

Q1 FY27 Activities Report and Appendix 4C

Highlights

- Deepened strategic partnership with IonQ; establishing joint framework for Australian customer pipeline development
 - Launched Quantum Commercial Pilot to test high-value computational problems on IonQ quantum hardware
 - QML fraud detection collaboration with CSIRO tracking toward benchmark demonstration data by middle of financial year 2027
 - Biosensor beta prototype development has progressed for external testing at an external research organisation or clinic using the prototype.
 - Initial commercial discussions advanced with a world-leading US clinical research institution
 - Advancement of the graphene spin qubit program continued during the quarter, with the functional qubit demonstration taking longer than anticipated, due to technical challenges inherent in developing a world-first device demonstration.
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Archer Materials Limited (ASX:AXE), a quantum company developing technologies in computing, sensing, and medical diagnostics, provides its Quarterly Activities Report and Appendix 4C for the quarter ended 30 September 2026.

Commenting on its Q1 FY27 activities, Greg English, Executive Chair of Archer, said:

“Q1 FY27 delivered meaningful commercial momentum across the business. We strengthened the IonQ partnership, moving from agreement to early-stage activity, and spending two days of strategic planning with IonQ’s leadership at the Quantum World Congress outside Washington DC in the US. We also launched a National Commercial Pilot, established workshops with Top Tier financial institutions, and the QML program remains on track to deliver benchmark data by end of Q2 FY27. The Biochip program is making strong technical progress, enabling Archer to enter commercial discussions with a world-leading US clinical research institution, with a structured trial targeted for Q4 FY27.

“Alongside this progress, the qubit demonstration is taking longer than originally anticipated. Developing world-first technologies in exacting scientific and regulatory environments is rarely linear, and we will not rush milestones that require technical and regulatory rigour.

“Our focus for the remainder of FY27 is to start external Biochip trials, deliver a functional graphene qubit with readout, and continue building our Australian quantum customer pipeline in preparation for providing a sovereign computing capability. Our world-class partner network across IonQ, CSIRO, and IMEC is actively accelerating each of these objectives. The Board and Management are firmly focused on converting our technical progress and continued momentum into commercial outcomes that will define this next growth phase for Archer.”

Quantum Technologies Update

Strategic partnership with global quantum leader, IonQ

Archer strengthened its strategic partnership with global quantum leader, IonQ Inc during the quarter, meeting with IonQ leadership in the US across two days planning regional customer pipeline development, commercial programs and applications development, and future strategic planning.

Discussions spanned four priority areas: customer pipeline development for the Australian market; applications and quantum algorithm development; opportunities beyond sovereign compute capability, including quantum communications and quantum key distribution; and the initial planning steps toward establishing an onshore quantum computing capability in Australia.

IonQ also committed to working alongside Archer's leadership team on customer and investor communications going forward, including joint participation in customer meetings, investor webinars and shareholder education activities. The visit meaningfully deepened the operational relationship between the two companies and established a clear framework for near-term commercial activity in Australia.

Quantum World Congress – US Delegation

Archer was selected to represent Australia as part of the Australian Government's trade delegation to Quantum World Congress 2026 in the United States, joining a cohort of the nation's leading quantum technology companies. Archer Chair Greg English and CEO Dr Simon Ruffell attended the Congress, using the opportunity to spend two days in strategic planning meetings with IonQ's leadership and technical teams at IonQ's headquarters.

Launched Quantum Commercial Pilot

During the quarter, Archer launched its National Quantum Commercial Pilot, inviting Australian enterprises to submit high-value computational problems for evaluation on IonQ quantum hardware. Applications opened in October, with the program having been advertised broadly in the weeks following launch. The Company is assessing applications and anticipates a growing pipeline of submissions as awareness builds across both industry and academic networks. Applications for the Commercial Pilot close on 15 November.

The objective of the program is to identify a focused cohort of high-value computational problems that Archer can develop into proof-of-concept projects with end-users, establishing the foundation of a commercial quantum applications pipeline in Australia.

Industry Workshops – Financial Services

Archer's first industry workshop is scheduled for 28 October 2026, to be delivered jointly with Australia's national science agency, CSIRO. The workshop targets the Australian financial services sector, and registrations have been received from both top and mid-tier financial institutions. The workshop is designed to bring together industry problem owners and quantum specialists to identify high-value computational challenges, assess their suitability for quantum approaches, and define pathways toward proof-of-concept projects.

Quantum Machine Learning – CSIRO Collaboration

The QML fraud detection collaboration with CSIRO remains on track to deliver demonstration of fraud detection quantified benchmarks comparing quantum and classical fraud detection approaches by middle of FY27. The next phase of the development will commence on testing and validation on IonQ's Forte hardware, utilising the world's leading quantum compute power to collect the evidentiary foundation for application development and engagement with Australian financial institutions.

Quantum Hardware Development – Graphene Spin Qubit

During the quarter, Archer continued advancement of its graphene spin qubit program, continuing development of a functional graphene spin qubit. Demonstration of the qubit has taken longer than anticipated. However, the team continues to work through the technical challenges inherent in developing a world-first breakthrough demonstration with parallel work streams and close collaboration with the Company's partners.

During FY26, the Company completed full-wafer manufacturing runs of its refined graphene qubit designs, with device fabrication and testing continuing on wafer-scale materials. During the quarter Archer built on this work and is also assessing additional graphene material suppliers and foundries. These activities are intended to support the evaluation of potential manufacturing approaches should the Company successfully demonstrate a functional qubit. Importantly, demonstrating a functional qubit would represent an initial technical milestone, with additional research, development and engineering required to determine whether the technology could be developed into a scalable and commercially viable quantum chip.

Quantum technology is advancing rapidly, and Archer's graphene program is focused on ruggedised, ultra stable quantum hardware that is highly scalable. Archer's quantum hardware is being designed to leverage existing industry-standard semiconductor fabrication infrastructure; the same foundry processes and networks that underpin the global electronics industry, eliminating the need to rebuild manufacturing from scratch and establishing a direct pathway from qubit demonstration to scalable commercial production.

Biochip Platform Update

The team completed multiple iteration cycles on beta prototypes, as planned for the first half of FY27, with significant progress on all aspects of the biosensor product development during the quarter. Each iteration has refined the cartridge design, sensing architecture and readout electronics, bringing the platform closer to the performance and workflow requirements of external laboratory and clinical settings. Furthermore, this work will reduce the cycle times and amount of non-recurring engineering work with external contract manufacturers.

External Testing – Pathway to Clinical Validation

Development is converging on a prototype specification suitable for external evaluation, which remains the program's primary goal for delivery by the middle of FY27, ahead of pre-clinical trials with both an Australian manufacturing partner and a major clinical partner in the US.

Archer is developing complementary testing pathways for the BioChip; the first within Australia. The second pathway involves advanced planning discussions with a world-leading US clinical research institution regarding a structured study designed to prepare the platform for formal clinical trials. The Company's objective is to have beta prototypes at this facility to commence a trial in Q4 FY27.

Together, these pathways establish a credible and near-term route from beta prototype to clinical validation – a critical de-risking milestone for the Biochip program and its commercial development.

Outlook

Archer enters Q2 FY27 focused on delivering its clear near-term priorities across all three programs and is strengthening its commercial strategy and ability to execute. The IonQ partnership, although nascent, is generating active customer engagement, and the Biochip program is targeting commencing pre-clinical trials in the second half of FY27. This momentum is supported by Archer's world-class partner network. The Company continues to advance its technical progress and open commercial pathways. The Board and Management remain firmly focused on converting Archer's technical progress into the external validations and commercial outcomes that will define FY27.

Financial and corporate update

The Company's cash balance at the end of the Quarter was \$13 million and has no debt.

Archer's accompanying Appendix 4C cashflow report for the Quarter includes an amount of \$248,000 at item 6.1, relating to executive and non-executive director fees paid as salaries and wages.

Annual General Meeting

Archer's Annual General Meeting will be held on Friday 20 November 2026 at 10:30am (Sydney time) at Stone & Chalk Sydney Scaleup Hub, Level 1, 477 Pitt Street, Haymarket NSW 2000.

The Company invites shareholders to attend the meeting in person, which will provide shareholders with a comprehensive update on the Company's progress across all programs, followed by a Q&A session with the Board and Management.

The Board of Archer authorised this announcement to be given to ASX.

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About Archer

Archer is a quantum technology company that operates within the semiconductor industry. The Company is developing advanced semiconductor devices, including chips relevant to quantum computing, sensing, and medical diagnostics. Archer utilises its global partnerships to develop these technologies for potential deployment and use across multiple industries. www.archerx.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Archer Materials Limited

ABN

64 123 993 233

Quarter ended ("current quarter")

30 September 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(906)	(906)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(1)	(1)
(d) leased assets	-	-
(e) staff costs	(1,182)	(1,182)
(f) administration and corporate costs	(843)	(843)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	154	154
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,778)	(2,778)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)
(d) investments	-	-
(e) intellectual property	(14)	(14)
(f) other non-current assets	(4)	(4)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(19)	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,501	7,501
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(99)	(99)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(4)	(4)
3.10	Net cash from / (used in) financing activities	7,398	7,398

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,406	8,406
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,778)	(2,778)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19)	(19)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,398	7,398
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,007	13,007

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,351	1,846
5.2	Call deposits	6,656	6,560
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,007	8,406

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	248
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		N/A
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,778)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13,007
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	13,007
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.68
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2026
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Authorised by: The Board of Archer Materials Limited
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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.