumption (when commercialisation commences)	12 years, based on patent life and expected commercialisation period
Costs of disposal	Estimated at a maximum of A$200,000 (approximately 0.3% of fair value), comprising transaction and advisory costs. The Group has no long-term borrowings and its premises lease is terminable on approximately three months notice.
Fair value of the IP	Estimated at USD 48.9 million (USD 48,899,000). Translated at the 30 June 2026 closing rate of AUD/USD 0.6917, this equates to approximately A$70.7 million. After deducting estimated costs of disposal of A$200,000, the recoverable amount (fair value less costs of disposal) is approximately A$70.5 million.

b) Sensitivity

The impairment assessment is sensitive to changes in the underlying inputs. The Group has performed sensitivity analysis on the key inputs above. A reasonable change in any single input would not result in the recoverable amount falling below the carrying amount. A combination of adverse changes to multiple inputs would be required for impairment to arise. The Group considers that such a combination is not reasonably possible given the observable transaction evidence, the technical de-risking events that have occurred since acquisition, and the absence of any identified adverse events.

Based on the impairment test performed, the recoverable amount of the intangible asset (approximately A$70.5 million) exceeds its carrying amount of A$42,066,767 by approximately A$28.4 million (68%), and no impairment loss has been recognised in the year ended 30 June 2026.

Accounting policy for intangible assets acquired in asset acquisition

Where the Group acquires an intangible asset (or a group of assets that does not constitute a business), the asset is recognised at cost, being the fair value of consideration given together with directly attributable transaction costs, allocated to the identifiable assets acquired on the basis of their relative fair values. No goodwill is recognised. Equity-settled consideration is measured at grant-date fair value and is not subsequently remeasured for changes in the Group's share price.

The intangible asset is subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged on a straight-line basis over the asset's useful life from the date the asset is available for use; the asset is not amortised while it is not yet available for use. An intangible asset not yet available for use is tested for impairment annually in accordance with AASB 136, irrespective of whether there is any indication of impairment. The asset of a foreign operation is translated into the presentation currency at the closing rate, with exchange differences recognised in other comprehensive income.

Development cost

Development costs relate to the development of hardware coded interfaces for Power Distribution Units (PDU's), development of PDU prototypes and electro-magnetic compatibility (EMC) testing, as well as the software to monitor and operate the PDU's. PDU's are amortised over 4 years and the software over 3 years.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 14. Intangibles (continued)

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 15. Trade and other payables

	30 June 2026 $	30 June 2025 $
Current liabilities		
Trade payables	326,674	462,082
Accrued expenses	176,329	132,174
ATO payable	36,828	(249,990)
Superannuation payables	123,693	103,770
Other payables	79,356	67,177
Income tax payable	(262)	(262)
	742,618	514,951

Refer to **note 20** for further information on financial instruments.

Note 16. Lease liabilities

	30 June 2026 $	30 June 2025 $
Current liabilities		
Lease liability	94,688	202,048
Non-current liabilities		
Lease liability	518,922	78,230

The Company has leases for the business premises in Henderson and Israel.

Refer to **Note 20** for further information on financial instruments.

Note 17. Issued capital

	30 June 2026 Shares	30 June 2025 Shares	30 June 2026 $	30 June 2025 $
Ordinary shares - fully paid	1,177,021,259	724,125,596	82,926,721	51,097,048
Capital raising cost	-	-	(5,235,217)	(4,366,528)
	1,177,021,259	724,125,596	77,691,504	46,730,520

Note 17. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2024	185,132,002		11,324,454
Issue of shares - placement	02-Aug-2024	46,000,000	$0.033	1,518,000
Issue of Director shares upon conversion of loan under Director Loan Agreement	23-Oct-2024	1,818,182	$0.033	60,000
Issue of Director shares in lieu of Director fees	23-Oct-2024	4,394,521	$0.033	145,019
Fair value adjustment on Director fees, loan to Shane Wee	23-Oct-2024	-	$0.000	62,127
Issue of shares - lead manager Sandton Capital Advisory Pty Ltd	23-Oct-2024	5,000,000	$0.033	215,000
Issue of shares	07-Nov-2024	60,000,000	$0.050	3,000,000
Issue of shares on conversion of options	20-Dec-2024	1,000,000	$0.030	30,000
Conversion of performance rights	21-Nov-2024	2,500,000	$0.016	37,500
Issue of shares to employees under ESIP (**Note 19**)	20-Dec-2024	442,734	$0.023	33,648
Issue of shares - Pitt Street Research Pty Ltd (**Note 19**)	20-Dec-2024	1,000,000	$0.076	76,000
Issue of shares on conversion of options	24-Jan-2025	300,000	$0.050	15,000
Issue of shares on conversion of options	24-Jan-2025	75,000	$0.075	5,625
Issue of shares - placement	31-Jan-2025	104,463,157	$0.095	9,924,000
Issue of shares on conversion of options	17-Feb-2025	200,000	$0.050	10,000
Issue of Shares - Placement (Kevin Crofton)	19-May-2025	800,000	$0.095	76,000
Issue of shares on conversion of options	29-May-2025	1,000,000	$0.050	50,000
Issue of shares to 2DG Vendors (**Note 21**)	09-Jan-2025	300,000,000	$0.077	23,100,000
Issue of shares to facilitators (**Note 21**)	09-Jan-2025	10,000,000	$0.077	770,000
Capital raising costs		-	$0.000	(3,721,853)
Balance	**30 June 2025**	**724,125,596**		**46,730,520**
Conversion of performance rights	07-Oct-2025	1,500,000	$0.000	7,933
Conversion of Class A performance rights	08-Jan-2026	108,500,000	$0.000	8,190,000
Issue of shares under Placement	30-Apr-2026	204,444,445	$0.068	13,800,000
Issue of shares on conversion of options	30-Apr-2026	1,262,468	$0.075	94,685
Issue of shares on conversion of options	11-May-2026	845,000	$0.075	63,375
Issue of shares on conversion of options	11-May-2026	1,000,000	$0.030	30,000
Issue of shares on conversion of options	15-May-2026	900,000	$0.075	67,500
Issue of shares on conversion of options	28 May 2026	700,000	$0.075	52,500
Conversion of Class B Performance rights	12-Jun-2026	113,500,000	$0.155	8,483,000
Conversion of Class A and Class B Performance rights	12-Jun-2026	19,900,000	$0.155	1,014,900
Issue of shares on conversion of options	12-Jun-2026	275,000	$0.075	20,625
Issue of shares on conversion of options	25-Jun-2026	68,750	$0.075	5,155
Capital raising costs		-	$0.000	(868,689)
Balance	**30 June 2026**	**1,177,021,259**		**77,691,504**

Note 18. Reserves

	30 June 2026 $	(restated) 30 June 2025 $
Foreign currency reserve	2,929,786	843,740
Share-based payments reserve	6,527,623	6,498,123
	9,457,409	7,341,863

Note 18. Reserves (continued)

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

	Share-based payments reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2024	2,729,414	(11,230)	2,718,184
Foreign currency translation	-	854,970	854,970
Options issued and vested	78,703	-	78,703
Options issued to Directors (**Note 19**)	294,442	-	294,442
Performance rights vested	60,455	-	60,455
Options issued to Lead Managers	3,335,109	-	3,335,109
Balance at 30 June 2025	6,498,123	843,740	7,341,863
Foreign currency translation	-	2,086,046	2,086,046
Options issued to Directors (**Note 19**)	63,496	-	63,496
Options cancelled	(93,996)	-	(93,996)
Performance rights vested	60,000	-	60,000
Balance at 30 June 2026	6,527,623	2,929,786	9,457,409

Note 19. Share-based payment arrangement

Total share-based payment expense recognised at 30 June 2026 $2,325,333 (30 June 2025: $559,748). This amount includes:

	30 June 2026 $	(restated) 30 June 2025 $
ESIP issued to employees	-	33,648
Performance rights vested & granted	2,347,900	97,955
12 million unlisted options granted to Directors (Kevin & Dominic)	-	294,442
3 million unlisted options issued to Industry Advisory Board	-	78,703
1 million ordinary shares issued to Pitt Street Research Pty Ltd	-	55,000
6 million unlisted options issued to Director	63,496	-
Performance rights lapsed	(86,063)	-
	2,325,333	559,748

The share-based payment reserve arises from share options issued to directors and employees under the terms and conditions set out in the relevant offer letters and share options issued to a corporate adviser under the terms and conditions set out in their mandate letter.

Note 19. Share-based payment arrangement (continued)

19.1 Options

The share-based payment expense recognised for options during the year was $63,496. Set out below are summaries of options granted under share-based payment:

	Number of options 30 June 2026	Weighted average exercise price 30 June 2026	Number of options 30 June 2025	Weighted average exercise price 30 June 2025
Outstanding at the beginning of the financial year	80,000,000	$0.110	14,712,500	$0.168
Granted	6,000,000	$0.150	80,000,000	$0.106
Exercised	(1,000,000)	$0.030	(2,500,000)	$0.043
Expired	(1,000,000)	$0.060	(12,212,500)	$0.171
Outstanding at the end of the financial year	84,000,000	$0.110	80,000,000	$0.108

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/11/2021	20/12/2025	$0.060	1,000,000	-	-	(1,000,000)	-
09/10/2024	14/11/2027	$0.030	2,000,000	-	(1,000,000)	-	1,000,000
09/01/2025	09/01/2028	$0.080	30,000,000	-	-	-	30,000,000
09/01/2025	09/01/2028	$0.080	15,000,000	-	-	-	15,000,000
31/01/2025	31/01/2028	$0.150	20,000,000	-	-	-	20,000,000
13/05/2025	19/05/2028	$0.150	12,000,000	-	-	-	12,000,000
26/11/2025	14/04/2029	$0.150	-	6,000,000	-	-	6,000,000
			80,000,000	6,000,000	(1,000,000)	(1,000,000)	84,000,000

The weighted average remaining contractual life of options outstanding at the end of the financial 30 June 2026 was 1.68 years (30 June 2025: 2.57 years).

The valuation model inputs used to determine the fair value of the options at the grant date, are as follows:

Methodology	Number	Grant date	Expiry date	Share price at grant date ($)	Exercise price ($)	Risk-free rate %	Volatility %	Dividend yield %	Total fair value
Black Scholes	6,000,000	26/11/2025	14/04/2029	$0.069	$0.150	4.620%	100.00%	-	$201,024

Tranche	Number of Options	Vesting Conditions
1	3,000,000	Options vest upon the recipient providing 6 months of continuous service as a Director of the Company from the issue date.
2	3,000,000	Options vest upon the recipient providing 12 months of continuous service as a Director of the Company from the issue date.

Note 19. Share-based payment arrangement (continued)

Set out below are the options exercisable at the end of the financial year 30 June 2026:

Grant date	Expiry date	Number
09/10/2024	14/11/2027	1,000,000
09/01/2025	09/01/2028	30,000,000
09/01/2025	09/01/2028	15,000,000
31/01/2025	31/01/2028	20,000,000
13/05/2025	19/05/2028	12,000,000
		78,000,000

The weighted average share price during the financial year was $0.1394 (30 June 2025: $0.02504).

19.2 Performance rights

The share-based payment expense recognised in relation to performance rights during the year was $2,347,900 and $86,063 was reversed due to performance obligations not satisfied.

On 22 April 2026, the Company issued 900,000 performance rights to a vendor in consideration for services received during the year. The share-based payment expense of $60,000 represents the fair value of the services received, as determined by reference to the contractual arrangement, which management considers to approximating the fair value of the equity instruments granted at the grant date.

Set out below are summaries of performance rights granted under the share-based payment:

	Number of rights 30 June 2026	Weighted average exercise price 30 June 2026	Number of rights 30 June 2025	Weighted average exercise price 30 June 2025
Outstanding at the beginning of the financial year	308,500,000	$0.000	15,500,000	$0.000
Granted	68,300,000	$0.000	300,750,000	$0.000
Expired/Forfeited	(7,000,000)	$0.000	(5,250,000)	$0.000
Exercised	(243,400,000)	$0.000	(2,500,000)	$0.000
Outstanding at the end of the financial year	126,400,000	$0.000	308,500,000	$0.000

Note 19. Share-based payment arrangement (continued)

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/05/2024	01/08/2025	$0.000	2,500,000	-	-	(2,500,000)	-
05/07/2023	01/07/2026	$0.000	250,000	-	-	(250,000)	-
30/11/2023	31/12/2025	$0.000	5,000,000	-	(1,500,000)	(3,500,000)	-
06/12/2024	31/12/2025	$0.000	750,000	-	-	(750,000)	-
09/01/2025	09/01/2026	$0.000	100,000,000	-	(100,000,000)	-	-
09/01/2025	09/07/2026	$0.000	100,000,000	-	(100,000,000)	-	-
09/01/2025	09/01/2028	$0.000	100,000,000	-	-	-	100,000,000
26/11/2025	09/01/2026	$0.000	-	6,000,000	(6,000,000)	-	-
26/11/2025	09/07/2026	$0.000	-	9,000,000	(9,000,000)	-	-
26/11/2025	09/01/2028	$0.000	-	15,000,000	-	-	15,000,000
06/01/2026	09/01/2026	$0.000	-	2,500,000	(2,500,000)	-	-
06/01/2026	09/07/2026	$0.000	-	4,500,000	(4,500,000)	-	-
06/01/2026	09/01/2028	$0.000	-	3,000,000	-	-	3,000,000
16/04/2026	20/04/2028	$0.000	-	900,000	-	-	900,000
28/02/2026	28/02/2026	$0.000	-	5,400,000	(5,400,000)	-	-
28/02/2026	09/07/2026	$0.000	-	14,500,000	(14,500,000)	-	-
28/02/2026	09/01/2028	$0.000	-	7,500,000	-	-	7,500,000
			308,500,000	68,300,000	(243,400,000)	(7,000,000)	126,400,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial 30 June 2026 was 1.52 years (30 June 2025:1.33 years).

Recipients	Performance rights	Grant Date	Number	Vesting Conditions
Arye Kohavi	Class A	26-Nov-2025	4,200,000	Expiry date 9 Jan 2026. Vesting conditions refer below table.
Arye Kohavi	Class B	26-Nov-2025	6,300,000	Expiry date 9 July 2026. Vesting conditions refer below table.
Arye Kohavi	Class C	26-Nov-2025	10,500,000	Expiry Date 9 Jan 2028. Vesting conditions refer below table.
Kevin Crofton	Class A	26-Nov-2025	1,800,000	Expiry date 9 Jan 2026. Vesting conditions refer below table.
Kevin Crofton	Class B	26-Nov-2025	2,700,000	Expiry date 9 July 2026. Vesting conditions refer below table.
Kevin Crofton	Class C	26-Nov-2025	4,500,000	Expiry Date 9 Jan 2028. Vesting conditions refer below table.
Paul Rich	Class A	6-Jan-2026	2,500,000	Expiry date 9 Jan 2026. Vesting conditions refer below table.
Paul Rich	Class B	6-Jan-2026	4,500,000	Expiry date 9 July 2026. Vesting conditions refer below table.
Paul Rich	Class C	6-Jan-2026	3,000,000	Expiry Date 9 Jan 2028. Vesting conditions refer below table.
Israel Employees	Class A	28-Feb-2026	5,400,000	Expiry date 28 Feb 2026. Vesting conditions refer below table.
Israel Employees	Class B	28-Feb-2026	14,500,000	Expiry date 9 July 2026. Vesting conditions refer below table.
Israel Employees	Class C	28-Feb-2026	7,500,000	Expiry Date 9 Jan 2028. Vesting conditions refer below table.

Note 19. Share-based payment arrangement (continued)

Class	Vesting Conditions
A	Class A Performance Rights convert into Shares (1:1 basis) upon an independently verified demonstration (by a suitably qualified professor from a recognised technological university in Australia or Israel, as determined by the AI1 board of directors) of the successful deposition of an organic substrate on to a metallic or non-metallic material at below 300 degrees Celsius using an Atomic Layer Deposition machine by 9 January 2026. **Milestone achieved and performance rights vested on 8 January 2026**.
B	Class B Performance Rights convert into Shares (1:1 basis) upon an independently verified demonstration (by a suitably qualified professor from a recognised technological university in Australia or Israel, as determined by the AI1 board of directors) of the successful deposition of an organic substrate capping layer on Copper (Cu) or Ruthenium (Ru) coupons 1cm by 1cm in size at below 300 degrees Celsius by 9 July 2026. **Milestone achieved and performance rights vested on 12 June 2026**.
C	Class C Performance Rights convert into Shares (1:1 basis) following the signing of a binding agreement with a global semiconductor corporation and AI1 receiving income of more than $AU1M (determined in accordance with applicable accounting standards as received and confirmed by AI1's auditor) by 9 January 2028. **Management has assessed the probability of Class C performance rights and considered the performance condition is not probable as at 30 June 2026.**

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

	Class A Rights	Class B Rights	Class C Rights	Class A Rights	Class B Rights	Class C Rights	Class A Rights	Class B Rights	Class C Rights
Methodology	Share price on grant date	Share price on grant date	Share price on grant date	Share price on grant date	Share price on grant date	Share price on grant date	Share price on grant date	Share price on grant date	Share price on grant date
Grant date	26-Nov-25	26-Nov-25	26-Nov-25	6-Jan-26	6-Jan-26	6-Jan-26	28-Feb-26	28-Feb-26	28-Feb-26
Expiry date	9-Jan-26	9-Jul-26	9-Jan-28	9-Jan-26	9-Jul-26	9-Jan-28	28-Feb-26	9-Jul-26	9-Jan-28
Spot price	$0.055	$0.055	$0.055	$0.064	$0.064	$0.064	$0.051	$0.051	$0.051
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Risk-free rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividend Yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number	6,000,000	9,000,000	15,000,000	2,500,000	4,500,000	3,000,000	5,400,000	14,500,000	7,500,000
Value per PR	$0.055	$0.055	$0.055	$0.064	$0.064	$0.064	$0.051	$0.051	$0.051
Total fair value	$330,000	$495,000	$825,000	$160,000	$288,000	$192,000	$275,400	$739,500	$382,500

During the year, the Group granted 300,000,000 Performance Rights comprising three classes (A, B and C) that are subject to the achievement of specified technical and commercial milestones. Further details of the terms and conditions of these Performance Rights are disclosed in **Note 21** (Acquisition of 2D Generation Ltd).

The Performance Rights are equity-settled share-based payment arrangements. The fair value of the rights was determined at grant date and recognised in accordance with AASB 2 over the relevant vesting periods. At reporting date, 100,000,000 Performance Rights C remained outstanding.

Note 19. Share-based payment arrangement (continued)

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using 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.

The cost of equity-settled transactions is 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.

Note 20. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the way it manages the risk, except for its credit risk. Market risk exposures are measured using sensitivity analysis set out below.

Note 20. Financial instruments (continued)

Market risk
Market risk is the risk that changes in market price, such as interest rates and foreign exchange rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances between entities.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Australian dollars				
Pound sterling	0.51	0.50	0.52	0.48
Israel New Shekel	0.47	0.44	0.49	0.45

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 June 2026 $	30 June 2025 $	30 June 2026 $	30 June 2025 $
Pound Sterling	8	213,521	-	231
Israel New Shekel	4,136,605	2,971,390	853,514	3,510,569
	4,136,613	3,184,911	853,514	3,510,800

The Group had net assets denominated in foreign currencies of $3,283,099 (assets of $4,136,613 less liabilities of $853,514) as at 30 June 2026 (30 June 2025: $(325,889) (assets of $3,184,911 less liabilities of $3,510,800). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (30 June 2025: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been $182,523 higher and $218,828 higher, respectively (30 June 2025: $73,486 higher/$24,646 lower). Had the Australian dollar weakened by 5%, profit before tax and equity would have been $182,523 and $218,828 lower, respectively (30 June 2025: $73,486 lower/$24,646 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

	AUD strengthened			AUD weakened		
30 June 2026	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Pound sterling	5%	-	-	(5%)	-	-
Pound sterling	10%	-	-	(10%)	-	-
Israel New Shekel	5%	173,350	218,828	(5%)	(173,350)	(218,828)
Israel New Shekel	10%	346,700	437,655	(10%)	(346,700)	(437,655)

Note 20. Financial instruments (continued)

30 June 2025	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
Pound sterling	5%	(3,408)	14,027	(5%)	3,408	(14,027)
Pound sterling	10%	(6,815)	28,053	(10%)	6,815	(28,053)
Israel New Shekel	5%	(70,078)	10,619	(5%)	70,078	(10,619)
Israel New Shekel	10%	(140,158)	21,238	(10%)	140,158	(21,238)

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group's exposure to the risks of changes in market interest rates is as the Group hold short-term deposits with a floating interest rate, the Group's equipment and property leases have fixed rates based on the either the rate implicit in the lease or the incremental borrowing rate at the commencement of the lease.

All other financial assets and liabilities in the form of cash at bank, receivables and payables are non-interest bearing, with the exception of overdue receivables on a single customer account where interest is being charged on the overdue balance at a rate of 15% per annum. The Company does not engage in any hedging or derivative transactions to manage interest rate risk. The Company has not entered any hedging activities to cover interest rate risk. Regarding its interest rate risk, the Company does not have a formal policy in place to mitigate such risks.

The following table set out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

30 June 2026	Non-Interest Bearing $	1 Year $	1 - 5 Years $	> 5 Years $	Floating Interest Rate $	Weighted Average Interest Rate %	Total $
Financial assets							
Cash and cash equivalents	-	-	-	-	15,488,326	4.00%	15,488,326
Trade receivables	738,022	-	-	-	-	-	738,022
	738,022	-	-	-	15,488,326		16,226,348
Financial liabilities							
Trade and other payables	742,618	-	-	-	-	-	742,618
Lease liabilities	-	94,688	518,922	-	-	3.76%	613,610
Contract liabilities	380,031	-	-	-	-	-	380,031
	1,122,649	94,688	518,922	-	-		1,736,259

Note 20. Financial instruments (continued)

30 June 2025	Non-Interest Bearing $	1 Year $	1 - 5 Years $	> 5 Years $	Floating Interest Rate $	Weighted Average Interest Rate %	Total $
Financial assets							
Cash and cash equivalents	-	-	-	-	6,959,562	2.89%	6,959,562
Trade receivables	337,331	-	-	-	-	-	337,331
	337,331	-	-	-	6,959,562		7,296,893
Financial liabilities							
Trade and other payables	514,951	-	-	-	-	-	514,951
Lease liabilities	-	202,048	78,230	-	-	3.93%	280,278
Contract liabilities	259,189	-	-	-	-	-	259,189
	774,140	202,048	78,230	-	-		1,054,418

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Group. A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Risk Management
The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group do not require collateral from its customers. The Group's major classes of financial assets are trade and other receivables.

Trade receivables
To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics. Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

The Group has not experienced any instances of non-payment from its customers over the past 12 months and has used their repayment pattern as a basis for estimation to estimate its ECL for the current year. The Group did not determine the default risk of it financial instruments as most of its trade receivables are historical clients that have no bad debt history.

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, the historical default experience and financial position of the counterparties are taken into account, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Allowance for expected credit losses
The Group has recognised a loss of $25,265 (30 June 2025: $5,471) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

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

Note 20. Financial instruments (continued)

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.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
30 June 2026	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	326,674	-	-	-	326,674
Other payables	-	415,944	-	-	-	415,944
Interest-bearing - fixed rate						
Lease liability	3.76%	115,927	107,044	482,349	-	705,320
Total non-derivatives		858,545	107,044	482,349	-	1,447,938

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

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

Note 21. Acquisition of 2D Generation Ltd - asset acquisition

A. Description of the transaction
On 9 January 2025, the Group acquired 100% of the issued capital of 2D Generation Ltd (“2DG”), an Israeli company that holds patented graphene deposition technology enabling deposition of graphene at temperatures below 300°C (the “technology”). The consideration comprised ordinary shares in Adisyn Ltd and performance rights convertible into ordinary shares on the achievement of specified milestones.

Note 21. Acquisition of 2D Generation Ltd - asset acquisition (continued)

The Group completed the acquisition of 100% of 2D Generation Ltd. The consideration for the acquisition comprised 300,000,000 fully paid ordinary shares in Adisyn (Consideration Shares) and 300,000,000 performance rights (Performance Rights), convertible on a one-for-one basis into ordinary shares upon achievement of the following milestones:

- 100,000,000 **(Class A)** Performance Rights converting upon independently verified demonstration (by a suitably qualified professor from a recognised technological university in Australia or Israel, as determined by the Group's board of directors) of the successful deposition of an organic substrate on to a metallic or non-metallic material at below 300 degrees Celsius using an Atomic Layer Deposition (ALD) machine, within 12 months of the acquisition date;
- 100,000,000 **(Class B)** Performance Rights converting upon an independently verified demonstration (by a suitably qualified professor from a recognised technological university in Australia or Israel, as determined by the Group's board of directors) of the successful deposition of an organic substrate capping layer on Copper (Cu) or Ruthenium (Ru) coupons 1cm by 1cm in size at below 300 degrees Celsius, within 18 months of the acquisition date;
- 100,000,000 **(Class C)** Performance Rights converting upon the signing of a binding agreement with a global semiconductor corporation and the Group receiving income of more than $AU1M (determined in accordance with applicable accounting standards as received and confirmed by the Group’s auditor), within 36 months of the acquisition date.

The Group has assessed the acquisition under AASB 3 Business Combinations and concluded that the set of assets and activities acquired does not constitute a business. Applying the optional concentration test in AASB 3, substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable intangible asset (the technology). The transaction has accordingly been accounted for as an asset acquisition. No goodwill arises on an asset acquisition; the cost of the acquisition is allocated to the identifiable assets and liabilities acquired based on their relative fair values at the acquisition date.

B. Cost of the acquisition

The cost of the asset acquisition comprises the fair value of consideration given together with costs directly attributable to the acquisition.

The acquisition consideration includes 300,000,000 performance rights issued in three tranches, each convertible one-for-one into ordinary shares on achievement of a milestone. During the year, the Class A milestone (independently verified deposition below 300°C) was achieved on 6 January 2026 and the Class B milestone (deposition of a capping layer on copper or ruthenium coupons below 300°C) on 9 June 2026, and the corresponding rights vested and converted, each measured at the grant-date fair value of $0.077 per right ($7,700,000 per tranche).

The Class C tranche (100,000,000 performance rights) converts on the signing of a binding agreement with a global semiconductor corporation and the Group receiving income of more than $1,000,000, within 36 months of the acquisition date. This milestone had not been achieved at 30 June 2026 and no amount has been recognised in respect of the Class C rights. If the milestone is achieved, $7,700,000 (measured at the grant-date fair value of $0.077 per right) will be added to the cost of the intangible, with a corresponding increase in equity.

Directly attributable transaction costs, including adviser options and facilitation shares, are capitalised into the cost of the asset.

- The Group incurred acquisition-related costs of $82,196 on legal fees and due diligence costs.

- On 9 January 2025, 10,000,000 ordinary shares, issued to Sandton Capital as facilitation shares, with a fair value of $0.077 per share amounted to $770,000 in connection with the completion of the acquisition of 2D Generation.

- On 9 January 2025, 15,000,000 options were issued to advisers in connection with the acquisition, with an exercise price of $0.075 and a term of three years. The options vested on issue and were measured at their grant-date fair value of $0.047688 per option ($715,316 in aggregate), determined using the Black-Scholes option pricing model with the following inputs: share price $0.077, exercise price $0.075, expected volatility 100%, risk-free rate 3.85%, dividend yield nil, and a term of three years. As the options are directly attributable to the acquisition, the fair value has been capitalised into the cost of the intangible.

Note 21. Acquisition of 2D Generation Ltd - asset acquisition (continued)

	30 June 2026 $	30 June 2025 (restated) $
Cost of the acquisition:		
Ordinary shares issued to vendor (300,000,000 shares)	23,100,000	23,100,000
Performance rights – Class A (100,000,000, vested)	7,700,000	-
Performance rights – Class B (100,000,000, vested)	7,700,000	-
Advisory options (15,000,000 options)	715,316	715,316
Facilitation shares – Sandton Capital (10,000,000 shares)	770,000	770,000
Legal and due diligence costs	82,196	82,196
Total cost of the acquisition	40,067,512	24,667,512

C. Allocation of cost to identifiable assets and liabilities

The cost of the acquisition has been allocated to the identifiable assets acquired and liabilities assumed on the basis of their relative fair values at the acquisition date, with the residual attributed to the technology intangible asset. No goodwill has been recognised.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	894,744
Other receivables	54,961
Prepayments	6,489
Plant and equipment	1,499,922
Trade payables	(53,649)
Other payables	(43,245)
Employee benefits	(49,813)
Loan	(1,460,282)
Net assets acquired	849,127
Intangible asset - Technology	39,218,385
Total cost allocated	40,067,512

Basis of measurement

The fair values assigned to the identifiable assets acquired and liabilities assumed were determined at the acquisition date. As the transaction is an asset acquisition and not a business combination, the measurement period and provisional accounting provisions of AASB 3 do not apply.

The identification of the identifiable assets and liabilities and the associated fair value measurement, in particular the fair value of the acquired intellectual property, is subject to significant judgement and estimation. The key estimates and judgements applied in accounting for the acquisition are set out below.

Note 21. Acquisition of 2D Generation Ltd - asset acquisition (continued)

Accounting judgements
The acquisition of 2D Generation Ltd required management to apply judgement in determining whether the acquired set of assets and activities met the definition of a business under AASB 3.

Management elected to apply the concentration test in AASB 3 Appendix B7B and concluded that substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable intangible asset, being the intellectual property relating to the process for growing graphene at low temperature.

On this basis, the acquired set did not constitute a business, and the transaction was accounted for as an asset acquisition. This judgement is significant because the accounting outcomes differ materially: an asset acquisition does not give rise to goodwill, transaction costs are capitalised rather than expensed, and no deferred tax is recognised on initial recognition under the initial recognition exemption in AASB 112.

Management applied judgement in determining that the acquired graphene-related intellectual property meets the recognition criteria for an intangible asset under AASB 138 Intangible Assets, including that the asset is identifiable, the Group controls the asset, and future economic benefits are expected to flow to the Group.

The cost of the asset acquisition was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. Determining these fair values, in particular the fair value of the acquired intellectual property, required significant estimation, including assumptions regarding forecast cash flows, discount rates, and the stage of development of the underlying technology. Changes in these assumptions could materially affect the carrying amounts allocated to the acquired assets.

Deferred Tax
No deferred tax has been recognised on initial recognition of the intangible asset. The acquisition is an asset acquisition that is not a business combination and, at the time of the transaction, affected neither accounting profit nor taxable profit. The initial recognition exemption in AASB 112 Income Taxes therefore applies.

Restatement of comparative information
In the financial report for the year ended 30 June 2025, the acquisition was originally accounted for as a business combination under AASB 3, recognising goodwill and contingent consideration and expensing acquisition-related costs and adviser options.

Following a reassessment, the Group has concluded that the acquisition is an asset acquisition. This constitutes a prior period error, corrected retrospectively by restating the comparative information for the year ended 30 June 2025 in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Full details of the restatement, including the effect on each affected financial statement line item, are set out in **Note 4**.

Note 22. Discontinued operations

Description
The Group formally entered into a binding agreement with Metacorp, with completion of the agreement subject to various condition precedent. The divestment is for $300k (plus GST) cash consideration, with up to $300k (plus GST) in additional consideration subject to various earn-out criteria. The sale is for the Miner Hosting business physical assets only and does not include any intellectual property developed by the Group within the Miner Hosting business.

Note 22. Discontinued operations (continued)

Financial performance information

	30 June 2026 $	30 June 2025 $
Discontinued modular hosting revenue	-	482,176
Total discontinued revenues	-	482,176
Discontinued other income	-	126,353
Discontinued cost of sales	-	(537,029)
Discontinued impairment expense	-	(1,723,375)
Discontinued operating expenses	-	(346,537)
Discontinued other expenses	(49,020)	(61,948)
Total expenses	(49,020)	(2,668,889)
Loss before income tax expense	(49,020)	(2,060,360)
Income tax expense	-	-
Loss after income tax expense	(49,020)	(2,060,360)
Discontinued loss on disposal of plant and equipment	-	(1,087,227)
Income tax expense	-	-
Loss on disposal after income tax expense	-	(1,087,227)
Loss after income tax expense from discontinued operations	(49,020)	(3,147,587)

Cash flow information

	30 June 2026 $	30 June 2025 $
Net cash used in operating activities	-	(226,575)
Net cash from investing activities	-	-
Net cash used in financing activities	-	(663,763)
Net decrease in cash and cash equivalents from discontinued operations	-	(890,338)

Note 23. Earnings per share

	30 June 2026 $	30 June 2025 (restated) $
Earnings per share for loss from continuing operations		
Loss after income tax	(7,783,761)	(4,886,854)
Loss after income tax attributable to the owners of Adisyn Ltd	(7,783,761)	(4,886,854)
Loss after income tax attributable to the owners of Adisyn Ltd used in calculating diluted earnings per share	(7,783,761)	(4,886,854)

Note 23. Earnings per share (continued)

	Cents	Cents (restated)
Basic earnings per share	(0.95)	(1.04)
Diluted earnings per share	(0.95)	(1.04)

	30 June 2026 $	30 June 2025 $
Earnings per share for loss from discontinued operations		
Loss after income tax	(49,020)	(3,147,587)
Non-controlling interest	-	-
Loss after income tax attributable to the owners of Adisyn Ltd from discontinued operations	(49,020)	(3,147,587)
Loss after income tax attributable to the owners of Adisyn Ltd from discontinued used in calculating diluted earnings per share	(49,020)	(3,147,587)

	Cents	Cents
Basic earnings per share	(0.01)	(0.67)
Diluted earnings per share	(0.01)	(0.67)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	818,044,834	468,988,070
Adjustments for calculation of diluted earnings per share:		
Weighted average number of ordinary shares used in calculating diluted earnings per share	818,044,834	468,988,070

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Adisyn 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 24. Key management personnel disclosures

Directors
The following persons were directors of Adisyn Ltd during the financial year:

Kevin Crofton	Non-Executive Chairman - Appointed 17 March 2025 and transitioned to Executive Chairman on 7 September 2026
Arye Kohavi	Managing Director - Appointed 4 February 2026 and transitioned to Non-Executive Director on 7 September 2026
Blake Burton	Executive Director (Appointed 4 February 2026) Managing Director (1 July 2022 to 4 February 2026)
Dominic O'Hanlon	Non-Executive Director (Appointed 17 March 2025)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Name	**Position**
Jesper Sentow	Chief Financial Officer (resigned 7 May 2026)

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

	30 June 2026 $	30 June 2025 $
Short-term employee benefits	998,983	836,867
Post-employment benefits	36,476	38,050
Share-based payments	877,960	308,882
	1,913,419	1,183,799

Note 25. Related party transactions

Parent entity
Adisyn Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in **note 30**.

Key management personnel
Disclosures relating to key management personnel are set out in **Note 24** and the remuneration report included in the directors' report.

Disclosures relating to key management personnel are set out in **Note 19** for all the share-based payment arrangement.

On market purchase
On 29 July 2025, Mr O'Hanlon acquired 500,000 AI1 fully paid ordinary shares at $0.0764 on market.

Note 25. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties - Key Management Personnel of the Company comprises the Board and key executive management staff during the year:

	30 June 2026 $	30 June 2025 $
Payment for goods and services:		
Payment for services from Sommersted Enterprises Pty Ltd *	151,200	210,288
Other transactions:		
Kevin Crofton - Consultant fee pre appointment	-	9,375

* Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received $151,200 (2025: $210,288 plus GST of which $30,000 was paid in lieu of shares) for the CFO services.

Receivable from and payable to related parties

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

Loans to/from related parties

There were no related party loans for financial year ended 30 June 2026 and 30 June 2025.

Acquisition of 2D Generation Ltd – transactions with directors

On 9 January 2025, the Group acquired 100% of 2D Generation Ltd ("2DG"), accounted for as an asset acquisition (refer to **Note 21**). Two directors of Adisyn Ltd, Mr Arye Kohavi and Mr Kevin Crofton, were shareholders of 2DG and, in that capacity, received consideration shares and performance rights as part of the acquisition consideration.

The consideration was received by the directors in their capacity as vendors and shareholders of 2DG, on the same terms as all other 2DG shareholders. The consideration was not provided in respect of their services as directors of Adisyn Ltd and does not form part of key management personnel compensation. The issue of the consideration shares and performance rights was approved by shareholders of Adisyn Ltd (Resolutions 4(a) and 4(b)).

The consideration shares and performance rights received by the directors are set out below. The performance rights convert one-for-one into ordinary shares on achievement of the relevant milestones. The Class A and Class B milestones were achieved during the year ended 30 June 2026 and the corresponding rights vested and converted. The Class C performance rights remain unvested during the year ended 30 June 2026.

Director	Relationship	Consideration Shares	Class A rights	Class B rights	Class C rights (unvested)
Arye Kohavi	Director	15,300,846	5,100,282	5,100,282	5,100,282
Kevin Crofton	Director	272,202	90,734	90,734	90,734

The consideration shares and the Class A and Class B performance rights (which vested during the year) are measured at the grant-date fair value of $0.077 per share/right, consistent with the measurement of the acquisition consideration described in **Note 21**.

On this basis, the fair value of the consideration shares and vested performance rights attributable to the directors is approximately $1,963,609 for Mr Kohavi and $34,933 for Mr Crofton.

Shareholdings

At the date of acquisition, Mr Kohavi held 548,060 ordinary shares in 2DG (5.10% of 2DG) and Mr Crofton held 9,750 ordinary shares (0.09%), which were acquired by the Group as part of the acquisition of 100% of 2DG.

Note 25. Related party transactions (continued)

Terms and conditions
All transactions with the directors in connection with the acquisition were made on the same terms as those applying to other 2DG shareholders. No amounts receivable from or payable to the directors arise in respect of the acquisition, other than the contingent obligation to issue ordinary shares on vesting of the outstanding Class C performance rights. No guarantees have been given or received. No expense has been recognised in the period in respect of impaired receivables due from related parties.

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

Other than as disclosed above, there were no other transactions with related parties during the year ended 30 June 2026.

Note 26. Remuneration of auditors

The following fees were paid or payable for services performed by Hall Chadwick WA Audit Pty Ltd, the auditor of the Company during the financial year:

	30 June 2026 $	30 June 2025 $
Audit services - Hall Chadwick		
Audit or review of the financial statements	77,000	74,000
Other services - Hall Chadwick WA Audit Pty Ltd		
Other assurance service	5,000	-
	82,000	74,000

Note 27. Commitments

	30 June 2026 $	30 June 2025 $
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	115,927	123,847
One to five years	589,393	168,878
Total commitment	705,320	292,725
Net commitment recognised as liabilities	705,320	292,725

Note 28. Contingent liabilities

On 9 January 2025, the Group completed the acquisition of 100% of the issued capital of 2D Generation Ltd. The consideration comprised 300,000,000 fully paid ordinary shares in Adisyn ("Consideration Shares") and 300,000,000 Performance Rights, each convertible on a one-for-one basis into ordinary shares upon the achievement of specified milestones.

During the financial year, 200,000,000 Class A and Class B Performance Rights vested and were converted into ordinary shares following the satisfaction of the relevant performance conditions.

The remaining 100,000,000 Class C Performance Rights will vest upon the execution of a binding agreement with a global semiconductor corporation and the Group generating revenue exceeding AU$1 million, determined in accordance with applicable accounting standards and verified by the Group's auditor, within 36 months of the acquisition date. As at 30 June 2026, these milestones had not yet been achieved and remained in progress.

The Class C Performance Rights represent contingent consideration associated with the acquisition and remain subject to the achievement of the specified performance milestones.

The Group has no other contingent liabilities at 30 June 2026 other than disclosed above.

Note 29. Events after the reporting period

On 7 September 2026, the Company announced a leadership transition as the Company progresses towards commercial execution. As part of this transition, Arye Kohavi transitioned to a Non-Executive Director position and Mr Kevin Crofton was transitioned to Executive Chairman with immediate effect. The Company further advised that Arye Kohavi's current service agreement as Chief Executive Officer of 2D Generation Ltd will conclude on 9 January 2027 and will not be extended.

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 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in **Note 2**:

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2026 %	Ownership interest 30 June 2025 %
Attained Group Ltd[1]	United Kingdom	100.00%	100.00%
Adisyn Services Pty Ltd	Australia	100.00%	100.00%
Attained Pty Ltd	Australia	100.00%	100.00%
2D Generation Ltd	Israel	100.00%	100.00%
2D Radar Absorbers Ltd[2]	Israel	80.00%	-

[1] The Company was struck off in the UK Companies Register and ceased to exist as a legal entity on 4 August 2026.
[2] The Company was incorporated and registered in Israel as a limited liability company on 11 March 2026 according to Companies Laws of the State of Israel. On 19 April 2026, the Company issued 250,000 ordinary shares to Ramot at Tel Aviv University Ltd., representing a 20% equity interest in 2D Radar.

Note 31. Parent entity information

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

Statement of profit or loss and other comprehensive income

	30 June 2026 $	(Restated) 30 June 2025 $
Loss after income tax	(464,198)	(7,629,813)
Total comprehensive income	(464,198)	(7,629,813)

Statement of financial position

	30 June 2026 $	(Restated) 30 June 2025 $
Total current assets	21,137,935	6,189,796
Total non-current assets	44,312,383	26,828,332
Total assets	**65,450,318**	**33,018,128**
Total current liabilities	162,805	328,875
Total non-current liabilities	16,106	68,663
Total liabilities	**178,911**	**397,538**
Equity		
Issued capital	77,691,504	46,730,518
Foreign currency reserve	2,848,382	723,855
Share-based payments reserve	6,527,623	6,498,123
Accumulated losses	(21,796,102)	(21,331,905)
Total equity	**65,271,407**	**32,620,591**

Adisyn Ltd provides a corporate guarantee for the Henderson property lease that is held under Adisyn Services Pty Ltd.

Contingent liabilities
Refer to the contingent liabilities of the Group (**Note 28**)

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 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest (%)	Tax Residency	Jurisdiction(s) for Foreign tax residency
Adisyn Ltd	Body Corporate	Australia	100.00%	Australia	No
Adisyn Services Pty Ltd	Body Corporate	Australia	100.00%	Australia	No
Attained Pty Ltd	Body Corporate	Australia	100.00%	Australia	No
Attained Group Ltd[1]	Body Corporate	United Kingdom	100.00%	United Kingdom/Australia	Yes
2D Generation Ltd	Body Corporate	Israel	100.00%	Israel	Yes
2D Radar Absorbers Ltd	Body Corporate	Israel	80.00%	Israel	Yes

[1]The Company was struck off on 4th August 2026 in the UK Companies Register and ceased to exist as a legal entity.

Determination of Tax Residency

Section 295 (3A) of the *Corporations Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (**CEDS**) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

(a) an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
(b) a partnership, with at least one partner being an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
(c) a resident trust estate (within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

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

** **Foreign tax residency**
The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity 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.

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in **Note 2** to the financial statements;

- 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

Kevin B. Crofton

____
Kevin Crofton
Executive Chairman

24 September 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADISYN LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adisyn Ltd ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Carrying value of the technology intangible asset As disclosed in note 14, as at 30 June 2026, the Consolidated Entity's technology intangible asset, being the patented low-temperature graphene deposition intellectual property held by 2D Generation Ltd, had a carrying amount of $42,066,767. During the year the carrying amount increased by $15,400,000 on the vesting of the Class A and Class B performance rights issued as acquisition consideration, and by $2,124,526 of foreign currency translation. As the asset is not yet available for use, *AASB 136 Impairment of Assets* requires it to be tested for impairment at least annually. The directors determined the recoverable amount on a fair value less costs of disposal basis, with the assistance of an independent valuation specialist, using Level 3 inputs including observable transaction evidence and probability-weighted commercialisation scenarios. This was considered a key audit matter due to the significance of the balance to the financial report and the significant judgement involved in estimating the recoverable amount of a pre-commercial technology asset.	Our procedures included, amongst others: • Reviewing management's impairment assessment and the independent valuation report; • Assessing the competence, capabilities and objectivity of the valuation specialist; • Engaging our internal corporate finance specialists to evaluate the valuation methodology and the reasonableness of key assumptions; • Assessing the directors' conclusion that the asset is not yet available for use, and therefore not subject to amortisation, having regard to the stage of development and status of commercialisation arrangements; • Agreeing the additions of $15,400,000 to evidence of the independent verification of Milestones 1 and 2; • Recalculating the foreign currency translation of the asset held by the Israeli subsidiary in accordance with *AASB 121 The Effects of Changes in Foreign Exchange Rates*; • Assessing management's sensitivity analysis and considering whether reasonably possible changes in key assumptions would result in an impairment; and • Assessing the adequacy of the related disclosures in the financial report.
Accounting for the acquisition of 2D Generation Ltd and restatement of comparatives During the year, the directors completed their assessment of the acquisition of 2D Generation Ltd, completed on 9 January 2025, which had previously been accounted for as a business combination under AASB 3 Business Combinations. Applying the optional concentration test in AASB 3, the directors concluded that the acquisition did not meet the definition of a business and should have been accounted for as an asset acquisition.	Our procedures included, amongst others: • Reviewing the acquisition agreement and supporting documentation to understand the key terms; • Evaluating the directors' application of the concentration test in *AASB 3*, including whether substantially all of the fair value of the gross assets acquired is concentrated in the technology intangible asset; • Recalculating the cost of the acquisition, including the measurement of equity instruments at grant-date fair value, the valuation of the

Key Audit Matter	How our audit addressed the Key Audit Matter
The correction of this prior period error in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors resulted in the derecognition of goodwill of $36,110,873, the capitalisation of acquisition-related costs of $1,567,512 previously expensed, and a reduction in comparative net assets of $11,568,633. This was considered a key audit matter due to the significant judgement involved in applying the concentration test, the measurement of the cost of the acquisition including equity-settled consideration, and the magnitude of the restatement of the comparative information.	adviser options, and the allocation of cost to the identifiable assets and liabilities acquired on a relative fair value basis; • Assessing the accounting for the Class C performance rights, which have not been recognised as the milestone had not been achieved at 30 June 2026; • Agreeing the restatement adjustments to supporting workings and checking the restated comparative amounts presented in the financial statements; and • Assessing the adequacy of the disclosures in relation to the acquisition and the correction of the prior period error.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity'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, with the exception of the remuneration report and our related assurance opinion.

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 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 financial report 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 Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 24th day of September 2026
Perth, Western Australia

The shareholder information set out below was applicable as at 16 September 2026.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement has been released as a separate document and is also located on our website at https://adisyn.com/about-us/corporate-governance/

ORDINARY SHARE CAPITAL

1,177,381,234 fully paid ordinary shares are held by 4,055 holders.

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

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

Ordinary Fully Paid Shares

Name	Number held	% of total shares issued
CITICORP NOMINEES PTY LIMITED	81,932,017	6.96
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	68,723,398	5.84
IBI CAPITAL COMPENSATION & TRUSTS 2004 LIMITED <KOBI BEN SHABATH A/C>	64,120,930	5.45
IBI CAPITAL COMPENSATION & TRUSTS 2004 LIMITED <ORI ACKERMAN A/C>	55,970,931	4.76
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	50,806,164	4.32
IBI CAPITAL COMPENSATION & TRUSTS 2004 LIMITED <ARYE KOHAVI A/C>	36,001,410	3.06
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,999,830	2.80
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,430,875	2.16
MR JOHN GERARD HUGHAN <WADE A/C>	24,483,591	2.08
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	22,382,670	1.90
IBI TRUST MANAGEMENT <DORON NAVEH A/C>	21,709,184	1.84
SANDTON CAPITAL PTY LTD <SANDTON FAMILY A/C>	21,360,776	1.81
IBI TRUST MANAGEMENT <MIRI KISH DAGAN A/C>	19,849,075	1.69
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	17,100,000	1.45
LIBERTINE INVESTMENTS PTY LTD	13,607,530	1.16
IBI TRUST MANAGEMENT <SHIMON ERLICHMAN A/C>	13,310,803	1.13
SUPAVAL PTY LTD <SUPAVAL SUPER FUND A/C>	12,107,225	1.03
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	11,848,797	1.01
IBI TRUST MANAGEMENT <BIRAD RES & DEV CO LTD A/C>	11,730,432	1.00
TRINDIS PTY LTD	11,460,000	0.97
	616,935,638	52.42

SUBSTANTIAL HOLDERS

The manes of the Company's substantial holders and number of shares in which each has a relevant interest, as disclosed in substantial holding notices received by the Company, are listed below:

	Number held	% of total shares issued
REGAL PARTNERS FUNDS MANAGEMENT PTY LIMITED and its associates	113,838,665	9.67
SENVEST MANAGEMENT, LLC and its advisory clients	60,801,559	5.17

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of ordinary fully paid shares holders by size of holding:

Holding Ranges	Number of holders	Total Units	% of total shares issued
1 to 1,000	65	18,156	-
1,001 to 5,000	872	2,741,595	0.23
5,001 to 10,000	618	4,919,349	0.42
10,001 to 100,000	1,726	72,072,690	6.12
100,001 and over	774	1,097,629,444	93.23
	4,055	1,177,381,234	100.00
Holding less than a marketable parcel	749	1,844,452	0.16

UMARKETABLE PARCELS

There were 749 shareholders with less than marketable parcel totalling 1,844,452 shares based on the share price of $0.115 as at close of business on 16 September 2026.

UNQUOTED SECURITIES

As at 16 September 2026, the following unquoted securities are on issue:

	Number on issue	Number of holders
Options Expiring 14/11/2027 @$0.03	1,000,000	1
Options Expiring 20/12/2027 @$0.075	10,513,807	95
Options Expiring 09/01/2028 @$0.075	45,000,000	5
Options Expiring 19/05/2028 @$0.15	12,000,000	2
T1 Options Expiring 14/04/2029 @$0.15	3,000,000	1
T2 Options Expiring 14/04/2029 @$0.15	3,000,000	1
Options Expiring 31/01/2028 @$0.15	20,000,000	23
Performance Rights exp 09/01/2028	125,500,000	90
Performance Rights exp 20/04/2028	900,000	1

1,000,000 Options Expiring 14/11/2027 @$0.03 - 1 holder
Holders with more than 20%

Holder Name	Holding	%
CRAIG THOMAS VALLI	1,000,000	100.00%

10,513,807 Options Expiring 20/12/2027 @$0.075 - 95 holders
Holders with more than 20% - Nil

45,000,000 Options Expiring 09/01/2028 @$0.075 - 5 holders
Holders with more than 20%

Holder Name	Holding	%
SANDTON CAPITAL PTY LTD <SANDTON FAMILY A/C>	18,250,000	40.56%
LIBERTINE INVESTMENTS PTY LTD	18,250,000	40.56%

12,000,000 Options Expiring 19/05/2028 @$0.15 - 2 holders
Holders with more than 20%

Holder Name	Holding	%
KEVIN CROFTON	6,000,000	50.00%
FLARE PTY LTD <THE DOMKAZ A/C>	6,000,000	50.00%

3,000,000 T1 Options Expiring 14/04/2029 @$0.15 - 1 holder
Holder with more than 20%

Holder Name	Holding	%
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	3,000,000	100.00%

3,000,000 T2 Options Expiring 14/04/2029 @$0.15 - 1 holder
Holder with more than 20%

Holder Name	Holding	%
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	3,000,000	100.00%

20,000,000 Options Expiring 31/01/2028 @$0.15 - 23 holders
Holder with more than 20% - Nil

125,500,000 Performance Rights exp 09/01/2028 - 90 holders
Holder with more than 20% - Nil

900,000 Performance Rights exp 20/04/2028 - 1 holder
Holder with more than 20%

Holder Name	Holding	%
EQUITIES CLUB PTY LTD	900,000	100.00%

ON-MARKET BUY BACK

There is currently no on-market buyback program.