ASX Announcement
24 July 2025

Quarterly Activities and Cashflow Report

Highlights

- Focused on creating low temperature graphene solution for interconnect semiconductor technology for advanced next-generation of high-performance computing chips, used in Artificial Intelligence (AI), high speed data processing, edge computing and 5G/6G.
- Post period-end, installation, commissioning and calibration activities completed for a Beneq TFS 200 Atomic Layer Deposition (ALD) system at 2D Generation's state-of-the-art facilities.
- Partnership Agreement with Jan Koum Center for Nanoscience and Nanotechnology at Tel Aviv University provides access to a second Beneq TFS 200 ALD system enabling parallel testing.
- Final grant instalment payment of ~A$100,000 received from the Israel Innovation Authority (IIA) following successful technical and financial audit validating the Company's graphene interconnect (A$520,000 received by 2DG in total).
- Business rationalisation activities to streamline Adisyn Services progressed and positions division for future success.
- Adisyn Services received significant ~$270k revenue contract post period-end, driving the business unit to near cashflow breakeven and beyond.
- Company retained strong balance sheet and is well-funded with A$6.9 million in cash holdings.

Adisyn Ltd **(ASX: AI1)** ("**Adisyn**" or the "**Company**") is pleased to provide a Quarterly Activities report for the period ending 30th June 2025, during which the Company built significant momentum developing revolutionary graphene-based technology which aims to transform semiconductor performance.

Post period-end, the Company advised the installation and full commissioning of its newly acquired Beneq TFS 200 ALD system had been completed by wholly owned subsidiary, 2D Generation ('2DG') (Figure 1) [1].

The ALD machine is a critical piece of infrastructure capable of depositing extremely thin layers (down to the atomic layer) of material. Adisyn is one of the world leaders investigating the potential of using ALD to deliver uniform deposition of graphene at temperatures low enough to be compatible with semiconductor chip manufacturing.

[1] Refer to ASX Announcements dated: 17 July 2025 & 10 June 2025

It is envisioned this technology could be applied to revolutionise the semiconductor interconnect architecture, which is typically copper-based. A graphene-based interconnect is anticipated to be significantly faster and more efficient than existing technologies which are increasingly reaching technological and physical limits.

Enhancing the performance of the interconnect via graphene has the potential to vastly improve computational output while reducing heat and energy use, three critical factors that are essential in all high-performance computing applications especially the AI revolution.

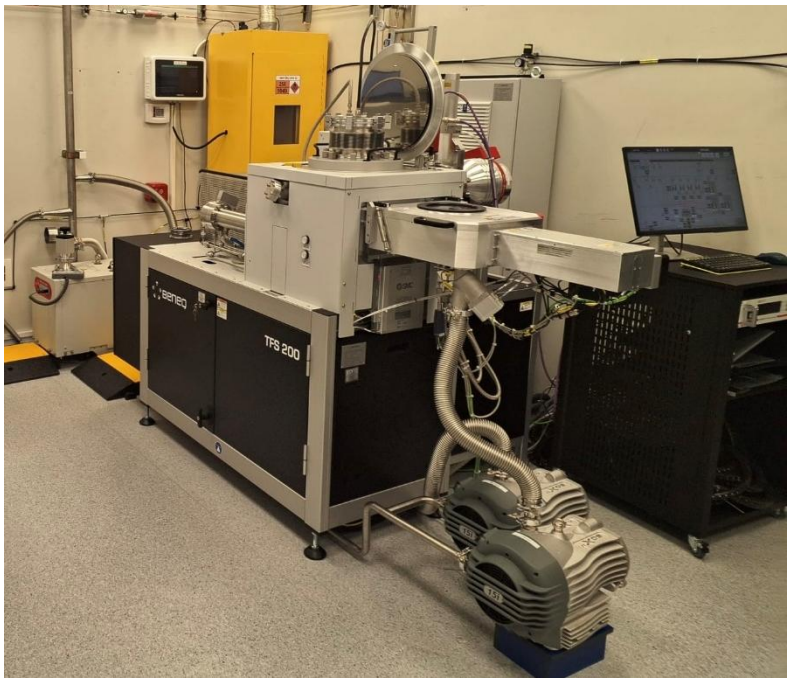

Figure 1: Successfully commissioned Atomic Layer Deposition system at 2DG's lab at Yakum Industrial Park, Israel

The successful installation, commissioning and calibration of the Beneq TFS 200 ALD offers the Company enhanced process control, lower operational temperature thresholds, and significantly higher throughput compared to previously used equipment. These capabilities are essential for advancing 2DG's proprietary low-temperature graphene deposition process.

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.

Concurrently, Adisyn is progressing research via access to a separate Beneq TFS 200 ALD system (Figure 2) courtesy of a Partnership Agreement with 2DG and the Jan Koum Center for Nanoscience and Nanotechnology at Tel Aviv University[2].

[2] Refer to ASX Announcement dated: 27 March 2025

The TAU Nano Center is a leading facility for nanotechnology research, with state-of-the-art tools and a world-class team of scientists and engineers. By leveraging these resources, Adisyn aims to expand its work in graphene-based semiconductor interconnect architectures.

Figure 2: the Beneq TFS 200 ALD system at the Tel Aviv University's Jan Koum Center for Nanoscience and Nanotechnology

The Company's research is currently assessing several different raw materials, precursors, reactants, surface treatments, temperatures and pressure controls to deliver highly specific results layering graphene at an atomic level.

In June, Adisyn advised that the Company received a final grant payment of ~A$100,000 from a A$520,000 grant partially funded by the Israel Innovation Authority (IIA)[3]. 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.

[3] Refer to ASX Announcement dated: 16 June 2025

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.

The IIA's assessment of the project included:

- The Company's innovation and intellectual property,
- Market size and long-term commercial potential,
- Team capability, technical progress, and use of consultants,
- Resource planning and compliance with funding criteria.

The grant was made under the Startup Fund program (https://innovationisrael.org.il/en/programs/startup-fund/#about_route), which supports companies pursuing groundbreaking R&D with global impact potential.

Business Activities and Rationalisation of Operations

For the quarter, the Company reported cash receipts of ~$952k. Total revenue for the quarter was $882k. Net cash used in operating activities was $1.042m.

Adisyn is also pleased to advise the Company has completed its strategic business operations review and initiated many 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.

The Company is also pleased to report that, post period-end, Adisyn Services has executed a substantial contractual agreement with Orbital Corporation Limited (ASX: OEC) for the provision of Managed IT, Cyber Security and Cloud Services. Estimated revenue is $270k plus GST for an initial 12 months. The commencement of work and recognition of associated revenue is expected from 1 September 2025.

As part of the rationalisation activities, the Company successfully completed a transaction with Metacorp Developments Pty Ltd ("Metacorp") in May 2025 for the divestment of the majority of the Miner Hosting business. Under a revised Heads of Agreement[4], 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.

[4] Refer to ASX Announcement dated: 24 April 2025

Technology Overview: Graphene Interconnects for a New Era of Computing

Adisyn's 2D Generation subsidiary is developing 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 methodology, preventing device damage and yield loss.

The emergence of this technology opens the door to produce the next generation of semiconductors capable of further miniaturisation, lower power consumption, less heat generation and ultimately greater computational power.

2D Generation's innovative technology centres around the aim of improving the performance and capabilities of a semiconductor component known as the interconnect.

About the interconnect:

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

Corporate

As at 30th June 2025, Adisyn possessed a strong balance sheet with A$6.9m in cash. During the quarter the Company repaid ~$604k in loans and equipment finance, entering the new financial year loan free and with only $51k in equipment finance remaining.

During the quarter, the Company paid AU~$600k for the delivery of a Beneq TFS 200 ALD system. Funding for this equipment was earmarked in the Company's capital raising announced on 24 January 2025, which identified this system as a key investment to advance Adisyn's R&D capabilities. The delivery payment was the second staged payment for the system, following an initial EUR418k procurement payment by 2D Generation in November 2024. The final payment of ~AU$150k is expected to be made in Q1 FY26.

In accordance with ASX Listing Rule 4.7C.3, payments in the June quarter to related parties of approximately $146k included at item 6 in the attached Appendix 4C comprised salaries and fees paid to executive and non-executive directors and their related entities.

-ENDS-

This announcement has been approved for release by the board of Adisyn Ltd.

Further Information:

Investors

Blake Burton
Managing Director, Adisyn
E: investors@adisyn.com.au
T: 1300 331 888

Media

David Tasker
Chapter One Advisors
E: dtasker@chapteroneadvisors.com.au
T: +61 433 112 936

About 2D Generation

2D Generation is a high-tech company specialising in graphene-based solutions for the semiconductor industry. Founded by Arye Kohavi, the company is dedicated to overcoming current technological limitations by developing faster, stronger, and more energy-efficient computer processing solutions. These advancements will support the next generation of AI, data storage, telecommunications, cybersecurity, mobile devices, and more.

About Adisyn

Adisyn is a leading provider of managed technology solutions, primarily serving the SME market. The Company 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.

Forward-looking statements:

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of Adisyn Ltd are, or may be, forward-looking statements. Such statements relate to future events and expectations and as such, involve known and unknown risks and uncertainties. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

The Company cautions shareholders and prospective shareholders not to put undue reliance on forward-looking statements, which reflect the Company's expectations only as of the date of this announcement. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Appendix 4C

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

Name of entity	
Adisyn Ltd	
ABN	**Quarter ended ("current quarter")**
30 155 473 304	30 June 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	952	4,080
1.2	Payments for		
	(a) research and development	(97)	(138)
	(b) product manufacturing and operating costs	(797)	(3,463)
	(c) advertising and marketing	(7)	(51)
	(d) leased assets	(51)	(221)
	(e) staff costs	(743)	(2,621)
	(f) administration and corporate costs	(502)	(1,797)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	61	82
1.5	Interest and other costs of finance paid	(19)	(95)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	101	101
1.8	Other (VAT Refund)	60	100
1.9	**Net cash from / (used in) operating activities**	**(1,042)**	**(4,023)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(20)
	(c) property, plant and equipment	(941)	(1,007)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	311
	(c) property, plant and equipment	-	78
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(705)
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security deposits – Leased Premises)	-	82
2.6	**Net cash from / (used in) investing activities**	**(941)**	**(1,261)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	126	14,629
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(29)	(1,107)
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	(604)	(1,923)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Cash acquired on acquisition of 2D Generation Ltd)	-	303
3.10	**Net cash from / (used in) financing activities**	**(507)**	**12,002**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,465	299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,042)	(4,023)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(941)	(1,261)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(507)	12,002
4.5	Effect of movement in exchange rates on cash held	(17)	(59)
4.6	**Cash and cash equivalents at end of period**	**6,958**	**6,958**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	949	1,206
5.2	Call deposits	6,009	8,259
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,958**	**9,465**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	146
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Related to director fees, salaries and wages plus superannuation of all related parties.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	51	51
7.4	**Total financing facilities**	**51**	**51**

7.5	**Unused financing facilities available at quarter end**	**-**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 Loan Facilities: Included under loan facilities are: Not applicable

7.2 Credit Standby arrangements: Not applicable

7.3 Other: Included under Other is the carrying amount of equipment finance leases with a variety of financiers with varying maturity dates and a weighted average interest rate of 12.82%.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,042)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,958
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,958
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**6.68**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ..24 July 2025.....

Authorised by: ...The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.