



Adisyn Ltd (ASX: AI1)
ABN 30 155 473 304

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2025

Adisyn Ltd and its controlled entities
Corporate directory
30 June 2025

Directors	Kevin Crofton (Non-Executive Chairman) Blake Burton (Managing Director) Ayre Kohavi (Non-Executive Director and CEO of 2D Generation) Dominic O'Hanlon (Non-Executive Director)
Company secretary	Kyla Garic
Registered office	Suite 7, 63 Shepperton Road Victoria Park Western Australia 6100
Telephone:	+1300 331 888
Email:	investors@adisyn.com.au
Website:	www.adisyn.com.au
Share register	Xcend Pty Ltd Level 2, 477 Pitt Street Haymarket NSW 2000
Auditor	Hall Chadwick WA Audit Pty Ltd 283, Rokeby Road Subiaco WA 6008
Solicitors	Nova Legal 50 Kings Park Road Perth WA 6005
Stock exchange listing	Adisyn Ltd shares are listed on the Australian Securities Exchange (ASX code: A11)

Adisyn Ltd and its controlled entities
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General information

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

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

Registered office

Suite 7, 63 Shepperton Road
Victoria Park WA 6100

Principal place of business

Unit 3, 4 McGrath Road
Henderson WA 6166

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 29 September 2025.

Adisyn Ltd and its controlled entities
Directors' report
30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Adisyn Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

1. Directors

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

Name	Position	Appointment date	Resignation date
Kevin Crofton	Non-Executive Chairman	17 March 2025	-
	Non-Executive Director	14 February 2025	-
Blake Burton	Managing Director	1 July 2022	-
Ayre Kohavi	Non-Executive Director and Chief Executive Officer (2D Generation)	12 February 2025	-
Dominic O'Hanlon	Non-Executive Director	17 March 2025	-
Shane Wee	Non-Executive Chairman	31 August 2021	17 March 2025
Justin Thomas	Non-Executive Director	9 July 2024	12 February 2025
	Executive Director	2 February 2012	9 July 2024

Information on directors

Name:	Kevin Crofton
Title:	Non-Executive Chairman (appointed 17 March 2025)
Qualifications:	MBA in International Business and BS in Engineering (Aerospace)
Experience and expertise:	Mr Crofton is an accomplished business leader with over three decades of extensive international experience in the technology industry serving in a number of key leadership roles for companies including: Lam Research Corporation (Nasdaq: LRCX, US\$96B mkt cap), KLA Corporation (Nasdaq: KLAC, US\$91B mkt cap), Newport Corporation (acquired for US\$980M), NEXX Systems (acquired by Tokyo Electron) and Aviza Technology. Among his many achievements, Mr Crofton co-led a private equity backed buyout of Aviza Technology UK to create what became SPTS Technologies, where he was President and Managing Director from 2006 to 2020 and created a US\$500M turnover, highly profitable, market leading company. SPTS was bought by Orbotech, which was later acquired by KLA for US\$3.4B (US\$2.3Bn attributed to SPTS). Mr Crofton has also served a period of eight years as a board member and Chair of SEMI International, the global industry association for semiconductors.
Other current directorships:	Creo Medical Group PLC (AIM: Creo)
Former ASX directorships (last 3 years):	Nil
Interests in shares:	2,472,202 fully paid ordinary shares
Interests in options:	6,000,000 unlisted options, exercisable at \$0.15 per option, expiring 19 May 2028
Interests in rights:	272,202 performance rights

Adisyn Ltd and its controlled entities
Directors' report
30 June 2025

Name: **Blake Burton**
Title: Managing Director
Qualifications: BCom (Accounting and Corporate Finance)
Experience and expertise: Mr Burton possesses extensive experience in the IT industry. He was co-founder of web hosting company, Netorigin in 2011. Mr Burton grew Netorigin from inception and took the Company to successful trade sale in 2019 to Australia's largest privately owned web host VentralP. At completion of the sale to Netorigin Mr Burton focused on Attained Group. Mr Burton has previously worked as an auditor at PwC, which included working with a number of ASX listed and international companies.

Other current directorships: Nil
Former ASX directorships (last 3 years): Nil
Interests in shares: 16,416,028 fully paid ordinary shares
Interests in options: Nil
Interests in rights: 5,000,000 performance rights

Name: **Arye Kohavi**
Title: Non-Executive Director (appointed 12 February 2025) and Chief Executive Officer of 2D Generation
Qualifications: MBA (Finance) and BA in Economics and Accounting
Experience and expertise: Recognized as one of the world's 100 Leading Global Thinkers and one of the world's top innovators, Mr Kohavi is a seasoned entrepreneur and innovator with a proven track record in building successful companies, including Watergen, a leading provider of atmospheric water generation technology. Mr Kohavi is the founder and CEO of 2D Generation Ltd ("2DG").

Other current directorships: Nil
Former ASX directorships (last 3 years): Nil
Interests in shares: 15,300,846 fully paid ordinary shares escrowed to 9 January 2027
Interests in rights: 15,300,846 performance rights

Name: **Dominic O'Hanlon**
Title: Non-Executive Director (appointed 17 March 2025)
Qualifications: BA (Econ, Govt) Hons I, Fellow of the Australian Institute of Company Directors
Experience and expertise: Mr. O'Hanlon has over 30 years of experience in the Information Technology industry. Throughout his career, Mr. O'Hanlon has held key executive roles, both domestically and internationally, consistently driving growth and commercial success in technology-focused businesses.

Mr. O'Hanlon has served as Managing Director and CEO of Rhip Limited (ASX: RHP) for over seven years. During Mr O'Hanlon's time as CEO of RHP, the business grew sales from AUD \$74.5M to \$377.4M (26.6% CAGR) and EBITDA from AUD \$1.5M to \$16.6M (41% CAGR). RHP had approximately 600 staff across 10 countries.

Prior to RHP, Mr O'Hanlon had multiple technology build and scale experiences including as CEO of Haley Limited (sold to Oracle) and as Chief Strategy Officer of MYOB (sold to Bain Capital).

Other current directorships: Pentanet (ASX: 5GG)
Former ASX directorships (last 3 years): Nil
Interests in shares: 600,263 Fully Paid Ordinary Shares
Interests in options: 6,000,000 unlisted options, exercisable at \$0.15 per option, expiring 19 May 2028

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

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

2. Company secretary

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

3. Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Board Meeting	
	Eligible to Attend	Attended
Blake Burton	11	11
Kevin Crofton	5	5
Arye Kohavi	5	5
Dominic O’Hanlon	4	4
Shane Wee	7	6
Justin Thomas	6	5

4. Principal activities

Adisyn is a leading provider of managed technology solutions, primarily serving the SME market. The Group leverages cutting-edge technologies, including artificial intelligence and cybersecurity, to deliver bespoke solutions. Through its wholly owned subsidiary, **2D Generation**, Adisyn is advancing research and development of graphene-based semiconductor technologies to overcome industry limitations and drive innovation across sectors including AI, telecommunications, and data storage.

5. Operating and financial review

The loss for the Group after providing for income tax amounted to \$9,601,953 (30 June 2024: \$1,698,495).

Review of Operations

Transformational Semiconductor Technology Opportunity

The financial year has proven to be a transformational period for Adisyn, with the Company completing a foundational acquisition of 2D Generation Limited ("2DG") to pursue a highly attractive opportunity delivering next-generation semiconductor technology while also rationalising existing operations and significantly strengthening the balance sheet.

In July 2024, Adisyn announced that the Company had completed a strategic review which outlined the potential to streamline the business and enable a pathway to target prospective future opportunities. Following the outcomes of the review, Adisyn announced a strategic collaboration with 2DG which presented the potential to combine significant expertise in the semiconductor and AI industry with the Group's existing capabilities in data centre and cybersecurity management.

Following a successful initial collaboration, Adisyn entered formal negotiations to acquire 2DG in October 2024. This was accompanied by a \$3 million equity capital raise (before costs), announced in November, to support the acquisition and future development initiatives.

On 9 January 2025, the Group completed the acquisition of 100% of 2DG. The consideration for the acquisition comprised; 300,000,000 fully paid ordinary shares in Adisyn (Consideration Shares) and 300,000,000 performance rights (Performance Rights), convertible on a one-for-one basis into ordinary shares upon achievement of the following milestones:

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

The acquisition of 2DG permits Adisyn to focus on the immense opportunity to deliver advanced semiconductor component technology developed from graphene.

2DG is in the process of researching an innovative semiconductor interconnect solution based on graphene—a single-layer, two-dimensional carbon material with exceptional electronic, thermal, and mechanical properties.

Using an ALD machine to produce graphene at relatively low temperatures is unique. This innovative approach allows the Company to potentially create a graphene-based interconnect in a low temperature environment compatible with semiconductor fabrication environment, preventing device damage and yield loss.

2D Generation's innovative technology centres around the aim of improving the performance and capabilities of the basic interconnect architecture of a semiconductor device.

About the semiconductor interconnect:

- An interconnect in a semiconductor refers to the conductive pathways that connect different components or regions within an integrated circuit (IC), often referred to as a "chip".
- These interconnects are crucial for the functionality of the IC as they facilitate the flow of electrical signals between transistors.
- Interconnects can be made of various materials, typically metals like aluminium or copper, and are implemented in different layers within the semiconductor structure.

As IC's have become more complex, with smaller and more densely packed features, the design and materials used for interconnects are increasingly posing technical challenges.

Interconnects have traditionally consisted of copper due to the metal's superior conductivity. However, at a scale of 10 nanometres (nm) or below, copper begins to experience increased electrical resistance (meaning it progressively loses its conductive properties). With modern chips now approaching 2-3nm the use of copper interconnects poses a significant obstacle. As the metal is refined to smaller scales it requires more power and produces more heat, effectively pushing the metal to its physical performance limits.

Graphene is an ideal material to solve this challenge as it is particularly strong, heat-resistant, has up to 200x higher electron mobility than copper and experiences minimal resistivity at small scales.

The Company's ALD-based process aims to produce high-quality graphene films directly onto semiconductor wafers at low temperatures, overcoming key barriers that have previously limited graphene's adoption in chip manufacturing and potentially offers a replacement for industry standard Copper interconnect architectures

Extensive Semiconductor Experience Added to the Board

Following the strategic acquisition of 2DG, Adisyn has introduced significant semiconductor industry experience to the Board to further drive innovation.

On 12 February, Adisyn announced 2DG founder Mr Arye Kohavi formally joined the board as a non-executive director. Mr Kohavi has a successful track record as an entrepreneur and innovator. He was the founder, president & Co-CEO of Water-Gen, which developed water-from-air and air dehumidification technologies and was acquired for a significant amount.

The Adisyn Board was further strengthened with the introduction of world-renowned semiconductor industry leader, Mr Kevin Crofton. Initially joining the Company as a director on 14 February, he was subsequently appointed non-executive chairman on 17 March 2025.

Mr Crofton brings more than 30 years' industry experience including at a number of high-profile positions at major semiconductor companies: Lam Research Corporation (Nasdaq: LRCX, US\$97B mkt cap), KLA Corporation (Nasdaq: KLAC, US\$91B mkt cap), Newport Corporation (acquired for US\$980M) and SPTS Technologies (US\$500M turnover). Mr Crofton's contributions extend beyond corporate leadership, including serving as Chair of the industry association, SEMI International, founding the UK's Compound Semiconductor Applications Catapult and advising Senator Mark Warner on the US CHIPS Act.

Additionally, Adisyn welcomed highly credentialed technology entrepreneur Mr Dominic O'Hanlon as a non-executive director on 17 March 2025.

Mr O'Hanlon brings extensive knowledge of the Information Technology industry over a career spanning more than 30 years. Dominic has a track record of repeated successes with domestic and global experience through key executive positions focused on growing and commercialising technology businesses, having served as Managing Director and CEO of Rhip Limited (ASX: RHP) for over seven years.

Strong Balance Sheet Accelerating Semiconductor Research and Development

In January, Adisyn advised the Company had successfully concluded a heavily oversubscribed \$10 million placement (before costs), issuing 105,263,158 new fully paid ordinary shares at \$0.095 each. Additionally, 20,000,000 unlisted options, exercisable at \$0.15 per share and expiring in 36 months, were issued to brokers as part consideration for the placement.

Adisyn chairman Mr Kevin Crofton participated in the Placement by subscribing for 800,000 shares.

Proceeds from the Placement are being deployed strategically to support the Group's growth objectives, which include:

- Acquisition of Cutting-Edge Equipment
- Technological Innovation and Development
- Commercialisation and Strategic Partnerships
- Operational Readiness
- Working Capital and Placement Costs

These goals were significantly advanced in March 2025 via the execution of a strategic partnership with Tel Aviv University's Jan Koum Center for Nanoscience and Nanotechnology (TAU Nano Center), a leading nanotechnology research center driving innovation in nanofabrication, MEMS (MicroElectro-Mechanical Systems), nanomaterials, and traditional semiconductor devices.

As part of the agreement, Adisyn has been able to lease specialised equipment from the TAU Nano Center, including the Beneq TFS 200 ALD system (Figure 1), which is essential for the Company's work in the field of advanced graphene-based interconnect.

The Partnership also positions the Group to strengthen its competitive edge in the nanotechnology sector. By working alongside the TAU Nano Center, the Company will have access to a wealth of knowledge and cutting-edge technologies that can be leveraged to accelerate innovation and potentially reduce time to market.

Additionally, the collaboration will enable Adisyn to deepen its intellectual property portfolio, as any innovations developed during the partnership will be owned exclusively by the Company. This increases the value of Adisyn's intellectual property, which is a key asset for the Company's future growth and commercial success.



Figure 1: Beneq TFS 200 ALD system at Tel Aviv University's Jan Koum Center for Nanoscience and Nanotechnology

Post-year end, the Company advised of a major research and development milestone with the completion of installation, commissioning and successful calibration of a newly acquired Beneq TFS 200 ALD (Figure 2) at the Group's state-of-the-art research facility.



Figure 2: Successfully commissioned Atomic Layer Deposition system at 2DG lab at Yakum Industrial Park, Israel

2DG has bought and commissioned an ALD with specific benefits, including:

- Plasma options for wafer surface treatments and potential introduction of reactive gases that catalyse graphene growth
- Semi-automatic Load lock enables room-temperature sample exchange, reducing heating/cooling times.
- Reaction chamber suitable for wafer-scale processing: The system features enhanced process control, wider operational temperature thresholds, and significantly higher throughput compared to previously used equipment.

These capabilities are essential for advancing the Company's proprietary low-temperature graphene deposition process, which aims to overcome existing performance barriers in semiconductor interconnects.

The commissioning follows the successful completion of a substantial infrastructure upgrade at the 2D Generation facility, including environmental control systems and high-specification electrical works to support the precision demands of ALD-based research.

The Group's new Beneq TFS 200 ALD will operate in tandem with the system located at Tel Aviv University's Jan Koum Center for Nanoscience and Nanotechnology. Together, the dual-system configuration will allow 2DG to run concurrent testing and accelerate the validation of graphene films across various substrates, layer structures and operating conditions.

At the end of the financial year, Adisyn advised the Company's research efforts had received a further boost via securing total funds of ~A\$520,000 and a final grant payment of ~A\$100,000 via the Israel Innovation Authority (IIA). 2D Generation received the remaining A\$420,000 prior to the Company's acquisition of 2DG on 9 January 2025.

The total grant received by 2D Generation represents 50% of the total R&D expenditure (A\$1.04 million) undertaken by 2D Generation from May 2024 to February 2025.

The receipt of the final instalment follows a stringent audit process conducted by the IIA which encompassed both technical and financial aspects, validating the Company's execution and results.

The IIA is internationally regarded for its robust due diligence processes and plays a central role in advancing Israel's leadership in semiconductor and deep-tech innovation. Its support reflects strong confidence in the scientific and commercial potential of Adisyn's proprietary low-temperature graphene interconnect deposition technology.

Rationalisation of Legacy Operations

In parallel with its strategic pivot, the Group undertook a comprehensive review and rationalisation of its legacy operations.

- **Data Centre Operations:** In September 2024, Adisyn successfully negotiated the surrender of its lease for the Bibra Lake data centre in Western Australia. This move simplifies the Group's service delivery model, with all data centre services now provided via third-party facilities. Existing profitable customers were seamlessly transitioned to alternative Perth-based centres. The lease surrender is expected to deliver annual savings of approximately \$350,000 and free up capital for semiconductor initiatives.
- **Divestment of Miner Hosting Assets:** The Group identified its cryptocurrency Miner Hosting business as non-core. On 28 January 2025, Adisyn entered into a binding Heads of Agreement ("HoA") with Metacorp Developments Pty Ltd ("Metacorp"), a private Australian cryptocurrency services provider, for the sale of the physical assets of the Miner Hosting business. In May, the Company successfully completed a transaction under a revised Heads of Agreement. The transaction excluded its Victorian-based assets due to the Victorian leaseholder of the land being unwilling to novate its agreement with the Company to Metacorp. The Victorian assets represent a small, immaterial portion of the Company and Adisyn will continue to work towards its disposal.

Post-year end Adisyn completed its strategic business operations overview and initiated further business rationalisation activities. Moving forward, Adisyn will operate across three business units: 2D Generation, Corporate and Adisyn Services – with the final segment streamlined to focus on the provision of certain specialist IT-based Managed Services, such as cyber security and cloud services.

Outlook

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

With these strong industry tailwinds, Adisyn—through its wholly owned subsidiary 2DG—will continue to advance its graphene-based semiconductor technologies.

The Group confirms that during the financial year ended 30 June 2025, it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

6. Significant changes in the state of affairs

Refer to the review of operations, there were no other significant changes in the state of affairs of the Group during the financial year.

7. Business risks

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

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

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

Key Customer Relationships

The growth of the Group depends in part on increasing the number of its customers, and the number of services offered to those customers. There is a risk that one or more key customers may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with Adisyn or that the subsequent terms may be less favourable to Adisyn.

Financial Performance

The Group requires sufficient cash to guarantee the continuation of its strategic initiatives. The Group may encounter challenges in implementing its strategy along with potential difficulties such as liquidity or financial deficits, from any failings in the planning and implementation of its capital management. Adequate funding is essential for the Group to continue to invest in its products and innovate in the coming years. Failure to secure necessary funding could force the Company to limit operations, materially impacting its activities and challenging continued operation.

Technological Developments

The Group operates in a competitive industry. Failure to adapt to the latest technological changes in a timely manner could result in reduced customer demand for the products and services which the Group develops. This in turn could result in customer churn, and/or a reduction in revenues and margins.

Cyber Security

Potential cyber incidents resulting in the Groups data being compromised could negatively impact the operations of the Group and its reputation.

Infrastructure Downtime

A catastrophic failure or interruption of either the Groups or suppliers cloud platform or data centre could result in the Group not being able to provide access to critical systems for customers. This would lead to the Group being in breach of its service level agreements with customers and the Group would incur contractual liabilities.

Ability to source and retain key personnel

The Company employs or engages as consultants, a number of key members of its team. Attracting and retaining talent underpins the groups successful delivery of strategic objectives. A shortage in labour and the inability to attract qualified personnel could adversely affect the Group and may impede on its ability to achieve its strategic objectives.

8. Dividends

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

9. Matters subsequent to the end of the financial year

On 8 September 2025, 2,500,000 performance rights lapsed as the conditions have not been satisfied.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

10. Likely developments and expected results of operations

The Group's principal continuing activities is as a provider of managed technology solutions, primarily serving the SME market. The Group leverages cutting-edge technologies, including artificial intelligence and cybersecurity, to deliver bespoke solutions. Through its wholly owned subsidiary, **2D Generation**, Adisyn is advancing graphene-based semiconductor technologies to overcome industry limitations and drive innovation across sectors including AI, telecommunications, and data storage. The Group's future developments, prospects and business strategies are to continue to develop and commercialise these technologies.

11. Environmental regulation

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

12. Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
26/11/2021	20/12/2025	\$0.600	1,000,000
9/10/2024	14/11/2027	\$0.030	2,000,000
20/12/2024	20/12/2027	\$0.075	14,925,000
09/01/2025	09/01/2028	\$0.075	45,000,000
31/01/2025	31/01/2028	\$0.150	20,000,000
13/05/2025	19/05/2028	\$0.150	12,000,000
			<hr/> 94,925,000

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 issued on the exercise of options

During the year ended 30 June 2025 a total of 2,575,000 options were converted to ordinary shares as follows:

- 1,000,000 options exercisable at \$0.030 on or before 14 November 2027;
- 1,500,000 options exercisable at \$0.050 on or before 28 June 2025; and
- 75,000 options exercisable at \$0.075 on or before 20 December 2027;

13. Shares under performance rights

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

Grant date	Expiry date	Number under rights
05/07/2023	01/07/2026	250,000
06/12/2024	31/12/2025	750,000
30/11/2023	31/12/2025	5,000,000
09/01/2025	09/01/2026	100,000,000
09/01/2025	09/07/2026	100,000,000
09/01/2025	09/01/2028	100,000,000
		<hr/> 306,000,000

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

Shares issued on the exercise of performance rights

During the year ended 30 June 2025 a total of 2,500,000 T1 Performance Rights were converted to ordinary shares on the vesting of the T1 Performance Rights.

Additional information

The earnings of the Group for the three years to 30 June 2025 are summarised below:

	2025 \$	2024 \$	2023 \$
Sales revenue from continuing operations	3,261,168	5,495,434	2,675,217
EBITDA from continuing operations	(5,688,285)	(87,537)	(1,398,642)
EBIT from continuing operations	(6,454,366)	(1,427,677)	(2,216,244)
Loss after income tax from continuing operations	(6,454,366)	(1,427,677)	(2,216,244)

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

	2025 \$	2024 \$	2023 \$
Share price at financial year end (\$)	0.04	0.02	0.02
Total dividends declared (cents per share)	-	-	-
Basic earnings per share (cents per share)	(1.38)	(1.42)	(2.19)
Diluted earnings per share (cents per share)	(1.38)	(1.42)	(2.19)

14. Indemnification of Officers and Auditors

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

15. Non-audit services

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

16. Proceedings on behalf of the Company

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

17. Auditor's independence declaration

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

18. Rounding off

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the consolidated financial statements and director's report have been rounded off to nearest dollars, unless otherwise stated.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2025 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

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

1. Introduction

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

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

Key management personnel covered in this report are as follows:

Name	Position	Appointment date	Resignation date
Mr Kevin Crofton	Non-Executive Chairman	17 March 2025	-
	Non-Executive Director	14 February 2025	
Mr Blake Burton	Managing Director	1 July 2022	-
Mr Ayre Kohavi	Non-Executive Director and Chief Executive Officer (2D Generation)	12 February 2025	-
Mr Dominic O'Hanlon	Non-Executive Director	17 March 2025	-
Mr Jesper Sentow	Chief Financial Officer	16 June 2023	-
Mr Shane Wee	Non-Executive Chairman	31 August 2021	17 March 2025
Mr Justin Thomas	Non-Executive Director	2 February 2012	12 February 2025

2. Remuneration Governance

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

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

3. Executive Remuneration Arrangements

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

At the date of this report the Company has three appointed executives, Mr Blake Burton as Managing Director, Mr Arye Kohavi as Chief Executive Officer of 2DG Generation and Non-Executive Director of Adisyn Ltd and Mr Jesper Sentow as Chief Financial Officer.

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

Executive Name	Services Agreement Summary
Mr Blake Burton	<ul style="list-style-type: none"> - Base salary of \$210,000 (exclusive of superannuation) from 1 July to 31 July 2024 increased to \$250,000 from 1 August 2024 to 30 June 2025. - Bonus as determined by the Board from time to time (cash, shares, options, performance rights or other securities) with due consideration of share price performance relative to peers. - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with Group's reimbursement policies. - Indefinite term until termination.
Mr Arye Kohavi	<ul style="list-style-type: none"> - For the year ended 30 June 2025, executive salary of ILS 840,000 per annum (based on the exchange rate at 30 June 2025, equals approximately A\$378,924). - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with Group's reimbursement policies. - The agreement has a formal commencement date being 9 January 2025 and shall be in effect twenty-four months (Initial term) following Completion of the transaction with Adisyn Ltd. The agreement can be continued by giving written notice. The agreement may be terminated by either party on 180 days' written notice. It may be terminated immediately with justifiable cause.
Mr Jesper Sentow	<ul style="list-style-type: none"> - The Company entered into an engagement letter with Sommersted Enterprises Pty Ltd in which Mr Sentow will provide various financial and other corporate consulting services. - Fees will be charged at a rate of \$1,200 per day (exclusive of GST). - Adisyn will reimburse Sommersted Enterprises for all reasonable out-of-pocket expenses properly incurred in performing this engagement. - The engagement will automatically terminate at expiry of the agreed term and can be terminated by either party by giving no less than 4 weeks' notice.

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

4. Non-executive Director Fee Arrangement

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

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

Total fees for the Non-executive directors for the financial year were \$180,426 and cover main Board activities only. Non-executive directors may receive additional remuneration for other services provided to the Group.

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

5. Details of Remuneration

Details of the remuneration of key management personnel, includes the current and former Directors of the Company during the year ended 30 June 2025:

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Annual leave provision	Super-annuation	Other Long Term Benefit	Equity-settled options	Total
30 June 2025	\$	\$	\$	\$	\$	\$

Executives:

Blake Burton	246,667	4,153	25,842	-	10,218	286,880
Arye Kohavi	184,212	-	-	-	-	184,212
Jesper Sentow	231,317	-	-	-	4,222	235,539

Non-Executive Directors:

Kevin Crofton	43,125	-	-	-	147,221	190,346
Dominic O'Hanlon	21,875	-	2,516	-	147,221	171,612
Shane Wee ¹	56,718	-	6,523	-	-	63,241
Justin Thomas ²	46,501	2,299	3,169	-	-	51,969
	830,415	6,452	38,050	-	308,882	1,183,799

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

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Annual leave provision	Super-annuation	Other Long Term Benefit	Equity-settled options	Total
30 June 2024	\$	\$	\$	\$	\$	\$

Executives:

Blake Burton	213,500	1,864	21,065	-	12,868	249,297
Justin Thomas	163,711	(86,232)	14,646	-	-	92,125
Jesper Sentow ¹	-	-	-	-	30,000	30,000
Paul Arch	173,174	4,638	16,389	-	9,102	203,303
Liam Gale	167,870	(85)	15,924	-	7,693	191,402

Non-Executive Directors:

Shane Wee ²	65,576		7,213	-	100,000	172,789
	783,831	(79,815)	75,237	-	159,663	938,916

Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received \$141,150 plus GST (30 June 2023: \$9,600) and

- (1) \$30,000 in shares during the year for the CFO services. This transaction was disclosed in "Other transactions with key management personnel and their related parties" section.
- (2) This pertains to shares yet to be issued and remains as payable as at 30 June 2024.

6. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year ended 30 June 2025 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	Number acquired during the year	Number granted as compensation during the year	Number sold during the year	Balance at the end of the year
Executives					
Blake Burton	15,133,977	1,282,051	-	-	16,416,028
Arye Kohavi	15,300,846				15,300,846
Jesper Sentow	1,500,000	-	55,555	-	1,555,555
Non-Executive Director					
Kevin Crofton*	272,202	2,200,000	-	-	2,472,202
Dominic O'Hanlon*	600,263	-	-	-	600,263
Shane Wee*	2,525,000	112,297	6,212,703	-	8,850,000
Justin Thomas*	14,578,396	-	-	-	14,578,396
	49,910,684	3,594,348	6,268,258	-	59,773,290

Option holding

The number of options over ordinary shares in the Company held during the financial year ended 30 June 2025 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Executives					
Blake Burton	1,000,000	-	-	(1,000,000)	-
Arye Kohavi*	-	-	-	-	-
Jesper Sentow	-	-	-	-	-
Non-Executive Directors					
Kevin Crofton	-	6,000,000	-	-	6,000,000
Dominic O'Hanlon*	-	6,000,000	-	-	6,000,000
Shane Wee*	1,000,000	-	-	-	1,000,000
Justin Thomas*	-	-	-	-	-
	2,000,000	12,000,000	-	(1,000,000)	13,000,000

* Opening/Closing balance at Appointment/Resignation Date.

Adisyn Ltd and its controlled entities
Directors' report
30 June 2025

Performance rights holding

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

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Executives					
Blake Burton	5,000,000	-	-	-	5,000,000
Ayre Kohavi*	15,300,846	-	-	-	15,300,846
Jesper Sentow	-	-	-	-	-
	-	-	-	-	-
Non-Executive Directors					
Kevin Crofton*	272,202	-	-	-	272,202
Dominic O'Hanlon*	-	-	-	-	-
Shane Wee*	-	-	-	-	-
Justin Thomas*	-	-	-	-	-
	20,573,048	-	-	-	20,573,048

* Opening/Closing balance at Appointment/Resignation Date.

7. Loans from key management personnel (KMP) and their related party

There were no loans outstanding to or from related parties at the financial year ended 30 June 2025.

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

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

	30 June 2025 \$	30 June 2024 \$
Trevor Thomas – employee (gross salary plus super) ¹	-	15,797
Rebecca Thomas - employee (gross salary plus super) ²	-	76,032
Jesper Sentow - CFO ³	-	171,150
Kevin Crofton – Consultant fee pre appointment	9,375	-
	9,375	262,979

(1) The related parties are the parents of Executive Director, Justin Thomas

(2) The related party is the spouse of Executive Director, Justin Thomas

(3) Current year remuneration shown in the table above

9. Voting of shareholders at last year's annual general meeting

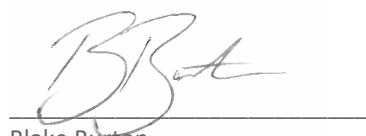
At the 29 November 2024 AGM, 99.58% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

This concludes the remuneration report, which has been audited.

Adisyn Ltd and its controlled entities
Directors' report
30 June 2025

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

A handwritten signature in black ink, appearing to read 'BB', is written over a horizontal line.

Blake Burton
Managing Director

29 September 2025

To the Board of Directors,

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

As lead audit director for the audit of the financial statements of Adisyn Ltd. and its controlled entities for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 29th day of September 2025
Perth, Western Australia

Adisyn Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	30 June 2025 \$	30 June 2024 \$
Revenue from continuing operations			
Revenue	5	3,261,168	5,495,434
Other income		218,248	1,534,328
Expenses			
Cost of goods sold		(1,616,824)	(2,288,104)
Selling and distribution expenses		(283,818)	(93,319)
Research and development expenses		(886,106)	-
Share-based payments	20	(2,045,064)	(95,771)
Administrative expenses	6	(1,281,152)	(750,164)
Other operating expenses	7	(3,411,341)	(4,116,379)
Impairment of assets	14	(301,769)	(773,121)
Finance costs		(107,708)	(340,581)
Loss before income tax expense from continuing operations		(6,454,366)	(1,427,677)
Income tax expense	8	-	-
Loss after income tax expense from continuing operations		(6,454,366)	(1,427,677)
Loss after income tax expense from discontinued operations	23	(3,147,587)	(270,818)
Loss after income tax expense for the year attributable to the owners of Adisyn Ltd		(9,601,953)	(1,698,495)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		131,115	(2,590)
Other comprehensive income for the year, net of tax		131,115	(2,590)
Total comprehensive income for the year attributable to the owners of Adisyn Ltd		(9,470,838)	(1,701,085)
Total comprehensive income for the year is attributable to:			
Continuing operations		(6,323,251)	(1,430,267)
Discontinued operations		(3,147,587)	(270,818)
		(9,470,838)	(1,701,085)

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

Adisyn Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Adisyn Ltd			
Basic earnings per share	24	(1.38)	(1.42)
Diluted earnings per share	24	(1.38)	(1.42)
Earnings per share for loss from discontinued operations attributable to the owners of Adisyn Ltd			
Basic earnings per share	24	(0.67)	(0.27)
Diluted earnings per share	24	(0.67)	(0.27)
Earnings per share for loss attributable to the owners of Adisyn Ltd			
Basic earnings per share	24	(2.05)	(1.69)
Diluted earnings per share	24	(2.05)	(1.69)

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

Adisyn Ltd and its controlled entities
Consolidated statement of financial position
As at 30 June 2025

	Note	30 June 2025 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		6,959,562	299,141
Trade and other receivables	10	337,331	741,078
Inventory		4,513	11,860
Other assets		86,467	173,419
		<u>7,387,873</u>	<u>1,225,498</u>
Assets of disposal groups classified as held for sale	12	209,803	1,596,412
Total current assets		<u>7,597,676</u>	<u>2,821,910</u>
Non-current assets			
Right-of-use assets	11	274,789	1,667,130
Property, plant and equipment	13	2,449,638	936,894
Intangibles	14	36,612,692	1,179,449
Other assets		23,305	105,600
Total non-current assets		<u>39,360,424</u>	<u>3,889,073</u>
Total assets		<u>46,958,100</u>	<u>6,710,983</u>
Liabilities			
Current liabilities			
Trade and other payables		514,951	1,039,069
Contract liabilities		259,189	232,932
Lease liabilities	15	202,048	732,701
Other liabilities		-	293,117
Borrowings	17	-	563,794
Provisions		132,899	113,697
		<u>1,109,087</u>	<u>2,975,310</u>
Liabilities directly associated with assets classified as held for sale	16	64,712	189,785
Total current liabilities		<u>1,173,799</u>	<u>3,165,095</u>
Non-current liabilities			
Lease liabilities	15	78,230	1,104,455
Borrowings	17	-	244,362
Provisions		68,663	49,288
Other liabilities		-	74,311
Total non-current liabilities		<u>146,893</u>	<u>1,472,416</u>
Total liabilities		<u>1,320,692</u>	<u>4,637,511</u>
Net assets		<u>45,637,408</u>	<u>2,073,472</u>
Equity			
Issued capital	18	46,730,520	11,324,454
Reserves	19	20,478,008	2,718,184
Accumulated losses		(21,571,119)	(11,969,166)
Total equity		<u>45,637,409</u>	<u>2,073,472</u>

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

Adisyn Ltd and its controlled entities
Consolidated statement of changes in equity
For the year ended 30 June 2025

	Issued capital \$	Share-based payment reserve \$	Translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	10,067,297	2,695,875	(8,640)	(10,270,671)	2,483,861
Loss after income tax expense for the year	-	-	-	(1,698,495)	(1,698,495)
Other comprehensive income for the year, net of tax	-	-	(2,590)	-	(2,590)
Total comprehensive income for the year	-	-	(2,590)	(1,698,495)	(1,701,085)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 18)	699,167	-	-	-	699,167
Share-based payments (note 20)	92,230	33,539	-	-	125,769
Conversion of convertible notes and interest shares (note 18)	289,121	-	-	-	289,121
Issue of shares related to business combination - Attained acquisition	176,639	-	-	-	176,639
Balance at 30 June 2024	11,324,454	2,729,414	(11,230)	(11,969,166)	2,073,472
	Issued capital \$	Share-based payment reserve \$	Translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	11,324,454	2,729,414	(11,230)	(11,969,166)	2,073,472
Loss after income tax expense for the year	-	-	-	(9,601,953)	(9,601,953)
Other comprehensive income for the year, net of tax	-	-	131,115	-	131,115
Total comprehensive income for the year	-	-	131,115	(9,601,953)	(9,470,838)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 18)	10,994,647	2,619,793	-	-	13,614,440
Share-based payment (note 20)	896,148	1,148,916	-	-	2,045,064
Issue of shares related to business combination - 2DG acquisition (note 18)	23,100,000	13,860,000	-	-	36,960,000
Issue of shares to KMP (note 18)	267,146	-	-	-	267,146
Exercise of options (note 18)	110,625	-	-	-	110,625
Conversion of performance rights (note 18)	37,500	-	-	-	37,500
Balance at 30 June 2025	46,730,520	20,358,123	119,885	(21,571,119)	45,637,409

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

Adisyn Ltd and its controlled entities
Consolidated statement of cash flows
For the year ended 30 June 2025

	Note	30 June 2025 \$	30 June 2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,460,326	5,439,487
Payments to suppliers and employees (inclusive of GST)		(7,221,246)	(6,996,765)
Receipts from other income		218,249	1,030,171
Interest and other finance costs paid		(107,708)	(222,284)
Net cash used in operating activities	9	(3,650,379)	(749,391)
Cash flows from investing activities			
Net of cash acquired from business combination	22	894,744	-
Payments for investments		(1,783,595)	-
Payments for property, plant and equipment		(1,006,820)	(51,211)
Proceeds from disposal of property, plant and equipment		-	852,432
Net cash from/(used in) investing activities		(1,895,671)	801,221
Cash flows from financing activities			
Proceeds from issue of shares		14,628,625	698,000
Share issue transaction costs		(887,065)	(10,800)
Proceeds from borrowings		-	793,538
Repayment of borrowings		(808,156)	(757,713)
Repayment of lease liabilities		(726,933)	(1,152,520)
Net cash from/(used in) financing activities		12,206,471	(429,495)
Net increase/(decrease) in cash and cash equivalents		6,660,421	(377,665)
Cash and cash equivalents at the beginning of the financial year		299,141	676,806
Cash and cash equivalents at the end of the financial year		6,959,562	299,141

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

Note 1. Reporting entity

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

The financial statements were issued in accordance with a resolution by the Board on 29 September 2025.

Note 2. Material accounting policies

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

a) Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in **note 3**.

b) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in **note 32**.

c) Going concern

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

As disclosed in the financial statements, the Group incurred a loss of \$9,601,953 (Company 30 June 2024: \$1,698,495) and had net cash outflows from operating of \$3,650,379 (Company 30 June 2024: \$749,391) and investing activities outflow of \$1,895,671 (Company 30 June 2024: inflow \$801,221) respectively for the year ended 30 June 2025. As at that date, the Group had net assets of \$45,637,408 (Company 30 June 2024: \$2,073,472).

The Directors believe that the Group have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2025.

d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adisyn Ltd ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Adisyn Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 2. Material accounting policies (continued)

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

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

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

Hedges of a net investment

Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

e) New or amended Accounting Standards and Interpretations adopted

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

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

f) Rounding of amounts

The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

Allowance for expected credit losses

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible 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 Consumer Price Index (CPI) and growth rates of the estimated future cash flows for the next five years.

Customer Contracts

The customer contracts are acquired in a business combination, estimate their fair value at the acquisition date. The management has involves using valuation techniques such as the income approach, which requires assumptions about discount rates of 21% to amortise the customer contracts over three years.

Business combinations

As discussed in **note 22**, 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 are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Discontinued Operations

In preparing the financial report, management has made several key judgments and estimates regarding the classification and measurement of discontinued operations. These include:

Classification as Discontinued Operations: Management determined that the sale of the Miner Hosting Services Business represents a strategic shift that will have a major effect on the company's operations and financial results. This judgment was based on the division's contribution to total revenues and assets.

Measurement of Assets: The assets were measured at the lower of their carrying amount and fair value less costs to sell. This required significant judgment in estimating the fair value of the division's assets, including property, plant, and equipment, and intangible assets.

Timing of Recognition: The decision to classify the Miner Hosting Services Business as held for sale was made when management committed to a plan to sell the asset, and it was available for immediate sale in its present condition. The sale was expected to be completed within one year from the date of classification.

Presentation and Disclosure: The results of the Miner Hosting Services Business division have been presented separately in the income statement as discontinued operations. The major classes of assets and liabilities of the division have been presented separately in the balance sheet. Additional disclosures include the nature of the discontinued operations, the major classes of assets and liabilities, and the financial effects of the disposal.

Note 4. Operating segments

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

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

Note 4. Operating segments (continued)

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

The Company disaggregates revenue from contracts with customers. The Board has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. The information presented in the financial statements approximates the information of the operating segment.

The “Infrastructure and Managed Services” segment includes Managed Support Services, Cyber Security Services, Cloud and data centre co-location, as well as Network and Back Up services. As a result of disposal of the “Miner Hosting” segment including regional modular hosting and acquisition of 2D Generation. The Group now operates in two segments.

	Infrastructure and Managed Services	Miner Hosting Services	2D Generation	Total
30 June 2025	\$	\$	\$	\$
Revenue				
Sales to external customers from continuing operations	3,261,168	-	-	3,261,168
Other revenue from continuing operations	101,653	-	116,595	218,248
Total revenue	<u>3,362,821</u>	<u>-</u>	<u>116,595</u>	<u>3,479,416</u>
Assets				
Segment assets	<u>1,117,140</u>	<u>-</u>	<u>2,560,722</u>	3,677,862
<i>Unallocated assets:</i>				
Cash and cash equivalents				6,959,562
Goodwill acquired				36,110,873
Discontinued activities				<u>209,803</u>
Total assets				<u>46,958,100</u>
Liabilities				
Segment liabilities	<u>877,566</u>	<u>-</u>	<u>378,414</u>	1,255,980
<i>Unallocated liabilities:</i>				
Borrowings				-
Discontinued activities				<u>64,712</u>
Total liabilities				<u>1,320,692</u>

Note 4. Operating segments (continued)

	Infrastructure and Managed Services	Miner Hosting Services	Total
30 June 2024	\$	\$	\$
Revenue			
Sales to external customers from continuing operations	5,484,144	11,290	5,495,434
Other revenue from continuing operations	1,433,848	100,480	1,534,328
Total revenue	<u>6,917,992</u>	<u>111,770</u>	<u>7,029,762</u>
Assets			
Segment assets	<u>3,959,061</u>	<u>856,369</u>	4,815,430
<i>Unallocated assets:</i>			
Cash and cash equivalents			299,141
Discontinued activities			<u>1,596,412</u>
Total assets			<u>6,710,983</u>
Liabilities			
Segment liabilities	<u>2,915,916</u>	<u>723,654</u>	3,639,570
<i>Unallocated liabilities:</i>			
Borrowings			808,156
Convertible notes payable			-
Discontinued activities			<u>189,785</u>
Total liabilities			<u>4,637,511</u>

Accounting policy for operating segments

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

Note 5. Revenue

	30 June 2025	30 June 2024
	\$	\$
<i>Major product lines</i>		
Data centre and cloud services	365,228	1,331,863
Managed support services	2,337,861	3,628,754
Project revenue	558,079	534,817
	<u>3,261,168</u>	<u>5,495,434</u>
<i>Geographical regions</i>		
Australia	3,185,278	5,321,626
United Kingdom	75,890	173,808
	<u>3,261,168</u>	<u>5,495,434</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	-	-
Good transferred over time	-	-
Services transferred at a point in time	3,261,168	5,495,434
Services transferred over time	-	-
	<u>3,261,168</u>	<u>5,495,434</u>

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

Accounting policy for revenue recognition

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

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

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

Note 5. Revenue (continued)

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

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

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

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

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

Sale of goods and associated bundled services

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

Note 6. Administrative expenses

	30 June 2025 \$	30 June 2024 \$
Accounting, auditing and ASX Fees	119,626	79,243
Company secretarial and other consulting fees	933,176	514,512
Legal fees	210,954	146,688
Other expenses	17,396	9,721
	<u>1,281,152</u>	<u>750,164</u>

Note 7. Other operating expenses

	30 June 2025 \$	30 June 2024 \$
Salaries and wages	1,594,060	2,042,372
Superannuation	173,520	222,610
Depreciation	277,462	592,163
Amortisation	380,911	407,396
Data Centre Operating expenses	-	430
Insurance and ISO Expenses	130,540	134,220
Utilities and rates	14,770	52,299
Office administration expenses	23,693	165,765
Travel	85,463	16,201
Training and recruitment costs	329	15,750
Other expenses	624,385	335,478
Payroll Tax	59,335	12,049
Doubtful debts	46,873	119,646
	<u>3,411,341</u>	<u>4,116,379</u>

Note 8. Income tax

	30 June 2025 \$	30 June 2024 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense from continuing operations	(6,454,366)	(1,427,677)
Loss before income tax expense from discontinued operations	(3,147,587)	(270,818)
	(9,601,953)	(1,698,495)
Tax at the statutory tax rate of 25%	(2,400,488)	(424,624)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	114	876
Share-based payments	511,266	23,946
Other income	-	(38,467)
Deferred tax position not recognised	1,860,542	436,339
Other expenses	28,566	1,930
Income tax expense	-	-
	30 June 2025 \$	30 June 2024 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	49,119	40,747
Provision	5,080	6,345
Accrued expenses	46,013	52,485
Business related costs	15,132	17,687
Plant and equipment under lease	13,559	295,550
Transaction costs arising on shares issued	231,870	42,929
Tax losses	3,601,186	2,455,946
Intangible assets	-	49,916
Unrecognised deferred tax liabilities		
Total deferred tax assets not recognised	3,961,959	2,961,605
	30 June 2025 \$	30 June 2024 \$
Deferred Tax Assets:		
Property, plant and equipment	-	(648,803)
Prepayments	(21,617)	(43,355)
Unrecognised deferred tax liabilities	(21,617)	(692,158)

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

Note 8. Income tax (continued)

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

Note 9. Cash flow information

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

	30 June 2025 \$	30 June 2024 \$
Loss after income tax expense for the year	(9,601,953)	(1,698,495)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment and right-of-use assets	277,462	725,383
Impairment of assets	2,025,097	773,121
Net loss on disposal of financed assets	-	24,083
Net loss on disposal of assets	1,087,277	-
Share-based payments	2,333,210	125,771
Foreign exchange differences	(111,915)	-
Amortisation of intangible assets	380,911	407,396
Allowance for credit losses	46,873	119,646
Interest and other finance costs	107,708	227,126
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	172,900	(462,340)
Decrease in inventory	7,347	84
(Increase)/Decrease in other current assets	175,737	(80,430)
Decrease in trade and other payables	(566,050)	(553,758)
Increase/(decrease) in contract liabilities	26,257	(166,235)
Decrease in other provisions	(11,240)	(190,743)
Net cash used in operating activities	(3,650,379)	(749,391)

Non-cash investing and financing activities

Equities issued under employee share plan	33,648	125,771
Shares issued in relation to business combinations	23,100,000	176,639
Shares issued on conversion of loan	-	246,250
Shares issued on conversion of interest on convertible note	-	43,838
Shares issue to consultants	1,061,000	-
	24,194,648	592,498

Note 10. Trade and other receivables

	30 June 2025 \$	30 June 2024 \$
<i>Current assets</i>		
Trade receivables	342,802	312,860
Trade receivables - from disposal of business	-	547,568
Less: Allowance for expected credit losses	(5,471)	(120,479)
	<u>337,331</u>	<u>739,949</u>
Other receivables	-	1,129
	<u>337,331</u>	<u>741,078</u>

Allowance for expected credit losses

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2025 %	30 June 2024 %	30 June 2025 \$	30 June 2024 \$	30 June 2025 \$	30 June 2024 \$
Not overdue	-	1.06%	332,661	741,576	-	7,861
31-60 days overdue	0.84%	76.18%	4,659	26,163	39	19,931
61- 180 days overdue	62.59%	100.00%	6,107	(123)	3,822	(123)
181 -360 days overdue	(31.39%)	100.00%	(696)	92,449	218	92,449
Over 360 days overdue	1960.00%	24.20%	71	1,492	1,392	361
			<u>342,802</u>	<u>861,557</u>	<u>5,471</u>	<u>120,479</u>

Trade receivables are non-interest bearing and generally on 7- or 15-days term (30 June 2024: 7 or 15 days). For allowance for expected credit losses analysis at the end of the reporting period, please refer to **note 21**.

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

	30 June 2025 \$	30 June 2024 \$
Opening balance	120,479	-
Additional provisions recognised	5,471	120,479
Discontinued operations	(120,479)	-
Closing balance	<u>5,471</u>	<u>120,479</u>

Accounting policy for trade and other receivables

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

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. For allowance for expected credit losses analysis at the end of the reporting period, please refer to **note 21**.

Note 11. Right-of-use assets

	30 June 2025 \$	30 June 2024 \$
<i>Non-current assets</i>		
Other finance leased assets - right-of-use	10,310	1,128,499
Less: Accumulated depreciation	(9,687)	(626,448)
	623	502,051
Property - right-of-use	340,160	2,604,984
Less: Accumulated depreciation	(65,994)	(1,439,905)
	274,166	1,165,079
	274,789	1,667,130

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

Reconciliations

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

	Property \$	Other Finance Leased Assets \$	Total \$
Balance at 1 July 2023	1,526,781	947,642	2,474,423
Classified as held for sale (note 12)	-	(6,088)	(6,088)
Disposals	-	(425,975)	(425,975)
Discontinued depreciation	-	(808)	(808)
Transfers in/(out)	-	29,500	29,500
Depreciation expense	(361,702)	(42,220)	(403,922)
Balance at 30 June 2024	1,165,079	502,051	1,667,130
Additions	340,160	-	340,160
Classified as held for sale (note 12)	-	(183,373)	(183,373)
Disposals	-	(26,264)	(26,264)
Discontinued depreciation	-	(8,844)	(8,844)
Surrendered of lease	(1,060,786)	-	(1,060,786)
Depreciation expense	(169,570)	(1,473)	(171,043)
Impairment expenses	-	(284,307)	(284,307)
Exchange differences	(717)	2,833	2,116
Balance at 30 June 2025	274,166	623	274,789

Note 12. Assets of disposal groups classified as held for sale

	30 June 2025 \$	30 June 2024 \$
<i>Current assets</i>		
Trade and other receivables	5,701	118,992
Inventories	-	112,336
Rights of use assets	183,373	6,088
Property, plant and equipment	20,729	1,358,996
	<u>209,803</u>	<u>1,596,412</u>

Note 13. Property, plant and equipment

	30 June 2025 \$	30 June 2024 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	3,286,327	2,407,714
Less: Accumulated depreciation	(836,689)	(942,051)
Less: Impairment	-	(773,121)
	<u>2,449,638</u>	<u>692,542</u>
Property Improvements - at cost	-	341,380
Less: Accumulated depreciation	-	(97,028)
	<u>-</u>	<u>244,352</u>
CloudSigma equipment - at cost	147,913	147,913
Less: Accumulated depreciation	(147,913)	(147,913)
	<u>-</u>	<u>-</u>
	<u>2,449,638</u>	<u>936,894</u>

Note 13. Property, plant and equipment (continued)

Reconciliations

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

	Property improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	233,302	1,101,760	1,335,062
Additions	18,987	19,323	38,310
Additions through business combinations (note 22)	-	3,950	3,950
Disposals	-	(3,228)	(3,228)
Impairment of assets	-	(773,121)	(773,121)
Discontinued depreciation	-	(132,412)	(132,412)
Transfers in/(out)	7,126	649,336	656,462
Depreciation expense	(15,063)	(173,066)	(188,129)
Balance at 30 June 2024	244,352	692,542	936,894
Additions	-	965,656	965,656
Additions through business combinations (note 22)	-	1,499,922	1,499,922
Disposals	(203,010)	(571,120)	(774,130)
Impairment of assets	(41,342)	41,342	-
Discontinued depreciation	-	(11,485)	(11,485)
Depreciation expense	-	(167,219)	(167,219)
Balance at 30 June 2025	-	2,449,638	2,449,638

Note 14. Intangibles

	30 June 2025 \$	30 June 2024 \$
<i>Non-current assets</i>		
Goodwill - at cost	36,562,642	451,769
Less: Accumulated amortisation	(301,769)	-
	<u>36,260,873</u>	<u>451,769</u>
Development - at cost	335,929	335,929
Less: Accumulated amortisation	(327,794)	(253,810)
	<u>8,135</u>	<u>82,119</u>
Intellectual property - at cost	104,451	104,451
Less: Accumulated amortisation	(41,780)	(20,890)
	<u>62,671</u>	<u>83,561</u>
Customer contracts - at cost	843,039	843,039
Less: Accumulated amortisation	(562,026)	(281,039)
	<u>281,013</u>	<u>562,000</u>
	36,612,692	1,179,449

Note 14. Intangibles (continued)

Reconciliations

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

	\$
Balance at 1 July 2023	1,470,738
Transfers in/(out)	116,107
Amortisation expense	(407,396)
Balance at 30 June 2024	1,179,449
Additions through business combinations (note 22)	36,110,873
Impairment of assets	(301,769)
Amortisation expense	(375,861)
Balance at 30 June 2025	36,612,692

The recoverable amount of the Adisyn Services cash-generating units (CGUs) has been estimated using a value-in-use model, based on cash flow projections derived from financial budgets approved by the Directors. The following key assumptions underpin the forecast:

- The FY2026 approved budget forms the basis for year 1 cash flow projections.
- Consumer Price Index (CPI) adjustments have been applied as follows: 2.75% for FY2027 and FY2028, and 2.5% for FY2029 and FY2030.
- A one-off increase of 10% in Attained's project revenue is assumed for FY2027, followed by a 5% annual increase in subsequent years.
- A one-off uplift of 5% in Attained's general revenue is projected for FY2027, reflecting the impact of a new appointment.
- From FY2027 onwards, annual revenue growth is projected at 2.5% above CPI.
- Cost of sales are expected to increase annually in line with CPI and sales volume growth.
- Wage costs are projected to grow at a rate exceeding CPI and volume increases, reflecting the Group's strategy to retain and attract talent through competitive remuneration.

The Directors believe that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the Adisyn Services's CGU carrying's amounts to exceed their recoverable amounts.

Accounting policy for intangible assets

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.

During the year ended 30 June 2025, an impairment loss of **\$301,769** was recognised against the goodwill arising from the acquisition of **Adisyn Services**, as the net present value (NPV) of the five-year forecast for Adisyn Services was lower than the carrying amount of the related goodwill.

Goodwill amounting to **\$36,110,873** was recognised in relation to the acquisition of **2D Generation Ltd**. This amount is **provisional** and subject to finalisation within **12 months** from the acquisition date, in accordance with the relevant accounting standards. Refer to (note 22) for more details.

Development cost

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

Refer to **note 2** for further information on accounting policy associated with impairment.

Note 14. Intangibles (continued)

Intellectual property

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

Customer contracts

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

Note 15. Lease liabilities

	30 June 2025 \$	30 June 2024 \$
<i>Current liabilities</i>		
Lease liability	202,048	732,701
<i>Non-current liabilities</i>		
Lease liability	78,230	1,104,455

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

Refer to **note 21** for further information on financial instruments.

Note 16. Liabilities directly associated with assets classified as held for sale

	30 June 2025 \$	30 June 2024 \$
<i>Current liabilities</i>		
Trade payables	15,192	189,785
Lease liability	49,520	-
	64,712	189,785

Note 17. Borrowings

	30 June 2025 \$	30 June 2024 \$
<i>Current liabilities</i>		
Directors' loans [a]	-	479,439
Insurance premium funding	-	84,355
	-	563,794
<i>Non-current liabilities</i>		
Bank loans	-	190,526
Director loans [b]	-	53,836
	-	244,362

Note 17. Borrowings (continued)

[a] Breakdown of current liabilities loans from directors

Blake Burton ¹	-	299,439
Justin Thomas	-	120,000
Shane Wee	-	60,000
Total	-	479,439

[b] Breakdown of non-current liabilities loans from directors

Blake Burton	-	53,836
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The proceeds and repayments of these borrowing arrangements are summarised below:

	30 June 2025 \$	30 June 2024 \$
Opening balance	808,156	572,424
Repayment of Directors' loans - Cash	(485,084)	(50,000)
Repayment of Director's loans - Shares	(60,000)	-
Interest payable to loan from Director	11,809	16,787
Proceeds from premium funding	-	210,519
Repayment of premium funding	(84,355)	(132,100)
Proceeds from bank loans	100,000	199,795
Repayment of bank loans	(290,526)	(9,269)
	-	808,156

[a] These loans in provided on interest free conditions and due to expire on 1 March 2025 or earlier as agreed in writing.

¹The Company has entered into a short-term loan agreement with its Managing Director, Mr Blake Burton on 27 February 2023 and amended on 15 December 2023. Under the Agreement. Mr Burton has agreed to advance the Company \$200,000 with a further \$50,000 standby credit available that may be drawn down if required by the Company. The Loan Agreement is repayable by 31 December 2025 or may otherwise be converted into shares in the Company, subject to shareholder approval. The Loan Agreement accrues interest at a rate of 10% p.a.

[b] The loan is subject to a 10% p.a. interest charge and is being repaid at \$10,000 per month. The loan is scheduled to be fully repaid by 31 December 2025 and has an un-drawn Stand-By amount of \$50,000.

Note 18. Issued capital

	30 June 2025 Shares	30 June 2024 Shares	30 June 2025 \$	30 June 2024 \$
Ordinary shares - fully paid	724,125,596	185,132,002	51,097,048	11,969,128
capital raising cost	-	-	(4,366,528)	(644,674)
	724,125,596	185,132,002	46,730,520	11,324,454

Adisyn Ltd and its controlled entities
Notes to the consolidated financial statements
30 June 2025

Note 18. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	130,716,089		10,067,297
Issue of shares to vendors related to acquisition of Attained ¹	26 October 2023	8,831,950	\$0.020	176,639
Issue of shares to interest note holders ²	26 October 2023	239,344	\$0.050	11,967
issue of shares - placement	30 November 2023	20,000,000	\$0.020	400,000
Issue of shares to employees under ESIP	18 December 2023	162,193	\$0.020	8,230
Issue of shares to employees under ESIP ³	18 December 2023	1,500,000	\$0.020	30,000
Issue of shares - placement	26 February 2024	14,900,000	\$0.020	298,000
Conversion of convertible notes incl interest	2 May 2024	857,426	\$0.050	42,871
Conversion of convertible notes	2 May 2024	4,925,000	\$0.050	246,250
Issue of shares to corporate advisor	16 May 2024	3,000,000	\$0.018	54,000
Share issue costs		-		(10,800)
Balance	30 June 2024	185,132,002		11,324,454
Issue of shares - placement	2 August 2024	46,000,000	\$0.033	1,518,000
Issue of Director shares upon conversion of loan under Director Loan Agreement	23 October 2024	1,818,182	\$0.033	60,000
Issue of Director shares in lieu of Director fees	23 October 2024	4,394,521	\$0.033	145,019
Fair value adjustment on Director fees, loan to Shane Wee	23 October 2024	-	\$0.000	62,127
Issue of shares - lead manager Sandton Capital Advisory Pty Ltd	23 October 2024	5,000,000	\$0.033	215,000
Issue of shares	7 November 2024	60,000,000	\$0.050	3,000,000
Conversion of performance rights	21 November 2024	2,500,000	\$0.016	37,500
Issue of shares on conversion of options	20 December 2024	1,000,000	\$0.030	30,000
Issue of shares to employees under ESIP (note 20)	20 December 2024	442,734	\$0.023	33,648
Issue of shares - Pitt Street Research Pty Ltd (note 20)	20 December 2024	1,000,000	\$0.076	76,000
Issue of shares to 2DG Vendors (note 22)	9 January 2025	300,000,000	\$0.077	23,100,000
Issue of shares to facilitators (note 20)	9 January 2025	10,000,000	\$0.077	770,000
Issue of shares on conversion of options	24 January 2025	300,000	\$0.050	15,000
Issue of shares on conversion of options	24 January 2025	75,000	\$0.075	5,625
Issue of shares - placement	31 January 2025	104,463,157	\$0.095	9,924,000
Issue of shares on conversion of options	17 February 2025	200,000	\$0.050	10,000
Issue of Shares - Placement (Kevin Crofton)	19 May 2025	800,000	\$0.095	76,000
Issue of shares on conversion of options	29 May 2025	1,000,000	\$0.050	50,000
Capital raising costs		-	\$0.000	(3,721,853)
Balance	30 June 2025	724,125,596		46,730,520

¹ On 26 October 2023, the Company issued 8,831,950 ordinary shares at a deemed price of \$0.02 per share (Consideration Shares) to Esidium Group and Aviso IT to offset \$176,639 of cash consideration.

² On 26 October 2023, the Company issued 239,344 ordinary shares at \$0.05 to the convertible note holders in satisfaction of the interest up to 30 September 2023.

³ On 18 December 2023, the Company issued 1,500,000 ordinary shares at \$0.02 to Jesper Sentow, Chief Financial Officer of the Company.

Adisyn Ltd and its controlled entities
Notes to the consolidated financial statements
30 June 2025

Note 19. Reserves

	30 June 2025	30 June 2024
	\$	\$
Foreign currency reserve	119,885	(11,230)
Share-based payments reserve	20,358,123	2,729,414
	<u>20,478,008</u>	<u>2,718,184</u>

Movements in reserves

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

	Share-based payments reserve	Foreign currency reserve	Total
	\$	\$	\$
Balance at 1 July 2023	2,695,875	(8,640)	2,687,235
Foreign currency translation	-	(2,590)	(2,590)
Performance rights issued	33,539	-	33,539
Balance at 30 June 2024	2,729,414	(11,230)	2,718,184
Foreign currency translation	-	131,115	131,115
Options issued and vested	78,703	-	78,703
Options issued to Directors (note 20)	294,442	-	294,442
Performance rights vested	60,455	-	60,455
Performance rights issued as part of business combination (nil)	13,860,000	-	13,860,000
Options issued to Lead Managers	3,335,109	-	3,335,109
Balance at 30 June 2025	<u>20,358,123</u>	<u>119,885</u>	<u>20,478,008</u>

Note 20. Share-based payments

Total share-based payment expense recognised at 30 June 2025 \$2,045,064 (30 June 2024:\$95,771). This amount includes:

	30 June 2025	30 June 2024
	\$	\$
ESIP issued to employees	33,648	-
Performance rights vested & granted	97,955	41,771
12 million unlisted options granted to Directors (Kevin & Dominic)	294,442	-
15 million unlisted options issued to 2D Generation Advisors	715,316	-
3 million unlisted options issued to Industry Advisory Board	78,703	-
10 million ordinary shares issued to Sandton Capital (facilitation shares)	770,000	-
1 million ordinary shares issued to Pitt Street Research Pty Ltd	55,000	-
3 million ordinary shares issued to Gemelli Nominees Pty Ltd	-	54,000
	<u>2,045,064</u>	<u>95,771</u>

Note 20. Share-based payments (continued)

Business combination shares and performance rights

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

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

On 3 November 2024, the Company entered into a binding **Share Sale and Purchase Agreement (SPA)** with **2D Generation Ltd** to acquire 100% of its issued share capital. The fair value of the Company's shares, assessed at \$0.077 per share, was used to determine the consideration value, based on the completion date of 9 January 2025. refer to **note 22** for detailed of valuation and estimates.

Shares

On 20 December 2024, the Company issued 1,000,000 ordinary shares to consultant for their service at share price of \$0.076. Share-based payment expense of \$55,000 and \$21,000 in consultant fee was recognised in profit or loss.

On 9 January 2025, 10,000,000 ordinary shares, issued to Sandton Capital as facilitation shares, with a fair value of \$0.077 per share in connection with the completion of the acquisition of 2D Generation. Share-based payment expense of \$770,000 was recognised in profit or loss.

Options

Set out below are summaries of options granted under share-based payment:

	Number of options 30 June 2025	Weighted average exercise price 30 June 2025	Number of options 30 June 2024	Weighted average exercise price 30 June 2024
Outstanding at the beginning of the financial year	14,712,500	\$0.168	26,045,792	\$0.304
Granted	80,000,000	\$0.106	5,000,000	\$0.050
Exercised	(2,500,000)	\$0.043	-	\$0.000
Expired	(12,212,500)	\$0.171	(16,333,292)	\$0.034
Outstanding at the end of the financial year	80,000,000	\$0.108	14,712,500	\$0.168

Note 20. Share-based payments (continued)

30 June 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
15/09/2020	06/11/2024	\$0.250	1,200,000	-	-	(1,200,000)	-
15/09/2020	10/11/2024	\$0.250	2,950,000	-	-	(2,950,000)	-
15/09/2020	31/07/2024	\$0.300	2,000,000	-	-	(2,000,000)	-
26/11/2021	20/12/2025	\$0.600	1,000,000	-	-	-	1,000,000
30/11/2022	30/11/2024	\$0.110	2,562,500	-	-	(2,562,500)	-
28/06/2024	28/06/2025	\$0.050	5,000,000	-	(1,500,000)	(3,500,000)	-
09/10/2024	14/11/2027	\$0.030	-	3,000,000	(1,000,000)	-	2,000,000
09/01/2025	09/01/2028	\$0.075	-	30,000,000	-	-	30,000,000
09/01/2025	09/01/2028	\$0.075	-	15,000,000	-	-	15,000,000
31/01/2025	31/01/2028	\$0.150	-	20,000,000	-	-	20,000,000
13/05/2025	19/05/2028	\$0.150	-	12,000,000	-	-	12,000,000
			14,712,500	80,000,000	(2,500,000)	(12,212,500)	80,000,000

30 June 2024

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
15/09/2020	06/11/2024	\$0.250	1,200,000	-	-	-	1,200,000
15/09/2020	10/11/2024	\$0.250	2,950,000	-	-	-	2,950,000
15/09/2020	31/07/2024	\$0.300	2,000,000	-	-	-	2,000,000
24/04/2021	07/05/2024	\$0.500	4,000,000	-	-	(4,000,000)	-
26/11/2021	20/12/2025	\$0.600	1,000,000	-	-	-	1,000,000
26/11/2021	26/11/2023	\$0.300	4,000,000	-	-	(4,000,000)	-
26/11/2021	25/11/2023	\$0.300	8,000,000	-	-	(8,000,000)	-
26/11/2021	25/11/2023	\$0.300	333,292	-	-	(333,292)	-
30/11/2022	30/11/2024	\$0.110	2,562,500	-	-	-	2,562,500
28/06/2024	28/06/2025	\$0.050	-	5,000,000	-	-	5,000,000
			26,045,792	5,000,000	-	(16,333,292)	14,712,500

The weighted average remaining contractual life of options outstanding at the end of the financial 30 June 2025 was 2.55 years (30 June 2024: 1.29 years).

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

Methodology	Number	Grant date	Expiry date	Share price at grant date (\$)	Exercise price (\$)	Risk-free rate %	Volatility %	Dividend yield %	Total fair value
Black Scholes	3,000,000	09/10/2024	14/11/2027	\$0.043	\$0.030	3.770%	85.00%	-	\$78,703
Black Scholes	30,000,000	09/01/2025	09/01/2028	\$0.077	\$0.075	3.890%	100.00%	-	\$1,430,632
Black Scholes	15,000,000	09/01/2025	09/01/2028	\$0.077	\$0.075	3.890%	100.00%	-	\$715,316
Black Scholes	20,000,000	31/01/2025	31/01/2028	\$0.105	\$0.150	3.890%	100.00%	-	\$1,189,153
Black Scholes	12,000,000	13/05/2025	19/05/2028	\$0.056	\$0.150	3.570%	100.00%	-	\$294,442

(i) As approved on General Meeting held on 9 October 2024, the Company issued 3,000,000 options to its "Industry Advisory Board" in consideration for services provided by the Advisors. The Options exercisable at \$0.03 and expiry date of 3 years from the date of issue and will vest upon the holder's 12-month anniversary of the holder's appointment to the Company's Industry Advisory Board.

Note 20. Share-based payments (continued)

(ii) On 9 January 2025, the following securities were issued in connection with the completion of the acquisition of 2D Generation:

- 30,000,000 unlisted adviser options, exercisable at \$0.075 per share. These options have been capitalised as part of capital raising costs, as they relate to services provided in connection with the Placement.

- 15,000,000 unlisted options, exercisable at \$0.075 per share and expiring on 9 January 2028, issued to advisers of 2D Generation.

(iii) On 31 January 2025, the Company issued 20,000,000 unlisted adviser options, exercisable at \$0.15 per share. The value of these options has been capitalised as a capital raising cost, as they were issued in connection with services provided for the Placement.

(iv) As approved on General Meeting held on 13 May 2025, the Company issued 12,000,000 unlisted options to Directors Mr Kevin Crofton and Mr Dominic O'Hanlon exercisable price at \$0.15 and expiring three years from the date of issue.

Performance rights

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

	Number of rights 30 June 2025	Weighted average exercise price 30 June 2025	Number of rights 30 June 2024	Weighted average exercise price 30 June 2024
Outstanding at the beginning of the financial year	15,500,000	\$0.000	4,000,000	\$0.000
Granted	300,750,000	\$0.000	12,000,003	\$0.000
Expired/Forfeited	(5,250,000)	\$0.000	(500,003)	\$0.000
Exercised	(2,500,000)	\$0.000	-	\$0.000
Outstanding at the end of the financial year	308,500,000	\$0.000	15,500,000	\$0.000

30 June 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
05/07/2023	01/07/2026	\$0.000	1,500,000	-	-	(1,250,000)	250,000
30/11/2023	31/12/2025	\$0.000	5,000,000	-	-	-	5,000,000
08/03/2023	31/12/2025	\$0.000	2,000,000	-	-	(2,000,000)	-
08/03/2023	31/12/2026	\$0.000	2,000,000	-	-	(2,000,000)	-
14/05/2024	01/08/2025	\$0.000	5,000,000	-	(2,500,000)	-	2,500,000
06/12/2024	31/12/2025	\$0.000	-	750,000	-	-	750,000
09/01/2025	09/01/2026	\$0.000	-	100,000,000	-	-	100,000,000
09/01/2025	09/07/2026	\$0.000	-	100,000,000	-	-	100,000,000
09/01/2025	09/01/2028	\$0.000	-	100,000,000	-	-	100,000,000
			15,500,000	300,750,000	(2,500,000)	(5,250,000)	308,500,000

Note 20. Share-based payments (continued)

30 June 2024

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
05/07/2023	01/07/2026	\$0.000	-	2,000,000	-	(500,000)	1,500,000
18/07/2023	31/12/2024	\$0.000	-	2	-	(2)	-
18/07/2023	31/12/2025	\$0.000	-	1	-	(1)	-
30/11/2023	31/12/2025	\$0.000	-	5,000,000	-	-	5,000,000
08/03/2023	31/12/2025	\$0.000	2,000,000	-	-	-	2,000,000
08/03/2023	31/12/2026	\$0.000	2,000,000	-	-	-	2,000,000
14/05/2024	01/08/2025	\$0.000	-	5,000,000	-	-	5,000,000
			4,000,000	12,000,003	-	(500,003)	15,500,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial 30 June 2025 was 1.33 years (30 June 2024:3 years).

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

(i) On 6 December 2024, the Company issued 750,000 performance rights to two employees pursuant to the Company's Employee Security Incentive Plan. The performance rights vesting conditions subject to The Company achieving audited revenue of at least \$3.5 million for financial year 2025 from the Company's core business operations, including revenue and/or other income earned from Australian industry grants received by the Company (but excluding revenue from R&D grants). Of which, \$43,200 vested in this financial year.

	Performance Rights	Performance Rights
Methodology	Black-Scholes	Black-Scholes
Grant date	6 December 2024	6 December 2024
Expiry date	31 December 2025	31 December 2025
Spot price	\$0.072	\$0.072
Exercise price	Nil	Nil
Risk-free rate	3.775%	3.775%
Volatility	85%	85%
Dividend Yield	Nil	Nil
Number	500,000	250,000
Value per PR	\$0.072	\$0.072
Total fair value	\$36,000	\$18,000
Total share-based payment recognised at 30 June 2025	\$28,800	\$14,400

Accounting policy for share-based payments

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

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

The cost of equity-settled transactions 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.

Note 20. Share-based payments (continued)

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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

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

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

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

Note 21. Financial instruments

Financial risk management objectives

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

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

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

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

Market risk

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

Note 21. Financial instruments (continued)

Foreign currency risk

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

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

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

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

	Average exchange rates		Reporting date exchange rates	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Australian dollars				
Pound sterling	0.50	0.52	0.48	0.53
Israel New Shekel	0.44	-	0.45	-

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

	Assets		Liabilities	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$	\$	\$	\$
Pound Sterling	213,521	37,757	231	22,292
Israel New Shekel	2,971,390	-	3,510,569	-
	<u>3,184,911</u>	<u>37,757</u>	<u>3,510,800</u>	<u>22,292</u>

The Group had net liabilities denominated in foreign currencies of \$325,429 (assets of \$3,184,911 less liabilities of \$3,510,800) as at 30 June 2025 (30 June 2024: \$15,465 (assets of \$37,757 less liabilities of \$22,292)). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (30 June 2024 : weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$220,459 higher/\$220,459 lower (30 June 2024 : \$401 higher/\$443 lower) and equity would have been \$73,937 lower/\$73,937 higher (30 June 2024 : \$12,349 lower/\$13,649 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2025 was \$70,859 (30 June 2024: loss of \$2,592).

30 June 2025	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Pound sterling	5%	(3,408)	14,027	(5%)	3,408	(14,027)
Pound sterling	10%	(6,815)	28,053	(10%)	6,815	(28,053)
Israel New Shekel	5%	(70,078)	10,619	(5%)	70,078	(10,619)
Israel New Shekel	10%	(140,158)	21,238	(10%)	140,158	(21,238)
		<u>(220,459)</u>	<u>73,937</u>		<u>220,459</u>	<u>(73,937)</u>

Note 21. Financial instruments (continued)

30 June 2024	% change	AUD strengthened Effect on profit before tax	Effect on equity	% change	AUD weakened Effect on profit before tax	Effect on equity
Pound sterling	5%	(443)	13,649	(5%)	401	(12,349)
Pound sterling	10%	(936)	28,814	(10%)	766	(23,575)
		(1,379)	42,463		1,167	(35,924)

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Company's exposure to the risks of changes in market interest rates is insignificant as the Company does not hold short-term deposits with a floating interest rate, the Company's equipment and property leases have fixed rates based on the either the rate implicit in the lease or the incremental borrowing rate at the commencement of the lease.

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

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

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

Note 21. Financial instruments (continued)

	Non-Interest Bearing	1 Year	1 – 5 Years	> 5 years	Floating Interest Rate	Weighted Average Interest Rate	Total
30 June 2024	\$	\$	\$	\$	\$	%	\$
Financial assets							
Cash and cash equivalents	-	-	-	-	299,141	-	299,141
Trade receivables	741,078	-	-	-	-	-	741,078
	<u>741,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,141</u>		<u>1,040,219</u>
Financial liabilities							
Trade payables	1,039,069	-	-	-	-	-	1,039,069
Lease liabilities	-	732,701	1,104,455	-	-	6.39%	1,837,156
Contract liabilities	232,932	-	-	-	-	-	232,932
Other financial liabilities	-	293,117	74,311	-	-	12.00%	367,428
Borrowings	361,000	202,794	244,363	-	-	6.02%	808,157
	<u>1,633,001</u>	<u>1,228,612</u>	<u>1,423,129</u>	<u>-</u>	<u>-</u>		<u>4,284,742</u>

Credit risk

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

Risk Management

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

Impairment of financial asset

The Company has the following financial assets that are subject to insignificant credit losses where the expected credit loss ('ECL') model has been applied using the following approaches below.

Trade receivables

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

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

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

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

Allowance for expected credit losses

The Group has recognised a loss of \$5,471(30 June 2024: \$120,479) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

Note 21. Financial instruments (continued)

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.

Fair value of financial instruments

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

Note 22. Business combinations

A. Consideration transferred

In accordance with the terms of the acquisition agreement, the Group exchanged performance rights-settled share-based payment. The consideration payable to the vendor for the Acquisition is comprised of 3 tranches of performance rights and subject to terms and conditions set out below.

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

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

B. Acquisition-related cost

The Group incurred acquisition-related costs of \$82,196 on legal fees and due diligence costs. These costs have been included in 'administrative expenses'

- On 9 January 2025, 10,000,000 ordinary shares, issued to Sandton Capital as facilitation shares, with a fair value of \$0.077 per share in connection with the completion of the acquisition of 2D Generation. Share-based payment expense of \$770,000 was recognised in profit or loss.

Note 22. Business combinations (continued)

2DG, a pioneering innovator in graphene technology, with Adisyn, a leader in generative AI and advanced data center solutions. This merger represents a powerful alignment of complementary capabilities, unlocking new frontiers in semiconductor innovation and AI infrastructure.

2DG brings to the partnership a patented breakthrough in graphene coating technology, enabling deposition at sub-300°C—a critical advancement that allows for the integration of graphene into semiconductor chips without compromising structural integrity. This innovation addresses one of the most persistent challenges in the semiconductor industry and positions 2DG as a key enabler of next-generation chip design.

Adisyn’s core focus on generative AI, high-performance computing, and data center optimization creates a natural synergy with 2DG’s IP portfolio. The integration of graphene-enhanced chips into Adisyn’s AI infrastructure promises significant performance gains in speed, thermal efficiency, and scalability.

The goodwill of \$36,110,873 represents the difference in fair value of the total consideration transferred and net assets acquired through the business combination. The acquisition has been provisionally accounted for.

C. Identifiable assets acquired and liabilities assumed

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	894,744
Other receivables	54,961
Prepayments	6,489
Plant and equipment	1,499,922
Trade payables	(53,649)
Other payables	(43,245)
Employee benefits	(49,813)
Loan	(1,460,282)
Net assets acquired	849,127
Goodwill	36,110,873
Acquisition-date fair value of the total consideration transferred	36,960,000
Representing:	
Adisyn Ltd shares issued to vendor	23,100,000
Contingent consideration - performance rights	13,860,000
	36,960,000
Acquisition costs expensed to profit or loss	770,000

Measurement of fair values

Fair values assigned to identifiable assets, liabilities and associated tax balances above are presented on a provisional basis.

As outlined in the Group’s Business Combination accounting policy below, the identification of assets and liabilities and associated fair value measurement as part of acquisition accounting is subject to significant judgement and estimation. The following key estimates and judgements were required as part of the acquisition accounting for the business:

Note 22. Business combinations (continued)

	Class A Performance rights	Class B Performance rights	Class C Performance rights
Number of rights	100,000,000	100,000,000	100,000,000
Valuation date	9 January 2025	9 January 2025	9 January 2025
Share price	\$0.077	\$0.077	\$0.077
Vesting probability	80%	60%	40%
Total fair value	\$6,160,000	\$4,620,000	\$3,080,000

Accounting estimates and judgement

The Management has assessed the best estimate of the probability of meeting the vesting conditions of the performance rights.

D. Goodwill

Goodwill attributable mainly to the skills and technical talent of 2D Generation workforce and the synergies expected to be achieved from integrating the Company into the Group's existing business.

Accounting policy for 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.

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.

Note 23. Discontinued operations

Description

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

Financial performance information

	30 June 2025	30 June 2024
	\$	\$
Discontinued modular hosting revenue	482,176	1,315,005
Total discontinued revenues	482,176	1,315,005
Discontinued other income	126,353	-
Discontinued cost of sales	(537,029)	(910,603)
Discontinued impairment expense	(1,723,375)	-
Discontinued operating expenses	(346,537)	(542,000)
Discontinued other expenses	(61,948)	(133,220)
Total expenses	(2,668,889)	(1,585,823)
Loss before income tax expense	(2,060,360)	(270,818)
Income tax expense	-	-
Loss after income tax expense	(2,060,360)	(270,818)
Discontinued loss on disposal of plant and equipment	(1,087,227)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(1,087,227)	-
Loss after income tax expense from discontinued operations	(3,147,587)	(270,818)

Cash flow information

	30 June 2025	30 June 2024
	\$	\$
Net cash from/(used in) operating activities	(226,575)	171,262
Net cash used in investing activities	-	(12,900)
Net cash used in financing activities	(663,763)	-
Net increase/(decrease) in cash and cash equivalents from discontinued operations	(890,338)	158,362

Note 24. Earnings per share

	30 June 2025 \$	30 June 2024 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax	(6,454,366)	(1,427,677)
Loss after income tax attributable to the owners of Adisyn Ltd	(6,454,366)	(1,427,677)
Loss after income tax attributable to the owners of Adisyn Ltd used in calculating diluted earnings per share	(6,454,366)	(1,427,677)
	Cents	Cents
Basic earnings per share	(1.38)	(1.42)
Diluted earnings per share	(1.38)	(1.42)
	30 June 2025 \$	30 June 2024 \$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax	(3,147,587)	(270,818)
Non-controlling interest	-	-
Loss after income tax attributable to the owners of Adisyn Ltd from discontinued operations	(3,147,587)	(270,818)
Loss after income tax attributable to the owners of Adisyn Ltd from discontinued used in calculating diluted earnings per share	(3,147,587)	(270,818)
	Cents	Cents
Basic earnings per share	(0.67)	(0.27)
Diluted earnings per share	(0.67)	(0.27)
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	468,988,070	100,445,810
Adjustments for calculation of diluted earnings per share:		
Weighted average number of ordinary shares used in calculating diluted earnings per share	468,988,070	100,445,810

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Note 25. Key management personnel disclosures

Directors

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

Kevin Crofton	Non-Executive Chairman (Appointed 17 March 2025)
Blake Burton	Non-Executive Director (Appointed 14 February 2025)
Ayre Kohavi	Managing Director
Dominic O'Hanlon	Non-Executive Director (Appointed 12 February 2025)
Justin Thomas	Non-Executive Director (Appointed 17 March 2025)
Shane Wee	Executive Director (resigned 9 July 2024)
	Non-Executive Chairman (resigned 17 March 2025)

Other key management personnel

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

Name	Position
Jesper Sentow	Chief Financial Officer

Compensation

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

	30 June 2025	30 June 2024
	\$	\$
Short-term employee benefits	836,867	704,016
Post-employment benefits	38,050	75,237
Share-based payments	308,882	159,663
	<u>1,183,799</u>	<u>938,916</u>

Note 26. Related party transactions

Parent entity

Adisyn Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in **note 31**.

Key management personnel

Disclosures relating to key management personnel are set out in **note 25** and the remuneration report included in the directors' report.

Note 26. Related party transactions (continued)

Transactions with related parties

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

	30 June 2025 \$	30 June 2024 \$
Payment for goods and services:		
Payment for services from Sommersted Enterprises Pty Ltd *	-	171,150
Other transactions:		
Trevor Thomas – employee (gross salary plus super) **	-	15,797
Linley Thomas – employee (gross salary plus super) **	-	76,032
Kevin Crofton - Consultant fee pre appointment	9,375	-

* The related parties are the parents of Justin Thomas, Director and CTO.

** The related party is the spouse of Justin Thomas Director and CTO.

*** Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received \$141,150 plus GST of which \$30,000 was paid in lieu of shares during the year for the CFO services. Current remuneration shown in the Remuneration table.

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

Refer to **note 17** for details of related party loans for financial year ended 30 June 2025 and 30 June 2024

Terms and conditions

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

Note 27. Remuneration of auditors

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

	30 June 2025 \$	30 June 2024 \$
<i>Audit services - Hall Chadwick</i>		
Audit or review of the financial statements	74,000	62,000

Note 28. Commitments

The Group has no capital and other commitments at 30 June 2025 and 30 June 2024.

Note 29. Contingent liabilities

On 17 March 2023, Cannon Technologies Ltd commenced legal proceedings in the Supreme Court of Western Australia against the Company and Stonegold Enterprises Pty Ltd (Stonegold). Stonegold is the landlord of the Bibra Lake premises, and the Company was joined as the second defendant. The claim involves a dispute about the ownership of certain equipment located at the premises, which pre-dates the Company's lease of the premises. Cannon Technologies claims that it is the owner of the equipment, alleges that the landlord and the Company have refused to return the equipment to Cannon Technologies and seeks various remedies, including damages, against Stonegold and the Company. The Company has denied the claims and is defending the action. Recently the Company and Stonegold negotiated a surrender of the Bibra Lake premises lease whereby the Company would exit from the lease on 18 October 2024 and Stonegold agreed to indemnify the Company against any potential exposure to an award of damages should Cannontech be successful in the proceedings. The Company will also be filing a notice of intention to abide, the effect of which is that the Company will not take any further part in the proceedings and accept any order made by the Court with the benefit of the indemnity from Stonegold.

The Company will provide a further update in due course, including any likely financial impact of a successful claim against the Company. However, the Company considers it will not have a material impact at this stage given the indemnity provided by Stonegold.

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

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

The consideration performance rights are contingent consideration of the Company which subject to milestones.

The Group has no other contingent liabilities at 30 June 2025 other than disclosed above.

Note 30. Events after the reporting period

On 8 September 2025, 2,500,000 performance rights lapsed as the conditions have not been satisfied.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 31. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2025 %	30 June 2024 %
Attained Group Ltd	United Kingdom	100.00%	100.00%
Adisyn Services Pty Ltd	Australia	100.00%	100.00%
Attained Pty Ltd	Australia	100.00%	100.00%
2D Generation Ltd	Israel	100.00%	-

Note 32. Parent entity information

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

Statement of profit or loss and other comprehensive income

	30 June 2025	30 June 2024
	\$	\$
Loss after income tax	(9,197,326)	(3,109,637)
Total comprehensive income	(9,197,326)	(3,109,637)

Statement of financial position

	30 June 2025	30 June 2024
	\$	\$
Total current assets	6,189,796	1,896,975
Total non-current assets	38,396,965	2,661,851
Total assets	44,586,761	4,558,826
Total current liabilities	328,875	2,734,633
Total non-current liabilities	68,663	1,472,416
Total liabilities	397,538	4,207,049
Equity		
Issued capital	46,730,518	11,324,454
Share-based payments reserve	20,358,123	2,729,415
Accumulated losses	(22,899,418)	(13,702,092)
Total equity	44,189,223	351,777

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

Refer to the contingent liabilities of the Group (**note 29**)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

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

Adisyn Ltd and its controlled entities
Consolidated entity disclosure statement
As at 30 June 2025

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

Determination of Tax Residency

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

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

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

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

*** Australian tax residency**

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

**** Foreign tax residency**

The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Adisyn Ltd and its controlled entities
Directors' declaration
30 June 2025

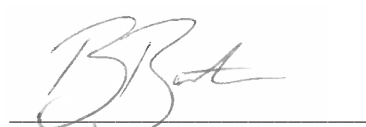
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in **note 2** to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 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



Blake Burton
Managing Director

29 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADISYN LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adisyn Ltd ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue Recognition</p> <p>During the year ended 30 June 2025, the Consolidated Entity generated sales revenue of \$3,261,168.</p> <p>Revenue recognition has been included as a key focus area in the audit report due to its financial significance and the increase in revenue during the year.</p>	<p>We reviewed the Consolidated Entity's revenue accounting policy and their contracts with customers and considered how management:</p> <ul style="list-style-type: none"> • Identified the contract • Identified the performance obligations within the contracts; • Determined the transaction price; • Allocated the transaction price to the performance obligations • Recognised revenue when the performance obligation was satisfied <p>In addition to the above our procedures amongst others included:</p> <ul style="list-style-type: none"> • Understanding the policies and procedures applied to the sales process and their application to revenue recognition; and • Performing substantive audit procedures on a sample basis by verifying revenue to relevant supporting documentation, verification of cash receipts for goods and ensuring the revenue was recognised at the appropriate time and classified correctly.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Acquisition of 2D Generation Ltd</p> <p>As disclosed in note 22 of the financial report, On 9 January 2025, the Group completed the acquisition of 100% of 2D Generation Ltd. The acquisitions have been accounted for in accordance with the requirements of AASB 3 <i>Business Combinations</i>.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> • The size of the transaction having a pervasive impact on the financial statements; and • The complexity in identifying the elements of consideration and the judgement applied in determining its fair value. 	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> • Reviewing the acquisition agreements to understand the key terms and conditions of the transactions; • Assessing the fair value of consideration transferred with reference to the terms of the acquisition agreement; • Verifying the acquisition date balance sheets of the acquiree to underlying supporting documentation; • Assessing management's determination of the provisional fair value of the assets and liabilities at the date of acquisition and consider any impairment requirements; • Assessing the appropriateness of disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

our audit.

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Company, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA

Director

Dated this 29th day of September 2025
Perth, Western Australia

The shareholder information set out below is applicable as at 22 September 2025.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement has been released as a separate document and is also located on our website at <https://adisyn.com.au/investor-centre>

ORDINARY SHARE CAPITAL

724,125,596 fully paid ordinary shares are held by 2,130 holders.

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

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

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

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

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Fully Paid Shares

	Name	Holding	Percentage
1	IBI CAPITAL COMPENSATION & TRUSTS 2004 LIMITED <ORI ACKERMAN A/C>	37,362,559	5.16
2	IBI CAPITAL COMPENSATION & TRUSTS 2004 LIMITED <KOBI BEN SHABATH A/C>	37,362,558	5.16
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	32,880,935	4.54
4	CITICORP NOMINEES PTY LIMITED	19,022,242	2.63
5	BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	16,416,028	2.27
6	IBI CAPITAL COMPENSATION AND TRUSTS (2004) LTD <ARYE KOHAVI>	15,300,846	2.11
7	MR GUOSHENG CHEN	15,000,000	2.07
8	SANDTON CAPITAL PTY LTD <SANDTON FAMILY A/C>	13,990,666	1.93
9	THOMAS FAMILY HOLDINGS PTY LTD <THOMAS WEALTH A/C>	12,440,214	1.72
10	TRINDIS PTY LTD	11,557,000	1.60
11	KAYA BUDI HOLDINGS PTY LTD <WEE FAMILY A/C>	10,000,000	1.38
12	LIBERTINE INVESTMENTS PTY LTD	8,964,518	1.24
13	MAGENTACITY PTY LTD <EMERY SUPER FUND A/C>	8,300,000	1.15
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	8,200,555	1.13
15	SUPAVAL PTY LTD <SUPAVAL SUPER FUND A/C>	8,064,335	1.12
16	MR JOHN GERARD HUGHAN <WADE A/C>	7,950,001	1.10
17	IBI TRUST MANAGEMENT <PROF DORON NAVEH>	7,389,382	1.02
18	IBI TRUST MANAGEMENT <SHIMON ERLICHMAN A/C>	7,318,755	0.66
19	MELBOURNE SECURITIES CORPORATION LTD <BV1 FUND A/C>	6,500,000	0.90
20	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,392,105	0.88
	Total top 20	290,412,699	39.77%
	Others	433,712,897	60.23%
	Total ordinary shares on issue	724,125,596	100.00%

SUBSTANTIAL HOLDERS

The Company's substantial shareholders as at 22 September 2025 are disclosed below.

Name	Holding	Percentage
ADISYN LTD	313,911,182	50.85%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	52	16,666	0.00%
1,001 - 5,000	282	815,372	0.11%
5,001 - 10,000	275	2,229,067	0.31%
10,001 - 100,000	835	37,897,804	5.23%
100,001 – and over	686	683,166,687	94.34%
Totals	2,130	724,125,596	100.00%

UMARKETABLE PARCELS

Holdings of less than a marketable parcel of ordinary shares:

Holders: 435

RESTRICTED SECURITIES

As at 22 September 2025, the following restricted securities are on issue:

79,104,009 Fully Paid Ordinary Shares escrowed 24 months from issue, releasing 09/01/2027 – 44 Holders

Holders with more than 20% - Nil

UNQUOTED SECURITIES

As at 22 September 2025, the following unquoted securities are on issue:

	Number on issue	Number of holders
Options expiring 20/12/2025 @ \$0.60	1,000,000	1
Options expiring 14/11/2027 @ \$0.03	2,000,000	2
Options expiring 20/12/2027 @ \$0.075	14,925,000	143
Options expiring 09/01/2028 @ \$0.075	45,000,000	5
Options expiring 31/01/2028 @ \$0.15	20,000,000	23
Options expiring 19/05/2028 @ \$0.15	12,000,000	2
Performance Rights exp 01/07/2026	250,000	1
Performance Rights exp 31/12/2025	3,000,000	1
Performance Rights exp 31/12/2025	2,000,000	1
Performance Rights exp 31/12/2025	750,000	2
Performance Rights exp 09/01/2026	100,000,000	84
Performance Rights exp 09/07/2026	100,000,000	84
Performance Rights exp 09/01/2028	100,000,000	84

1,000,000 Options expiring 20/12/2025 @ \$0.60 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
SHANE HOEHOCK WEE <WEE FAMILY A/C>	1,000,000	100.00

2,000,000 Options expiring 14/11/2027 @ \$0.03 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
CRAIG THOMAS VALLI	1,000,000	50.00%
TAMARA JAYNE LOCKE <JETAM FAMILY A/C>	1,000,000	50.00%

14,925,000 Options expiring 20/12/2027 @ \$0.075 – 143 Holders

Holders with more than 20% - Nil

45,000,000 Options expiring 09/01/2028 @ \$0.075 – 5 Holders

Holders with more than 20%

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

20,000,000 Options expiring 31/01/2028 @ \$0.15 – 23 Holders

Holders with more than 20% - Nil

12,000,000 Options expiring 19/05/2028 @ \$0.15 – 2 Holders

Holders with more than 20%

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

250,000 Performance Rights expiring 01/07/2026 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
LEWIS JOEL CARPENTER	250,000	100.00%

3,000,000 Performance Right expiring 31/12/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
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ASX ADDITIONAL INFORMATION

BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	3,000,000	100.00%
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2,000,000 Performance Right expiring 31/12/2025 – 1 Holder

Holders with more than 20%

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

750,000 Performance Right expiring 31/12/2025 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
JESSE GANE	500,000	66.67%
LEWIS JOEL CARPENTER	250,000	33.33%

100,000,000 Performance Right expiring 09/01/2026 – 84 Holders

Holders with more than 20% - Nil

100,000,000 Performance Right expiring 09/07/2026 – 84 Holders

Holders with more than 20% - Nil

100,000,000 Performance Right expiring 09/01/2028 – 84 Holders

Holders with more than 20% - Nil

ON-MARKET BUY BACK

There is currently no on-market buyback program.