

ASX Announcement
24 April 2025

Quarterly Activities and Cashflow Report

Highlights

- Transformational acquisition of 2D Generation completed with the Company shifting focus towards a highly compelling opportunity in groundbreaking graphene-based semiconductor technologies.
- Board composition revised to reflect strategic direction with:
 - Globally-recognised leader in the semiconductor industry Mr Kevin Crofton appointed as Chairman.
 - 2D Generation founder and CEO, Mr Arye Kohavi appointed as non-executive director
 - Highly credentialed Australian based technology entrepreneur Mr Dominic O’Hanlon appointed as non-executive director.
- Partnership agreement executed with Jan Koum Center for Nanoscience and Nanotechnology at Tel Aviv University (TAU) which includes access to a Atomic Layer Deposition Machine to accelerate the development of graphene-based interconnects for next generation semiconductors.
- Balance sheet significantly strengthened with the completion of a heavily oversubscribed A\$10 million Placement (before costs) supported by domestic and international institutional and sophisticated investors.
- Mr Kevin Crofton demonstrates his confidence in the Company by participating in the Placement and buying shares on market.

Adisyn Ltd (**ASX: AI1**) (“**Adisyn**” or the “**Company**”) is pleased to provide a quarterly activities report for the period ending 31st March 2025, in which the Company completed the transformational acquisition of 2D Generation Limited (“2DG”) while rationalising its existing operations and significantly strengthening its balance sheet.

In early January, Adisyn announced the successful completion of the acquisition of a 100% interest in 2DG¹. 2DG has developed a patented graphene deposition process that could facilitate the next generation of semiconductor devices capable of further miniaturisation, lower power consumption, less heat and greater computational speeds.

2D Generation’s innovative technology centres around the aim of improving the device performance by replacing the copper interconnect with graphene.

¹ Refer to ASX Announcement dated: 9 January 2025

- An interconnect in a semiconductor refers to the conductive pathways that connect different components or regions within an integrated circuit (IC).
- These interconnects are crucial for the functionality of the IC as they facilitate the flow of electrical signals between transistors, capacitors, resistors, and other elements on the chip.
- Interconnects can be made of various materials, typically metals like aluminium or copper, and they can be implemented in different layers within the semiconductor structure.
- As IC's have become more complex, with smaller and more densely packed features, the design and materials used for interconnects have evolved to address issues such as resistance, capacitance, and signal integrity that have reached scalability limitations.

The interconnect field has emerged as a critical technical barrier hindering industry progress. Overcoming this challenge is recognised as the "Holy Grail" within the industry, promising accelerated rates of and continued miniaturisation. Industry giants recognise that the entity with a viable solution stands to gain a substantial competitive advantage.

Enter 2D Generation with its groundbreaking innovation enabling in-situ ALD graphene deposition on the interconnect in a temperature regime compatible with current industry process flows. The potential to provide this process at scale sets 2D Generation apart, presenting a disruptive technology that has the potential to reshape the landscape of semiconductor manufacturing.

Following the acquisition, Adisyn has executed a number of Board and management changes to reflect its new strategic direction.

Adisyn announced in January that globally recognised leader in the semiconductor industry Mr Kevin Crofton had been appointed to the Company as a non-executive director² and in March, Adisyn advised Mr Crofton would take on additional responsibilities, serving as non-executive Chairman. Kevin's appointment coincided with Mr Shane Wee stepping down from the position and the Board thanks Mr Wee for his significant contribution which was pivotal to the restructuring and repositioning of the Company³.

Mr Crofton brings more than 30 years' industry experience including at a number of high-profile positions at major semiconductor companies: Lam Research Corporation (Nasdaq: LRCX, US\$97B mkt cap), KLA Corporation (Nasdaq: KLAC, US\$91B mkt cap), Newport Corporation (acquired for US\$980M) and SPTS Technologies (US\$500M turnover). Further, Mr Crofton's contributions extend beyond corporate leadership including serving as Chair of the industry association, SEMI International, founding the UK's Compound Semiconductor Applications Catapult and advising Senator Mark Warner on the US CHIPS Act⁴.

² Refer to ASX Announcement dated 21 January 2025

³ Refer to ASX Announcement dated 17 March 2025

⁴ Further details on Mr Kevin Crofton's experience available in ASX Announcement dated 14 February 2025

Mr Crofton is uniquely positioned to lead the Company through its next phase of growth.

Following the completion of the 2DG acquisition in January, Adisyn advised 2D Generation's founder and CEO, Arye Kohavi would join the Board and following the receipt of a Director Identification Number in February, Mr Kohavi was appointed as a non-executive director⁵.

Arye's extensive experience in technology innovation, particularly in semiconductor advancements, will be invaluable as Adisyn continues to drive its innovative technology forward. He brings with him a wealth of experience in developing disruptive technologies and scaling high-growth businesses.

Mr Kohavi was the founder, president & Co-CEO of Water-Gen, which developed water-from-air and air dehumidification technologies and was acquired for a significant amount. Kohavi holds an MBA (Finance) and a BA in Economics and Accounting, both from the Hebrew University in Jerusalem.

Arye has been the recipient of a number of awards:

- Arye has been chosen as one of the world's 100 Leading Global Thinkers, and one of the world's top innovators, by "Foreign Policy" magazine.
- Water-Gen, founded by Arye, was chosen as one of the World's 50 Most Innovative Companies, by "Fast Company" magazine.
- As part of Israel's 70th anniversary celebrations, the Israeli Ministry of Economy and Ynet readers chose Water-Gen as one of the "Nine Greatest Israeli Inventions of All Times".
- Water-Gen's Genny was chosen as one of the world's 100 Best Inventions of year 2019, by TIME magazine.

Additionally, the Company advised that Justin Thomas stepped down from the Board. The Board sincerely thanks Justin for his valuable contributions and dedication to the Company.

The final board appointment during the period occurred in March with the addition of Mr Dominic O'Hanlon, a highly credentialled technology entrepreneur⁶.

Mr O'Hanlon brings extensive knowledge of the Information Technology industry over a career spanning more than 30 years. Dominic has a track record of repeated successes with domestic and global experience through key executive positions focused on growing and commercialising technology businesses.

Dominic has served as Managing Director and CEO of rhipe Limited (ASX:RHP) for over seven years. During Mr O'Hanlon's time as CEO of RHP, the business grew sales from AUD \$74.5M to \$377.4M

⁵ Refer to ASX Announcement dated 12 February 2025

⁶ Refer to ASX Announcement dated 17 March 2025

(26.6% CAGR) and EBITDA from AUD \$1.5M to \$16.6M (41% CAGR). RHP had approximately 600 staff across 10 countries.

Prior to RHP, Mr O’Hanlon had multiple technology build and scale experiences including as CEO of Haley Limited and as Chief Strategy Officer of MYOB.

Mr O’Hanlon is currently a non-executive director of Pentanet (ASX:5GG), which operates its flagship wireless network and possesses an Alliance Partner Agreement with world-leading computer processing company NVIDIA. In addition, Mr O’Hanlon is chair of fast-growing private company BeMoved.app.

Strategic Partnership

Following the successful acquisition, Adisyn announced its subsidiary 2DG entered into a strategic partnership with Tel Aviv University’s Jan Koum Center for Nanoscience and Nanotechnology (TAU Nano Center), a leading nanotechnology research centre driving innovation in nanofabrication, MEMS (MicroElectro-Mechanical Systems), nanomaterials, and semiconductor⁷.

The Agreement sets the framework for collaboration with TAU Nano Center to explore innovative nanotechnology solutions. As part of the agreement, Adisyn will lease specialised equipment from the TAU Nano Center, including the Beneq TFS 200 Atomic Layer Deposition (ALD) system, which is essential for the Company’s work in the field of advanced graphene based interconnect to replace copper (Figure 1).

2DG has been provided with immediate access to TAU Nano Center’s ALD system. This system is the previous generation version of the ALD system which has been procured and is expected to be received and installed in the coming months⁸. Having two machines will enable the team to work in parallel across the two systems and expand the development process, with the cost of the Strategic Partnership expected to be immaterial for the Company.

⁷ Refer to ASX Announcement dated 27 March 2025

⁸ Refer to ASX Announcement dated 11 November 2024



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

Business Activities and Rationalisation of Operations

For the quarter, the Company reported cash receipts of ~\$973k. Total revenue for the quarter was \$879k. Net cash used in operating activities was \$1.349m, which now includes the operating expenditure of the Company's wholly owned subsidiary, 2D Generation.

During the period, the Company announced it had entered into a binding Heads of Agreement ("HoA") with Metacorp Developments Pty Ltd ("Metacorp") for the divestment of its Miner Hosting business⁹.

The Miner Hosting business provides infrastructure and services for clients to facilitate mining of cryptocurrency and has been determined to be a non-core, immaterial part of the business.

The HoA, which was for the divestment of 100% of the legal and beneficial interest of the Miner Hosting physical assets was subject to satisfaction of various Conditions Precedent. As part of the execution of Terms, Adisyn advises that Conditions Precedent could not be satisfied for its Victorian-based assets due to the Victorian leaseholder of the land being unwilling to novate it's agreement with the Company to Metacorp. The HoA was subsequently revised and executed to exclude these assets with Consideration of the transaction consisting of A\$100k + GST cash. Completion of the transaction is expected to occur on or around 1 May 2025.

⁹ Refer to ASX Announcement dated 28 January 2025

The Miner Hosting business remained unprofitable during the March quarter, contributing ~\$50k to the Company's cash burn. The Company will now consider its options for the Victorian assets, which may include a future sale or disposal.

Corporate

Throughout the period, Adisyn substantially improved its balance sheet via the completion of a A\$10 million (before costs) heavily oversubscribed Placement¹⁰.

A total of 105,263,158 new fully paid ordinary shares were issued at \$0.095 per share (Placement Shares).

Adisyn Chairman, Mr Kevin Crofton participated in the Placement by subscribing for 800,000 shares. Mr Crofton's share issue is subject to shareholder approval with the Company providing notice for a General Meeting be held online, on Tuesday, 13 May 2025, at 3:30pm (AWST)¹¹. Mr Kevin Crofton purchased an additional 1,400,000 shares on market in early April (ASX: 4 April 2025), demonstrating his continued confidence in the Company's potential.

Proceeds from the Placement will be deployed strategically to support growth objectives:

- **Acquisition of Cutting-Edge Equipment:** A portion of the funds will be used to purchase a specialised Atomic Layer Deposition (ALD) machine from Beneq, a global leader in ALD technology. This equipment will enable AI1 to accelerate the development of its proprietary graphene-enhanced semiconductor solutions, enhancing performance, scalability, and compatibility with current chip manufacturing processes.
- **Technological Innovation and Development:** Funds will drive the expansion of AI1's research and development capabilities, particularly in advancing 2DG's patented technologies. This includes exploring new applications for graphene in addressing critical semiconductor bottlenecks, improving energy efficiency, and enabling miniaturisation.
- **Commercialisation and Strategic Partnerships:** Capital will be allocated to advancing licensing agreements and building partnerships with global semiconductor and electronics leaders. The Company will focus on collaborations that leverage its graphene-enhanced technologies to meet industry challenges in AI, 5G, autonomous vehicles, and cloud computing.
- **Operational Readiness:** Additional resources will be directed toward strengthening AI1's operational capacity. This includes scaling internal capabilities to meet the anticipated growth demands and ensuring the Company is equipped to deliver on project milestones efficiently.

¹⁰ Refer to ASX Announcement dated 24 January 2025

¹¹ Refer to ASX Announcement dated 9 April 2025

- **Working Capital and Placement Costs:** A portion of the funds will support general working capital requirements and cover expenses related to the successful execution of the Placement, including advisory fees, regulatory compliance, and administrative costs

The Placement was conducted within the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1a, and Placement Shares will rank pari passu with existing A11 shares on issue.

In accordance with ASX Listing Rule 4.7C.3, payments in the March quarter to related parties of approximately \$126k included at item 6 in the attached Appendix 4C comprised salaries and fees paid to executive and non-executive directors and their related entities.

Looking Forward

Commenting on the activities completed during the period, Adisyn Chairman Kevin Crofton said:

"We are entering a very exciting period for Adisyn and the semiconductor industry. For the first time in the Company's history, we will have access to not only one but two advanced atomic layer deposition machines (ALD) that have the potential to effectively deposit high quality uniform graphene at low temperatures. One ALD system is at Tel Aviv University which we are working on now, while our own is due to be delivered in the coming months. Our technology has the potential to revolutionise next-generation semiconductor manufacturing. By collaborating with partners on chip design, lithography, and advanced materials like graphene, we aim to extend Moore's Law and push the boundaries of performance and efficiency."

-ENDS-

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

Further Information:

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About 2D Generation

2D Generation is a high-tech company specialising in graphene-based solutions for the semiconductor industry. Founded by experienced entrepreneurs and scientists, the company is dedicated to overcoming current technological limitations by developing faster, stronger, and more

energy-efficient computer processing solutions. These advancements will support the next generation of AI, data storage, telecommunications, cybersecurity, mobile devices, and more.

About Adisyn

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

Forward-looking statements:

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

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

Appendix 4C

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

Name of entity

Adisyn Ltd

ABN

30 155 473 304

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	973	3,128
1.2 Payments for		
(a) research and development	(41)	(41)
(b) product manufacturing and operating costs	(749)	(2,666)
(c) advertising and marketing	(19)	(44)
(d) leased assets	(56)	(169)
(e) staff costs	(828)	(1,878)
(f) administration and corporate costs	(671)	(1,295)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	21
1.5 Interest and other costs of finance paid	(16)	(76)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (VAT Refund)	39	39
1.9 Net cash from / (used in) operating activities	(1,349)	(2,981)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(20)
(c) property, plant and equipment	(49)	(66)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	202	310
	(c) property, plant and equipment	11	78
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(705)
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security deposits – Leased Premises)	-	82
2.6	Net cash from / (used in) investing activities	164	(321)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,955	14,503
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(722)	(1,078)
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	(597)	(1,319)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Cash acquired on acquisition of 2D Generation Ltd)	303	303
3.10	Net cash from / (used in) financing activities	8,939	12,509

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,754	299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,349)	(2,981)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	164	(321)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,939	12,509
4.5	Effect of movement in exchange rates on cash held	(43)	(41)
4.6	Cash and cash equivalents at end of period	9,465	9,465

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,206	1,754
5.2	Call deposits	8,259	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,465	1,754

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	126
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Related to director fees, salaries and wages plus superannuation of all related parties.</p>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	143	93
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	361	361
7.4 Total financing facilities	504	454
7.5 Unused financing facilities available at quarter end		50
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>7.1 Loan Facilities: Included under loan facilities are:</p> <p>1. Director Loans Director loan of \$93,393 with an interest rate of 10% p.a. The loan is being repaid in equal monthly instalments until it is fully repaid by 31 December 2025. The loan can be repaid earlier if agreed by the parties. The loan has an additional stand-by facility of \$50,000 which can be drawn on call. The loan and capitalised interest may be converted into fully paid ordinary shares with shareholder approval.</p> <p>7.2 Credit Standby arrangements: Not applicable</p> <p>7.3 Other: Included under Other is the carrying amount of equipment finance leases with a variety of financiers with varying maturity dates and a weighted average interest rate of 8.52%.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,349)
8.2 Cash and cash equivalents at quarter end (item 4.6)	9,465
8.3 Unused finance facilities available at quarter end (item 7.5)	50
8.4 Total available funding (item 8.2 + item 8.3)	9,515
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.05
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	

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

Answer: N/A

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

Answer: N/A

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

Compliance statement

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

Date: ..24 April 2025.....

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

Notes

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