

Graphene Manufacturing Group Ltd

ACN 614 164 877

**Unaudited Condensed Consolidated Interim Financial
Statements for the three months ended 30 September 2025
and 2024**

Contents

	Page
Corporate information	3
Unaudited condensed consolidated interim statement of profit or loss and other comprehensive income	4
Unaudited condensed consolidated interim statement of financial position	5
Unaudited condensed consolidated interim statement of changes in equity	6
Unaudited condensed consolidated interim statement of cash flows	7
Notes to the unaudited condensed consolidated interim financial statements	8

Corporate information

The unaudited condensed consolidated interim financial statements of Graphene Manufacturing Group Ltd (“**GMG**” or the “**Company**”) for the three months ended 30 September 2025 and 2024 were authorised for issue in accordance with a resolution of the directors on 25 November 2025. The Company is a limited liability company incorporated and domiciled in Australia, and whose shares are publicly traded on the TSX Venture Exchange (the “**TSXV**”) and traded over the counter on the OTCQX® Best Market (The “**OTCQX**”).

Directors

Craig Nicol
Robert Galyen
Andrew Small
John Perkowski

Registered office

Graphene Manufacturing Group Ltd
5/848 Boundary Road
Richlands QLD 4077
Australia

Principal place of business

Graphene Manufacturing Group Ltd
5/848 Boundary Road
Richlands QLD 4077
Australia

Share registrar and transfer agent

Computershare Investor Services Inc.
510 Burrard Street
Vancouver BC V6C 3B9
Canada

Auditors

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
Australia

Graphene Manufacturing Group Ltd
Unaudited Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the three months ended 30 September 2025 & 2024

Unaudited Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

		Three months ended 30 September	
	Note	2025 A\$	2024 A\$
Revenue	7	87,490	59,258
Other income	8(a)	46,347	755,070
Employee benefit expenses	8(b)	(1,464,201)	(1,045,930)
Professional and consulting fees	8(b)	(524,510)	(636,353)
Depreciation and amortisation expense	13,14	(351,538)	(398,965)
Travel expenses		(11,476)	(126,843)
Raw materials and production inputs		(57,770)	(41,733)
Occupancy and utilities expenses		(37,427)	(80,903)
Factory costs		(61,662)	(29,811)
Share based payments expense		(215,527)	(404,098)
Other expenses	8(b)	(567,873)	(349,016)
Finance costs	8(c)	(140,378)	(83,910)
Gain / (loss) on change in fair value of warrants	17(a)	1,108,618	1,042,157
Profit / (loss) before income tax		(2,189,907)	(1,341,077)
Income tax expense	9	-	-
Profit / (loss) for the period		(2,189,907)	(1,341,077)
Other comprehensive income (OCI)			
Foreign currency translation differences		-	-
Net OCI that may be reclassified to profit or loss in subsequent periods		-	-
OCI for the period, net of tax		-	-
Total comprehensive profit / (loss) for the period		(2,189,907)	(1,341,077)
Earnings / (loss) per share attributable to the ordinary equity holders of the Company:			
Basic and diluted (\$)	10	(0.0197)	(0.0140)
Weighted average number of ordinary shares outstanding (Basic and diluted)	10	111,242,535	95,993,030

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

Graphene Manufacturing Group Ltd
Unaudited Condensed Consolidated Interim Statement of Financial Position
As at 30 September 2025 and 30 June 2025

Unaudited Condensed Consolidated Interim Statement of Financial Position

	Note	30 September 2025 A\$	30 June 2025 A\$
ASSETS			
Current assets			
Cash and cash equivalents	11	12,879,866	7,708,021
Trade and other receivables	12	83,700	116,974
Inventories		1,485,123	1,270,622
Research and development grants receivables		1,997,992	1,997,992
Other current assets		531,298	347,315
		16,977,979	11,440,924
Non-current assets			
Property, plant and equipment	13	4,614,581	4,752,879
Intangible assets	14	942,044	1,026,469
		5,556,625	5,779,348
Total assets		22,534,604	17,220,272
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,194,203	1,133,324
Contract liabilities	7(b)	3,192	5,919
Lease liabilities	16	364,686	354,733
Financial liabilities	17	8,785,206	5,537,309
Employee benefit liabilities		283,656	249,366
Provisions		-	6,151
		10,630,943	7,286,802
Non-current liabilities			
Lease liabilities	16	323,059	419,260
Employee benefit liabilities		55,240	48,895
Provisions		556,900	556,900
		935,199	1,025,055
Total liabilities		11,566,142	8,311,857
Net assets		10,968,462	8,908,415
EQUITY			
Share capital	18	45,935,828	42,692,887
Share capital warrant premium	18	8,940,286	8,555,983
Reserves	19	7,690,158	7,067,448
Accumulated losses		(51,597,810)	(49,407,903)
Total equity		10,968,462	8,908,415

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

Graphene Manufacturing Group Ltd
Unaudited Condensed Consolidated Interim Statement of Changes in Equity
For the three months ended 30 September 2025 and 2024

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

	Note	Share capital A\$	Reserves A\$	Accumulated losses A\$	Total equity A\$
Balance at 1 July 2024		43,928,522	5,445,677	(40,834,243)	8,539,956
Loss for the period		-	-	(1,341,077)	(1,341,077)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(1,341,077)	(1,341,077)
Transactions with owners of the Company					
Shares issued	18	153,680	-	-	153,680
Transaction costs on issued shares	18	(202,249)	-	-	(202,249)
Share options and warrants exercised	18	1,022,782	-	-	1,022,782
Share capital warrant premium	18	147,974	-	-	147,974
Share based payments	19(a)	-	404,098	-	404,098
		1,122,187	364,648	-	1,526,285
Balance at 30 September 2024		45,050,709	5,849,775	(42,175,320)	8,725,164
Balance at 1 July 2025		51,248,870	7,067,448	(49,407,903)	8,908,415
Loss for the period		-	-	(2,189,907)	(2,189,907)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(2,189,907)	(2,189,907)
Transactions with owners of the Company					
Shares issued	18	2,878,090	-	-	2,878,090
Transaction costs on issued shares	18	(477,855)	-	-	(477,855)
Share options and warrants exercised	18	842,706	-	-	842,706
Share capital warrant premium	18	384,303	-	-	384,303
Share based payments	19(a)	-	622,710	-	622,710
		3,627,244	622,710	-	4,249,954
Balance at 30 September 2025		54,876,114	7,690,158	(51,597,810)	10,968,462

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

Graphene Manufacturing Group Ltd
Unaudited Condensed Consolidated Interim Statement of Cash Flows
For the three months ended 30 September 2025 and 2024

Unaudited Condensed Consolidated Interim Statement of Cash Flows

		Three months ended 30 September	
	Note	2025 A\$	2024 A\$
Operating activities			
Receipts from customers and government subsidies (Inc. GST)		155,010	128,047
Payments to suppliers and employees (Inc. GST)		(2,941,968)	(1,865,196)
Joint development income received		-	1,485,000
Interest received		43,276	5,065
Interest paid		(13,346)	(24,797)
Net cash used in operating activities		(2,757,027)	(271,881)
Investing activities			
Acquisition of property, plant and equipment	13	(77,378)	(165,854)
Acquisition of intangibles	14	(51,438)	(62,062)
Net cash used in investing activities		(128,816)	(227,916)
Financing activities			
Proceeds from issue of shares		2,878,090	153,680
Proceeds from issue of share warrants		5,451,993	-
Proceeds from exercise of share options	18	47,777	129,600
Proceeds from exercise of share warrants	18	794,929	893,182
Share and warrant issue transaction costs		(905,689)	(202,249)
Repayment of Borrowings		-	(46,064)
Payment of lease liabilities		(82,247)	(111,179)
Net cash from financing activities		8,184,853	816,970
Net increase / (decrease) in cash and cash equivalents		5,299,010	317,173
Cash and cash equivalents at 1 July		7,708,021	3,982,205
Net foreign exchange difference on cash held		(127,165)	(55,506)
Cash and cash equivalents at 30 September		12,879,866	4,243,872

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

1. Reporting entity

Graphene Manufacturing Group Ltd (“**GMG**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is a for-profit company primarily involved in the development of technology and manufacture of graphene powder and energy saving and energy storage solutions enabled by graphene. The Company is a limited liability company incorporated and domiciled in Australia, and whose shares are publicly traded on the TSX Venture Exchange (the “**TSXV**”) and traded over the counter on the OTCQX® Best Market (The “**OTCQX**”).

2. Basis of preparation

These unaudited condensed consolidated interim financial statements (“interim financial statements”) as at 30 September 2025 and for the three months ended 30 September 2025 and 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended 30 June 2025 (“last annual financial statements”). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and Interpretations (collectively “**IFRS Accounting Standards**” or “**IFRS**”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company’s board of directors on 25 November 2025.

(a) Going concern

The interim financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of operations.

For the three month period ended 30 September 2025, the Company incurred a loss of \$2,189,907 after income tax and net cash used in operating activities of \$2,757,027. At 30 September 2025, the Company had net current assets of \$6,347,036.

The ability of the Group to continue as a going concern is principally dependent upon current cash funding held and the ability to raise additional capital or secure other forms of financing, as and when necessary to meet the levels of expenditure required for the Group. This is required to continue its ongoing development and commercialisation of energy saving and energy storage solutions and to meet the Group’s working capital requirements. In addition to this, the Group is dependent on the ability to commercialise its products to generate sustainable, sufficient operating cash flows.

These conditions give rise to material uncertainty which may cast significant doubt over the Company’s ability to continue as a going concern.

Whilst acknowledging these uncertainties, the Directors have concluded that the going concern basis of preparation of the interim financial statements is appropriate considering the following circumstances:

- As at 30 September 2025, the Group had cash on hand of \$12,879,866, which together with the funds which could be received from warrants and options is sufficient to meet the ongoing corporate costs and expected project expenditure in the short to medium term.
- As at 30 September 2025, the Company had accrued a claim for \$1,997,992 under the Australian Government’s Research & Development tax incentive scheme which was subsequently paid to the Company on 25 November 2025.
- As at the date of this report there are 2,903,483 options and 21,810,804 warrants on issue with exercise prices ranging from AUD\$0.36 to AUD\$3.68. If exercised these could raise up to \$36,854,808 in additional capital. Of these, 1,403,483 options and 3,670,816 warrants are considered “in the money”, amounting to potential proceeds of \$3,332,525.

2. Basis of preparation (continued)

(a) Going concern (continued)

- On 11 July 2025 the Company entered into an equity distribution agreement (the “Distribution Agreement”) to provide additional working capital if required. Pursuant to the Distribution Agreement, the Company is entitled to sell such number of ordinary shares that would result in aggregate gross proceeds of up to C\$20million.
- On September 3, 2025, the Company closed a bought deal public offering for gross proceeds of C\$6,900,000, which included the full over-allotment option. Under the offering, the Company sold 7,666,667 units of the Company at a price of C\$0.90 per Unit.
- To the extent required, the Company has capacity under the TSXV Listing Rules to raise further funds through the issue or placement of securities and currently has a Base Shelf Prospectus readily available on SEDAR+ for this purpose.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. These financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

3. Functional and presentation currency

These interim financial statements are presented in Australian dollars (\$ or A\$), except for certain references to Canadian dollars (C\$) where specifically stated. The Company’s functional and presentation currency is Australian dollars.

4. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, revenue and expense. Actual results may differ from these estimates.

Significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5. Change in accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group’s last annual financial statements for the year ended 30 June 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

6. Operating segments

The Company’s senior management represent the Chief Operating Decision Makers (“**CODM**”). The CODM analyses the company information as a whole and as such, have determined that the Company has only one operating segment. Revenue from the operations is not at a stage where there are multiple product lines with all sales coming from energy saving and energy storage solutions mainly in Australia. Assets are all based in Australia.

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

2025	2024
A\$	A\$

7. Revenue from contracts with customers

Sale of goods	51,685	42,693
Services	35,805	16,565
	87,490	59,258

(a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods as follows:

Timing of revenue recognition

At a point in time	87,490	59,258
	87,490	59,258

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

A\$	September 2025	June 2025
Receivables, which are included in 'trade and other receivables'	27,441	89,721
Contract assets	-	-
Contract liabilities	(3,192)	(5,919)

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date.

A\$	Contract assets		Contract liabilities	
	September 2025	June 2025	September 2025	June 2025
Opening Balance 1 July	-	-	(5,919)	(21,100)
Revenue recognised from contracts in progress	-	-	-	-
Amounts reversed through credit notes	-	-	2,556	-
Amounts included in contract liabilities that was recognised as revenue during the period	-	-	3,363	22,066
Unearned revenue recognised where performance obligation is pending completion	-	-	(3,192)	(6,885)
Closing Balance	-	-	(3,192)	(5,919)

No information is provided about remaining performance obligations at 30 September 2025 and 30 June 2025 that have an original expected duration of one year or less, as allowed by IFRS 15.

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

8. Income and expenses

(a) Other income	2025 A\$	2024 A\$
Joint development income	-	750,000
Foreign exchange gains	-	-
Interest income	43,276	5,065
Other income	3,071	5
	46,347	755,070

Other income is recognised using the methods outlined below:

Joint development income

Joint development income relates to income received as a result of collaboration agreements where the Company has agreed to work collaboratively with another entity to develop or improve energy storage solutions over a period of time. Income is recognised on a straight-line basis over the collaboration period.

Interest income

Interest income is recognised using the effective interest method.

(b) Notable expenses

Employee benefit expenses include the following items:

Wages and salaries	1,065,112	852,552
Other long-term employee benefits	40,635	33,629
Post employment benefits	128,071	108,125
Other employment cost and taxes	230,383	51,624
	1,464,201	1,045,930

Other expenses include the following items:

Filing fee expenses	21,163	25,851
Information technology expenses	58,820	33,830
Insurance	67,564	76,071
Marketing	62,307	12,957
Share registry and other listing expenses	15,213	10,322
Testing and quality control	80,867	33,299
Transaction costs – financial instruments	123,841	67,532
Advertising	79,714	-
Subscription	40,811	19,768
Other operating expenses	17,573	69,385
	567,873	349,016

Professional and consulting fees include the following items:

Accounting, Audit and Tax advisory fees	31,475	45,746
Investor relations costs	134,645	133,035
Engineering consultants and other contractors	297,960	226,678
Legal expenses	60,430	230,894
	524,510	636,353

(c) Finance costs

Foreign exchange losses	122,120	54,541
Interest expense – lease liabilities	13,346	22,437
Finance and other interest charges	4,912	6,932
	140,378	83,910

9. Income tax expense

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The unused tax losses incurred by the Company are not recognised as there is uncertainty on the expected timing in which the Company is likely to generate taxable income in the foreseeable future. Subject to satisfying certain tests under the relevant legislation they can be carried forward indefinitely. As a consequence, there is no income tax expense.

10. Earnings per share

Basic earnings or loss per share ("**EPS**") calculations have been based on the following profit/(loss) attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding.

Diluted EPS calculations have been based on the following loss attributable to ordinary equity holders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Due to the net loss recognised for the years, and the ongoing non-cash impact on profit and loss due to the change in the fair value of warrants, to ensure consistency and relevance of reporting, all outstanding stock options, warrants and broker warrants were excluded from the calculation of diluted EPS due to their anti-dilutive effect.

	Three months ended 30 September	
	2025	2024
	A\$	A\$
Basic and diluted EPS (\$)	(0.0197)	(0.0140)
Profit / (loss) attributable to ordinary equity holders of the Company for basic earnings – continuing operations	(2,189,907)	(1,341,077)
Profit / (loss) attributable to ordinary equity holders of the Company adjusted for the effect of dilution	(2,189,907)	(1,341,077)
	2025	2024
	Number	Number
(a) Weighted average number of ordinary shares ("WANOS")		
WANOS used in basic and diluted EPS	111,242,535	95,993,030

Items excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive:

	Number as at 30 September	
	2025	2024
Stock options	2,903,483	4,460,682
Warrants	20,065,623	9,014,056
Broker warrants	1,745,181	764,120
Restricted and performance share units	2,460,952	1,055,768
	27,175,239	15,294,626

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

	30 September 2025 A\$	30 June 2025 A\$
11. Cash and cash equivalents		
Cash at bank	12,667,654	7,416,561
Term deposits	212,212	291,460
	12,879,866	7,708,021

	30 September 2025 A\$	30 June 2025 A\$
12. Trade and other receivables		
Trade and other receivables	38,297	89,933
Goods and services tax receivable	45,403	27,041
	83,700	116,974

13. Property, plant and equipment

	Right-of-use (i)(ii)	Property, plant and equipment			
	Leased buildings A\$	Plant and equipment (iii) A\$	Leasehold improvements A\$	Capital work in progress (iv) A\$	Total A\$
Cost					
At 30 June 2025	2,044,928	4,293,308	771,891	1,603,790	8,713,916
Additions	-	-	-	128,816	128,816
Disposals	-	-	-	-	-
Transfers	-	54,127	-	(78,900)	(24,773)
At 30 September 2025	2,044,928	4,347,435	771,891	1,653,705	8,817,958
Accumulated depreciation					
At 30 June 2025	1,190,867	2,433,752	336,418	-	3,961,037
Depreciation	106,757	103,643	31,940	-	242,340
Disposals	-	-	-	-	-
At 30 September 2025	1,297,624	2,537,395	368,358	-	4,203,377
Net book value					
At 30 June 2025	854,061	1,859,556	435,473	1,603,790	4,752,879
At 30 September 2025	747,303	1,810,040	403,532	1,653,705	4,614,581

- (i) Right-of-use ("ROU") asset recognised in respect of the Company's head office and warehouse leased premises in Brisbane, Australia, as disclosed in note 16, with the corresponding lease accounting policy as described in note 29 of the last annual financial statements for the year ended 30 June 2025.
- (ii) A reassessment of the make good for Unit 4 and Unit 5 Richlands Queensland was completed for the year ended 30 June 2025 and required an increase of \$360,900 to the make good provision and corresponding ROU asset.
- (iii) Plant and equipment cost includes \$24,246 of leased office equipment & \$56,822 of leased plant manufacturing equipment recognised as a ROU asset as the lease terms exceed 12 months.
- (iv) Capital works in progress at 30 September includes \$224,170 of costs incurred to file global patents & trademarks relating to processes that are not yet enforceable.

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

14. Intangible assets

	Patents, trademarks and other rights A\$	Computer software A\$	Total A\$
Cost			
At 30 June 2025	2,229,740	35,111	2,264,851
Additions	-	-	-
Disposals	-	-	-
Transfers	24,773	-	24,773
At 30 September 2025	2,254,513	35,111	2,289,624
Accumulated amortisation			
At 30 June 2025	1,216,960	21,422	1,238,382
Amortisation	107,607	1,591	109,198
Disposals	-	-	-
At 30 September 2025	1,324,567	23,013	1,347,580
Net book value			
At 30 June 2025	1,012,780	13,689	1,026,469
At 30 September 2025	929,946	12,098	942,044

15. Trade and other payables

	30 September 2025 A\$	30 June 2025 A\$
Trade payables	759,902	619,950
Accrued expenses	302,192	412,982
Other payables	132,109	100,392
	1,194,203	1,133,324

16. Lease liabilities

	30 September 2025 A\$	30 June 2025 A\$
Maturity analysis of contractual undiscounted cash flows:		
Within one year	402,112	398,601
Between one and five years	336,236	439,340
	738,348	837,941
Lease liabilities included in the condensed interim statement of financial position:		
Current	364,686	354,733
Non-current	323,059	419,260
	687,745	773,993

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

	30 September 2025 A\$	30 June 2025 A\$
17. Financial liabilities	Note	
Warrant liabilities:		
Traded warrants		365,119
Non-traded warrants		396,983
		<u>10,060,202</u>
	17(a)	<u>6,069,266</u>
Transaction costs		6,466,249
		<u>(1,640,115)</u>
Carrying amount of warrant liabilities		<u>(928,940)</u>
		<u>8,785,206</u>
		<u>5,537,309</u>

(a) Warrant liability

The Company has issued certain share purchase warrants which have a fixed exercise price in Canadian dollars. As the functional currency of the Company is the Australian dollar, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. The share purchase warrants were not issued for goods or services rendered. Accordingly, these warrants are classified and accounted for as a derivative financial liability at fair value through profit or loss. The fair value of the warrants is determined using the quoted market trading data for the Company's traded warrants, and the Black-Scholes option pricing model for non-traded warrants.

The changes in the carrying amounts of the Company's outstanding warrant liability during the three-month period ended 30 September 2025 and 2024 were as follows:

	2025 A\$	2024 A\$
At 1 July	6,466,249	3,785,546
Issued during the period	5,451,993	-
Exercised	(384,303)	(147,974)
Expired	-	-
Fair value adjustment	(1,108,618)	(1,042,157)
At 30 September	10,425,321	2,595,415

Further details of the warrants issued are disclosed in note 18(b).

Non-traded warrants

The fair value of non-traded warrants and stock options classified as derivative financial liabilities was calculated with the following weighted average assumptions:

	30 September 2025	30 June 2025
Share price	C\$0.81	C\$0.60
Exercise price	C\$0.55 – C\$3.35	C\$0.55 – C\$3.35
Expected volatility	123.14%	159.75%
Expected life (years)	1.17 – 2.93	1.42 – 2.85
Risk-free interest rate	3.49% - 3.54%	3.21% - 3.26%

17. Financial Liabilities (continued)

(a) Warrant liability (continued)

Traded warrants

At 30 September 2025, the fair value of traded warrants was based on the market price per warrant at the reporting date. For the Marketed Offering Warrants issued on 16 August 2023, trading under the ticker GMG-WT-A, the price was C\$0.33 (2024: C\$0.16) per warrant at the end of the reporting period.

18. Share capital

	Note	Three months ended 30 September			
		2025 Number	2025 A\$	2024 Number	2024 A\$
Ordinary shares		117,767,201	54,876,114	96,770,059	45,050,709
(a) Movement in ordinary shares					
At 1 July		107,939,244	51,248,870	94,642,421	43,928,522
Shares Issued – ATM Facility	(i)	632,800	674,321	208,000	153,680
Shares issued – Bought Deal	(ii)	7,666,667	2,203,769	-	-
Share options exercised	(iii)	131,400	47,777	360,000	129,600
Warrants exercised	(iv)	1,306,600	794,929	1,485,000	893,182
RSUs exercised	(v)	90,490	-	74,638	-
Transaction costs for issued shares		-	(477,855)	-	(202,249)
		117,767,201	54,491,811	96,770,059	44,902,735
Share capital warrant premium		-	384,303	-	147,974
At 30 September		117,767,201	54,876,114	96,770,059	45,050,709

(i) Share issue – ATM Facility

On October 1, 2025, the Company announced that during the quarterly period ended September 30, 2025, the Company issued a total of 632,800 Ordinary Shares on the TSX Venture Exchange (the “TSXV”) at an average price of C\$0.9553 per share under the ATM Program, providing gross proceeds of C\$604,511 (A\$674,321). Commissions of C\$18,135 (A\$20,230) were paid to the Agent in relation to these distributions.

(ii) Share issue – Bought Deal

On September 3 2025, GMG completed a “bought deal” public offering of units (the “Units”) of the Company, including exercise in full of the over-allotment option (the “Offering”). A total of 7,666,668 Units were sold at a price of C\$0.90 per Unit (the “Offering Price”) for gross proceeds of approximately C\$6.9 million. Each Unit is comprised of one ordinary share in the capital of the Company (each, an “Unit Share”) and one of an Ordinary Share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to purchase one Ordinary Share at C\$1.35 at any time until September 3, 2027.

(iii) Share options exercised

Shares issued upon the exercise of options allocated under the Stock Option Plan detailed in note 20(b).

(iv) Warrants exercised

Shares issued upon the exercise of warrants detailed in note 18(b).

(v) Restricted share units (“RSUs”) exercised

Shares issued upon the exercise of RSUs detailed in note 20(f).

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

18. Share capital (continued)

(b) Warrants

Warrants, including broker warrants, outstanding at the end of the period have the following expiry dates and exercise prices:

Issue date	Expiry date	Exercise price	30 September 2025	30 June 2025
30 November 2022	30 November 2026	C\$3.35	2,091,850	2,091,850
16 August 2023	16 August 2027	C\$2.20	1,014,706	1,014,706
16 August 2023	16 August 2026	C\$1.70	121,765	121,765
7 May 2024	7 May 2028	C\$0.55	2,047,400	3,354,000
7 May 2024	7 May 2028	C\$0.55	579,600	579,600
20 March 2025	20 March 2028	C\$1.10	7,245,000	7,245,000
20 March 2025	20 March 2028	C\$0.80	507,150	507,150
3 September 2025	3 September 2028	C\$1.35	7,666,667	-
3 September 2025	3 September 2028	C\$0.90	536,666	-
Total			21,810,804	14,914,071

The number and weighted average exercise price ("WAEP") of warrants, which are all exercisable, were as follows:

	Three months ended 30 September			
	2025 WAEP	2025 Number	2024 WAEP	2024 Number
Outstanding at 1 July	\$1.50	14,914,071	\$1.60	13,469,051
Granted	\$1.47	8,203,333	-	-
Expired ⁽ⁱ⁾			\$2.77	(2,205,875)
Exercised	\$0.61	(1,306,600)	\$0.66	(1,485,000)
Outstanding at 30 September	\$1.50	21,810,804	\$1.44	9,778,176

- (i) Warrants expiring on September 2, 2024, consisted of 1,994,100 traded warrants and 18,515 compensation warrants both from the September 2021 Marketed Offer and 187,500 non-traded warrants, and 5,760 Finders warrants both from the September 2021 Private Placement.

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

19. Reserves

	30 September 2025 A\$	30 June 2025 A\$
Share-based payment reserve	6,007,029	5,791,502
Warrants reserve	1,683,129	1,275,946
	7,690,158	7,067,448

(a) Movements in reserves

	Share-Based Payment A\$	Warrants A\$	Total A\$
At 30 June 2025	5,791,502	1,275,946	7,067,448
Stock option plan expense	54,332	-	54,332
RSUs expense	161,195	-	161,195
Warrants issued	-	407,183	407,183
At 30 September 2025	6,007,029	1,683,129	7,690,158

20. Share-based payments

(a) Share-based payments reconciliation

	Contributed equity	Share Based Payment Reserve			Warrant Reserve	Warrant Liability
		Stock Options	RSU	PSU		
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	51,248,870	1,278,760	4,512,742	-	1,275,946	5,537,309
Shares issued – ATM Facility (i)	674,321	-	-	-	-	-
Shares issued – Bought Deal (ii)	2,203,769	-	-	-	407,183	5,451,993
Transaction costs issued shares (iii)	(477,855)	-	-	-	-	(835,016)
Stock options exercised (iv)	47,777	-	-	-	-	-
Stock options vested/(forfeited) (v)	-	54,332	-	-	-	-
RSU and PSU exercised (vi)	-	-	-	-	-	-
RSU and PSU vested/(forfeited) (vii)	-	-	161,195	-	-	-
Warrants Exercised (viii)	794,929	-	-	-	-	-
Warrant Premium (ix)	384,303	-	-	-	-	(384,303)
FV adjustment of warrants (x)	-	-	-	-	-	(1,108,618)
Transaction costs amortised (xi)	-	-	-	-	-	123,841
At 30 September 2025	54,876,114	1,333,092	4,673,937	-	1,683,129	8,785,206

20. Share-based payments (continued)

(a) Share-based payments reconciliation (continued)

- (i) ATM Facility funds raised in the three months to 30 September 2025 - see note 18(a)(i)
- (ii) Funds raised as part of the Bought Deal closed 3 September 2025 – see note 18(a)(ii)
- (iii) Transaction costs incurred as part of establishing the ATM facility in note (i) and the Bought Deal in note (ii)
- (iv) Shares issued upon the exercise of options allocated under the Stock Option Plan detailed in note 20(b).
- (v) The cost of options issued under the stock Option Plan are recognised according to their vesting period.
- (vi) RSU's & PSU's issued under the Share Incentive plan detailed in note 24(c) have a \$nil exercise price.
- (vii) The cost of RSU's and PSU's issued under the share incentive plan are recognised in accordance with their vesting period.
- (viii) Shares issued upon the exercise of warrants issued as part of the May 2024 Marketed Offering.
- (ix) Premium of share price at exercise over exercise price relating to shares issued in (ix) above.
- (x) Fair value adjustment of the warrant liability outstanding due to the loss in value of the underlying share price.
- (xi) Transaction costs associated with the issue of warrants are amortised over the life of the warrant.

(b) Stock option plan and Share Incentive Plan

Amendments to the stock option plan (established 19 September 2018) and the Share Incentive Plan (established 25 November 2021) were approved by resolutions of shareholders on 25 November 2022. The plans are designed to provide eligible participants with an opportunity to share in the ownership of the Company in order to:

- promote the long-term success of the Company;
- provide a strategic, value based reward for eligible persons who make a key contribution to that success;
- align eligible persons' interests with the interests of the Company's shareholders; and
- promote the retention of eligible participants.

Eligible participants under each plan are any director, executive officer, employee or consultant of the Company as decided upon by the board to be eligible under the terms of the respective plan.

Options, RSUs and PSUs may be granted on commercial terms approved by the board, which may include but are not limited to vesting conditions based on length of service and performance of the eligible participant, or the Company's share price. Participation in each plan is at the board's discretion.

Options, RSUs and PSUs are granted under the respective plan for no consideration and carry no dividend or voting rights. Upon exercise or settlement, each option, RSU and PSU is convertible into one ordinary share.

(c) Restricted share units ("RSUs") and performance share units ("PSUs")

Equity settled

Under the terms of the Share Incentive Plan ("**Share Incentive Plan**") the Board of Directors may, from time to time, grant to directors, executive officers, employees and consultants, RSUs and PSUs in such numbers and on such terms as determined by the board. RSUs and PSUs granted under the Share Incentive Plan, are exercisable into ordinary shares for no additional consideration, after the vesting conditions specified within the terms of each participants' agreement are met.

The fair value of RSUs and PSUs was determined based on the Company's share price on the date of grant.

The RSUs vest in one to three tranches with vesting conditions based on time and share price performance over its respective one to three-year period. The PSUs vest in three tranches with vesting conditions based on time and performance targets over a three-year period.

Share-based payments expense related to the RSUs and PSUs are recorded over the respective one to three-year vesting period and the amount is adjusted at each reporting period to reflect the number of RSUs and PSUs expected to vest.

Graphene Manufacturing Group Ltd
Notes to the unaudited condensed consolidated Interim Financial Statements
For the three months ended 30 September 2025 and 2024

20. Share-based payments (continued)

(d) Reconciliation of outstanding share options

Share options, granted as share based payments, outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	30 September 2025	30 September 2024
6 November 2018	4 November 2025	\$0.36	367,245	1,572,444
18 February 2019	16 February 2026	\$0.61	-	220,000
15 March 2019	13 March 2026	\$0.61	75,000	75,000
20 March 2019	18 March 2026	\$0.61	7,326	29,326
2 December 2019	30 November 2026	\$0.42	440,000	440,000
6 April 2020	5 April 2027	\$0.61	29,326	29,326
21 April 2020	20 April 2027	\$0.61	85,000	85,000
23 December 2020	22 December 2027	\$0.82	370,238	480,238
12 March 2021	10 March 2028	\$0.94	29,348	29,348
1 July 2023	30 June 2026	C\$1.90	100,000	100,000
1 February 2024	1 February 2028	C1.74	1,400,000	1,400,000
Total			2,903,483	4,460,682

The number and weighted average exercise price ("WAEP") of share options representing share based payments, were as follows:

	Three months ended 30 September			
	2025 WAEP	2025 Number	2024 WAEP	2024 Number
Outstanding at 1 July	\$1.26	3,035,483	\$0.91	5,149,348
Granted	-	-	-	-
Lapsed	\$0.78	(132,000)	\$0.42	(328,666)
Reinstated ⁽ⁱ⁾	\$0.36	131,400		
Exercised	\$0.36	(131,400)	\$0.36	(360,000)
Outstanding at 30 September	\$1.26	2,903,483	\$0.96	4,460,682
Exercisable at 30 September	\$0.95	1,965,483	\$0.54	3,060,682

(i) As provided for in the stock option plan, the directors have exercised their discretion to reinstate 131,400 options which had forfeited during the prior quarter.

(e) Reconciliation of outstanding broker warrants

Broker warrants, issued as share based payments, outstanding at the end of the period have the following expiry dates and exercise prices:

Issue date	Expiry date	Exercise price	30 September 2025	30 June 2025
16 August 2023	16 August 2026	C\$1.70	121,765	121,765
7 May 2024	7 May 2028	C\$0.55	579,600	579,600
20 March 2025	20 March 2028	C\$0.80	507,150	507,150
3 September 2025	3 September 2028	C\$0.90	536,666	
Total			1,745,181	1,208,515

20. Share-based payments (continued)

(e) Reconciliation of outstanding broker warrants (continued)

The number and weighted average exercise price ("WAEP") of broker warrants, issued as share based payments which are all exercisable, were as follows:

	Three months ended 30 September			
	2025 WAEP	2025 Number	2024 WAEP	2024 Number
Outstanding at 1 July	\$0.86	1,208,515	\$1.04	788,395
Issued	\$1.00	536,666	-	-
Expired	-	-	\$2.27	(24,275)
Outstanding at 30 September	\$0.88	1,745,181	\$0.98	764,120

(f) Reconciliation of outstanding RSUs and PSUs

RSUs and PSUs, granted as share based payments, outstanding at the end of the period, have the following expiry dates:

Grant date	Expiry date	Plan Type	30 September 2025	30 June 2025
20 October 2021	20 October 2026	RSU	10,532	10,532
14 September 2022	14 September 2027	RSU	61,390	61,390
14 September 2022	14 October 2027	RSU	17,540	17,540
20 September 2022	20 September 2027	RSU	106,027	106,027
14 October 2022	14 October 2027	RSU	4,984	4,984
20 October 2022	20 October 2027	RSU	44,909	65,737
21 October 2022	21 October 2027	RSU	6,984	6,984
13 July 2023	13 July 2028	RSU	-	57,098
22 January 2024	22 January 2028	RSU	312,266	384,456
12 February 2024	12 February 2028	RSU	26,591	39,021
12 February 2024	12 February 2026	RSU	161,225	161,225
7 October 2024	7 October 2027	RSU	388,830	388,830
14 March 2025	14 March 2027	RSU	111,789	111,789
14 March 2025	14 March 2029	RSU	1,207,885	1,459,284
Total			2,460,952	2,874,897

The number and weighted average share price ("WASP") of RSUs and PSUs were as follows:

	Three months ended 30 September			
	2025 WASP	2025 Number	2024 WASP	2024 Number
RSUs				
Outstanding at 1 July	\$1.31	2,874,897	\$2.28	1,130,406
Granted	-	-	-	-
Exercised	\$2.10	(90,490)	\$2.62	(74,638)
Expired or forfeited	\$1.10	(323,455)	-	-
Outstanding at 30 September	\$1.31	2,460,952	\$2.26	1,055,768
Exercisable at 30 September	\$2.81	494,670	\$4.20	152,272

20. Share-based payments (continued)

(g) Fair value measurement of options and warrants granted

Options

No options were granted during the three months ended 30 September 2025 (2024: nil)

The fair value of options at grant date is determined using a Black-Scholes Model (BSM) that takes into account the exercise price, the term of the option, the market price of a share at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option and the volatilities of certain peer group companies.

Options are granted for no consideration and vested options are exercisable until the expiry date which is between two to seven years after grant date. The expected price volatility is based on the historic volatility of certain peer group companies, and since the listing of the Company's traded warrants, the implied volatility of the Company's shares calculated by reference to those warrants.

Compensation Warrants

For the Compensation Warrants issued 3 September 2025 the Black Scholes (BS) methodology has been used to determine the fair value, that takes into account the exercise price, the term of the warrant, the market price of a share at grant date, the price volatility of the underlying share and the risk-free rate for the term of the warrant.

The fair value of Compensation Warrants issued during the three months ended 30 September was \$407,183 (year ended 30 June 2025 \$222,395). The fair values were calculated using the following assumptions:

Methodology	Compensation Warrants	Compensation Warrants
	Issued 3 September 2025 ⁽ⁱ⁾	Issued 20 March 2025 ⁽ⁱⁱ⁾
	BS	BS
Share price at grant date	C\$0.88	C\$0.75
Exercise price	C\$0.90	C\$0.80
Term	3 years	3 years
Risk-free rate	3.51%	3.75%
Dividend yield	-	-
Volatility (rounded)	138%	81%

20. Share-based payments (continued)

(h) Fair values of RSUs and PSUs granted

No RSUs or PSUs were granted during the three months ended 30 September 2025 (assessed fair value of RSU's granted for the year ended 30 June 2025: \$1,860,226).

Assessed fair value is based on the Company's share price on the date of grant. The RSUs vest in one to three tranches with vesting conditions based on time and share price performance over its respective one to three-year period. The PSUs vest in three tranches with vesting conditions based on time and performance targets over a three-year period.

Share-based payments expense related to the RSUs and PSUs are recorded over the respective one to three-year vesting period and the amount is adjusted at each reporting period to reflect the number of RSUs and PSUs expected to vest.

The fair value of RSUs and PSUs granted during the three months ended 30 September 2025, and the year ended 30 June 2025, was calculated at the grant date based on the following weighted average assumptions:

On initial recognition	RSUs		PSUs	
	30 September 2025	YE 30 June 2025	30 September 2025	YE 30 June 2025
Share price at grant date	-	\$0.67-\$0.88 ⁽ⁱ⁾	-	-

(i) The fair value of RSUs granted during the financial year ending 30 June 2025 was based on the share price on 14 March 2025 and 7 October 2024 in accordance with employment agreement terms and the Share Incentive Plan.

21. Commitments and contingencies

The Company's commitments and contingencies are consistent with those reported in the last annual financial statements as at 30 June 2025.

22. Subsequent events

No matters or circumstances have occurred since the end of the reporting period, which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent reporting periods.