

# **Graphene Manufacturing Group Ltd**

ACN 614 164 877

**Unaudited Condensed Consolidated Interim Financial  
Statements for the three and nine months ended 31 March  
2025 and 2024**

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## **Corporate information**

The unaudited condensed consolidated interim financial statements of Graphene Manufacturing Group Ltd (“**GMG**” or the “**Company**”) for the three and nine months ended 31 March 2025 and 2024 were authorised for issue in accordance with a resolution of the directors on 29 May 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 and nine months ended 31 March 2025 and 2024

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

|  |       | Three months ended<br>31 March |             | Nine months ended<br>31 March |             |
|--|-------|--------------------------------|-------------|-------------------------------|-------------|
|  | Note  | 2025<br>\$                     | 2024<br>\$  | 2025<br>\$                    | 2024<br>\$  |
| Revenue  | 7     | <b>49,549</b>                  | 53,093      | <b>155,039</b>                | 212,234     |
| Other income   | 8(a)  | <b>765,865</b>                 | 781,424     | <b>2,242,741</b>              | 2,298,978   |
| Employee benefit expenses  | 8(b)  | <b>(985,639)</b>               | (1,687,362) | <b>(3,117,814)</b>            | (5,003,332) |
| Professional and consulting fees   | 8(b)  | <b>(636,341)</b>               | (499,214)   | <b>(1,943,424)</b>            | (2,377,680) |
| Depreciation and amortisation expense  | 13,14 | <b>(414,137)</b>               | (517,061)   | <b>(1,224,092)</b>            | (1,391,836) |
| Travel expenses  |       | <b>(132,616)</b>               | (61,250)    | <b>(368,349)</b>              | (270,127)   |
| Raw materials and production inputs  |       | <b>(36,568)</b>                | (65,621)    | <b>(111,964)</b>              | (167,519)   |
| Occupancy and utilities expenses   |       | <b>(81,624)</b>                | (111,199)   | <b>(249,974)</b>              | (312,736)   |
| Factory costs  |       | <b>(26,573)</b>                | (127,107)   | <b>(117,876)</b>              | (369,314)   |
| Share based payments expense   |       | <b>(346,397)</b>               | (298,454)   | <b>(1,004,360)</b>            | (785,527)   |
| Other expenses   | 8(b)  | <b>(264,012)</b>               | (319,223)   | <b>(893,565)</b>              | (981,136)   |
| Finance costs  | 8(c)  | <b>(25,053)</b>                | (30,877)    | <b>(132,273)</b>              | (175,547)   |
| Gain / (loss) on change in fair value of warrants  | 17(a) | <b>378,422</b>                 | 647,406     | <b>1,453,254</b>              | 3,160,925   |
| <b>Loss before income tax</b>  |       | <b>(1,755,122)</b>             | (2,235,445) | <b>(5,312,657)</b>            | (6,162,617) |
| Income tax expense   | 9     | -                              | -           | -                             | -           |
| <b>Loss for the period</b>   |       | <b>(1,755,122)</b>             | (2,235,445) | <b>(5,312,657)</b>            | (6,162,617) |
| <b>Other comprehensive income (OCI)</b>  |       |                                |             |                               |             |
| Foreign currency translation differences   |       | -                              | -           | -                             | -           |
| <b>Net OCI that may be reclassified to profit or loss in subsequent periods</b>              |       | -                              | -           | -                             | -           |
| <b>OCI for the period, net of tax</b>  |       | -                              | -           | -                             | -           |
| <b>Total comprehensive loss for the period</b>   |       | <b>(1,755,122)</b>             | (2,235,445) | <b>(5,312,657)</b>            | (6,162,617) |
| <b>Earnings / (loss) per share attributable to the ordinary equity holders of the Group:</b> |       |                                |             |                               |             |
| Basic and diluted (\$)   | 10    | <b>(0.0175)</b>                | (0.0264)    | <b>(0.0544)</b>               | (0.0733)    |
| Weighted average number of ordinary shares outstanding                                       | 10    | <b>100,277,174</b>             | 84,624,283  | <b>97,737,960</b>             | 84,105,180  |
| (Basic and diluted)  |       |                                |             |                               |             |

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

## Unaudited Condensed Consolidated Interim Statement of Financial Position

|   | Note | 31 March<br>2025<br>\$ | 30 June<br>2024<br>\$ |
|---|------|------------------------|-----------------------|
| <b>ASSETS</b>                               |      |                        |                       |
| <b>Current assets</b>                       |      |                        |                       |
| Cash and cash equivalents                   | 11   | 10,214,172             | 3,982,205             |
| Trade and other receivables                 | 12   | 41,974                 | 133,664               |
| Inventories                                 |      | 571,618                | 492,618               |
| Research and development grants receivables |      | -                      | 2,847,866             |
| Other current assets                        |      | 264,153                | 607,510               |
|   |      | <b>11,091,917</b>      | <b>8,063,863</b>      |
| <b>Non-current assets</b>                   |      |                        |                       |
| Property, plant and equipment               | 13   | 4,972,443              | 5,795,525             |
| Intangible assets                           | 14   | 1,125,989              | 1,377,822             |
|   |      | <b>6,098,432</b>       | <b>7,173,347</b>      |
| <b>Total assets</b>                         |      | <b>17,190,349</b>      | <b>15,237,210</b>     |
| <b>LIABILITIES</b>                          |      |                        |                       |
| <b>Current liabilities</b>                  |      |                        |                       |
| Trade and other payables                    | 15   | 979,576                | 1,865,739             |
| Contract liabilities                        | 7(b) | -                      | 21,100                |
| Lease liabilities                           | 16   | 381,354                | 458,727               |
| Borrowings                                  |      | -                      | 125,086               |
| Financial liabilities                       | 17   | 3,166,008              | 2,974,796             |
| Employee benefit liabilities                |      | 243,588                | 185,962               |
| Provisions                                  |      | 45,879                 | -                     |
|   |      | <b>4,816,405</b>       | <b>5,631,410</b>      |
| <b>Non-current liabilities</b>              |      |                        |                       |
| Lease liabilities                           | 16   | 504,602                | 767,722               |
| Employee benefit liabilities                |      | 52,691                 | 48,122                |
| Provisions                                  |      | 200,000                | 250,000               |
|   |      | <b>757,293</b>         | <b>1,065,844</b>      |
| <b>Total liabilities</b>                    |      | <b>5,573,698</b>       | <b>6,697,254</b>      |
| <b>Net assets</b>                           |      | <b>11,616,651</b>      | <b>8,539,956</b>      |
| <b>EQUITY</b>                               |      |                        |                       |
| Share capital                               | 18   | 42,536,266             | 36,235,699            |
| Share capital warrant premium               | 18   | 8,554,313              | 7,692,823             |
| Reserves                                    | 19   | 6,672,972              | 5,445,677             |
| Accumulated losses                          |      | (46,146,900)           | (40,834,243)          |
| <b>Total equity</b>                         |      | <b>11,616,651</b>      | <b>8,539,956</b>      |

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

## Unaudited Condensed Consolidated Interim Statement of Changes in Equity

|  | Note  | Share capital<br>\$ | Reserves<br>\$   | Accumulated losses<br>\$ | Total equity<br>\$ |
|--|-------|---------------------|------------------|--------------------------|--------------------|
| <b>Balance at 1 July 2023</b>                  |       | 38,089,878          | 4,038,170        | (33,433,365)             | 8,694,683          |
| Loss for the period                            |       | -                   | -                | (6,127,617)              | (6,127,617)        |
| Other comprehensive income                     |       | -                   | -                | -                        | -                  |
| <b>Total comprehensive loss for the period</b> |       | -                   | -                | <b>(6,127,617)</b>       | <b>(6,127,617)</b> |
| <b>Transactions with owners of the Company</b> |       |                     |                  |                          |                    |
| Shares issued                                  | 18    | 3,754,423           | -                | -                        | 3,754,423          |
| Transaction costs on issued shares             | 18    | (699,345)           | -                | -                        | (699,345)          |
| Share options and warrants exercised           | 18    | 223,762             | -                | -                        | 223,762            |
| Share capital warrant premium                  | 18    | -                   | -                | -                        | -                  |
| Share based payments                           |       | -                   | 957,107          | -                        | 957,107            |
|  |       | 3,278,840           | 957,107          | -                        | 4,235,947          |
| <b>Balance at 31 March 2024</b>                |       | <b>41,368,718</b>   | <b>4,995,277</b> | <b>(39,595,982)</b>      | <b>6,768,013</b>   |
| <b>Balance at 1 July 2024</b>                  |       | 43,928,522          | 5,445,677        | (40,834,243)             | 8,539,956          |
| Loss for the period                            |       | -                   | -                | (5,312,657)              | (5,312,657)        |
| Other comprehensive income                     |       | -                   | -                | -                        | -                  |
| <b>Total comprehensive loss for the period</b> |       | -                   | -                | <b>(5,312,657)</b>       | <b>(5,312,657)</b> |
| <b>Transactions with owners of the Company</b> |       |                     |                  |                          |                    |
| Shares issued                                  | 18    | 4,601,987           | -                | -                        | 4,601,987          |
| Transaction costs on issued shares             | 18    | (871,584)           | -                | -                        | (871,584)          |
| Share options and warrants exercised           | 18    | 2,570,164           | -                | -                        | 2,570,164          |
| Share capital warrant premium                  | 18    | 861,490             | -                | -                        | 861,490            |
| Share based payments                           | 19(a) | -                   | 1,227,295        | -                        | 1,227,295          |
|  |       | 7,162,057           | 1,227,295        | -                        | 8,389,352          |
| <b>Balance at 31 March 2025</b>                |       | <b>51,090,579</b>   | <b>6,672,972</b> | <b>(46,146,900)</b>      | <b>11,616,651</b>  |

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 nine months ended 31 March 2025 and 2024**

## Unaudited Condensed Consolidated Interim Statement of Cash Flows

|   |       | <b>Nine months ended<br/>31 March</b> |                    |
|---|-------|---------------------------------------|--------------------|
|   | Note  | <b>2025</b>                           | 2024               |
|   |       | \$                                    | \$                 |
| <b>Operating activities</b>                                   |       |                                       |                    |
| Receipts from customers and government subsidies              |       | 219,588                               | 237,575            |
| Payments to suppliers and employees                           |       | (6,282,855)                           | (10,405,541)       |
| Research and development tax incentive received               |       | 2,847,866                             | 2,579,757          |
| Joint development income received                             |       | 1,485,000                             | 4,950,000          |
| Interest received   |       | 6,896                                 | 5,395              |
| Interest paid   |       | (64,400)                              | (81,453)           |
| <b>Net cash used in operating activities</b>                  |       | <b>(1,787,905)</b>                    | <b>(2,714,267)</b> |
| <b>Investing activities</b>                                   |       |                                       |                    |
| Acquisition of property, plant and equipment                  | 13    | (235,175)                             | (2,330,608)        |
| Acquisition of intangibles                                    | 13    | (122,691)                             | (424,416)          |
| <b>Net cash used in investing activities</b>                  |       | <b>(357,866)</b>                      | <b>(2,755,024)</b> |
| <b>Financing activities</b>                                   |       |                                       |                    |
| Proceeds from issue of shares                                 | 18(a) | 4,601,987                             | 3,254,423          |
| Proceeds from issue of share warrants                         | 17(a) | 2,722,689                             | 707,281            |
| Proceeds from exercise of share options                       | 18(a) | 129,600                               | 223,762            |
| Proceeds from exercise of share warrants                      | 18(a) | 2,440,564                             | -                  |
| Share issue transaction costs                                 |       | (1,070,747)                           | (679,753)          |
| Repayment of Borrowings                                       |       | (125,086)                             | -                  |
| Payment of lease liabilities                                  |       | (390,493)                             | (299,386)          |
| <b>Net cash from financing activities</b>                     |       | <b>8,308,514</b>                      | <b>3,206,327</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |       | <b>6,162,743</b>                      | <b>(2,262,964)</b> |
| Cash and cash equivalents at 1 July                           |       | 3,982,205                             | 4,647,644          |
| Net foreign exchange difference on cash held                  |       | 69,224                                | (34,145)           |
| <b>Cash and cash equivalents at 31 March</b>                  |       | <b>10,214,172</b>                     | <b>2,350,535</b>   |

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

**Graphene Manufacturing Group Ltd**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the three and nine months ended 31 March 2025 and 2024**

## **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 31 March 2025 and for the three and nine months ended 31 March 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 2024 (“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 Group’s board of directors on 29 May 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 nine month period ended 31 March 2025, the Group incurred a loss of \$5,312,657 after income tax and net cash used in operating activities of \$1,787,905. At 31 March 2025, the Group had net current assets of \$6,275,512.

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 consolidated Group’s working capital requirements.

These conditions give rise to material uncertainty which may cast significant doubt over the Group’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 31 March 2025, the Group had cash on hand of \$10,214,172, which is anticipated to be sufficient to meet the ongoing corporate costs and expected project expenditure in the short to medium term;
- The Group believes that it will continue to be eligible for the Australian research and development tax incentive scheme (\$2,847,866 received for the year ending 30 June 2024);
- As at the date of this report there are 3,494,778 options and 14,914,071 warrants on issue with exercise prices ranging from AUD\$0.36 to AUD\$3.77. Of these, 1,485,192 options and 3,933,600 warrants are considered “in the money”, amounting to potential currently ‘in the money’ proceeds of \$3,055,129;

## **2. Basis of preparation (continued)**

### **(a) Going concern (continued)**

- Since June 2024, there has been C\$2,952,732 of warrants exercised;
- The Company has established an At the Market placement (ATM) facility since June 2024 to provide additional working capital if required;
- On 17 May 2023, GMG and Rio Tinto signed a binding Joint Development Agreement (“JDA”) where subject to the terms and conditions of the agreement, Rio Tinto will contribute technical and operational performance criteria and up to \$6 million, in exchange for preferential access rights. All funds have been received to date, of which \$4.772 million has been recognised as income with \$359,483 recognised as a non-cash deferred income liability; and
- To the extent required, the Group 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 Group’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 Group’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 Group applied for the first time certain standards and amendments effective from 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*);
- Liability in a Sale and Leaseback (Amendments to IFRS 16 *Leases*)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 *Presentation of Financial Statements*); and
- Non-current Liabilities with Covenants (Amendments to IAS 1 *Presentation of Financial Statements*).

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**Graphene Manufacturing Group Ltd**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the three and nine months ended 31 March 2025 and 2024**

## 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.

| Three months ended<br>31 March |      | Nine months ended<br>31 March |      |
|--------------------------------|------|-------------------------------|------|
| 2025                           | 2024 | 2025                          | 2024 |
| \$                             | \$   | \$                            | \$   |

## 7. Revenue from contracts with customers

|                              |               |               |                |                |
|------------------------------|---------------|---------------|----------------|----------------|
| Sale of goods <sup>(i)</sup> | 31,974        | 500           | 99,010         | 43,192         |
| Services <sup>(ii)</sup>     | 17,575        | 52,593        | 56,029         | 169,042        |
|                              | <b>49,549</b> | <b>53,093</b> | <b>155,039</b> | <b>212,234</b> |

- (i) Comprises of Thermal-XR and G-Lubricant product sales  
(ii) Comprises of Thermal-XR coating services

### (a) Disaggregation of revenue from contracts with customers

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

#### Timing of revenue recognition

|                    |               |               |                |                |
|--------------------|---------------|---------------|----------------|----------------|
| At a point in time | 49,549        | 500           | 155,039        | 43,192         |
| Over time          | -             | 52,593        | -              | 169,042        |
|                    | <b>49,549</b> | <b>53,093</b> | <b>155,039</b> | <b>212,234</b> |

### (b) Contract balances

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

| \$   | 31 March<br>2025 | 30 June<br>2024 |
|--|------------------|-----------------|
| Receivables, which are included in 'trade and other receivables' | 26,867           | 105,106         |
| Contract assets  | -                | -               |
| Contract liabilities   | -                | (21,100)        |

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

| \$  | Contract assets  |                 | Contract liabilities |                 |
|---|------------------|-----------------|----------------------|-----------------|
|   | 31 March<br>2025 | 30 June<br>2024 | 31 March<br>2025     | 30 June<br>2024 |
| Opening Balance 1 July  | -                | 14,728          | (21,100)             | (126,000)       |
| Revenue recognised from contracts in progress   | -                | 74,210          | -                    | -               |
| Transfers from contract assets to trade receivables                                       | -                | (88,938)        | -                    | -               |
| Amounts included in contract liabilities that was recognised as revenue during the period | -                | -               | 21,100               | 126,000         |
| Unearned revenue recognised where performance obligation is pending completion            | -                | -               | -                    | (21,100)        |
| <b>Closing Balance</b>  | <b>-</b>         | <b>-</b>        | <b>-</b>             | <b>(21,100)</b> |

**Graphene Manufacturing Group Ltd**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the three and nine months ended 31 March 2025 and 2024**

No information is provided about remaining performance obligations at 31 March 2025 and 30 June 2024 that have an original expected duration of one year or less, as allowed by IFRS 15.

**8. Income and expenses**

|                          | <b>Three months ended 31 March</b> |                | <b>Nine months ended 31 March</b> |                  |
|--------------------------|------------------------------------|----------------|-----------------------------------|------------------|
| <b>(a) Other income</b>  | <b>2025</b>                        | <b>2024</b>    | <b>2025</b>                       | <b>2024</b>      |
|                          | <b>\$</b>                          | <b>\$</b>      | <b>\$</b>                         | <b>\$</b>        |
| Joint development income | 718,965                            | 750,000        | 2,115,517                         | 2,250,000        |
| Interest income          | 1,794                              | 757            | 6,896                             | 5,395            |
| Other income             | 134                                | -              | 1,614                             | 29               |
| Foreign exchange gains   | 44,972                             | 30,667         | 118,715                           | 43,554           |
|                          | <b>765,865</b>                     | <b>781,424</b> | <b>2,242,741</b>                  | <b>2,298,978</b> |

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 Group 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>Three months ended 31 March</b> |             | <b>Nine months ended 31 March</b> |             |
|-----------------------------|------------------------------------|-------------|-----------------------------------|-------------|
| <b>(b) Notable expenses</b> | <b>2025</b>                        | <b>2024</b> | <b>2025</b>                       | <b>2024</b> |
|                             | <b>\$</b>                          | <b>\$</b>   | <b>\$</b>                         | <b>\$</b>   |

*Employee benefit expenses include the following notable items:*

|                |               |         |                |         |
|----------------|---------------|---------|----------------|---------|
| Superannuation | <b>94,348</b> | 149,693 | <b>313,409</b> | 433,117 |
|----------------|---------------|---------|----------------|---------|

*Other expenses include the following notable items:*

|   |               |        |                |         |
|---|---------------|--------|----------------|---------|
| Filing Fees                               | <b>4,453</b>  | 11,258 | <b>49,059</b>  | 64,475  |
| Insurance                                 | <b>74,812</b> | 97,270 | <b>227,027</b> | 277,157 |
| Information technology expenses           | <b>45,841</b> | 43,176 | <b>120,850</b> | 122,738 |
| Licensing and registration expenses       | <b>315</b>    | 38     | <b>5,311</b>   | 1,709   |
| Marketing                                 | <b>7,478</b>  | 51,913 | <b>28,904</b>  | 95,935  |
| Share registry and other listing expenses | <b>3,680</b>  | 3,669  | <b>27,743</b>  | 27,657  |
| Subscriptions and memberships             | <b>13,431</b> | 16,709 | <b>45,928</b>  | 34,288  |
| Testing and quality control               | <b>17,365</b> | 35,992 | <b>69,878</b>  | 148,505 |
| Transaction costs - financial instruments | <b>70,299</b> | 43,297 | <b>205,363</b> | 125,619 |
| Website costs                             | <b>15,565</b> | 1,638  | <b>16,133</b>  | 14,285  |

*Professional and consulting fees include the following notable items:*

|   |                |         |                |           |
|---|----------------|---------|----------------|-----------|
| Accounting, Audit and Tax advisory fees       | <b>28,576</b>  | 50,233  | <b>118,014</b> | 182,886   |
| Engineering consultants and other contractors | <b>188,975</b> | 275,086 | <b>691,698</b> | 1,559,278 |
| Investor Relations                            | <b>313,147</b> | 137,949 | <b>708,486</b> | 456,316   |
| Legal expenses                                | <b>105,643</b> | 35,946  | <b>425,226</b> | 179,200   |

**Graphene Manufacturing Group Ltd**  
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**For the three and nine months ended 31 March 2025 and 2024**

**8. Income and expenses (continued)**

|                                      | <b>Three months ended</b> |             | <b>Nine months ended</b> |             |
|--------------------------------------|---------------------------|-------------|--------------------------|-------------|
|                                      | <b>31 March</b>           |             | <b>31 March</b>          |             |
|                                      | <b>2025</b>               | <b>2024</b> | <b>2025</b>              | <b>2024</b> |
|                                      | <b>\$</b>                 | <b>\$</b>   | <b>\$</b>                | <b>\$</b>   |
| <b>(c) Finance costs</b>             |                           |             |                          |             |
| Foreign exchange losses              | -                         | -           | <b>54,541</b>            | 83,621      |
| Interest expense – lease liabilities | <b>17,783</b>             | 26,424      | <b>60,354</b>            | 81,453      |
| Finance and other interest charges   | <b>7,270</b>              | 4,453       | <b>17,378</b>            | 10,473      |
|                                      | <b>25,053</b>             | 30,877      | <b>132,273</b>           | 175,547     |

**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.

|   | <b>Three months ended</b> |               | <b>Nine months ended</b> |               |
|---|---------------------------|---------------|--------------------------|---------------|
|   | <b>31 March</b>           |               | <b>31 March</b>          |               |
|   | <b>2025</b>               | <b>2024</b>   | <b>2025</b>              | <b>2024</b>   |
|   | <b>\$</b>                 | <b>\$</b>     | <b>\$</b>                | <b>\$</b>     |
| Basic and diluted EPS (\$)  | <b>(0.0175)</b>           | (0.0264)      | <b>(0.0544)</b>          | (0.0733)      |
| Profit / (loss) attributable to ordinary equity holders of the Company for basic earnings – continuing operations | <b>(1,755,122)</b>        | (2,235,445)   | <b>(5,312,657)</b>       | (6,162,617)   |
| Profit / (loss) attributable to ordinary equity holders of the Company adjusted for the effect of dilution        | <b>(1,755,122)</b>        | (2,235,445)   | <b>(5,312,657)</b>       | (6,162,617)   |
|   | <b>2025</b>               | <b>2024</b>   | <b>2025</b>              | <b>2024</b>   |
|   | <b>Number</b>             | <b>Number</b> | <b>Number</b>            | <b>Number</b> |
| <b>(a) Weighted average number of ordinary shares (“WANOS”)</b>   |                           |               |                          |               |
| WANOS used in basic and diluted EPS   | <b>100,277,174</b>        | 84,624,283    | <b>97,737,960</b>        | 84,105,180    |

**Graphene Manufacturing Group Ltd**  
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**10. Earnings Per Share (continued)**

**(a) Weighted average number of ordinary shares ("WANOS") (continued)**

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

|  | <b>Number as at<br/>31 March</b> |             |
|--|----------------------------------|-------------|
|  | <b>2025</b>                      | <b>2024</b> |
| Stock options                          | <b>3,772,742</b>                 | 5,249,348   |
| Warrants                               | <b>13,725,556</b>                | 5,288,156   |
| Broker warrants                        | <b>1,208,515</b>                 | 208,795     |
| Restricted and performance share units | <b>2,917,131</b>                 | 1,650,617   |
|  | <b>21,623,944</b>                | 12,396,916  |

  

|  | <b>31 March<br/>2025</b> | <b>30 June<br/>2024</b> |
|--|--------------------------|-------------------------|
|  | <b>\$</b>                | <b>\$</b>               |

**11. Cash and cash equivalents**

|               |                   |           |
|---------------|-------------------|-----------|
| Cash at bank  | <b>9,922,712</b>  | 3,690,745 |
| Term deposits | <b>291,460</b>    | 291,460   |
|               | <b>10,214,172</b> | 3,982,205 |

  

|  | <b>31 March<br/>2025</b> | <b>30 June<br/>2024</b> |
|--|--------------------------|-------------------------|
|  | <b>\$</b>                | <b>\$</b>               |

**12. Trade and other receivables**

|                                   |               |         |
|-----------------------------------|---------------|---------|
| Trade and other receivables       | <b>27,079</b> | 105,319 |
| Goods and services tax receivable | <b>14,895</b> | 28,345  |
|                                   | <b>41,974</b> | 133,664 |

**13. Property, plant and equipment**

|   | <b>Right-of-use <sup>(i)</sup></b> | <b>Property, plant and equipment</b>           |                                   |  |                  |
|---|------------------------------------|--|-----------------------------------|--|------------------|
|   | <b>Leased<br/>buildings</b>        | <b>Plant and<br/>equipment <sup>(ii)</sup></b> | <b>Leasehold<br/>improvements</b> | <b>Capital work<br/>in progress <sup>(iii)</sup></b> | <b>Total</b>     |
|   | <b>\$</b>                          | <b>\$</b>                                      | <b>\$</b>                         | <b>\$</b>  | <b>\$</b>        |
| <b>Cost</b>                             |                                    |  |                                   |  |                  |
| At 30 June 2024                         | 2,002,093                          | 4,069,938                                      | 768,494                           | 1,843,449  | 8,683,974        |
| Additions                               | -                                  | 17,501   | -                                 | 340,365  | 357,866          |
| Disposals                               | -                                  | (43,029)                                       | -                                 | -  | (43,029)         |
| Intangibles written off <sup>(iv)</sup> | -                                  | -  | -                                 | (161,622)  | (161,622)        |
| Transfers                               | -                                  | 199,879  | -                                 | (280,920)  | (81,041)         |
| <b>At 31 March 2025</b>                 | <b>2,002,093</b>                   | <b>4,244,289</b>                               | <b>768,494</b>                    | <b>1,741,272</b>                                     | <b>8,756,148</b> |

**Graphene Manufacturing Group Ltd**  
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**13. Property, plant and equipment (continued)**

**Accumulated depreciation**

|                         |                  |                  |                |          |                  |
|-------------------------|------------------|------------------|----------------|----------|------------------|
| At 30 June 2024         | 832,644          | 1,845,957        | 209,848        | -        | 2,888,449        |
| Depreciation            | 371,878          | 436,680          | 95,000         | -        | 903,558          |
| Disposals               | -                | (8,302)          | -              | -        | (8,302)          |
| <b>At 31 March 2025</b> | <b>1,204,522</b> | <b>2,274,335</b> | <b>304,848</b> | <b>-</b> | <b>3,783,705</b> |

**Net book value**

|                         |                |                  |                |                  |                  |
|-------------------------|----------------|------------------|----------------|------------------|------------------|
| At 30 June 2024         | 1,169,449      | 2,223,981        | 558,646        | 1,843,449        | 5,795,525        |
| <b>At 31 March 2025</b> | <b>797,571</b> | <b>1,969,954</b> | <b>463,646</b> | <b>1,741,272</b> | <b>4,972,443</b> |

- (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 2024.
- (ii) Plant and equipment cost includes \$24,246 of leased office equipment recognised as a ROU asset as the lease term exceeds 12 months.
- (iii) Capital works in progress at 31 March includes \$197,651 of costs incurred to file global patents and trademarks relating to processes or logos that are not yet enforceable.
- (iv) Patents and Trademarks assessed during the 9 months to 31 March as no longer meeting the requirements of an asset.

**14. Intangible assets**

|                         | Patents,<br>trademarks and<br>other rights<br>\$ | Computer<br>software<br>\$ | Total<br>\$      |
|-------------------------|--|----------------------------|------------------|
| <b>Cost</b>             |  |                            |                  |
| At 30 June 2024         | 2,154,698  | 35,111                     | 2,189,809        |
| Disposals               | (13,897)   | -                          | (13,897)         |
| Transfers               | 81,042   | -                          | 81,042           |
| <b>At 31 March 2025</b> | <b>2,221,843</b>                                 | <b>35,111</b>              | <b>2,256,954</b> |

**Accumulated amortisation**

|                         |                  |               |                  |
|-------------------------|------------------|---------------|------------------|
| At 30 June 2024         | 797,007          | 14,980        | 811,987          |
| Amortisation            | 315,698          | 4,836         | 320,534          |
| Disposals               | (1,556)          | -             | (1,556)          |
| <b>At 31 March 2025</b> | <b>1,111,149</b> | <b>19,816</b> | <b>1,130,965</b> |

**Net book value**

|                         |                  |               |                  |
|-------------------------|------------------|---------------|------------------|
| At 30 June 2024         | 1,357,691        | 20,131        | 1,377,822        |
| <b>At 31 March 2025</b> | <b>1,110,694</b> | <b>15,295</b> | <b>1,125,989</b> |

**15. Trade and other payables**

|  | 31 March<br>2025<br>\$ | 30 June<br>2024<br>\$ |
|--|------------------------|-----------------------|
| Trade payables   | 106,988                | 147,925               |
| Accrued expenses   | 419,523                | 497,878               |
| Other payables   | 93,582                 | 94,937                |
| Deferred income (See note 8(a) – Joint development income) | 359,483                | 1,125,000             |
|  | <b>979,576</b>         | <b>1,865,739</b>      |

**Graphene Manufacturing Group Ltd**  
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|  | <b>31 March<br/>2025<br/>\$</b> | 30 June<br>2024<br>\$ |
|--|---------------------------------|-----------------------|
|--|---------------------------------|-----------------------|

**16. Lease liabilities**

Maturity analysis of contractual undiscounted cash flows:

|                            |                |           |
|----------------------------|----------------|-----------|
| Within one year            | <b>431,747</b> | 534,462   |
| Between one and five years | <b>531,797</b> | 829,928   |
| More than five years       | -              | -         |
|                            | <b>963,544</b> | 1,364,390 |

Lease liabilities included in the condensed consolidated interim statement of financial position:

|             |                |           |
|-------------|----------------|-----------|
| Current     | <b>381,354</b> | 458,727   |
| Non-current | <b>504,602</b> | 767,722   |
|             | <b>885,956</b> | 1,226,449 |

|  | <b>31 March<br/>2025<br/>\$</b> | 30 June<br>2024<br>\$ |
|--|---------------------------------|-----------------------|
|--|---------------------------------|-----------------------|

**17. Financial liabilities**

Warrant liabilities:

|                     |                  |           |
|---------------------|------------------|-----------|
| Traded warrants     | <b>389,632</b>   | 211,051   |
| Non-traded warrants | <b>3,803,860</b> | 3,574,495 |

|       |                    |           |
|-------|--------------------|-----------|
| 17(a) | <b>4,193,492</b>   | 3,785,546 |
|       | <b>(1,027,484)</b> | (810,750) |

Transaction costs

Carrying amount of warrant liabilities

|                  |           |
|------------------|-----------|
| <b>3,166,008</b> | 2,974,796 |
|------------------|-----------|

**(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 nine month period ended 31 March 2025 and 2024 were as follows:

|                          | <b>2025<br/>\$</b> | 2024<br>\$     |
|--------------------------|--------------------|----------------|
| At 1 July                | 3,785,546          | 3,035,752      |
| Issued during the period | 2,722,689          | 707,281        |
| Exercised                | (861,489)          | -              |
| Fair value adjustment    | (1,453,254)        | (3,160,925)    |
| <b>At 31 March</b>       | <b>4,193,492</b>   | <b>582,108</b> |

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

## 17. Financial liabilities (continued)

### (a) Warrant liability (continued)

#### **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:

|                         | 31 March 2025     | 30 June 2024      |
|-------------------------|-------------------|-------------------|
| Share price             | C\$0.66           | C\$0.65           |
| Exercise price          | C\$0.55 – C\$3.35 | C\$0.55 – C\$3.35 |
| Expected volatility     | 81.4%             | 81.4%             |
| Expected life (years)   | 1.67 – 3.1        | 0.18 – 3.85       |
| Risk-free interest rate | 3.68% - 3.69%     | 4.07% - 4.15%     |

#### **Traded warrants**

The Marketed Offering Warrants issued on 16 August 2023 commenced trading on the TSXV on 21 August 2023 under the ticker GMG.WT.A . On initial recognition and prior to active market trading data being available for use, the Marketed Offering Warrants were valued using the Black Scholes option pricing model based on the inputs below:

|                         | On initial recognition |
|-------------------------|------------------------|
| Share price             | C\$1.62                |
| Exercise price          | C\$2.20                |
| Expected volatility     | 55%                    |
| Expected life (years)   | 4                      |
| Risk-free interest rate | 3.91%                  |

Once trading of the warrants commenced, the quoted market trading data on the TSXV was available for use as a Level 1 input to determine the fair value. At 31 March 2025 the fair value of traded warrants was based on the market price of C\$0.345 per warrant at the end of the reporting period.

## 18. Share capital

|  | Note  | Nine months ended 31 March |                   |                   |                   |
|--|-------|----------------------------|-------------------|-------------------|-------------------|
|  |       | 2025<br>Number             | 2025<br>\$        | 2024<br>Number    | 2024<br>\$        |
| Ordinary shares                        |       | 107,459,949                | 51,090,578        | 84,833,342        | 41,368,718        |
| <b>(a) Movement in ordinary shares</b> |       |                            |                   |                   |                   |
| At 1 July                              |       | 94,642,421                 | 43,928,522        | 82,044,234        | 38,089,878        |
| Shares issued – ATM Facility           | (i)   | 1,074,500                  | 921,487           | -                 | -                 |
| Shares issued – Marketed Offering      | (ii)  | -                          | -                 | 2,029,412         | 3,254,423         |
| Shares issued – OzKem Transaction      | (iii) | -                          | -                 | 125,206           | 500,000           |
| Shares issued – Bought Deal            | (iv)  | 7,245,000                  | 3,680,500         | -                 | -                 |
| Share options exercised                | (v)   | 360,000                    | 129,600           | 375,000           | 223,762           |
| Warrants exercised                     | (vi)  | 4,018,500                  | 2,440,564         | -                 | -                 |
| RSUs exercised                         | (vii) | 119,528                    | -                 | 259,490           | -                 |
| Transaction costs for issued shares    |       | -                          | (871,584)         | -                 | (699,345)         |
|  |       | <b>107,459,949</b>         | <b>50,229,089</b> | <b>84,833,342</b> | <b>41,368,718</b> |
| Share capital warrant premium          |       | -                          | 861,490           | -                 | -                 |
| <b>At 31 March</b>                     |       | <b>107,459,949</b>         | <b>51,090,579</b> | <b>84,833,342</b> | <b>41,368,718</b> |

## 18. Share Capital (continued)

### (a) Movement in ordinary shares (continued)

#### (i) *Share issue – ATM Facility*

On October 11, 2024, the Company announced that during the quarterly period ended September 30, 2024, the Company issued a total of 208,000 Ordinary Shares on the TSX Venture Exchange (the "TSXV") at an average price of C\$0.6759 per share under the ATM Program, providing gross proceeds of C\$140,580.70 (A\$153,680). Commissions of C\$4,217.42 (A\$4,610) were paid to the Agent in relation to these distributions.

On April 25, 2025, the company further announced that during the quarterly period ended March 31, 2025, the Company issued a total of 866,500 Ordinary Shares on the TSX Venture Exchange (the "TSXV") at an average price of C\$0.7965 per share under the ATM Program, providing gross proceeds of C\$690,196.80 (A\$767,807). Commissions of C\$20,705.90 (A\$23,034) were paid to the Agent in relation to these distributions.

#### (ii) *Share issue – Marketed Offering*

On August 16, 2023, GMG completed a marketed public offering of units (the "**Offering Units**") of the Company, including exercise in full of the over-allotment option (the "**Offering**"). A total of 2,029,412 Offering Units were sold at a price of C\$1.70 per Offering Unit (the "**Offering Price**") for gross proceeds of approximately C\$3.45 million. Each Offering Unit is comprised of one ordinary share in the capital of the Company (each, an "**Ordinary Share**") and one-half of an Ordinary Share purchase warrant (each, an "**Offering Warrant**"). Each Offering Warrant entitles the holder to purchase one Ordinary Share at C\$2.20 at any time until August 16, 2027.

The TSX Venture Exchange also accepted for listing the 1,014,706 Offering Warrants underlying the Offering Units issued pursuant to the Offering. GMG share warrants trade on TSXV under the ticker "GMG.WT.A".

#### (iii) *Share issue - OzKem Transaction*

On 15 August 2022, GMG and OzKem Pty Ltd ("**OzKem**") signed a binding agreement for GMG to acquire the manufacturing intellectual property and brand rights of OzKem's THERMAL-XR® coating products for a cash consideration of \$1 million, in addition to \$1 million in ordinary shares of GMG (the "**OzKem Transaction**"). GMG paid OzKem an initial \$1 million cash and issued 125,207 ordinary shares of GMG ("Shares") to OzKem upon the receipt of certain deliverables and equipment from OzKem on 8 September 2022 and 22 September 2022 respectively.

GMG issued an additional 125,206 Shares (the "Additional Shares") to OzKem, upon successful commercial batch blend of the THERMAL XR® produced by GMG on 28 August 2023.

#### (iv) *Share issue – Bought Deal*

On March 20, 2025, GMG completed a bought deal offering of 7,245,000 units at a price of C\$0.80 per Unit for gross proceeds of C\$5.796 million. Each Unit consists of one common Share and one warrant. Each warrant entitles the holder to purchase one common Share for a period of 36 months at C\$1.10

#### (v) *Share options exercised*

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

#### (vi) *Warrants exercised*

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

#### (vii) *Restricted share units ("RSUs") exercised*

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

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**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:

| <b>Issue date</b> | <b>Expiry date</b> | <b>Exercise price</b> | <b>31 March 2025</b> | <b>30 June 2024</b> |
|-------------------|--------------------|-----------------------|----------------------|---------------------|
| 2 September 2021  | 2 September 2024   | C\$2.60               | -                    | 1,994,100           |
| 2 September 2021  | 2 September 2024   | C\$2.05               | -                    | 16,180              |
| 2 September 2021  | 2 September 2024   | C\$2.60               | -                    | 187,500             |
| 2 September 2021  | 2 September 2024   | C\$2.14               | -                    | 5,760               |
| 9 November 2021   | 2 September 2024   | C\$2.60               | -                    | 2,335               |
| 30 November 2022  | 30 November 2026   | C\$3.35               | 2,091,850            | 2,091,850           |
| 30 November 2022  | 30 November 2024   | C\$2.75               | -                    | 62,755              |
| 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               | 3,374,000            | 7,392,500           |
| 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            | -                   |
| 20 March 2025     | 20 March 2028      | C\$0.80               | 507,150              | -                   |
| <b>Total</b>      |                    |                       | <b>14,934,071</b>    | <b>13,469,051</b>   |

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

|                                | <b>Nine months ended 31 March</b> |                        |                      |                        |
|--------------------------------|-----------------------------------|------------------------|----------------------|------------------------|
|                                | <b>2025<br/>WAEP</b>              | <b>2025<br/>Number</b> | <b>2024<br/>WAEP</b> | <b>2024<br/>Number</b> |
| Outstanding at 1 July          | \$1.60                            | 13,469,051             | \$3.36               | 4,360,480              |
| Issued                         | \$1.20                            | 7,752,150              | \$2.47               | 1,136,471              |
| Expired <sup>(i)</sup>         | \$2.91                            | (2,268,630)            | -                    | -                      |
| Exercised                      | \$0.61                            | (4,018,500)            | -                    | -                      |
| <b>Outstanding at 31 March</b> | <b>\$1.49</b>                     | <b>14,934,071</b>      | <b>\$3.16</b>        | <b>5,496,951</b>       |

- (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. Warrants expiring on 30 November 2024, consisted of 62,755 compensation warrants from the November 2022 Bought Deal Offer.

**19. Reserves**

|                             | <b>31 March 2025</b> | <b>30 June 2024</b> |
|-----------------------------|----------------------|---------------------|
|                             | <b>\$</b>            | <b>\$</b>           |
| Share-based payment reserve | <b>5,397,026</b>     | 4,392,666           |
| Warrants reserve            | <b>1,275,946</b>     | 1,053,011           |
|                             | <b>6,672,972</b>     | 5,445,677           |

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**19. Reserves (continued)**

**(a) Movements in reserves**

|                           | Share-Based<br>Payment<br>\$ | Warrants<br>\$   | Total<br>\$      |
|---------------------------|------------------------------|------------------|------------------|
| <b>At 30 June 2024</b>    | 4,392,666                    | 1,053,011        | 5,445,677        |
| Stock option plan expense | 312,824                      | -                | 312,824          |
| RSUs expense              | 691,536                      | -                | 691,536          |
| PSUs expense              | -                            | -                | -                |
| Warrants issued           | -                            | 222,935          | 222,935          |
| <b>At 31 March 2025</b>   | <b>5,397,026</b>             | <b>1,275,946</b> | <b>6,672,972</b> |

**20. Share-based payments**

**(a) Share-based payments reconciliation**

|                                  |        | Contributed equity | Share Based Payment Reserve |                  |          | Warrant Reserve  | Warrant Liability |
|----------------------------------|--------|--------------------|-----------------------------|------------------|----------|------------------|-------------------|
|                                  |        |                    | Stock Options               | RSU              | PSU      |                  |                   |
|                                  |        | \$                 | \$                          | \$               | \$       | \$               | \$                |
| <b>Balance at 1 July 2024</b>    |        | 43,928,522         | 924,234                     | 3,468,432        | -        | 1,053,011        | 2,974,796         |
| Shares issued – ATM Facility     | (i)    | 921,487            | -                           | -                | -        | -                | -                 |
| Shares issued – Bought Deal      | (ii)   | 3,680,500          | -                           | -                | -        | 222,935          | 2,722,689         |
| Transaction costs issued shares  | (iii)  | (871,584)          | -                           | -                | -        | -                | -                 |
| Stock options exercised          | (iv)   | 129,600            | -                           | -                | -        | -                | -                 |
| Stock options vested/(forfeited) | (v)    | -                  | 312,824                     | -                | -        | -                | -                 |
| RSU and PSU exercised            | (vi)   | -                  | -                           | -                | -        | -                | -                 |
| RSU and PSU vested/(forfeited)   | (vii)  | -                  | -                           | 691,536          | -        | -                | -                 |
| Warrants Exercised               | (viii) | 2,440,564          | -                           | -                | -        | -                | -                 |
| Warrant Premium                  | (ix)   | 861,490            | -                           | -                | -        | -                | (861,489)         |
| FV adjustment of warrants        | (x)    | -                  | -                           | -                | -        | -                | (1,453,254)       |
| Transaction costs amortised      | (xi)   | -                  | -                           | -                | -        | -                | (216,734)         |
| <b>At 31 March 2025</b>          |        | <b>51,090,579</b>  | <b>1,237,058</b>            | <b>4,159,968</b> | <b>-</b> | <b>1,275,946</b> | <b>3,166,008</b>  |

- (i) ATM Facility funds raised in the nine months to 31 March 2025 - see note 18(a)(i)
- (ii) Funds raised from Bought Deal – see note 18(a)(iv)
- (iii) Transaction costs incurred as part of establishing both 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 20(c) have a \$nil excise 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 (viii) above.
- (x) Fair value adjustment of the warrant liability outstanding.
- (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 27 November 2022 and 25 November 2024. The plans are designed to provide eligible participants with an opportunity to share in the ownership of the Company in order to:

## **20. Share based payments (continued)**

### **(b) Stock option plan and share incentive plan (continued)**

- 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.

### **(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:

| <b>Grant date</b> | <b>Expiry date</b> | <b>Exercise price</b> | <b>31 March 2025</b> | <b>30 June 2024</b> |
|-------------------|--------------------|-----------------------|----------------------|---------------------|
| 6 November 2018   | 4 November 2025    | \$0.36                | 1,104,504            | 2,222,654           |
| 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                | 29,326               | 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                | 480,238              | 518,694             |
| 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    | C\$1.74               | 1,400,000            | 1,400,000           |
| <b>Total</b>      |                    |                       | <b>3,772,742</b>     | <b>5,149,348</b>    |

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**20. Share based payments (continued)**

**(d) Reconciliation of outstanding share options (continued)**

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

|                                | Nine months ended 31 March |                  |               |                  |
|--------------------------------|----------------------------|------------------|---------------|------------------|
|                                | 2025<br>WAEP               | 2025<br>Number   | 2024<br>WAEP  | 2024<br>Number   |
| Outstanding at 1 July          | \$0.91                     | 5,149,348        | \$0.49        | 4,221,233        |
| Granted                        | -                          | -                | \$1.97        | 1,500,000        |
| Exercised                      | \$0.36                     | (360,000)        | \$0.60        | (375,000)        |
| Forfeited                      | \$0.44                     | (687,940)        | -             | -                |
| Lapsed                         | \$0.42                     | (328,666)        | \$0.68        | (96,885)         |
| <b>Outstanding at 31 March</b> | <b>\$1.08</b>              | <b>3,772,742</b> | <b>\$0.91</b> | <b>5,249,348</b> |
| <b>Exercisable at 31 March</b> | <b>\$0.79</b>              | <b>2,834,742</b> | <b>\$0.52</b> | <b>3,824,348</b> |

**(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 | 31 March<br>2025 | 30 June<br>2024 |
|------------------|------------------|----------------|------------------|-----------------|
| 2 September 2021 | 2 September 2024 | C\$2.05        | -                | 16,180          |
| 2 September 2021 | 2 September 2024 | C\$2.14        | -                | 5,760           |
| 9 November 2021  | 2 September 2024 | C\$2.60        | -                | 2,335           |
| 30 November 2022 | 30 November 2024 | C\$2.75        | -                | 62,755          |
| 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          | -               |
| <b>Total</b>     |                  |                | <b>1,208,515</b> | <b>788,395</b>  |

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

|                                | Six months ended 31 March |                  |               |                |
|--------------------------------|---------------------------|------------------|---------------|----------------|
|                                | 2025<br>WAEP              | 2025<br>Number   | 2024<br>WAEP  | 2024<br>Number |
| Outstanding at 1 July          | \$1.04                    | 788,395          | \$2.93        | 87,030         |
| Issued                         | \$0.88                    | 507,150          | \$1.95        | 121,765        |
| Expired                        | \$2.89                    | (87,030)         | -             | -              |
| <b>Outstanding at 31 March</b> | <b>\$0.86</b>             | <b>1,208,515</b> | <b>\$2.28</b> | <b>208,795</b> |

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**20. Share-based payments (continued)**

**(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 | 31 March 2025    | 30 June 2024     |
|-------------------|--------------------------------|-----------|------------------|------------------|
| 20 October 2021   | 20 October 2026                | RSU       | 10,532           | 10,532           |
| 14 September 2022 | 14 September 2027              | RSU       | 61,390           | 105,240          |
| 14 September 2022 | 14 October 2025 <sup>(i)</sup> | RSU       | 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       | 65,737           | 80,121           |
| 21 October 2022   | 21 October 2027                | RSU       | 6,984            | 6,984            |
| 13 July 2023      | 13 July 2028                   | RSU       | 57,098           | 114,196          |
| 22 January 2024   | 22 January 2028                | RSU       | 384,456          | 502,076          |
| 12 February 2024  | 12 February 2028               | RSU       | 39,021           | 39,021           |
| 12 February 2024  | 12 February 2026               | RSU       | 161,225          | 161,225          |
| 7 October 2024    | 7 October 2027                 | RSU       | 388,830          | -                |
| 14 March 2025     | 14 March 2029                  | RSU       | 1,501,518        | -                |
| 14 March 2025     | 14 March 2027                  | RSU       | 111,789          | -                |
| <b>Total</b>      |                                |           | <b>2,917,131</b> | <b>1,130,406</b> |

(i) Expiry date revised in October 24

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

|                                | Nine months ended 31 March |                  |               |                  |
|--------------------------------|----------------------------|------------------|---------------|------------------|
|                                | 2025<br>WASP               | 2025<br>Number   | 2024<br>WASP  | 2024<br>Number   |
| <b>RSUs</b>                    |                            |                  |               |                  |
| Outstanding at 1 July          | \$2.28                     | 1,130,406        | \$4.35        | 954,458          |
| Granted                        | \$0.84                     | 2,002,137        | \$1.53        | 1,517,025        |
| Exercised                      | \$2.50                     | (119,528)        | \$4.28        | (259,490)        |
| Expired or forfeited           | \$1.67                     | (95,884)         | \$3.65        | (561,376)        |
| <b>Outstanding at 31 March</b> | <b>\$1.30</b>              | <b>2,917,131</b> | <b>\$2.04</b> | <b>1,650,627</b> |
| <b>Exercisable at 31 March</b> | <b>\$2.54</b>              | <b>457,639</b>   | <b>\$3.48</b> | <b>152,599</b>   |

**(g) Fair value measurement of options and warrants granted**

No options were granted during the nine months ended 31 March 2025 (assessed fair value of options granted year ended 30 June 2024: \$900,937). The assessed fair value of warrants granted during the nine months ended 31 March 2025 was \$222,935 (year ended 30 June 2024: \$442,878).

**Options**

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.

## 20. Share-based payments (continued)

### (g) Fair value measurement of options and warrants granted (continued)

The fair value of options granted during the nine months ended 31 March 2025, and the year ended 30 June 2024, were calculated using the exercise price, grant date and expiry date as per above with the following assumptions:

| On initial recognition<br>using BSM | Options                         |              |
|-------------------------------------|---------------------------------|--------------|
|                                     | 31 March<br>2025 <sup>(i)</sup> | 30 June 2024 |
| Share price at grant date           | -                               | \$1.37       |
| Expected volatility                 | -                               | 55.01%       |
| Risk-free interest rate             | -                               | 3.59%        |

(i) No options were granted during the nine months ended 31 March 2025.

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 on 20 March 2025 the Black Scholes Model was used with the following inputs:

| On initial recognition<br>using BSM | Compensation Warrants   |
|-------------------------------------|-------------------------|
|                                     | Issued 20 March<br>2025 |
| Share price at grant date           | C\$0.75                 |
| Expected volatility                 | 81.35%                  |
| Term                                | 3 Years                 |
| Exercise Price                      | C\$0.80                 |
| Risk-free interest rate             | 3.74%                   |

For the Compensation Warrants issued during the year ended 30 June 2024, that contain a second level of warrants upon exercise of the first level, the Monte Carlo Simulation (MCS) Methodology was used to determine the fair value of each level, 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 year ended 30 June 2024, was calculated using the following assumptions:

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**20. Share-based payments (continued)**

|   | <b>Compensation Warrants</b><br>Issued 16 August 2023 <sup>(i)</sup> |                | <b>Compensation Warrants</b><br>Issued 7 May 2024 <sup>(ii)</sup> |                |
|---|--|----------------|---|----------------|
| <b>On initial recognition using MCS</b> | <b>Level 1</b>   | <b>Level 2</b> | <b>Level 1</b>  | <b>Level 2</b> |
| Share price at grant date               | C\$1.62  | C\$1.62        | C\$0.395  | C\$0.395       |
| Exercise price                          | C\$1.70  | C\$2.20        | C\$0.42   | C\$0.55        |
| Term                                    | 3 years  | 3 years        | 4 years   | 4 years        |
| Risk-free rate                          | 4.420%   | 4.420%         | 3.774%  | 3.774%         |
| Dividend yield                          | -  | -              | -   | -              |
| Volatility (rounded)                    | 75%  | 75%            | 75%   | 75%            |

- (i) 121,765 broker warrants were issued on 16 August 2023 in respect of the Marketed Offering completed, as detailed in Note 14(a)(i). The warrants have two levels of value whereby upon exercise, each initial warrant (Level 1) grants its holder an ordinary share in the Company, as well as a second warrant (Level 2). The Level 2 warrants entitle the holder to purchase an additional ordinary share in the Company at a new exercise price as listed in the table.
- (ii) 579,600 broker warrants were issued on 7 May 2024 in respect of the Marketed Offering completed, as detailed in Note 22(a)(ii). The warrants have two levels of value whereby upon exercise, each initial warrant (Level 1) grants its holder an ordinary share in the Company, as well as a second warrant (Level 2). The Level 2 warrants entitle the holder to purchase an additional ordinary share in the Company at a new exercise price as listed in the table.

**(h) Fair values of RSUs and PSUs granted**

The assessed value of RSUs granted during the nine months ended 31 March was \$1,68,226 (assessed fair value of RSUs granted for the year ended 30 June 2024: \$2,326,433). The assessed fair value is based on the Company's share price on the date of grant. No PSUs were issued in either the nine months to 31 March 2025 or the year to 30 June 2024.

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 nine months ended 31 March 2025, and the year ended 30 June 2024, was calculated at the grant date based on the following weighted average assumptions:

|                               | <b>RSUs</b>                    |                               | <b>PSUs</b>          |                        |
|-------------------------------|--------------------------------|-------------------------------|----------------------|------------------------|
| <b>On initial recognition</b> | <b>31 March 2025</b>           | <b>YE 30 June 2024</b>        | <b>31 March 2025</b> | <b>YE 30 June 2024</b> |
| Share price at grant date     | \$0.67 - \$0.88 <sup>(i)</sup> | \$1.41-\$2.25 <sup>(ii)</sup> | -                    | -                      |

- (i) The fair value of RSUs granted during the nine months ended 31 March 2025 was based on the share price on the 7 October 2024 and the 14 March 2025 in accordance with employment agreement terms and the Share Incentive Plan.
- (ii) The fair value of RSUs granted during the financial year ending 30 June 2024 was based on the share price on 28 April 2023, 5 May 2023, 13 July 2023, 22 January 2024 and 12 February 2024 in accordance with employment agreement terms and the Share Incentive Plan.

**20. Commitments and contingencies**

The Group's commitments and contingencies are consistent with those reported in the last annual financial statements as at 30 June 2024.

**21. Subsequent events**

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