



Annual Report 2026

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FY26 at a glance

\$4.7m

Statutory revenue

Up 99% on FY25 (A\$2.4m)

\$23.4m

Cash at 30 June

Up 201% on FY25 (A\$7.8m)

(\$32.4m)

Profit / (loss) after tax

A\$103.5m swing from the FY25 profit of \$71.1m*

\$126.6m

Net assets at 30 June

Up 27% on FY25 (A\$99.7m)

\$13.6m

AER at 30 June¹

7.5x FY25 (A\$1.8m)²

*The FY25 statutory profit included an \$88.4 million non-cash fair value gain arising from the Group's additional investment in Decidr. Accordingly, the statutory results between FY25 and FY26 are significantly affected by this one-off non-cash item and are not directly comparable.

6

Consecutive quarters of AER growth

100%

Ownership of Decidr.ai following acquisition of the remaining 49%

14+

Partner relationships

A\$33.1m

Raised across two placements, net of transaction costs

A\$5m

Annualised cost reduction target

Operational

- Sugarwork acquired, establishing a United States operating base
- Rumi.ai acquired after year end, adding ambient knowledge capture
- DecidrOS moved from beta launch in October 2025 to commercial deployment
- Listed on AWS Marketplace in March 2026 and accepted into the AWS ISV Accelerate Program in July 2026
- Partner network of more than 14 relationships, with additional reseller contracts across the United States, Australia and Singapore
- Efficiency program initiated in the fourth quarter targeting approximately A\$5 million in annualised cost reductions

¹Annualised Exit Revenue (AER) equals total invoiced revenue in the last month of the quarter multiplied by 12. AER includes ARR/MRR revenue and contract revenue across Decidr Partnerships, DecidrOS Foundation Customer and Sugarwork. It excludes invoiced revenue from Edible Beauty.

²FY25 AER is derived from the disclosed 7.5 times pcpc multiple. All other FY25 figures are drawn from the 30 June 2025 annual report.



02

Chairman's Address

Chairman's Address

Dear Shareholder,

FY26 marked a significant transition for Decidr AI Industries - from building an AI platform to commercialising an AI software business.

We began the year with a majority interest in Decidr.ai and DecidrOS still under development. We ended the year with full ownership of the business, DecidrOS in market and generating revenue, an established US presence through Sugarwork, an expanding partnership and distribution network including AWS, and six consecutive quarters of annualised exit-rate growth.

This progress coincided with an important shift in the AI market. Enterprises are moving beyond experimentation and increasingly looking to deploy AI into production environments and core business workflows. The challenge is not simply access to increasingly capable AI models; it is turning an organisation's knowledge, processes and ways of working into something AI can understand and act upon.

That is the exact problem Decidr is designed to address. FY26 was the year we began translating that proposition into commercial deployment with paying customers and establishing the foundations for the next phase of growth.

Key Highlights

United States — Market Entry and Commercial Infrastructure

Decidr established its United States operating entity, Decidr U.S. Inc., in Delaware in October 2025, marking the commencement of the Group's North American expansion strategy.

In January 2026, Decidr secured a position in the SOSA International Landing Pad in New York, backed by the New York City Economic Development Corporation, providing the Group with a formal commercial foothold in one of the world's leading technology and financial services markets.

During FY27, New York will serve as the commercial base for North American growth. The US-based members of the group boards – comprising Jenny Fielding, Vanessa Liu, and Vinny Lingham – bring deep expertise across venture capital, enterprise technology, and emerging markets to support the Group's North American strategy.

Amazon Web Services — Partnership and Marketplace

In March 2025, Decidr announced a strategic partnership with Amazon Web Services. During the third quarter of FY26, DecidrOS was listed on the AWS Marketplace under the Fast Track program, with DecidrOS going fully live on AWS Marketplace in June 2026, including integrated AWS and Stripe billing.

In July 2026, Decidr reached the next step in the Fast Track program and was accepted into the AWS ISV Accelerate Program, enabling co-sell engagement with the AWS sales organisation and providing access to AWS's global enterprise customer base.

Google Cloud and Sovereign Compute

Decidr initiated its Google Cloud relationship in the fourth quarter of FY26. In March 2026, the Group also executed a memorandum of understanding with an Asia-Pacific and Japan data centre provider for NVIDIA GPU inventory, establishing the infrastructure foundation for sovereign and high-performance AI compute.

In May 2026, SCX.ai became the first Australian node for sovereign inference on the Decidr platform. Additional compute nodes across the United States, European Union, and Asia-Pacific are scheduled on the Group's infrastructure roadmap, positioning Decidr to serve enterprise customers in markets where data sovereignty and regulatory compliance requirements demand localised AI infrastructure.



Performance

Commercial momentum built through every quarter. Annualised exit-rate revenue¹ reached \$13.6 million at 30 June 2026, 1.7 times the March 2026 exit rate and 7.5 times the prior corresponding quarter. Statutory revenue of \$4.7 million was up 99% on FY25. Trade receivables of \$1.4 million at year end reflect how much of that invoicing landed in the final quarter.

The net loss after tax was \$32.4 million. That figure reflects deliberate investment in product, go-to-market and the United States build, and the Board treats it as a number that has to come down as revenue scales. We closed the year with \$23.4 million in cash, up from \$17.2 million at 31 March 2026.

Growth was led by embedded partners and by early adopters of DecidrOS moving from pilot into production.

Capital

We raised \$19.0 million in September 2025 and \$14.2 million in May 2026, net of transaction costs and including option conversions, to fund product development, go-to-market, acquisitions, customer onboarding and United States expansion. The Board is conscious that the Company is not yet self-funding and that every dollar raised is a dollar of dilution shareholders have accepted on the expectation of returns.

Against that, we initiated an efficiency program in the fourth quarter targeting approximately A\$5 million in annualised cost reductions, largely through product and engineering synergies following the Sugarwork and Rumi.ai integrations. As we increase the use of our own technology internally, we expect to find further efficiencies.

Outlook

The Company enters FY27 with a funded balance sheet, a shrinking cost base, a product in production with paying customers, and distribution through a growing partner base.

The near-term focus is straightforward: convert receivables to cash, turn pilots into longer-term customer engagements, take partner agreements through to revenue, and accelerate the commercial ramp-up of Sugarwork in the US. This includes building its sales capability, converting the existing pipeline and establishing a repeatable enterprise revenue engine. As recurring contracts become a larger share of the Group's revenue mix, revenue recognition, invoicing and cash collection should increasingly come into closer alignment.

The longer-term opportunity extends past traditional enterprise software budgets and into areas of labour spend that software has historically struggled to address. Realising it will depend on disciplined execution as the Company scales, and the Board is focused on maintaining the oversight and accountability that requires.

I thank Paul Chan and the executive team, and everyone across Decidr, Sugarwork and Rumi.ai, for the intensity they brought to a year of substantial change.

To our shareholders, thank you for your support. You have funded the construction of something differentiated. The Board's responsibility is to see it commercialised with discipline.

David Brudenell

David Brudenell
Executive Chairman

¹Annualised Exit Revenue (AER) equals total invoiced revenue in the last month of the quarter multiplied by 12. AER includes ARR/MRR revenue and contract revenue across Decidr Partnerships, DecidrOS Foundation Customer and Sugarwork. It excludes invoiced revenue from Edible Beauty.

"The Company enters FY27 with a funded balance sheet, a shrinking cost base, a product in production with paying customers, and distribution through a growing partner base."

David Brudenell
Executive Chairman



03

Operations Review

Operations Review

Building the platform

The Company acquired the remaining 49% of Decidr.ai during FY26, taking full ownership of the business, its technology and its founding team. The [Decidr.ai](#) founder, Paul Chan, joined as Co-CEO and Chief Innovation Officer. The transaction consolidated technology, governance and leadership into a single structure and streamlined innovation, product development and go-to-market execution.

DecidrOS moved from beta launch in October 2025 to early commercial deployment, with successive BetaOS cohorts going live through the year. The larger agentic graph platform extension goes live in FY27.

The acquisition of Sugarwork established a United States operating base and added a knowledge-capture platform carrying multi-year recurring enterprise contract opportunities. Sugarwork is now the entry point for most new enterprise relationships and offers a distinct pathway for AI transformation, completing with Decidr technology.

After year end, the Company acquired Rumi.ai, adding ambient knowledge capture, a natural recurring extension of initial tacit knowledge capture from Sugarwork, positioning the company in the fast-growing market of AI context capture. The Rumi engineering team has been integrated into Sugarwork in the United States.

Together these assets give customers a pathway from knowledge capture through Sugarwork, to ambient tacit knowledge capture through Rumi, to sovereign model training, and in time into workflow orchestration. Each step raises customer lifetime value and deepens operational reliance on the platform.

Portfolio simplification

The Company completed the divestment of 13 Seeds, its hemp-based health and wellness brand, on 1 July 2025. Edible Beauty was retained through the year and is reported separately. Revenue from Edible Beauty is excluded from the annualised exit-rate revenue measure so that the figure reflects software performance only.

Distribution

Distribution was the principal focus of the second half.

DecidrOS listed on the AWS Marketplace in March 2026 and was accepted into the AWS ISV Accelerate Program at the start of July 2026, giving the Company access to AWS co-sell motions and field alignment. A relationship with Google Cloud was initiated across infrastructure, marketplace and enterprise go-to-market.

The partner network now exceeds 14 relationships. These include a teaming agreement with a Tier 1 APAC systems integrator, ICON Consulting, AE Studio, Beckway as a commercial reseller, and SCX.ai supporting sovereign AI infrastructure across APJ. Reseller contracts are in place across the United States, Australia and Singapore.

Partner-led distribution is capital-efficient. It allows the Company to reach enterprise buyers without carrying the cost of a direct sales force in every market, and it is the main reason the Board is comfortable with the pace of expansion.

Geographic focus

Capital is being directed to North America over the next twelve months, where enterprise AI adoption is fastest and the partner ecosystem is deepest.

Australia remains the operating core, housing research and development, regional delivery, and the sovereign credentials that matter in regulated and government-adjacent markets.

People

The Decidr US Board was strengthened during the year with the appointment of DAI Director Jenny Fielding, Sugarwork Co-Founder Vanessa Liu and Rumi Co-Founder Vinny Lingham. Their networks across United States enterprise, venture and technology markets are already opening customer and partner conversations that would otherwise have taken years to build.

Penny Diamantakiou was appointed Chief Financial Officer effective 12 May 2026, succeeding David Brady. Penny brings more than twenty years of senior finance leadership across ASX-listed, private equity backed and globally listed companies, including Nearmap, WooliesX, Yahoo7 and SingTel-Optus, with a record of building and transforming complex multinational businesses.

David Brady stepped down following an orderly transition. Over his tenure, the Company completed the rebrand from Live Verdure to Decidr AI Industries, consolidated full ownership of Decidr.ai, divested non-core assets, executed more than \$40 million in capital initiatives, and acquired Sugarwork to establish the Decidr US subsidiary. The Board thanks him for his contribution.

Priorities for FY27:



Cash Conversion:

Progress receivables through to cash collection



Pilot to Contract:

Convert pilots into longer-term customer engagements



Partner Revenue:

Take partner agreements through to revenue generation



Agentic Graph Platform:

Deliver the agentic graph platform extension



Rumi.ai Integration:

Complete the Rumi.ai integration and realise the targeted cost synergies



North American Growth:

Grow the North American customer base

04

Board and Leadership

Board and Leadership



David Brudenell

Executive Chairman, Decidr AI Industries Ltd
Co-CEO Decidr.AI Pty Ltd.

Appointed Non-Executive Chair 15 March 2024, Executive Chairman 11 October 2024, Co-CEO 18 November 2025.

David has twenty years of international executive experience spanning start-up to IPO, venture capital, and large private and listed companies including Eclix and Appen. At Appen he led the Global Solutions and Advanced Research teams, working at the frontier of generative AI and machine learning for major global technology companies and federal agencies. He holds an MBA in Finance and International Business and advises several United States artificial intelligence and consumer companies.



Adrian Bunter

Non-Executive Director.

Appointed 15 March 2024.

Adrian is a Partner of Modus Partners Australia, a boutique technology, media and commerce financial advisory firm, and has more than thirty years of experience in accounting, finance and corporate advisory, including mergers and acquisitions, business divestments, debt and equity raisings, and strategy development and execution. He is a member of the executive committee of Sydney Angels, Australia's leading angel investing group, and is an adviser to or non-executive director of several high growth technology businesses. He holds a Bachelor of Business from the University of Technology Sydney and a Graduate Diploma in Applied Finance, and is a member of Chartered Accountants Australia and New Zealand and The Chartered Institute for Securities & Investment. He is also a Non-Executive Director of 8Common Limited (ASX: 8CO) and CL8 Holdings Limited (ASX: CL8).



Jenny Fielding

Non-Executive Director.

Appointed 1 August 2024.

Based in New York, Jenny brings a background spanning law, finance, technology and investment. She founded two mobile software companies before moving into early-stage investing, and spent seven and a half years as Managing Director at Techstars. She co-founded Everywhere Ventures, a global venture capital firm, and has been the first investor in more than 250 technology companies, five of which have reached unicorn valuations. She is an adjunct professor at Columbia University and Cornell Tech. Jenny also joined the Decidr US Board during FY26.

Executive leadership



Paul Chan

Founder

Co-CEO of Decidr.AI Pty Ltd

Paul Chan is Founder and Co-CEO of Decidr.AI Pty Ltd. He holds a degree in Land Economics and began his career working on large-scale development projects in Australia, before moving into internet projects in Silicon Valley at the height of the dot-com boom - an experience that shaped his thinking on how the world was expanding from physical into virtual spaces.

Paul founded Pureprofile in 2000, raising capital from major institutions, building international teams and alliances, and developing industry-leading technology platforms. In July 2015, he took Pureprofile public on the Australian Securities Exchange, establishing it as a global business with offices worldwide. Much of Pureprofile's original vision is captured in Paul's 2002 patent, granted in Australia, New Zealand, Singapore, Israel and South Africa.



Penny Diamantakiou

Chief Financial Officer.

Appointed 12 May 2026.

Penny has more than two decades of experience across ASX-listed, private equity backed and globally listed companies, with senior finance leadership roles at Nearmap, WooliesX, Yahoo7 and SingTel-Optus. She has a track record in high growth technology and software businesses and in building and transforming complex multinational operations. She succeeded David Brady, who stepped down during the year.



Eric Chu

Chief Product & Technology Officer

Appointed 4 May 2026.

As Chief Product and Technology Officer, Eric brings more than 20 years of experience building and scaling enterprise technology platforms, including senior roles at FEVO and AbbVie's Allergan Aesthetics. He leads the architecture of the group's AI and knowledge infrastructure, connecting them into a scalable enterprise agentic technology stack.



Andre Liao

Chief Revenue Officer, CEO - Sugarwork

Appointed 24 August 2026

Bringing more than 25 years of experience scaling venture-backed and listed software companies, most recently as CEO of AI-driven software testing company Appvance. Andre is responsible for scaling the business globally, expanding enterprise adoption and positioning its knowledge-capture platform as a core component of enterprise AI transformation.

05

Directors' Report & Remuneration Report

Directors	David Brudenell (Executive Chairman) Adrian Bunter (Non-Executive Director) Jenny Fielding (Non-Executive Director)
Chief Financial Officer	Penny Diamantakiou (appointed 12 May 2026)
Company Secretaries	David Hwang and Elizabeth Spooner
Registered office	Level 20 347 Kent Street Sydney NSW 2000
Principal place of business	Level 20 347 Kent Street Sydney NSW 2000
Auditor	Horizon Nexus (Audit) Pty Ltd (formerly MVAB Audit Pty Ltd) Level 4, 35 Collins Street Melbourne VIC 3000 Tel: +61 3 9694 3000
Share registry	Automic Pty Limited Level 5, 126 Philip Street Sydney NSW 2000 Tel: +61 2 9698 5414
Solicitors	Hamilton Locke
Stock exchange listing	Decidr AI Industries Ltd shares are listed on the Australian Securities Exchange (ASX code: DAI)
Website	www.decidrindustries.ai
Corporate Governance Statement	Decidr AI Industries Ltd's directors and management are committed to conducting the Group's business ethically and in accordance with high standards of corporate governance. Decidr AI Industries Ltd has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found in the corporate governance section on the Company's website: https://decidrindustries.ai/corporate-governance

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

Directors

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

David Brudenell (Executive Chairman)
Adrian Bunter (Non-Executive Director)
Jenny Fielding (Non-Executive Director)

Principal activities

During the financial year, the principal continuing activities of the Group consisted of the development and commercialisation of the AI-powered B2B software products and online sales of Australian beauty, functional food and nutraceutical products.

Dividends

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

Review of operations

During the financial year ended 30 June 2026, the Group continued its transition into an Agentic Artificial Intelligence ('Agentic AI') enablement group.

In November 2025, following shareholder approval, the Group acquired the remaining 49% interest in Decidr.ai Pty Ltd, increasing its ownership to 100%, and during the financial year it completed the acquisition of Sugarwork, Inc., a United States-based knowledge-capture and enterprise collaboration platform, held through Decidr US, Inc.

The Group launched its DecidrOS platform and the Decidr Agentic Graph, and the Group's annualised revenue exit rate grew to approximately \$8.06 million by March 2026. The Group expanded its partner ecosystem, including arrangements with ICON Consulting Group, Amazon Web Services, AE Studio, Beckway, CareerOne and the Australian Institute of Management, and continued to operate its Edible Beauty consumer brand.

The Group strengthened its balance sheet through equity raises, including a \$20 million (gross) placement in September 2025 and a \$15 million (gross) placement in May 2026.

The Group recorded a loss after income tax attributable to owners of the Company of \$32.40 million for the year ended 30 June 2026 (30 June 2025: profit of \$71.11 million), reflecting the Group's investment in building the technology, capability and market presence required to support its next stage of commercial growth.

The result includes \$2.59 million of non-cash share-based payment expense (30 June 2025: \$11.55 million). The prior-year profit included an \$88.38 million non-cash net fair value gain arising from the additional investment in the associate. As a result, the statutory results between periods are significantly affected by non-cash items and should be considered in the context of the Group's ongoing development and investment phase.

On 1 July 2025, the Group divested its hemp-based 13 Seeds brand.

Key highlights

United States ('US') - market entry and commercial infrastructure

- The Company established its US operating entity, Decidr U.S. Inc., in Delaware in October 2025, marking the commencement of the Group's North American expansion strategy.
- In January 2026, the Group secured a position at the SOSA International Landing Pad in New York, backed by the New York City Economic Development Corporation, providing the Group with a formal commercial foothold in one of the world's leading technology and financial services markets.
- During FY27, New York will serve as the commercial base for North American growth. The Group's US advisory board, established in July 2026, comprises Jenny Fielding, Vanessa Liu, and Vinny Lingham - who bring deep expertise across venture capital, enterprise technology, and emerging markets to support the Group's North American strategy.

Amazon Web Services - partnership and marketplace

- In March 2025, the Group announced a strategic partnership with Amazon Web Services ('AWS'). During the third quarter of FY26, DecidrOS was listed on the AWS Marketplace under the Fast Track program, with the platform going fully live on AWS Marketplace in June 2026, including integrated AWS and Stripe billing.
- In July 2026, the Group was accepted into the AWS ISV Accelerate Program, enabling co-sell engagement with the AWS sales organisation and providing access to AWS's global enterprise customer base.

Google Cloud and sovereign compute

- The Group initiated its Google Cloud relationship in the fourth quarter of FY26. In March 2026, the Group executed a memorandum of understanding with an Asia-Pacific and Japan data centre provider for NVIDIA GPU inventory, establishing the infrastructure foundation for sovereign and high-performance AI-powered compute.
- In May 2026, SCX.ai became the first Australian node for sovereign inference on the Decidr platform. Additional compute nodes across the US, European Union, and Asia-Pacific are scheduled on the Group's infrastructure roadmap, positioning the Group to serve enterprise customers in markets where data sovereignty and regulatory compliance requirements demand localised AI-powered infrastructure.

Financial performance

During the financial year ended 30 June 2026, revenue from ordinary activities increased to \$4,727,000 (30 June 2025: \$2,375,000).

Research and development tax incentive grants during the financial year increased to \$2,207,000 (30 June 2025: \$589,000). Interest revenue increased to \$689,000 (30 June 2025: \$163,000) due to holding higher cash balances during the financial year, from option exercises and a share placement.

During the financial year ended 30 June 2026, the Group incurred a share-based payment expense of \$2,591,000 (30 June 2025: \$11,554,000) relating to the issue of options to directors and staff.

Financial position

The net assets increased from \$99,704,000 as at 30 June 2025 to \$126,607,000 as at 30 June 2026. The increase was primarily due to an increase in the cash balance driven by proceeds received from the issue of shares.

Investment inflows during the financial year included \$20,000,000 from a share placement in September 2025 and \$15,000,000 from a share placement in May 2026, increasing cash on hand as at 30 June 2026. Proceeds from the exercise of options amounted to \$10,364,000. The transaction cost related to the issue of equity securities was \$1,853,000.

The cash reserves of the Group increased to \$23,371,000 (30 June 2025: \$7,752,000) as at 30 June 2026.

The directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit or loss under AAS adjusted for non-cash and significant items. The following table summarises key reconciling items between statutory loss after income tax and underlying EBITDA for the current and previous financial year:

	2026	2025
	\$'000	\$'000
(Loss)/profit before income tax expense	(32,608)	68,517
Add: Depreciation and amortisation expense	9,309	66
Add: Finance costs	887	583
Add: Share-based payments expense	2,591	11,554
Less: Net gain on remeasurement to fair value from the additional investment in the associate	-	(88,383)
Less: Gain on sale of subsidiary	(73)	-
Underlying EBITDA	(19,894)	(7,663)

Significant changes in the state of affairs

On 1 July 2025, the Company entered into a binding agreement to divest its hemp-based health and wellness brand, 13 Seeds, to an independent private Australian purchaser who is an established operator in the hemp sector and the sale was completed on the same day. The sale was executed on 1 July 2025 via a share sale agreement involving the transfer of the 13 Seeds business. Proceeds from the sale were \$65,000.

On 25 August 2025, the Company entered into a binding sale agreement to acquire the remaining 49% interest in Decidr.ai Pty Ltd ('Decidr'), increasing the Company's ownership to 100%. Following receipt of shareholder approval at the AGM on 14 November 2025, Decidr became a wholly owned subsidiary of the Company. The acquisition consideration was facilitated by an issue of 78,400,000 ordinary shares in the Company ('Consideration Shares') to the vendor, Techne Capital Pty Ltd ('Vendor'). The acquisition is consistent with the Company's focus on delivering shareholder value through strategic growth initiatives and the continued development and commercialisation of AI-powered technology across its operations.

The binding agreement contains a number of commercial terms including the requirement to pay the existing loan, with a face value of \$13,200,000, from the Vendor (which funded the Group's prior acquisition of a 6% interest in Decidr); the Company completing due diligence to its sole and absolute satisfaction; and the Company receiving all relevant consents and regulatory approvals to give effect to the transaction. For the remainder of the sale agreement terms and conditions of the transaction refer to ASX release dated 25 August 2025.

The Company convened a general meeting for the issue of the Consideration Shares in November 2025.

On 22 September 2025, the Company announced that further to its ASX Announcement dated 19 September 2025, the Company had received binding commitments for its \$20 million placement, raising approximately \$20,000,000 (before costs) through the issue of 22,222,223 new fully paid ordinary shares. The placement was supported by existing and new institutional investors. Morgans Corporate Limited acted as sole Lead Manager and book runner to the placement.

Proceeds of the equity raise will be used to fund working capital to accelerate existing deployments, expand the existing customer base, growth capital to acquire new partners, pre-board businesses and for further development of DecidrOS and expand into international markets.

Incorporation of Decidr U.S. Inc. and acquisition of Sugarwork

The incorporation of Decidr U.S. Inc. ('Decidr US') on 9 October 2025 established the vehicle for the Group's expansion into the US. On 19 November 2025, the Company entered into a binding term sheet to acquire 100% of Sugarwork, Inc. ('Sugarwork'), a Delaware-based enterprise AI company. The transaction is a scrip-for-scrip deal made through the Company's newly established US subsidiary, Decidr US.

The acquisition reflects strong strategic alignment, including:

- providing the Group with an immediate US operational presence,
- capturing US revenue and a pipeline of Sugarwork customers to cross-sell into the Group's Agentic AI-powered systems,
- supporting the Group's mission to scale Agentic AI-powered infrastructure across enterprise markets, expanding customer access, and
- increasing client base across financial, industrial and education sectors; and strengthening the Group's horizontal Agentic AI-powered platform.

On 2 January 2026, the Company completed its acquisition of a 100% interest in Sugarwork.

Following completion, Sugarwork's shareholders received a 4.13% ownership stake in Decidr US.

On 6 May 2026, the Company received binding commitments for its \$15 million placement (before costs) through the issue of 24,590,168 new ('Placement Shares'), fully paid ordinary shares (the 'Placement'), representing 7.6% of existing shares on issue. Net proceeds from the Placement will be used to fund: the productisation and development of a Knowledge Security Platform within Sugarwork, further penetration of white-space through M&A opportunities, Sovereign Compute, patents and research publications.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 9 July 2026, the Group, through Decidr U.S. Inc., completed the asset acquisition of the intellectual property of Rumi.ai (a San Diego AI-powered meeting-intelligence platform) for consideration of approximately 1.6% of Decidr U.S. Inc. common stock. As an asset acquisition, the cost is allocated to the identifiable intellectual property and no goodwill arises.

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

Likely developments and expected results of operations

The future developments and expected results of operations of the Group will be dependent on the continued efforts to scale and strengthen the Agentic AI infrastructure, improve direct-to-consumer sales, and advertising of the Group's products in a growing industry.

Business risk management

The Group is committed to the effective management of risk to reduce uncertainty in the Group's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Group's strategic objectives and future prospects.

Group risk

The Group operates in a rapidly evolving technology market and actively manages a range of risks associated with the execution of its strategy and growth objectives. Key areas of focus and the Group's approach to managing these risks are outlined below.

Competition and market development

The Group operates in the rapidly evolving market for AI-powered and agentic business software, alongside established global technology companies and emerging market participants. The pace of innovation creates both significant market opportunity and the need for the Group to continue differentiating its technology and commercial proposition.

The Group's strategy is focused on differentiated capabilities, including a governed, auditable and workflow-based operating system rather than individual point solutions. The Group continues to invest selectively in product development, customer-led innovation and distribution through strategic partnerships and marketplace channels to strengthen its competitive position as the market develops.

Technology, product development and innovation

Continued product innovation and commercialisation are central to the Group's growth strategy. The rapidly evolving nature of AI-powered technology requires the Group to continually assess customer requirements, technology developments and the allocation of resources across its product portfolio.

The Group manages this through disciplined product roadmapping, customer validation, ongoing research and development and close engagement with customers and strategic partners. This approach is designed to ensure investment remains focused on capabilities with demonstrated customer relevance and commercial potential, while enabling the Group to adapt as technology and market requirements evolve.

Third-party AI-powered models and infrastructure

The Group uses third-party foundation models, cloud infrastructure and technology platforms as components of its technology ecosystem. This provides access to rapidly advancing AI-powered capability and scalable infrastructure, while creating exposure to changes in supplier availability, pricing, performance and commercial terms.

DecidrOS has been designed to support interoperability across models and systems, providing flexibility in the selection of underlying technologies based on performance, functionality and economics. The Group also maintains strategic technology relationships, including its participation in the AWS ISV Accelerate Program and availability through AWS Marketplace, and continues to monitor supplier concentration and infrastructure costs.

Capital management and funding

The Group remains in an investment and commercialisation phase and is not currently cash-flow positive. Accordingly, disciplined management of the Group's capital and cash resources remains an important area of focus as it progresses its growth strategy.

The Board and management actively monitor cash runway, operating expenditure and capital allocation, with investment prioritised towards activities expected to support commercialisation, recurring revenue and long-term enterprise value. The Group also maintains access to capital markets and relationships with capital providers. The availability and terms of any future capital, should it be required, will depend on market conditions and the Group's performance at that time.

Product performance and customer delivery

As the Group expands the deployment of AI-powered software and agentic workflows through DecidrOS, maintaining the reliability, security and appropriate governance of its products is an important part of successful customer delivery.

The Group manages product performance through pre-release testing and customer validation, together with governance, permissioning and auditability controls within the platform. These are supported by appropriate customer and partner contractual frameworks, service-level arrangements and insurance. The Group continues to develop these controls as the platform, customer base and use cases scale.

Environmental regulation

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

Information on directors

Name: David Brudenell
Title: Executive Chairman (appointed on 11 October 2024; Non-Executive Chair from 15 March 2024)
Qualifications: HBSc, MBA in Finance and International Business
Experience and expertise: David's 20 years of international executive roles have included start-up-to-IPO (ASX: PPL), venture capital, large private and public market companies, Eclipx (ASX: FPR) and Appen.

David's recent technology experience also extends into Artificial Intelligence ('AI') and Machine Learning ('ML') globally.

David led the Global Solutions & Advanced Research teams at Appen (ASX: APX), the largest provider of training data for AI-powered applications. This team worked at the frontier of generative AI and ML for the largest global technology companies and federal agencies.

He also serves as an advisor for several US-based Artificial Intelligence and Consumer companies.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 334,722 fully paid ordinary shares
Interests in options: 23,000,000 unlisted options
Interests in rights: None

Name: Adrian Bunter
Title: Non-Executive Director (appointed on 15 March 2024)
Qualifications: Bachelor of Business (University of Technology, Sydney) and a Graduate Diploma in Applied Finance. Member of Chartered Accountants Australia and New Zealand and member of The Chartered Institute for Securities & Investment.

Experience and expertise: Currently a Partner of Modus Partners Australia, a boutique specialist technology, media and commerce financial advisory firms. Adrian has over 30 years of experience in accounting, finance and a broad range of corporate advisory roles including mergers and acquisitions, divestments of business, debt/equity raisings and strategy development and execution. Adrian is also an executive committee member of Australia's leading angel investing group, Sydney Angels and an advisor to or non-executive director of several high growth technology businesses.

Other current directorships: 8Common Limited (ASX:8CO) and CL8 Holdings Limited (formerly ASX:CL8)
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None
Interests in options: 2,500,000 unlisted options
Interests in performance rights: None

Name: Jenny Fielding
Title: Non-Executive Director (appointed on 1 August 2024)
Qualifications: Adjunct professor at Columbia University and Cornell Tech
Experience and expertise: Based out of New York, Jenny brings a wealth of experience to Decidr AI Industries, with a background that spans law, finance, technology and investment.

After graduating from law school and working in finance, Jenny transitioned to technology as a founder of two mobile software companies. This experience fuelled her passion for technology and innovation, leading her to a prominent career as an early-stage investor.

Jenny is also an adjunct professor at Columbia University and Cornell Tech. For 7.5 years, Jenny was the Managing Director at Techstars, where she led investments into companies that now have a market cap of over USD10b. She then co-founded Everywhere Ventures, a global venture capital firm. Jenny has been the first investor in over 250 tech-enabled companies, including five companies that achieved unicorn (USD1b+) valuations.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None
Interests in options: 2,500,000 unlisted options
Interests in rights: None

'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 exclude directorships of all other types of entities, unless otherwise stated.

Company secretaries

David Hwang

David is a corporate lawyer, company secretary and advisor to Boards and management of pre-IPO and ASX listed entities. David regularly advises emerging and listed entities across a range of compliance, legal, governance and strategic matters. David is the Managing Director of Confidant Partners, which provides ASX compliance, corporate legal, company secretarial and Board advisory services. Prior to this, David was a senior executive at a leading integrated technology solutions and professional services provider, where he led Australia's largest outsourced company secretarial and legal team.

David holds a Bachelor of Laws from the University of New South Wales and is a Public Notary.

Elizabeth Spooner

Elizabeth is a Senior Company Secretary and Corporate Lawyer at Confidant Partners. Elizabeth holds a Juris Doctor degree from the Australian National University, a Bachelor of Business Administration with Bachelor of Arts (majoring in Human Resources) and a Graduate Diploma of Applied Corporate Governance from the Governance Institute.

Meetings of directors

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

	Full Board	
	Attended	Held
David Brudenell	8	8
Adrian Bunter	8	8
Jenny Fielding	8	8

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

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

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency.

The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high-performing and high-calibre personnel.

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

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

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

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

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

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently of the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the General Meeting held on 11 June 2024, where the shareholders approved a maximum annual aggregate remuneration of \$350,000.

Executive remuneration

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

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

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

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

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

There are no short-term incentives ('STI') paid to directors or key management personnel.

The long-term incentives ('LTI') are share-based payments in the form of options (Non-Executive Directors). Options are awarded to executives over a period of three to five years based on long-term incentive measures. This is focused on the increase in shareholders' value via share price increases.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the Company's 14 November 2025 Annual General Meeting ('AGM')

At the 14 November 2025 AGM, 99.67% of the votes received supported the adoption of the remuneration report for the financial year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

The key management personnel of the Group consisted of the following directors of Decidr AI Industries Ltd:

- David Brudenell (Executive Chairman)
- Adrian Bunter (Non-Executive Director)
- Jenny Fielding (Non-Executive Director)

And the following persons:

- Penny Diamantakiou (Chief Financial Officer) - appointed on 12 May 2026
- Paul Chan (Co-Chief Executive Officer) - appointed 18 November 2025
- David Brady (Chief Financial Officer) - resigned on 16 April 2026

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Termination benefits	Equity-settled	Total
2026	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Adrian Bunter	64,000	-	-	7,680	-	-	353,985	425,665
Jenny Fielding	65,840	-	-	-	-	-	353,985	419,825
<i>Executive Directors:</i>								
David Brudenell	350,000	-	-	30,000	-	-	-	380,000
<i>Other Key Management Personnel:</i>								
Penny Diamantakiou*	45,960	-	-	5,515	-	-	-	51,475
Paul Chan**	223,500	-	-	26,820	-	-	-	250,320
David Brady***	267,403	-	-	26,931	-	155,769	(134,713)	315,390
	1,016,703	-	-	96,946	-	155,769	573,257	1,842,675

* Represents remuneration from 12 May 2026 to 30 June 2026

** Represents remuneration from 18 November 2025 to 30 June 2026.

*** Represents remuneration from 1 July 2025 to 16 April 2026

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Termination benefits	Equity-settled	Total
2025	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Adrian Bunter	48,000	-	-	5,520	-	-	-	53,520
Jenny Fielding*	49,060	-	-	-	-	-	459,890	508,950
Corey Montry**	4,000	-	-	460	-	-	-	4,460
<i>Executive Directors:</i>								
David Brudenell***	324,455	-	-	25,037	-	-	8,282,865	8,632,357
<i>Other Key Management Personnel:</i>								
David Brady	300,000	-	-	29,932	-	-	134,713	464,645
	725,515	-	-	60,949	-	-	8,877,468	9,663,932

* Represents remuneration from 1 August 2024 to 30 June 2025

** Represents remuneration from 1 June 2024 to 1 August 2024

*** Represents Non-Executive Director remuneration from 1 July to 31 August 2024; and Executive Director remuneration from 1 September 2024 to 30 June 2025

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2026	2025	2026	2025	2026	2025
<i>Non-Executive Directors:</i>						
Adrian Bunter	17%	100%	-	-	83%	-
Jenny Fielding	16%	10%	-	-	84%	90%
<i>Executive Directors:</i>						
David Brudenell	100%	4%	-	-	-	96%
<i>Other Key Management Personnel:</i>						
Penny Diamantakiou	100%	-	-	-	-	-
Paul Chan	100%	-	-	-	-	-
David Brady	100%	71%	-	-	-	29%

Service agreements

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

Name: David Brudenell
Title: Executive Chairman
Agreement commenced: 11 October 2024
Term of agreement: No fixed term
Details: Mr Brudenell's remuneration package comprises a base salary of \$350,000 per annum (excluding superannuation).

Mr Brudenell has been invited by the Company to apply for 23,000,000 options, with 2,000,000 at an exercise price of \$0.75 with an expiry date of 3 years, 3,000,000 at an exercise price of \$1.50, 4,500,000 at an exercise price of \$2.00, 6,000,000 at an exercise price of \$2.50, and 7,500,000 at an exercise price of \$3.50, with an expiry date of 5 years from grant date.

The agreement continues until terminated by either the Company or Mr Brudenell giving not less than three months' written notice of termination of the other party.

Name: Penny Diamantakiou
Title: Chief Financial Officer
Agreement commenced: 12 May 2026
Term of agreement: No fixed term
Details: Ms Diamantakiou's remuneration package comprises a base salary of \$350,000 per annum (excluding superannuation). Ms Diamantakiou is entitled to participate in the Company's employee share option plan, under which she is entitled to performance shares equivalent to 30% of her base salary.

Name: David Brady - resigned on 16 April 2026
Title: Chief Financial Officer
Agreement commenced: 27 May 2024
Term of agreement: No fixed term
Details: Mr Brady's remuneration package previously comprised a base salary of \$300,000 per annum (excluding superannuation).

Name: Paul Chan - appointed Co-Chief Executive Officer on 18 November 2025
Title: Co-Chief Executive Officer
Agreement commenced: 18 Nov 2025
Term of agreement: No fixed term
Details: Mr Chan's remuneration package comprises a base salary of \$300,000 per annum (excluding superannuation).

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the financial year ended 30 June 2026.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting financial years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
David Brudenell	7,500,000	18 Dec 2024	18 Dec 2024	18 Dec 2029	\$3.50	\$0.346
David Brudenell	6,000,000	18 Dec 2024	18 Dec 2024	18 Dec 2029	\$2.50	\$0.395
David Brudenell	4,500,000	18 Dec 2024	18 Dec 2024	18 Dec 2029	\$2.00	\$0.426
David Brudenell	3,000,000	18 Dec 2024	18 Dec 2024	18 Dec 2029	\$1.50	\$0.467
David Brudenell	2,000,000	12 Jun 2024	12 Jun 2024	12 Jun 2027	\$0.75	\$0.274
Jenny Fielding	1,000,000	18 Dec 2024	18 Dec 2024	18 Dec 2027	\$0.75	\$0.460
David Brady	1,500,000	30 Dec 2024	30 Dec 2024	30 Dec 2027	\$0.75	\$0.537
Jenny Fielding	1,500,000	18 Nov 2025	18 Nov 2025	18 Nov 2028	\$1.50	\$0.236
Adrian Bunter	1,500,000	18 Nov 2025	18 Nov 2025	18 Nov 2028	\$1.50	\$0.236

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

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

Name	Number of options granted during the year 2026	Number of options granted during the year 2025	Number of options vested during the year 2026	Number of options vested during the year 2025
David Brudenell	-	21,000,000	-	21,000,000
David Brady	-	1,500,000	-	833,333
Adrian Bunter	1,500,000	-	1,500,000	-
Jenny Fielding	1,500,000	1,000,000	1,500,000	1,000,000

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

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
David Brudenell	-	-	-	-
David Brady	-	-	134,713	-
Jenny Fielding	353,985	-	-	84%
Adrian Bunter	353,985	-	-	83%
Penny Diamantakiou	-	-	-	-

Additional information

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

	2026 \$'000	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000
Sales revenue	4,727	2,375	1,936	2,216	1,887
(Loss)/profit after income tax	(32,608)	68,517	(12,908)	(2,834)	(3,964)

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

	2026	2025	2024	2023	2022
Share price at financial year end (\$)	0.46	0.55	0.52	0.09	0.18
Basic earnings per share (cents per share)	(11.63)	46.85	(11.49)	(3.87)	(7.16)
Diluted earnings per share (cents per share)	(11.63)	31.34	(11.49)	(3.87)	(7.16)

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
David Brudenell	172,222	-	162,500	-	334,722
Adrian Bunter	-	-	-	-	-
Jenny Fielding	-	-	-	-	-
Penny Diamantakiou*	-	-	-	-	-
David Brady**	52,569	-	-	(52,569)	-
	<u>224,791</u>	<u>-</u>	<u>162,500</u>	<u>(52,569)</u>	<u>334,722</u>

* Penny Diamantakiou appointed on 12 May 2026

** David Brady resigned on 16 April 2026

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
David Brudenell	23,000,000	-	-	-	23,000,000
Adrian Bunter	1,000,000	1,500,000	-	-	2,500,000
Jenny Fielding	1,000,000	1,500,000	-	-	2,500,000
Penny Diamantakiou*	-	-	-	-	-
David Brady**	1,500,000	-	-	(1,500,000)	-
	<u>26,500,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>28,000,000</u>

* Penny Diamantakiou appointed on 12 May 2026

** David Brady resigned on 16 April 2026

Loan from key management personnel

A loan of \$13,200,000 was provided by Techne Capital Pty Ltd (formerly Decidr Group Pty Ltd) for the Company to purchase the 6% controlling interest in Decidr.ai Pty Ltd ('Decidr') on 31 December 2024. The loan is non-interest bearing, for a 3-year term, and is secured against new IP created by Decidr from 1 January 2025.

Techne Capital Pty Ltd is a related party due to it being a significant shareholder in the Company, and controlled by Paul Chan, who is the Co-Chief Executive Officer of the Company.

Transactions with key management personnel

During the financial year, payments of \$779,335 (2025: \$1,602,351) were made from Decidr.ai Pty Ltd to Techne Capital Pty Ltd. The payments related to software development work for the full 12 months of the financial year (including the period where Decidr was an associate as well as a controlled entity). The payments were all on an arm's length basis.

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
29 December 2023	29 December 2026	\$0.10	8,027,500
5 January 2024	5 January 2027	\$0.10	1,925,000
12 June 2024	12 June 2027	\$0.75	3,000,000
27 June 2024	27 June 2027	\$0.10	11,150,214
18 December 2024	18 December 2027	\$0.75	1,000,000
18 December 2024	18 December 2029	\$1.50	3,000,000
18 December 2024	18 December 2029	\$2.00	4,500,000
18 December 2024	18 December 2029	\$2.50	6,000,000
18 December 2024	18 December 2029	\$3.50	7,500,000
30 December 2024	29 December 2027	\$0.75	1,500,000
17 January 2025	17 January 2028	\$0.75	200,000
17 January 2025	17 January 2028	\$1.00	250,000
17 January 2025	17 January 2028	\$1.20	1,000,000
1 April 2025	1 March 2028	\$1.00	250,000
15 September 2025	15 September 2028	\$0.75	150,000
18 November 2025	18 November 2028	\$1.50	3,000,000
24 April 2026	24 April 2030	\$0.75	150,000
24 April 2026	24 April 2030	\$1.00	125,000
24 April 2026	24 April 2030	\$1.50	20,000
			<u>52,747,714</u>

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.

Shares under performance rights

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

Grant date	Expiry date	Exercise price	Number under rights
1 January 2025	1 January 2030	\$0.00	1,387,440
1 June 2026	1 June 2030	\$0.00	224,998
1 April 2026	8 September 2030	\$0.00	346,830
1 January 2026	1 January 2031	\$0.00	1,087,141
			<u>3,046,409</u>

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.

Shares issued on the exercise of options

During the financial year ended 30 June 2026, 51,482,440 ordinary shares of Decidr AI Industries Ltd were issued on the exercise of options, raising total proceeds of \$10,364,000. No further ordinary shares have been issued on the exercise of options up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of Decidr AI Industries Ltd issued on the exercise of performance rights during the financial year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of directors

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

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 33 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 33 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 (including Independence Standards) 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 the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Horizon Nexus (Audit) Pty Ltd

There are no officers of the Company who are former partners of Horizon Nexus (Audit) Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

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

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

On behalf of the directors



David Brudenell
Executive Chairman

30 September 2026

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DECIDR AI INDUSTRIES LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Horizon Nexus (Audit) Pty Ltd

Horizon Nexus (Audit) Pty Ltd
ABN 33 692 918 577



Sam Claringbold

Director

Melbourne, 30 September 2026

06

Financial Statements and Notes

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



	Note	2026 \$'000	2025 \$'000
Revenue	5	4,727	2,375
Cost of sales		<u>(2,616)</u>	<u>(843)</u>
Gross margin		2,111	1,532
Research and development tax incentive grant	6	2,207	589
Interest revenue		689	163
Net gain on remeasurement to fair value of previously held interest in associate	15	-	88,383
Gain on sale of subsidiary		73	-
Expenses			
Administration and corporate expenses	7	(19,302)	(7,123)
Technical, new product and market development		(2,362)	(1,305)
Selling and distribution		(3,237)	(1,519)
Depreciation and amortisation expense	7	(9,309)	(66)
Share-based payments expense	7	(2,591)	(11,554)
Finance costs	7	<u>(887)</u>	<u>(583)</u>
(Loss)/profit before income tax expense		(32,608)	68,517
Income tax expense	8	<u>-</u>	<u>-</u>
(Loss)/profit after income tax expense for the year		(32,608)	68,517
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(261)</u>	<u>-</u>
Other comprehensive loss for the year, net of tax		<u>(261)</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u><u>(32,869)</u></u>	<u><u>68,517</u></u>
(Loss)/profit for the year is attributable to:			
Non-controlling interest		(210)	(2,593)
Owners of Decidr AI Industries Ltd		<u>(32,398)</u>	<u>71,110</u>
		<u><u>(32,608)</u></u>	<u><u>68,517</u></u>
Total comprehensive (loss)/income for the year is attributable to:			
Non-controlling interest	26	(210)	(2,593)
Owners of Decidr AI Industries Ltd		<u>(32,659)</u>	<u>71,110</u>
		<u><u>(32,869)</u></u>	<u><u>68,517</u></u>
		Cents	Cents
Basic earnings per share	9	(11.63)	46.85
Diluted earnings per share	9	(11.63)	31.34

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



	Note	2026 \$'000	2025 \$'000
Assets			
Current assets			
Cash and cash equivalents	10	23,371	7,752
Trade and other receivables	11	1,742	419
Inventories	12	369	389
Other assets	13	1,275	1,297
		<u>26,757</u>	<u>9,857</u>
Assets classified as held for sale	14	-	63
Total current assets		<u>26,757</u>	<u>9,920</u>
Non-current assets			
Property, plant and equipment	16	109	141
Intangibles	17	111,291	102,865
Right-of-use assets	18	4,807	5,735
Other assets	13	770	769
Total non-current assets		<u>116,977</u>	<u>109,510</u>
Total assets		<u>143,734</u>	<u>119,430</u>
Liabilities			
Current liabilities			
Trade and other payables	19	2,121	1,701
Contract liabilities		8	19
Borrowings	20	4,525	4,478
Lease liabilities	21	1,307	396
Employee benefits		299	184
Other liabilities	22	218	-
Total current liabilities		<u>8,478</u>	<u>6,778</u>
Non-current liabilities			
Trade and other payables	19	312	286
Borrowings	20	2,666	7,190
Lease liabilities	21	4,128	5,472
Other liabilities	22	1,543	-
Total non-current liabilities		<u>8,649</u>	<u>12,948</u>
Total liabilities		<u>17,127</u>	<u>19,726</u>
Net assets		<u>126,607</u>	<u>99,704</u>
Equity			
Issued capital	23	75,473	31,962
Reserves	24	42,191	26,756
Retained profits		8,588	45,833
Equity attributable to the owners of Decidr AI Industries Ltd		<u>126,252</u>	<u>104,551</u>
Non-controlling interest	26	355	(4,847)
Total equity		<u>126,607</u>	<u>99,704</u>

	Issued capital \$'000	Reserves \$'000	(Accumulated losses) / retained profits \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	12,713	15,202	(25,277)	-	2,638
Profit/(loss) after income tax expense for the year	-	-	71,110	(2,593)	68,517
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	71,110	(2,593)	68,517
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 23)	19,249	-	-	-	19,249
Share-based payments (note 38)	-	11,554	-	-	11,554
Non-controlling interests on acquisition	-	-	-	(2,254)	(2,254)
Balance at 30 June 2025	31,962	26,756	45,833	(4,847)	99,704

	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2025	31,962	26,756	45,833	(4,847)	99,704
Loss after income tax expense for the year	-	-	(32,398)	(210)	(32,608)
Other comprehensive loss for the year, net of tax	-	(261)	-	-	(261)
Total comprehensive loss for the year	-	(261)	(32,398)	(210)	(32,869)
Transfer of non-controlling interests	-	-	(4,847)	4,847	-
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 23)	43,511	-	-	-	43,511
Share-based payments (note 38)	-	2,591	-	-	2,591
Share consideration on acquisition (note 24 and note 26)	-	13,105	-	565	13,670
Balance at 30 June 2026	75,473	42,191	8,588	355	126,607

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,871	2,280
Payments to suppliers and employees (inclusive of GST)		(27,558)	(11,301)
Receipts of research and development tax incentive and other grants		2,207	589
Interest received		689	141
Net cash used in operating activities	35	(20,791)	(8,291)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(501)	(141)
Payments for property, plant and equipment	16	(76)	(110)
Payments for intangibles	17	-	(25)
Payment for investment in associate company		-	(3,631)
Payment for convertible note		-	(209)
Proceeds from disposal of business		65	-
Advance of loans to subsidiary pre-acquisition		(756)	-
Net cash used in investing activities		(1,268)	(4,116)
Cash flows from financing activities			
Proceeds from issue of shares	23	35,000	11,000
Proceeds from exercise of options		10,364	9,526
Share issue transaction costs		(1,853)	(770)
Repayment of borrowings		(5,400)	(700)
Repayment of lease liabilities		(433)	-
Net cash from financing activities		37,678	19,056
Net increase in cash and cash equivalents		15,619	6,649
Cash and cash equivalents at the beginning of the financial year		7,752	1,103
Cash and cash equivalents at the end of the financial year	10	23,371	7,752

Note 1. General information

The financial statements cover Decidr AI Industries Ltd (the 'Company') and the entities it controlled (collectively referred to as the 'Group') at the end of, or during, the financial year. The financial statements are presented in Australian dollars, which is Decidr AI Industries Ltd's functional and presentation currency.

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

Level 20
347 Kent Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

New Accounting Standards and Interpretations not yet mandatory or early adopted

At 30 June 2026, a number of accounting standards and amendments had been issued but were not yet mandatory for the Group. Management has not early adopted these standards. The most significant forthcoming change is AASB 18 Presentation and Disclosure in Financial Statements, which will modify the presentation of the statement of profit or loss and introduce additional disclosure requirements relating to management-defined performance measures and the aggregation/disaggregation of information. Management is currently assessing the potential impact on the Group's financial statements and related reporting processes. Based on the assessment performed to date, no other issued but not yet effective standards are expected to have a material impact on the Group's financial position or results of operations.

Basis of preparation

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

Going concern

During the financial year ended 30 June 2026, the Group incurred a net loss after tax of \$32,608,000 (30 June 2025: profit of \$68,517,000) and cash outflows from operating activities of \$20,791,000 (30 June 2025: \$8,291,000). As at 30 June 2026, the Group held a cash balance of \$23,371,000 (30 June 2025: \$7,752,000) and had net current assets of \$18,279,000 (30 June 2025: \$3,142,000).

Note 2. Material accounting policy information (continued)

The Group's cash flow forecast for the twelve months from the date of this report is dependent on the successful completion of a proposed capital raise. Should this raise not proceed, or complete for a lesser amount than assumed in the forecast, the Group's existing cash resources would not be sufficient to meet its forecast commitments as they fall due. These conditions indicate material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The directors, however, believe there are reasonable grounds that the Group will be able to continue in operation and meet its obligations as they fall due, after considering the following factors:

- During the year, the Company raised \$20,000,000 before transaction costs from a share placement completed in September 2025, a further \$15,000,000 before transaction costs from a share placement completed in May 2026 (approximately 24.6 million new shares issued at \$0.61 per share, announced to ASX on 6 May 2026), and \$10,364,000 from the exercise of options;
- The directors have had regard to the Group's \$23,371,000 cash position and the significant capital raised during the financial year, and have taken action to actively manage the cost base, with further cost reduction initiatives underway; and
- The directors expect the business to continue growing, and the Group retains the ability to access further capital if required, as demonstrated by its track record of successful capital raisings during the financial year and in prior financial periods.

The directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable, and to continue as a going concern, and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the directors believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

In the event that the proposed capital raise does not complete, or completes for a materially lesser amount, the ability of the Group to continue as a going concern may be impacted, and the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report. No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

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.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Decidr AI Industries Ltd ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the financial year then ended. Decidr AI Industries 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.

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.

Note 2. Material accounting policy information (continued)

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

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Revenue recognition

The Group recognises revenue as follows:

Partnership product

Revenue from partnership arrangements comprises fees earned from the development, implementation and ongoing provision of products and services to partners. Ongoing service revenue is recognised over time as the relevant services are provided. One-off development, implementation or build activities charged to the customer are recognised as the relevant performance obligations are satisfied.

Direct customers - implementation, subscription and consulting

Revenue comprises implementation, subscription and consulting services provided directly to customers, including DecidrOS arrangements. Ongoing services are recognised over time as the relevant services are provided. Implementation and consulting revenue is recognised as the relevant performance obligations are satisfied.

Online sales and wholesale product sales

Revenue from online product sales and wholesale product sales is recognised at a point in time when control of the goods transfers to the customer, generally upon delivery.

Software subscriptions

Subscription revenue is recognised over time as the relevant services are provided over the contractual term.

Government grants (research and development tax incentive grants)

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, it is deducted in arriving at the carrying amount of the asset.

Interest

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

Note 2. Material accounting policy information (continued)

Other revenue

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

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 30 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.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

Note 2. Material accounting policy information (continued)

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Website

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Brand

Significant costs associated with the brand are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Technology

Significant costs associated with the new technology intangibles from Decidr are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Note 2. Material accounting policy information (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

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

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Note 2. Material accounting policy information (continued)

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

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

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

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

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

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

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

Fair value measurement

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

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

Issued capital

Ordinary shares are classified as equity.

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Note 2. Material accounting policy information (continued)

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Decidr AI Industries 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.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Material accounting policy information (continued)

Comparatives

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

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 various other factors, including expectations of future events, which 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.

Estimated impairment of non-financial assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 17 for further information.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments comprising; Australian beauty, functional food and nutraceutical products; and AI-powered business software platform. These operating segments are based on the internal reports that are reviewed and used by the Board (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

- (i) Australian beauty, functional food and nutraceutical products: the development and online sales in Australia; and
- (ii) AI business software platform: the development and commercialisation of this platform in Australia.

Note 4. Operating segments (continued)

Major customers

During the year ended 30 June 2026, the Group generated revenue from one external customer that individually accounted for 10% or more of the Group's total revenue. Revenue from this customer amounted to \$1,637,000, representing approximately 35% of the Group's total revenue (2025: \$98,000, or approximately 4% of the Group's total revenue). All of this revenue is reported within the AI-powered business software platform segment. No other single customer contributed 10% or more of the Group's total revenue during the year (2025: no single customer represented 10% or more of the Group's total revenue).

Operating segment information

	Beauty, functional food and nutraceutical products \$'000	AI business software platform \$'000	Total \$'000
2026			
Revenue			
Sales to external customers	1,541	3,186	4,727
Total revenue	<u>1,541</u>	<u>3,186</u>	<u>4,727</u>
Segment result	(80)	(19,747)	(19,827)
Depreciation and amortisation expense	(2)	(9,307)	(9,309)
Impairment of loan	(67)	-	(67)
Unallocated segment results			
Gain on sale of subsidiary			73
Finance costs			(887)
Share-based payments expense			(2,591)
Loss before income tax expense			<u>(32,608)</u>
Income tax expense			-
Loss after income tax expense			<u>(32,608)</u>
Assets			
Segment assets	591	114,037	114,628
Unallocated assets			29,106
Total assets			<u>143,734</u>
Liabilities			
Segment liabilities	1,833	15,294	17,127
Unallocated liabilities			-
Total liabilities			<u>17,127</u>

Note 4. Operating segments (continued)

	Beauty, functional food and nutraceutical products \$'000	AI business software platform \$'000	Total \$'000
2025			
Revenue			
Sales to external customers	2,111	264	2,375
Total revenue	<u>2,111</u>	<u>264</u>	<u>2,375</u>
Segment result	(2,548)	(5,115)	(7,663)
Depreciation and amortisation expense	(30)	(36)	(66)
Unallocated segment results	-	-	-
Finance costs			(583)
Share-based payments expense			(11,554)
Net gain on remeasurement to fair value of previously held interest in associate			88,383
(Loss)/profit before income tax expense			<u>68,517</u>
Income tax expense			-
Profit after income tax expense			<u>68,517</u>
Assets			
Segment assets	8,816	7,878	16,694
Unallocated assets			102,736
Total assets			<u>119,430</u>
Liabilities			
Segment liabilities	1,954	17,772	19,726
Unallocated liabilities			-
Total liabilities			<u>19,726</u>

Geographical information

Refer to note 5 'Revenue'.

Revenue by product set

Refer to note 5 'Revenue'.

Note 5. Revenue

	2026 \$'000	2025 \$'000
<i>Revenue from contracts with customers</i>		
Sale of goods and services	<u>4,727</u>	<u>2,375</u>

Note 5. Revenue (continued)

Disaggregation of revenue

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

	2026 \$'000	2025 \$'000
<i>Major product and service lines</i>		
Partnership product	1,637	89
Direct customers - implementation, subscription and consulting	1,514	175
Online sales	1,438	1,974
Wholesale	103	137
Software subscriptions	35	-
	<u>4,727</u>	<u>2,375</u>
<i>Geographical regions</i>		
Australia	4,692	2,375
USA	35	-
	<u>4,727</u>	<u>2,375</u>
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	1,541	2,111
Services rendered over time	3,186	264
	<u>4,727</u>	<u>2,375</u>

Note 6. Research and development tax incentive grant

	2026 \$'000	2025 \$'000
Research and development tax incentive grant	<u>2,207</u>	<u>589</u>

Note 7. Expenses

	2026 \$'000	2025 \$'000
(Loss)/profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	32	14
Computer equipment	76	25
Office lease and leasehold improvements	928	9
Total depreciation	1,036	48
<i>Amortisation</i>		
Website development	12	-
Brand	11	18
Technology	8,250	-
Total amortisation	8,273	18
Total depreciation and amortisation expense	9,309	66
<i>Administration and corporate expenses</i>		
Employee benefit expense	9,344	3,306
Contract labour costs	4,818	2,045
Other expenses	2,307	1,291
Professional services costs	1,987	337
Travel expenses	846	144
	19,302	7,123
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	112	108
Interest and finance charges paid/payable on lease liabilities	252	133
Unwinding of the interest on borrowings (note 35)	523	342
Finance costs expensed	887	583
<i>Share-based payments expense</i>		
Share-based payments expense relating to director and employees incentives	708	8,877
Share-based payments relating to external advisor and consultant payments	1,883	2,677
Total share-based payments expenses	2,591	11,554

Note 8. Income tax

	2026 \$'000	2025 \$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
(Loss)/profit before income tax expense	(32,608)	68,517
Tax at the statutory tax rate of 25%	(8,152)	17,129
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	648	2,750
Grant income not assessable	(551)	(147)
Goodwill revaluation	-	(22,096)
	(8,055)	(2,364)
Current year tax losses not recognised	8,055	2,364
Income tax expense	-	-
	2026 \$'000	2025 \$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	59,225	12,067
Potential tax benefit @ 25%	14,806	3,017

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

Movements in unused tax losses

	2026 \$'000
Unused tax losses as previously reported - 30 June 2025	12,067
Update on finalisation of the 30 June 2025 income tax returns	14,934
Unused tax losses at 30 June 2025 (per lodged returns)	27,001
Tax losses arising during the year ended 30 June 2026	32,224
Unused tax losses at 30 June 2026	59,225

Note 9. Earnings per share

	2026 \$'000	2025 \$'000
(Loss)/profit after income tax	(32,608)	68,517
Non-controlling interest	210	2,593
(Loss)/profit after income tax attributable to the owners of Decidr AI Industries Ltd	(32,398)	71,110

Note 9. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	278,579,479	151,781,677
Adjustments for calculation of diluted earnings per share:		
Options and performance rights over ordinary shares	-	75,090,640
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>278,579,479</u>	<u>226,872,317</u>
	Cents	Cents
Basic earnings per share	(11.63)	46.85
Diluted earnings per share	(11.63)	31.34

31,200,000 options and 3,046,409 performance rights have been excluded for the 30 June 2026 calculation as their inclusion would be anti-dilutive.

Note 10. Cash and cash equivalents

	2026 \$'000	2025 \$'000
<i>Current assets</i>		
Cash at bank	<u>23,371</u>	<u>7,752</u>

Note 11. Trade and other receivables

	2026 \$'000	2025 \$'000
<i>Current assets</i>		
Trade receivables	1,421	190
Less: Allowance for expected credit losses	<u>(115)</u>	<u>-</u>
	1,306	190
Other receivables	25	1
GST receivable	<u>411</u>	<u>228</u>
	<u>1,742</u>	<u>419</u>

Note 12. Inventories

	2026 \$'000	2025 \$'000
<i>Current assets</i>		
Raw materials, packaging and consumables - at net realisable value	414	463
Less: Provision for impairment	<u>(45)</u>	<u>(75)</u>
	369	388
Finished goods - at net realisable value	<u>-</u>	<u>1</u>
	<u>369</u>	<u>389</u>

Note 13. Other assets

	2026 \$'000	2025 \$'000
<i>Current assets</i>		
Prepayments	1,087	1,297
Security deposits	12	-
Other current assets	176	-
	<u>1,275</u>	<u>1,297</u>
<i>Non-current assets</i>		
Security deposits	533	532
Other non-current assets	237	237
	<u>770</u>	<u>769</u>
	<u><u>2,045</u></u>	<u><u>2,066</u></u>

Note 14. Assets classified as held for sale

	2026 \$'000	2025 \$'000
<i>Current assets</i>		
Trade and other receivables	-	22
Inventories	-	40
Other current assets	-	1
	<u>-</u>	<u>63</u>

On 1 July 2025, the assets of one of the remaining e-Commerce operations, 13 Seeds Pty Ltd, previously classified as held for sale as at 30 June 2025, were disposed of.

Note 15. Investments accounted for using the equity method

On 31 December 2024, the Company acquired an additional 6% control of Decidr.ai Pty Ltd ('Decidr') increasing the Company's ownership to a controlling interest of 51%, and derecognising Decidr as an associate and recognising Decidr as a subsidiary.

Reconciliations

Reconciliations of the carrying amount at the beginning and end of the current financial year and the previous financial year are set out below:

Investments in associates

	2026 \$'000	2025 \$'000
Opening carrying amount	-	1,809
Net gain on remeasurement to fair value of previously held interest in associate	-	88,383
Elimination of investment post control of subsidiary	-	(90,192)
Closing carrying amount	<u><u>-</u></u>	<u><u>-</u></u>

Note 15. Investments accounted for using the equity method (continued)

	2026 \$'000	2025 \$'000
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	-	50
Expenses	-	(3,116)
Net loss	-	(3,066)

Note 16. Property, plant and equipment

	2026 \$'000	2025 \$'000
<i>Non-current assets</i>		
Plant and equipment - at cost	67	60
Less: Accumulated depreciation	(46)	(14)
	21	46
Computer equipment - at cost	208	134
Less: Accumulated depreciation	(120)	(39)
	88	95
	109	141

Reconciliations

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

	Plant and equipment \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 July 2024	-	2	2
Additions	2	108	110
Additions through business combinations (note 34)	58	10	68
Depreciation expense	(14)	(25)	(39)
Balance at 30 June 2025	46	95	141
Additions	7	69	76
Depreciation expense	(32)	(76)	(108)
Balance at 30 June 2026	21	88	109

Note 17. Intangibles

	2026 \$'000	2025 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	102,936	86,237
Website development - at cost	25	25
Less: Accumulated amortisation	(12)	-
	13	25
Trademark registration - at cost	17	17
Brand - at cost	118	118
Less: Accumulated amortisation	(43)	(32)
	75	86
Technology - at cost	16,500	16,500
Less: Accumulated amortisation	(8,250)	-
	8,250	16,500
	<u>111,291</u>	<u>102,865</u>

Reconciliations

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

	Goodwill \$'000	Website development \$'000	Trademark registration \$'000	Brand \$'000	Technology \$'000	Total \$'000
Balance at 1 July 2024	-	-	17	104	-	121
Additions	-	25	-	-	-	25
Additions through business combinations* (note 34)	86,237	-	-	-	16,500	102,737
Amortisation expense	-	-	-	(18)	-	(18)
Balance at 30 June 2025	86,237	25	17	86	16,500	102,865
Additions through business combinations (note 34)	16,699	-	-	-	-	16,699
Amortisation expense	-	(12)	-	(11)	(8,250)	(8,273)
Balance at 30 June 2026	<u>102,936</u>	<u>13</u>	<u>17</u>	<u>75</u>	<u>8,250</u>	<u>111,291</u>

Changes to comparatives - finalisation of business combination accounting

*The purchase price allocation for the business combination in prior year has now been finalised and as a result a technology intangible asset has been recognised, which reduced the amount of goodwill. Refer to note 34 for further details of the finalisation of the acquisition accounting for Decidr.ai Pty Ltd ('Decidr').

During the current financial year, the Company acquired an additional 49% control of Decidr, increasing the Company's ownership to a controlling interest of 100%.

Acquisition of Sugarwork, Inc.

During the financial year, the Company acquired 100% of Sugarwork, Inc., and recognised in intangible assets, goodwill of \$16,699,000.

Note 17. Intangibles (continued)

In accordance with AASB 3 Business Combinations, the values identified in relation to the acquisition of Sugarwork, Inc. are provisional as at 30 June 2026. Therefore, the amount recognised for goodwill may be retrospectively adjusted.

Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	2026 \$'000	2025 \$'000
AI-powered business software platform	<u>102,936</u>	<u>86,237</u>

The Group's goodwill has been tested at the level of a single cash-generating unit, being the AI-powered business software platform, which holds all of the Group's goodwill together with the technology intangible asset arising from the Decidr and Sugarwork acquisitions. The beauty, functional food and nutraceutical products CGU carries no goodwill. This reflects the highly integrated nature of the Group's operations following the Sugarwork and Decidr U.S. Inc. transactions, where cash inflows are not independent of other assets or asset groups.

The recoverable amount of the AI-powered business software platform CGU has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year explicit projection period (FY27–FY31) approved by management, together with a terminal value calculated using the Gordon Growth model.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the AI-powered business software platform CGU:

- 13.1% post-tax (13.3% pre-tax) discount rate (weighted average cost of capital) (2025: not separately disclosed as goodwill in that period was assessed by an independent expert valuation rather than a management-prepared discounted cash flow model);
- Revenue is projected to grow at rates ranging from approximately 49% to 82% per annum. Management believes these growth rates are consistent with the Group's internal forecasts and the early stage of commercialisation of both the DecidrOS platform and the Sugarwork business acquired during the year. Growth is expected to moderate as the platform and customer base mature over the forecast period;
- Operating costs are projected to increase at rates ranging from approximately 5.3% to 8.7% per annum over the forecast period (2025: not separately disclosed); and
- 2.5% per annum terminal growth rate applied beyond the five-year explicit forecast period.

The discount rate of 13.1% post-tax (13.3% pre-tax) reflects management's estimate of the time value of money and the Group's weighted average cost of capital, incorporating the risk-free rate, an equity risk premium, the Group's beta relative to market movements, and the Group's capital structure. Given the Group's carried-forward tax losses and the absence of a current tax charge over the forecast period, a pre-tax discount rate has not been separately disclosed as it would not be materially different from the post-tax rate.

Operating cost growth reflects the Group's planned investment in headcount and infrastructure to support the projected revenue growth, moderating as a percentage of revenue as the business scales.

Based on the above, no impairment charge has been recognised, as the recoverable amount of the CGU exceeded its carrying amount as follows:

	2026 \$'000	2025 \$'000
Recoverable amount ('value in use')	152,763	-
Less: carrying amount of the CGU (net assets including goodwill)	<u>(125,920)</u>	<u>-</u>
Headroom	<u>26,843</u>	<u>-</u>

The recoverable amount exceeds the carrying amount by approximately 21% (a coverage ratio of 1.21 times).

Note 17. Intangibles (continued)

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should the outcomes differ from these judgements and estimates, the recoverable amount of the CGU may reduce and an impairment of goodwill may arise. The sensitivity is as follows:

- The discount rate would need to increase by approximately 1.3 percentage points (to approximately 14.4%) for the AI-powered business software platform CGU before an impairment would arise, with all other assumptions remaining constant.
- A 5% reduction in the forecast terminal-year (FY31) free cash flow, which flows into both the final forecast year and the terminal value, would reduce the recoverable amount to approximately \$143.28 million and headroom to approximately \$17.36 million (coverage of 1.14 times); no impairment would arise on this basis.

Management believes that other reasonably possible changes in the key assumptions on which the recoverable amount of the CGU is based would not cause the CGU's carrying amount to exceed its recoverable amount. If there are negative changes in the key assumptions in future periods, including in relation to the achievement of the forecast revenue growth rates disclosed above, this could result in an impairment charge for the CGU's goodwill in a future reporting period.

Note 18. Right-of-use assets

	2026 \$'000	2025 \$'000
<i>Non-current assets</i>		
Office lease and leasehold improvements - right-of-use	5,735	5,735
Less: Accumulated depreciation	(928)	-
	<u>4,807</u>	<u>5,735</u>

The Group leases office space in Sydney under a seven-year agreement, expiring on 31 July 2031 (inclusive of a 7-month rent free incentive), with an option to extend. The lease has various escalation clauses. On renewal, the term of the lease is renegotiated.

Reconciliations

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

	Office lease and leasehold improvements \$'000
Balance at 1 July 2024	21
Additions	5,735
Disposals	(12)
Depreciation expense	<u>(9)</u>
Balance at 30 June 2025	5,735
Depreciation expense	<u>(928)</u>
Balance at 30 June 2026	<u><u>4,807</u></u>

Note 19. Trade and other payables

	2026 \$'000	2025 \$'000
<i>Current liabilities</i>		
Trade payables	1,356	1,299
Other payables	765	402
	<u>2,121</u>	<u>1,701</u>
<i>Non-current liabilities</i>		
Trade payables	<u>312</u>	<u>286</u>
	<u>2,433</u>	<u>1,987</u>

Refer to note 27 for further information on financial instruments.

Note 20. Borrowings

	2026 \$'000	2025 \$'000
<i>Current liabilities</i>		
Loan - Techne Capital Pty Ltd (note 30)	<u>4,525</u>	<u>4,478</u>
<i>Non-current liabilities</i>		
Loan - Techne Capital Pty Ltd (note 30)	<u>2,666</u>	<u>7,190</u>
	<u>7,191</u>	<u>11,668</u>

Refer to note 27 for further information on financial instruments.

Note 21. Lease liabilities

	2026 \$'000	2025 \$'000
<i>Current liabilities</i>		
Lease liability	<u>1,307</u>	<u>396</u>
<i>Non-current liabilities</i>		
Lease liability	<u>4,128</u>	<u>5,472</u>
	<u>5,435</u>	<u>5,868</u>

Refer to note 27 for further information on financial instruments

For other AASB 16 Lease disclosures refer to:

- note 7 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 27 for undiscounted future lease commitments;
- note 35 for reconciliation of leases; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 22. Other liabilities

	2026 \$'000	2025 \$'000
<i>Current liabilities</i>		
Contingent consideration (note 34)	218	-
<i>Non-current liabilities</i>		
Contingent consideration (note 34)	1,543	-
	<u>1,761</u>	<u>-</u>

Note 23. Issued capital

	2026 Shares	2025 Shares	2026 \$'000	2025 \$'000
Ordinary shares - fully paid	<u>352,234,488</u>	<u>175,539,657</u>	<u>75,473</u>	<u>31,962</u>

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2024	124,879,796	\$0.00	12,713
Issue of share - exercise of options	15 July 2024	50,000	\$0.30	15
Issue of share - exercise of options	29 July 2024	15,500	\$0.30	5
Issue of share - exercise of options	12 August 2024	812,500	\$0.30	244
Issue of share - exercise of options	22 August 2024	82,500	\$0.30	25
Issue of share - exercise of options	6 September 2024	1,225,323	\$0.30	368
Issue of share - exercise of options	16 September 2024	1,037,973	\$0.03	311
Issue of share - exercise of options	20 September 2024	642,009	\$0.30	193
Issue of share - exercise of options	30 September 2024	680,917	\$0.30	204
Issue of share - exercise of options	7 October 2024	10,061,161	\$0.30	3,018
Issue of share - exercise of options	8 October 2024	11,907,992	\$0.30	3,572
Issue of share - exercise of options	9 October 2024	455,468	\$0.30	137
Issue of share - exercise of options	24 October 2024	1,000,000	\$0.10	100
Issue of share - exercise of options	5 November 2024	17,500	\$0.10	2
Issue of share - exercise of options	5 November 2024	75,000	\$0.30	23
Issue of share - exercise of options	5 November 2024	200,000	\$0.10	20
Issue of share - exercise of options	5 November 2024	415,800	\$0.14	58
Issue of share - exercise of options	17 January 2025	200,000	\$0.14	28
Issue of share - exercise of options	17 January 2025	30,000	\$0.25	8
Issue of share - exercise of options	17 January 2025	1,032,500	\$0.10	103
Issue of share - exercise of options	17 January 2025	375,000	\$0.30	113
Issue of share - exercise of options	1 April 2025	50,000	\$0.10	5
Issue of shares as part of a placement	1 April 2025	14,473,671	\$0.76	11,000
Issue of share - exercise of options	11 February 2025	200,000	\$0.20	40
Issue of share - exercise of options	11 February 2025	2,044,047	\$0.25	511
Issue of share - exercise of options	1 April 2025	50,000	\$0.10	5
Issue of share - exercise of options	4 April 2025	1,000,000	\$0.10	100
Issue of share - exercise of options	30 April 2025	500,000	\$0.10	50
Issue of share - exercise of options	30 April 2025	500,000	\$0.10	50
Issue of share - exercise of options	17 June 2025	1,500,000	\$0.10	150
Issue of share - exercise of options	30 June 2025	25,000	\$0.25	6
Capital raising costs		-	\$0.00	(1,215)
Balance	30 June 2025	<u>175,539,657</u>		<u>31,962</u>

Note 23. Issued capital (continued)

Balance brought forward	1 July 2025	175,539,657	\$0.00	31,962
Issue of share - exercise of options	18 July 2025	128,000	\$0.25	32
Issue of share - exercise of options	28 July 2025	680,000	\$0.25	170
Issue of share - exercise of options	4 August 2025	2,557,000	\$0.25	639
Issue of share - exercise of options	7 August 2025	420,550	\$0.25	105
Issue of share - exercise of options	13 August 2025	681,375	\$0.25	170
Issue of share - exercise of options	13 August 2025	250,000	\$0.20	50
Issue of share - exercise of options	25 August 2025	8,521,217	\$0.25	2,130
Issue of share - exercise of options	25 August 2025	1,000,000	\$0.20	200
Issue of share - exercise of options	27 August 2025	1,220,000	\$0.20	244
Issue of share - exercise of options	27 August 2025	2,841,801	\$0.25	710
Issue of share - exercise of options	29 August 2025	7,354,663	\$0.25	1,839
Issue of share - exercise of options	29 August 2025	620,000	\$0.20	124
Issue of share - exercise of options	2 September 2025	5,749,045	\$0.25	1,437
Issue of share - exercise of options	8 September 2025	67,303	\$0.25	17
Issue of share - exercise of options	22 September 2025	634,200	\$0.14	89
Issue of share - exercise of options	22 September 2025	2,145,000	\$0.10	215
Issue of share - placement	29 September 2025	22,222,223	\$0.90	20,000
Issue of share - acquisition of Decidr.ai Pty Ltd	18 November 2025	78,400,000	\$0.00	-
Issue of share - exercise of options	26 November 2025	1,000,000	\$0.10	100
Issue of share - exercise of options	28 November 2025	1,950,000	\$0.10	195
Issue of share - exercise of options	28 November 2025	250,000	\$0.20	50
Issue of share - exercise of options	4 December 2025	610,000	\$0.20	122
Issue of share - exercise of options	12 December 2025	3,350,000	\$0.20	670
Issue of share - exercise of options	12 December 2025	758,000	\$0.10	76
Capital raising costs				(1,067)
Issue of share - exercise of options	6 March 2026	2,905,000	\$0.10	291
Issue of share - exercise of options	24 April 2026	1,078,000	\$0.14	151
Issue of share - exercise of options	24 April 2026	42,000	\$0.10	4
Issue of share - exercise of options	27 April 2026	1,600,000	\$0.14	224
Issue of share - exercise of options	28 April 2026	72,000	\$0.14	10
Issue of share - exercise of options	29 April 2026	162,500	\$0.10	16
Issue of share - exercise of options	11 May 2026	500,000	\$0.10	50
Issue of share - exercise of options	14 May 2026	50,000	\$0.10	5
Issue of share - placement	14 May 2026	24,590,168	\$0.61	15,000
Issue of share - exercise of options	19 May 2026	1,459,786	\$0.10	146
Issue of share - exercise of options	3 June 2026	675,000	\$0.10	68
Issue of share - exercise of options	22 June 2026	150,000	\$0.10	15
Capital raising costs				(786)
Balance	30 June 2026	<u>352,234,488</u>		<u>75,473</u>

Ordinary shares

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

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Note 23. Issued capital (continued)

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

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

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

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

Note 24. Reserves

	2026 \$'000	2025 \$'000
Foreign currency reserve	(261)	-
Share-based payments reserve	29,347	26,756
Transaction reserve	13,105	-
	<u>42,191</u>	<u>26,756</u>

Share-based payments reserve

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

Transaction reserve

The transaction reserve arises from the acquisition of Sugarwork, Inc. by Decidr U.S. Inc., a wholly-owned subsidiary of the Group, on 2 January 2026. As Decidr U.S. Inc. had no net assets recorded in its books prior to the acquisition, the fair value of shares issued to Sugarwork's former shareholders as consideration became the carrying amount of Decidr U.S. Inc.'s net assets. Of this amount, 4.13% was allocated to non-controlling interest, reflecting the ownership interest retained by Sugarwork's former shareholders in Decidr U.S. Inc., with the remainder classified as a transaction reserve.

Movement in reserve

Movement in share-based payment reserve during the current and previous financial year are set out below:

	Foreign currency reserve \$'000	Share-based payments \$'000	Transaction reserve \$'000	Total \$'000
Balance at 1 July 2024	-	15,202	-	15,202
Share-based payments	-	11,554	-	11,554
Balance at 30 June 2025	-	26,756	-	26,756
Foreign currency translation	(261)	-	-	(261)
Share-based payments	-	2,591	-	2,591
Share consideration on acquisition	-	-	13,105	13,105
Balance at 30 June 2026	<u>(261)</u>	<u>29,347</u>	<u>13,105</u>	<u>42,191</u>

Note 25. Dividends

Dividends

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

Note 26. Non-controlling interest

	2026 \$'000	2025 \$'000
Issued capital	-	-
Reserves	565	-
Accumulated losses	(210)	(4,847)
	<u>355</u>	<u>(4,847)</u>

Transactions with non-controlling interests

On 2 January 2026, Decidr U.S. Inc., a wholly-owned subsidiary of the Group, acquired 100% of the ordinary shares of Sugarwork, Inc. ('Sugarwork'). As part of the consideration for this acquisition, Sugarwork's former shareholders received a 4.13% ownership interest in Decidr U.S. Inc ('Decidr US'). Accordingly, the Group holds a 95.87% controlling interest in Decidr US as at 30 June 2026, with the remaining 4.13% recognised as a non-controlling interest in these consolidated financial statements. The non-controlling interest's share of the post-acquisition net losses of Decidr US and Sugarwork for the period is reflected in the accumulated losses above.

The non-controlling interest accumulated losses of \$210,000 as at 30 June 2026, represent the non-controlling interest's 4.13% share of the post-acquisition net losses of Decidr U.S. Inc., and its subsidiary Sugarwork, following the acquisition of Sugarwork on 2 January 2026.

Prior year non-controlling interest

The accumulated losses of \$4,847,000 in the prior year related to the 49% non-controlling interest held in Decidr.ai Pty Ltd ('Decidr') as at 30 June 2025, being that interest's share of the accumulated losses of Decidr up to that date.

Transfer of non-controlling interest during the year

On 14 November 2025, the Group acquired the remaining 49% of the ordinary shares of Decidr, increasing its ownership to 100% (refer to note 34). As the Group already controlled Decidr, the acquisition of the outstanding non-controlling interest was accounted for as an equity transaction. Accordingly, the \$4,847,000 of accumulated losses previously attributed to the non-controlling interest was reallocated to equity attributable to the owners of the Company, and the non-controlling interest in Decidr was derecognised in full. This transfer is presented as "Transfer of non-controlling interests" in the consolidated statement of changes in equity.

Note 27. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including 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 and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operations. Finance reports to the Board on a monthly basis.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Note 27. Financial instruments (continued)

Credit risk

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

There are no significant concentration of credit risks, whether through exposure to individual customers, specific industry sectors or regions.

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.

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 \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
2026						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,356	312	-	-	1,668
Other payables	-	765	-	-	-	765
Loan - Techne Capital Pty Ltd	-	4,525	2,666	-	-	7,191
<i>Interest-bearing - fixed rate</i>						
Lease liability	4.42%	1,085	1,160	3,749	108	6,102
Total non-derivatives		7,731	4,138	3,749	108	15,726

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,299	286	-	-	1,585
Other payables	-	402	-	-	-	402
Loan - Techne Capital Pty Ltd	-	4,478	7,190	-	-	11,668
<i>Interest-bearing - fixed rate</i>						
Lease liability	4.42%	396	822	3,182	1,468	5,868
Total non-derivatives		6,575	8,298	3,182	1,468	19,523

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

Note 28. Fair value measurement

Fair value hierarchy

The following tables detail the Group's financial assets and financial liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2026				
<i>Liabilities</i>				
Contingent consideration (note 22 and note 34)	-	-	1,761	1,761
Total liabilities	-	-	1,761	1,761
2025				
<i>Liabilities</i>				
Contingent consideration (note 22)	-	-	-	-
Total liabilities	-	-	-	-

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 29. Key management personnel disclosures

Compensation

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

	2026 \$	2025 \$
Short-term employee benefits	1,016,703	725,515
Post-employment benefits	96,946	60,949
Termination benefits	155,769	-
Share-based payments	573,257	8,877,468
	<u>1,842,675</u>	<u>9,663,932</u>

Note 30. Related party transactions

Parent entity

Decidr AI Industries Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

Note 30. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
Payment for goods and services:		
Payment for services from a related party	779,335	1,602,351

Payments from Decidr.ai Pty Ltd to Techne Capital Pty Ltd (formerly Decidr Group Pty Ltd), an entity controlled by Paul Chan (Co-Chief Executive Officer):

The payments of \$779,335 are for software development work for the full 12 months of the financial year (including the period where Decidr was an associate as well as a controlled entity). The payments were all on an arm's length basis.

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

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

	2026 \$	2025 \$
Current borrowings:		
Loan from related party, Techne Capital Pty Ltd (note 20)	4,524,715	4,478,202
Non-current borrowings:		
Loan from related party, Techne Capital Pty Ltd (note 20)	2,665,537	7,190,252

A loan of \$13,200,000 was provided by Techne Capital Pty Ltd for the Company to purchase the 6% controlling interest in Decidr.ai Pty Ltd ('Decidr') on 31 December 2024. The loan is non-interest bearing, for a 3-year term, and is secured against new IP created by Decidr from 1 January 2025.

The recorded value of the loan is \$7,191,000 which equates to the discounted value of the remaining scheduled loan repayments over the loan term. The discount rate utilised was 5.81%. Techne Capital Pty Ltd is a related party due to it being a significant shareholder in the Company, and controlled by Paul Chan, who is the Co-Chief Executive Officer of the Company.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rate, except where stated otherwise.

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

	Parent	
	2026 \$'000	2025 \$'000
Loss after income tax	(15,945)	(13,861)
Total comprehensive loss	(15,945)	(13,861)

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	2026 \$'000	2025 \$'000
Total current assets	33,258	12,591
Total assets	59,897	35,087
Total current liabilities	3,859	4,947
Total liabilities	6,477	11,824
Equity		
Issued capital	75,473	31,962
Share-based payments reserve	29,347	26,756
Accumulated losses	(51,400)	(35,455)
Total equity	53,420	23,263

Note 32. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2026 %	2025 %
13 Seeds Pty Ltd ⁽¹⁾	Australia	-	100.00%
8Skincare Pty Ltd ⁽²⁾	Australia	100.00%	100.00%
Therajoint Pty Ltd ⁽²⁾	Australia	100.00%	100.00%
The Beauty Apothecary Australia Pty Ltd	Australia	100.00%	100.00%
Decidr.ai Pty Ltd ⁽³⁾	Australia	100.00%	51.00%
Decidr U.S. Inc. ⁽⁴⁾	USA	95.87%	-
Sugarwork, Inc. ⁽⁵⁾	USA	100.00%	-

(1) 13 Seeds Pty Ltd was sold on 1 July 2025

(2) These entities are dormant

(3) 100% ownership obtained on 14 November 2025

(4) Established as a new subsidiary on 9 October 2025

(5) Acquired 2 January 2026

Note 33. Remuneration of auditors

The Company's external audit engagement transitioned from MVAB Audit to Horizon Nexus (Audit) Pty Ltd, following a corporate restructure where the MVAB Audit team integrated into Horizon Nexus (Audit) Pty Ltd. The audit continues to be performed by the same engagement team, and Horizon Nexus (Audit) Pty Ltd serves as the Company's current external auditor. Fees paid or payable to the current and previous external auditors during the financial year are detailed below:

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements - Horizon Nexus (Audit) Pty Ltd (current auditor)	51,000	-
Audit or review of the financial statements - MVAB Audit (previous auditor)	17,000	56,250
	<u>68,000</u>	<u>56,250</u>

Note 34. Business combinations

Acquisition of additional 49% of the ordinary shares of Decidr.ai Pty Ltd

On 14 November 2025, the Company acquired an additional 49% of the ordinary shares of Decidr.ai Pty Ltd ('Decidr') taking its ownership to 100% of Decidr. Decidr is a B2B AI-software platform business and operates in the AI-powered software products division of the Group. It was acquired to position and evolve the Group's approach to AI-powered technology deployment and licensing. Goodwill of \$86,237,000 represents synergies and knowledge the Group expects to benefit from in future periods. As control had already been obtained as at 30 June 2025, the subsequent acquisition of the non-controlling interest was accounted for as an equity transaction, with no adjustment to goodwill.

In accordance with AASB 3 Business Combinations ('AASB 3'), the values identified in relation to the acquisition of Decidr were provisional as at 30 June 2025. Therefore, the amounts recognised including goodwill are retrospectively adjusted.

The above business combination that occurred in the previous financial year has now been finalised and detailed below are the final values. The finalisation of business combination accounting in accordance with AASB 3 has resulted in a decrease of \$16,500,000 in goodwill mainly due to recognition of identifiable intangible assets in the form of technology.

Measurement period adjustments

In accordance with AASB 3, pursuant to finalisation of acquisition accounting of Decidr.ai Pty Ltd in the current financial year, the Group has recognised adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Consequently, the Group has revised comparative information for prior period presented in financial statements as needed, including making changes to amortisation effects recognised in completing the initial acquisition accounting.

Note 34. Business combinations (continued)

Details of the finalisation of the acquisition accounting are as follows:

	Provisional values recorded at 30 June 2025 \$'000	Measurement under AASB 3 finalisation adjustments \$'000	Final values restated at 30 June 2025 \$'000
Cash and cash equivalents	28	-	28
Trade receivables	46	-	46
Other receivables	161	-	161
Prepayments	248	-	248
Other current assets	540	-	540
Plant and equipment	68	-	68
Technology	-	16,500	16,500
Trade payables	(1,630)	-	(1,630)
Other payables	(47)	-	(47)
Other provisions	(24)	-	(24)
Loan	(4,996)	-	(4,996)
Net liabilities acquired	(5,606)	16,500	10,894
Add: Non-controlling interest	2,254	-	2,254
Add: Goodwill (note 17)	102,737	(16,500)	86,237
	-	-	-
Net assets acquired	<u>99,385</u>	<u>-</u>	<u>99,385</u>
Representing:			
Fair value of previously held interest less non-controlling interest	87,759	-	87,759
Consideration paid/payable	11,626	-	11,626
	-	-	-
	<u>99,385</u>	<u>-</u>	<u>99,385</u>

Acquisition of Sugarwork, Inc.

On 2 January 2026, Decidr U.S. Inc. acquired 100% of the ordinary shares of Sugarwork, Inc. ('Sugarwork'). This is a Delaware-based enterprise AI company and operates in the United States of America ('USA'). It was acquired to provide the Group with an immediate US operational presence and support the Group's mission to scale and strengthen the Agentic AI infrastructure. The goodwill of \$16,699,000 represents the Group's global expansion strategy across enterprise markets, expanding customer access and client base across financial, industrial and education sectors.

In accordance with AASB 3, the values identified in relation to the acquisition of Sugarwork are provisional as at 30 June 2026. Therefore, the amounts recognised including goodwill may be retrospectively adjusted.

Note 34. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	156
Prepayments	64
Trade payables and other payables	(76)
Other liabilities	(34)
Loan payable to Decidr U.S. Inc.	(721)
Net liabilities acquired	(611)
Goodwill (note 17)	16,699
Acquisition-date fair value of the total consideration transferred	16,088
Representing:	
Cash paid or payable on behalf of vendor	657
Decidr U.S. Inc. shares issued to vendor	13,670
Contingent consideration* (note 22)	1,761
	16,088

**Contingent consideration - Sugarwork*

Contingent consideration relates to post closing working capital adjustments and indemnification arrangements associated with the acquisition and is settled through the issue of shares. The consideration is recognised as a financial liability and measured at fair value through profit or loss.

The working capital component is expected to be settled within the next 12 months and is classified as a current liability. The indemnification period is two years from acquisition, and the related liability is classified as non-current.

During the financial year, a portion of the post-closing consideration was settled through the issue of shares. At 30 June 2026, the remaining contingent consideration reflects management's best estimate of the amounts expected to be settled.

The contingent consideration is measured at fair value using unobservable inputs, as the shares to be issued are unquoted, and is therefore classified as a Level 3 fair value measurement. No adjustment has been made to this estimate during the financial year, as no claims have been agreed under the indemnification arrangements. Should a claim be agreed in future, the liability would reduce accordingly, up to the full amount currently recognised.

Valuation technique: probability-weighted expected cash flow model, discounted to present value at a risk-adjusted rate.

The fair value is estimated by weighting the amounts expected to be payable under each component (working capital adjustments and indemnification arrangements) by the probability of those amounts arising, and discounting at a rate that reflects the credit risk of the Group and the term of each component. As settlement is effected through the issue of unquoted shares in Decidr US, the implied value of those shares is a significant unobservable input.

Note 34. Business combinations (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 fair value measurement and the sensitivity of the fair value to changes in those inputs:

Description	Fair value at 30 June 2026 \$'000	Fair value at 30 June 2025 \$'000	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Contingent consideration - working capital component (current)	218	N/A	Probability-weighted estimate of net working capital shortfall	100.00%	The higher the estimated working capital shortfall, the higher the fair value liability
Contingent consideration - indemnification component (non-current)	1,543	N/A	Probability of indemnification claims arising	-	The higher the probability of claims, the lower the fair value liability
			Risk-adjusted discount rate	4.42%	The higher the discount rate, the lower the fair value liability
Total	<u>1,761</u>				

There are no significant inter-relationships between the unobservable inputs that would materially affect the fair value.

The fair value is assessed at each reporting date by reference to:

- the status of working capital adjustment negotiations with the former shareholders of Sugarwork;
- information received from the Group's legal advisers regarding the likelihood of claims arising under the indemnification arrangements; and
- the passage of time and any changes to the applicable discount rate.

Any resulting changes in the fair value of the contingent consideration are recognised in profit or loss in the period in which they arise.

The estimated range of amounts that could become payable (on an undiscounted basis) under the contingent consideration arrangement is as follows:

Component	Minimum \$'000	Maximum \$'000	Probability- weighted estimate \$'000
Working capital adjustment	-	218	218
Indemnification arrangements	-	1,543	1,543
Total	<u>-</u>	<u>1,761</u>	<u>1,761</u>

The maximum amount payable under the indemnification arrangements is capped at \$1,543,000 under the terms of the acquisition agreement. If no claims are agreed under the indemnification arrangements, the related non-current liability would be derecognised, and a corresponding amount would be recognised in equity. Where any claims are agreed, the related non-current liability would be derecognised, resulting in a gain in profit or loss.

Note 35. Cash flow information

Reconciliation of (loss)/profit after income tax to net cash used in operating activities

	2026 \$'000	2025 \$'000
(Loss)/profit after income tax expense for the year	(32,608)	68,517
Adjustments for:		
Depreciation and amortisation	9,309	66
Share-based payments	2,591	11,554
Inventory write-off	-	6
Net gain on remeasurement to fair value of previously held interest in associate	-	(88,383)
Impairment of intercompany loan	67	-
Gain on sale of subsidiary	(73)	-
Write-off of prepaid partnership incentives	760	-
Allowance for expected credit losses	200	-
Interest and other finance costs	887	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,323)	(361)
Decrease in inventories	20	11
Decrease/(increase) in prepayments and other assets	196	(2,053)
(Decrease)/increase in trade and other payables	(921)	2,174
(Decrease)/increase in contract liabilities	(11)	19
Increase in employee benefits	115	159
Net cash used in operating activities	<u>(20,791)</u>	<u>(8,291)</u>

Non-cash investing and financing activities

	2026 \$'000	2025 \$'000
Additions to the right-of-use assets	<u>-</u>	<u>5,735</u>

Changes in liabilities arising from financing activities

	Lease liability \$'000	Loan - Techne Capital Pty Ltd \$'000	Total \$'000
Balance at 1 July 2024	22	-	22
Payment of borrowings	-	(700)	(700)
Loans received	-	12,026	12,026
Acquisition of leases	5,846	-	5,846
Interest unwind using the effective interest rate	-	342	342
Balance at 30 June 2025	5,868	11,668	17,536
Payment of borrowings	-	(5,000)	(5,000)
Repayment of lease liabilities	(433)	-	(433)
Interest unwind using the effective interest rate	-	523	523
Balance at 30 June 2026	<u>5,435</u>	<u>7,191</u>	<u>12,626</u>

Note 36. Commitments

The Group had no capital commitments as at 30 June 2026 and 30 June 2025.

Note 37. Contingent liabilities

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

Note 38. Share-based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

During the financial year ended 30 June 2026, the Company issued 3,000,000 options to directors:

- 1,500,000 options at an exercise price of \$1.50 on or before 18 November 2028 to Jenny Fielding (Director);
- 1,500,000 options at an exercise price of \$1.50 on or before 18 November 2028 to Adrian Bunter (Director).

The value of the options using a Black Scholes valuation method is \$707,970.

Set out below are summaries of options granted:

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
03/12/2020	14/12/2025	\$0.20	7,300,000	-	(7,300,000)	-	-
18/10/2022	31/08/2025	\$0.25	8,000,000	-	(8,000,000)	-	-
25/11/2022	31/08/2025	\$0.25	13,000,954	-	(13,000,954)	-	-
18/07/2023	31/08/2025	\$0.25	8,000,000	-	(8,000,000)	-	-
29/12/2023	29/12/2026	\$0.10	6,750,000	-	(2,810,000)	-	3,940,000
29/12/2023	29/12/2026	\$0.10	7,467,500	-	(3,380,000)	-	4,087,500
05/01/2024	05/01/2027	\$0.10	2,750,000	-	(825,000)	-	1,925,000
15/03/2024	01/05/2026	\$0.14	3,384,200	-	(3,384,200)	-	-
12/06/2024	12/06/2027	\$0.75	3,000,000	-	-	-	3,000,000
27/06/2024	27/06/2027	\$0.10	15,932,500	-	(4,782,286)	-	11,150,214
18/12/2024	18/12/2027	\$0.75	1,000,000	-	-	-	1,000,000
18/12/2024	18/12/2029	\$1.50	3,000,000	-	-	-	3,000,000
18/12/2024	18/12/2029	\$2.00	4,500,000	-	-	-	4,500,000
18/12/2024	18/12/2029	\$2.50	6,000,000	-	-	-	6,000,000
18/12/2024	18/12/2029	\$3.50	7,500,000	-	-	-	7,500,000
30/12/2024	29/12/2027	\$0.75	1,500,000	-	-	-	1,500,000
17/01/2025	17/01/2028	\$0.75	200,000	-	-	-	200,000
17/01/2025	17/01/2028	\$1.00	250,000	-	-	-	250,000
17/01/2025	17/01/2028	\$1.20	1,000,000	-	-	-	1,000,000
01/04/2025	01/03/2028	\$1.00	250,000	-	-	-	250,000
15/09/2025	15/09/2028	\$0.75	-	150,000	-	-	150,000
18/11/2025	18/11/2028	\$1.50	-	3,000,000	-	-	3,000,000
24/04/2026	24/04/2030	\$0.75	-	150,000	-	-	150,000
24/04/2026	24/04/2030	\$1.00	-	125,000	-	-	125,000
24/04/2026	24/04/2030	\$1.50	-	20,000	-	-	20,000
			100,785,154	3,445,000	(51,482,440)	-	52,747,714

Weighted average exercise price	\$0.73	\$1.42	\$0.20	\$0.00	\$1.28
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Note 38. Share-based payments (continued)

2025

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
03/12/2020	14/12/2025	\$0.20	7,500,000	-	(200,000)	-	7,300,000
15/07/2021	15/07/2024	\$0.30	1,000,000	-	-	(1,000,000)	-
09/08/2021	09/08/2024	\$0.40	200,000	-	-	(200,000)	-
26/08/2021	26/08/2024	\$0.30	1,000,000	-	-	(1,000,000)	-
26/11/2021	09/08/2024	\$0.40	1,000,000	-	-	(1,000,000)	-
18/10/2022	31/08/2025	\$0.25	8,000,000	-	-	-	8,000,000
25/11/2022	31/08/2025	\$0.25	15,100,001	-	(2,099,047)	-	13,000,954
18/07/2023	31/08/2025	\$0.25	8,000,000	-	-	-	8,000,000
29/12/2023	29/12/2026	\$0.10	6,750,000	-	-	-	6,750,000
29/12/2023	29/12/2026	\$0.10	500,000	-	(500,000)	-	-
29/12/2023	29/12/2026	\$0.10	10,000,000	-	(2,532,500)	-	7,467,500
05/01/2024	05/01/2027	\$0.10	3,000,000	-	(250,000)	-	2,750,000
15/03/2024	01/05/2026	\$0.14	4,000,000	-	(615,800)	-	3,384,200
22/04/2024	22/04/2027	\$0.10	900,000	-	(900,000)	-	-
12/06/2024	12/06/2027	\$0.75	3,000,000	-	-	-	3,000,000
12/06/2024	22/04/2027	\$0.10	100,000	-	(100,000)	-	-
27/06/2024	27/06/2027	\$0.10	18,000,000	-	(2,067,500)	-	15,932,500
18/12/2024	18/12/2029	\$3.50	-	7,500,000	-	-	7,500,000
18/12/2024	18/12/2027	\$0.75	-	1,000,000	-	-	1,000,000
18/12/2024	18/12/2029	\$1.50	-	3,000,000	-	-	3,000,000
18/12/2024	18/12/2029	\$2.00	-	4,500,000	-	-	4,500,000
18/12/2024	18/12/2029	\$2.50	-	6,000,000	-	-	6,000,000
30/12/2024	29/12/2027	\$0.75	-	1,500,000	-	-	1,500,000
17/01/2025	17/01/2028	\$0.75	-	200,000	-	-	200,000
17/01/2025	17/01/2028	\$1.00	-	250,000	-	-	250,000
17/01/2025	17/01/2028	\$1.20	-	1,000,000	-	-	1,000,000
01/04/2025	01/03/2028	\$1.00	-	250,000	-	-	250,000
			88,050,001	25,200,000	(9,264,847)	(3,200,000)	100,785,154
Weighted average exercise price			\$0.19	\$2.32	\$0.14	\$0.34	\$0.73

Note 38. Share-based payments (continued)

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

Grant date	Expiry date	2026 Number	2025 Number
03/12/2020	14/12/2025	-	7,500,000
18/10/2022	31/08/2025	-	8,000,000
25/11/2022	31/08/2025	-	15,100,001
18/07/2023	31/08/2025	-	8,000,000
29/12/2023	29/12/2026	8,027,500	4,750,000
05/01/2024	05/01/2027	1,925,000	2,800,000
15/03/2024	01/05/2026	-	3,584,200
12/06/2024	12/06/2027	3,000,000	3,000,000
27/06/2024	27/06/2027	11,150,214	17,982,500
18/12/2024	18/12/2029	7,500,000	7,500,000
18/12/2024	18/12/2027	1,000,000	1,000,000
18/12/2024	18/12/2029	3,000,000	3,000,000
18/12/2024	18/12/2029	4,500,000	4,500,000
18/12/2024	18/12/2029	6,000,000	6,000,000
30/12/2024	29/12/2027	1,500,000	833,333
17/01/2025	17/01/2028	1,000,000	1,000,000
17/01/2025	17/01/2028	250,000	250,000
17/01/2025	17/01/2028	200,000	200,000
01/04/2025	01/03/2028	250,000	250,000
15/09/2025	15/09/2028	150,000	-
18/11/2025	18/11/2028	3,000,000	-
24/04/2026	24/04/2030	150,000	-
24/04/2026	24/04/2030	125,000	-
24/04/2026	24/04/2030	20,000	-
		<u>52,747,714</u>	<u>95,250,034</u>

The weighted average share price during the financial year was \$0.58 (2025: \$0.67).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.01 years (2025: 2.36 years).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/11/2025	18/11/2028	\$0.68	\$1.50	80.00%	-	3.73%	\$0.240

Options granted to key personnel during the year

On 24 April 2026, the Group granted unlisted options over ordinary shares to a number of employees and senior personnel under its employee incentive arrangements. Each option is exercisable into one ordinary share. Options granted to key personnel during the year were as follows:

Note 38. Share-based payments (continued)

Grant date	Number	Exercise price \$	Fair value \$	Expiry date
24/04/2026	125,000	1.00	0.361	24/04/2030
24/04/2026	150,000	0.75	0.395	24/04/2030
15/09/2025	150,000	0.75	0.655	15/09/2028
24/04/2026	10,000	1.50	0.311	24/04/2030
24/04/2026	10,000	1.50	0.311	24/04/2030

The value of the options using a Black Scholes valuation method is \$785,763.

Performance rights

The Group also grants performance rights at nil exercise price which vest over three years subject to continued service. During the year ended 30 June 2026, the Group issued 1,087,141 performance rights on 24 April 2026 to 28 participants, with a fair value of \$0.6149 per right based on the share price at grant date and an expiry date of 1 January 2031. The performance rights expense recognised during the year was \$815,405.

Amounts recognised in profit or loss

During the year ended 30 June 2026, the total share-based payment expense recognised was \$2,591,086 (2025: \$11,286,394), comprising \$1,493,733 in respect of options and performance rights granted to employees and directors and \$1,097,353 in respect of options granted to contractors and suppliers.

Set out below are summaries of performance rights granted under the plan:

	Number of rights 2026	Weighted average exercise price 2026	Number of rights 2025	Weighted average exercise price 2025
Outstanding at the beginning of the financial year	2,332,925	\$0.00	-	\$0.00
Granted	1,481,062	\$0.00	2,332,925	\$0.00
Forfeited	(767,578)	\$0.00	-	\$0.00

Outstanding at the end of the financial year	<u>3,046,409</u>		<u>2,332,925</u>	
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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
01/01/2025	01/01/2030	\$0.00	1,665,245	-	-	(277,805)	1,387,440
01/06/2026	01/06/2030	\$0.00	667,680	-	-	(442,682)	224,998
01/04/2026	08/09/2030	\$0.00	-	393,921	-	(47,091)	346,830
01/01/2026	01/01/2031	\$0.00	-	1,087,141	-	-	1,087,141
			<u>2,332,925</u>	<u>1,481,062</u>	<u>-</u>	<u>(767,578)</u>	<u>3,046,409</u>

2025

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
01/01/2025	01/01/2030	-	-	1,665,245	-	-	1,665,245
01/06/2025	01/06/2030	-	-	667,680	-	-	667,680
			<u>-</u>	<u>2,332,925</u>	<u>-</u>	<u>-</u>	<u>2,332,925</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.97 years (2025: 4.62 years).

Note 39. Events after the reporting period

On 9 July 2026, the Group, through Decidr U.S. Inc., completed the asset acquisition of the intellectual property of Rumi.ai (a San Diego AI-powered meeting-intelligence platform) for consideration of approximately 1.6% of Decidr U.S. Inc. common stock. As an asset acquisition, the cost is allocated to the identifiable intellectual property and no goodwill arises.

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.

Entity name	Entity type	Place formed / Country of incorporation	Ownership	Tax residency
			interest %	
8Skincare Pty Ltd*	Body corporate	Australia	100.00%	Australia
Therajoint Pty Ltd*	Body corporate	Australia	100.00%	Australia
The Beauty Apothecary Australia Pty Ltd	Body corporate	Australia	100.00%	Australia
Decidr.ai.Pty Ltd	Body corporate	Australia	100.00%	Australia
Decidr U.S. Inc.	Body corporate	USA	95.87%	USA
Sugarwork, Inc.	Body corporate	USA	100.00%	USA

* These entities are dormant

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 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



David Brudenell
Executive Chairman

30 September 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DECIDR AI INDUSTRIES LTD AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Decidr AI Industries Ltd (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, 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 directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (Going concern) in the financial report, which discloses that the Group incurred a net loss after tax of \$32,608,000 (2025: profit after tax of \$68,517,000) and had cash outflows from operating activities of \$20,791,000 (2025: \$8,291,000) during the year ended 30 June 2026. As stated in Note 2 (Going concern), these events or conditions, along with other matters set forth in this note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Business Combination

Area of focus

On 2 January 2026, the Group acquired 100% of Sugarwork, Inc. This is a significant transaction giving rise to material goodwill and involves significant judgement in determining the fair value of consideration transferred.

Refer also to Note 34.

How our audit addressed the area of focus

We evaluated management's accounting for the acquisition of Sugarwork Inc. and assessed the reasonableness of the significant judgements applied in determining the consideration transferred and the identifiable assets acquired and liabilities assumed.

Our Audit procedures included:

- Reviewing the acquisition agreement and supporting transaction documents to understand the key terms of the acquisition, including the consideration transferred and contingent consideration arrangements.
- Assessing whether the transaction met the definition of a business combination under AASB 3 Business Combinations, including whether the Group obtained control of the acquiree.
- Assessing the classification and measurement of contingent consideration and the non-controlling interest.
- Assessing the calculation of goodwill and the accounting for acquisition-related costs.

We assessed the adequacy of the Group's disclosures in respect of Business combinations.

Estimated impairment of non-financial assets

Area of focus

Intangible assets of \$111.3 million include goodwill of \$102.9 million arising from business combinations, which is tested for impairment annually. Other intangible assets are amortised and were also assessed for impairment following the identification of impairment indicators. This was a key audit matter due to the magnitude of the balance and the significant judgement involved in determining the cash flow forecasts and discount rate used in management's impairment assessments.

Refer also to Note 17.

How our audit addressed the area of focus

We evaluated management's impairment assessments of goodwill and other intangible assets and assessed the reasonableness of the key assumptions underpinning the cash flow forecasts and discount rate.

Our Audit procedures included:

- Evaluating management's determination of the cash-generating units (CGUs) in accordance with AASB 136 Impairment of Assets, including the appropriateness of treating the business as a single CGU.
- Assessing management's impairment model, including testing their mathematical accuracy.
- Evaluating the key assumptions in the cash flow forecasts, including forecast revenue growth, margins and terminal growth rate.
- Assessing the discount rate (WACC) applied, with the assistance of our valuation specialists, by comparing inputs to external market data and comparable companies.
- Performing sensitivity analysis over the discount rate and the achievability of forecasts.
- Comparing the carrying amount of the CGU to the value in use.

We assessed the adequacy of the Group's disclosures in respect of Intangible assets.

Share-based payments

Area of focus

The Group issued shares and options to directors and senior management under a share-based compensation plan. The arrangements have differing terms and conditions, which give rise to different accounting outcomes. Determining the fair

How our audit addressed the area of focus

We evaluated management's accounting for share-based payments and assessed the reasonableness of the valuation methodology and key inputs used to determine the fair value

value of these arrangements requires judgement over assumptions such as volatility and expected life, and the fair value is expensed over the estimated service period.

This was a key audit matter due to the judgement involved in determining fair value.

Refer also to Note 38.

Our Audit procedures included:

- Reviewing the terms of the share-based payment arrangements issued during the period, including documentation issued to shareholders.
- Assessing the valuation methodology and key inputs, including share price, volatility, risk-free rate and expected life, with the assistance of our valuation specialists.
- Assessing how vesting conditions were reflected in the fair value and the period over which the expense was recognised.
- Recalculating the share-based payments expense and agreeing the movement in the option reserve to the underlying calculations.

We assessed the adequacy of the Group's disclosures in respect of Share based payments.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and *the Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or 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 Group'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 Group'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 Group 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. 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, actions taken to eliminate threats or safeguards applied.

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 pages 22 to 28 of the directors' report for the year ended 30 June 2026.

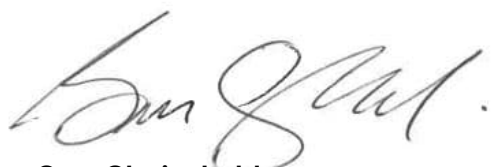
In our opinion, the Remuneration Report of Decidr AI Industries Ltd, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Horizon Nexus (Audit) Pty Ltd

Horizon Nexus (Audit) Pty Ltd

A handwritten signature in black ink, appearing to read 'Sam Claringbold'.

Sam Claringbold
Melbourne, Victoria

Date: 30 September 2026

07

Shareholder Information

Shareholder Information

The shareholder information set out below was applicable as at 5 September 2026.

Distribution of equitable securities

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

	Ordinary shares		Options over ordinary shares		Performance rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	316	0.06	-	-	-	-
1,001 to 5,000	1,038	0.81	-	-	1	0.07
5,001 to 10,000	607	1.34	3	0.06	2	0.51
10,001 to 100,000	1,215	12.04	14	1.43	25	31.25
100,001 and over	334	85.75	33	98.51	9	68.17
	3,510	100.00	50	100.00	37	100.00
Holding less than a marketable parcel	494	-	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
Techne Capital Pty Ltd (formerly Decidr Group Pty Ltd)	78,400,000	22.26
HSBC Custody Nominees (Australia) Limited - A/C 2	18,477,621	5.25
Citicorp Nominees Pty Limited	15,878,487	4.51
Prawn Dumpling Pty Ltd (Something For Later S/F A/C)	13,400,000	3.80
UBS Nominees Pty Ltd	5,254,178	1.49
Vincent Corp Pty Ltd (The V Barbagallo Family A/C)	4,795,000	1.36
Lead Nation Holdings Limited	4,377,000	1.24
INVL Group Pty Ltd (Client Holding A/C)	4,170,574	1.18
Dr Christopher Leigh McGrath (Bloom Family A/C)	3,850,000	1.09
Team JGJM Pty Ltd (JGJM Family A/C)	3,348,000	0.95
Skyline Apparel Pty Limited	3,000,839	0.85
Je Ne Sais Quoi Limited	2,931,687	0.83
Mr Lafitani Sotiriou	2,850,000	0.81
Ms Felicity Hamblin	2,725,102	0.77
Wicklow Capital Pty Ltd (The Tipperary A/C)	2,500,000	0.71
Izvanredna Svota Pty Ltd (WFIT Family Super Fund A/C)	2,500,000	0.71
Mr Gordon Waterfall (G & S Waterfall Family A/C)	2,420,833	0.69
HSBC Custody Nominees (Australia) Limited	2,326,811	0.66
Merrill Lynch (Australia) Nominees Pty Limited	2,288,529	0.65
Mr Andrew David Wilson (Wilson Family A/C)	2,150,000	0.61
	177,644,661	50.42

Equity securities

	Number on issue	Number of holders
Ordinary shares	352,484,488	3,510
Options	52,747,714	50
Performance Rights	3,046,409	37

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Techne Capital Pty Ltd	78,400,000	22.26

Voting rights

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

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no other classes of equity securities.

Restricted securities

There were 78,400,000 fully paid ordinary shares which were subject to a voluntary escrow arrangement and the escrow remains in place until the conclusion of the loan repayment period. As at 30 June 2026 there were no fully paid ordinary shares and no options over ordinary shares which were subject to ASX mandatory escrow arrangements.

On-market buy-back

There is no current on-market buy-back.

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Corporate Directory

Corporate Directory

Directors	David Brudenell (Executive Chairman) Adrian Bunter (Non-Executive Director) Jenny Fielding (Non-Executive Director)
Chief Financial Officer	Penny Diamantakiou (appointed 12 May 2026)
Company Secretaries	David Hwang and Elizabeth Spooner
Registered office	Level 20 347 Kent Street Sydney NSW 2000
Principal place of business	Level 20 347 Kent Street Sydney NSW 2000
Auditor	Horizon Nexus (Audit) Pty Ltd (formerly named MVAB Audit Pty Ltd) Level 4, 35 Collins Street Melbourne VIC 3000 Tel: +61 3 9694 3000
Share registry	Automic Pty Limited Level 5, 126 Philip Street Sydney NSW 2000 Tel: +61 2 9698 5414
Solicitors	Hamilton Locke
Stock exchange listing	Decidr AI Industries Ltd shares are listed on the Australian Securities Exchange (ASX code: DAI)
Website	www.decidrindustries.ai
Corporate Governance Statement	Decidr AI Industries Ltd's directors and management are committed to conducting the Group's business ethically and in accordance with high standards of corporate governance. Decidr AI Industries Ltd has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found in the corporate governance section on the Company's website: https://decidrindustries.ai/corporate-governance
AGM	The Annual General Meeting of Shareholders will be held on Friday 20 November 2026 at 11:00am (AEDT) at Level 20, 347 Kent Street, Sydney NSW 2000.