Archer Materials Limited (ACN: 123 993 233)
Lot Fourteen, Frome Road, Adelaide SA 5000
www.archerx.com.au

ASX Announcement (ASX: **AXE**) 9 July 2026

Q4 FY26 Activities Report and Appendix 4C

For the quarter ended 30 June 2026

Key Highlights

- Achieved full-wafer manufacturing runs of its refined ^{12}CQ quantum chip key components
    - Progressing toward a functional qubit demonstration followed by continued foundry, manufacturable quantum chips
- Demonstrated proof-of-concept quantum neural network (QNN) performance for fraud detection in both simulation and quantum hardware environments
- Subsequent to the quarter end, completed a well supported $7 million (before costs) share placement strengthening the balance sheet to fund continued roadmap execution.
- Significantly advanced Biochip beta prototype; delivering enhanced cartridge design, electronic readout and control systems. Laying the groundwork for trials.
- Filed additional patent applications to protect key Biochip intellectual property.

Archer Materials Limited ("Archer", the "Company", "ASX: AXE"), a quantum company developing technologies in computing, sensing, and medical diagnostics, provides its Quarterly Activities Report and Appendix 4C for the quarter ended 30 June 2026.

Commenting on its Q4 FY26 activities, Dr Simon Ruffell, CEO of Archer, said:

"We've had a tremendous quarter for the business, alongside significant commercial momentum, we also delivered across all three pillars of our technology portfolio. To have all programs making consistent progress in the most exacting and challenging markets in the world is a testament to the enormous talent of the Archer team.

"The ^{12}CQ project advanced towards the development of a world-first working graphene spin qubit, a critical building block in delivering a highly stable and robust quantum computing chip. This work included further fabrication, designing, and testing activities to prepare the chip for future foundry manufacturing and saleable production. We also continued discussions with new and existing industry partners to support future manufacturing pathways.

"In collaboration with CSIRO, the team also completed a key stage of its quantum machine learning project to detect financial fraud. This early work has convincingly demonstrated that Quantum Neural Networks (QNNs) can indeed reduce false positives and operate on

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conventional computing hardware, an important step in showing how quantum software can be applied to real-world applications.

"Our Biochip beta prototype program is gaining ground, and completed initial cartridge design, advancing electronic readout and control capabilities. The Biochip is built around Archer's proprietary sensing architecture, a key competitive advantage, including its sensing layer, surface chemistry, chip design, and associated signal processing methodology. While the initial focus remains on supporting patients with chronic kidney and cardiovascular disease, the platform has applications across other medical diagnostics and industries, which broadens commercial opportunities and reduces reliance on a single market pathway.

"We begin the first half of FY27 in a robust position. This momentum is supported by our newly inked strategic partnership with the world's leading quantum provider IonQ and the successful recapitalisation of the Company to accelerate our commercial and technical roadmaps. We are pleased to welcome new and returning institutional investors across APAC to our register, ensuring the business is on a strong foundation as we enter a new growth phase.

"Global investment in quantum technologies continues to accelerate as governments, semiconductor manufacturers, and major technology companies increase investment in next-generation computing infrastructure. Archer is positioning itself to be at the centre of developing quantum technologies that are scientifically differentiated, scalable and importantly, designed to integrate seamlessly into existing semiconductor supply chains."

Technology development and commercialisation activities

Quantum Technologies

^{12}CQ Project: Qubit development

Archer advanced design and manufacturability of its ^{12}CQ quantum chip during the quarter, progressing toward first demonstration of a working qubit (quantum bit of information). The Archer team continues progress via design, fabrication, and test of key devices on chips towards demonstration of control and readout of qubit technology. Focus is still on the single qubit demonstration and assessment of the initial technical performance of that device. However, Archer has initiated the next steps of the program which involve then scaling that technology to a full wafer manufacturable product.

Quantum technology is advancing rapidly, but the promise of quantum computing will rely on scalable manufacturing. Technologies that require entirely new fabrication infrastructure face profound commercialisation barriers, regardless of their technical merit. Archer's quantum chip is being designed to deliver robust and highly stable qubits. It is intended that the quantum chip will be manufactured using existing industry-standard semiconductor fabrication infrastructure. The same processes and foundry networks that already underpin the global electronics industry. This proposed approach eliminates the need to rebuild manufacturing from scratch, accelerating the pathway from laboratory to commercial deployment.

During the quarter, Archer completed full-wafer manufacturing runs of its refined graphene qubit spin designs with fabrication partners, commencing device fabrication and testing on wafer-scale materials. Materials characterisation validated critical device components, and

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demonstrated improved performance, fabrication consistency, and increased manufacturing scalability from the latest chip designs. Multiple design, fabrication, and testing cycles were completed during the period — marking a significant step toward a planned foundry-ready quantum chip built on industry-standard semiconductor processes.

The graphene fabrication and device capabilities underpinning the ^{12}CQ program may extend beyond quantum computing. The same platform has natural applicability across quantum sensing, photonics, AI infrastructure, and cloud technologies — representing meaningful potential optionality across some of the fastest-growing sectors in the global technology economy. This has the ability to position Archer to capture value across multiple commercial markets from a single, unified technology platform, without compromising focus on its core quantum computing objectives.

Quantum Machine Learning (QML) Project

During the quarter, Archer and Australia's national science agency, CSIRO, advanced their financial fraud detection collaboration.

The rapid acceleration of digitalisation and AI is dramatically expanding the surface area for financial crime — making existing classical fraud detection approaches increasingly inadequate against the speed, scale, and sophistication of modern threats. Global fraud losses and financial crimes cost the worldwide economy hundreds of billions of dollars annually, driving urgent demand for next-generation detection capabilities across banking institutions, enterprises, and government agencies.

Archer and CSIRO are developing a quantum neural network (QNN) framework designed to outperform classical machine learning approaches in identifying fraudulent transactions — exploiting quantum computing's potential to process complex, high-dimensional datasets at a speed and accuracy classical systems cannot match.

The program utilised a publicly available dataset of more than 280,000 transaction records to validate QNN performance against classical approaches. The model delivered strong simulation results, identifying 118 of 148 fraudulent transactions with only one false positive — a compelling outcome for a first-generation model. These preliminary results provide meaningful validation of quantum dimensionality reduction techniques not replicable with classical computing.

Hardware testing on commercial quantum systems produced equally encouraging results, with the model detecting 18 of 19 fraudulent transactions — demonstrating real-world operability beyond simulation. While performance reduced under higher noise conditions, the results establish a strong technical foundation for the next development phase. Next steps will be continued development and benchmarking to achieve compelling data that will allow customer engagement as part of this program.

Strategic partnership with global quantum leader, IonQ Inc

Subsequent the end of the quarter, Archer announced a strategic Quantum Compute Agreement with IonQ, Inc. (NYSE: IONQ), a globally recognised full-stack quantum computing company. The agreement represents a significant moment for Archer. Under the Agreement,

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the Company will leverage IonQ's world leading compute power to develop and deploy quantum algorithms to advance its technical roadmaps.

Biochip

Following the completion of the integrated alpha prototype and Stage 1 IMEC collaboration, Archer's Biochip program advanced into beta prototype development during the quarter, marking the transition from proof-of-concept validation toward product development and external testing.

The beta prototype is designed as a user-ready diagnostic system suitable for external laboratory evaluation and pre-clinical studies. It will integrate Archer's sensing chip, proprietary functionalisation processes, cartridge design, microfluidics, and readout electronics into a single platform. These advancements are a material step up in capability and commercial readiness from the alpha prototype.

During the quarter, Archer completed the initial beta prototype cartridge design, advanced handheld readout electronics and control systems. The program also initiated contract development and manufacturing organisation (CDMO) engagement to support manufacturing scale-up planning.

In addition to the engineering activities Archer continued to strengthen its IP portfolio achieving granting of an Australian patent - “graphene complexes and composition thereof” (Australian patent number 2020220236). This backs up protection already established in the US. As the Biochip development has progressed over the last quarter the technical team has also prepared provisional patent applications to strengthen the Company's IP position ahead of commercial partner discussions.

Financial and corporate update

The Company’s cash balance at the end of the Quarter was $8.41 million and has no debt.

Archer’s accompanying Appendix 4C cashflow report for the Quarter includes an amount of $156,000 at item 6.1, relating to executive and non-executive director fees paid as salaries and wages.

Post quarter end, Archer received binding commitments to raise $7.0 million (before costs) through a two-tranche placement. The Company also intends to undertake a Share Purchase Plan for eligible shareholders in Australia and New Zealand, seeking to raise up to a further $3.0 million.

The funding will support Archer’s strategic agreement with IonQ, including quantum application development, quantum machine learning and qubit development, as well as continued investment in the Company’s advanced materials programs. It also provides additional working capital as Archer progresses its plan to help establish sovereign quantum computing capability in Australia.

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Investor webinar

The Company will host an investor webinar for a Q4 FY26 update. The update will be presented by Archer's Chief Executive Officer, Dr Simon Ruffell, at 1:00pm AEST on 22 July 2026, followed by a Q&A session.

To attend, please register at:

https://zoom.us/webinar/register/WN_IrGbXrv_RyG5PXp3jS26wQ#/registration

The Board of Archer authorised this announcement to be given to ASX.

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About Archer

Archer is a quantum technology company that operates within the semiconductor industry. The Company is developing advanced semiconductor devices, including chips relevant to quantum computing, sensing, and medical diagnostics. Archer utilises its global partnerships to develop these technologies for potential deployment and use across multiple industries. www.archerx.com.au

Appendix 4C

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

Name of entity	
Archer Materials Limited	
ABN	**Quarter ended ("current quarter")**
64 123 993 233	30 June 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(387)	(2,467)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(3)	(3)
	(d) leased assets	-	-
	(e) staff costs	(879)	(3,533)
	(f) administration and corporate costs	(643)	(1,855)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	43	639
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	2,102
1.8	Other (provide details if material)	7	10
1.9	**Net cash from / (used in) operating activities**	**(1,862)**	**(5,107)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(18)
	(d) investments	-	-
	(e) intellectual property	(59)	(192)
	(f) other non-current assets	(3)	(8)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(65)**	**(218)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(3)	(14)
3.10	**Net cash from / (used in) financing activities**	**(3)**	**(14)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	10,336	13,745
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,862)	(5,107)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(218)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(14)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**8,406**	**8,406**

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	1,846	2,238
5.2	Call deposits	6,560	8,098
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)**	**8,406**	**10,336**

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	156
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

7.5	**Unused financing facilities available at quarter end**	N/A

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,862)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,406
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	8,406
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.51

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

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

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

Compliance statement

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

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

Date: 9 July 2026

Authorised by: The Board of Archer Materials Limited
(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.