

1. Company details

| | |
|-------------------|---------------------------------|
| Name of entity: | Adisyn Ltd |
| ABN: | 30 155 473 304 |
| Reporting period: | For the year ended 30 June 2024 |
| Previous period: | For the year ended 30 June 2023 |

2. Results for announcement to the market

| | 30 June 2024 \$ | 30 June 2023 \$ | Change \$ | Change % |
|--|--------------------|--------------------|--------------|-------------|
| Revenues from continuing ordinary activities | 5,495,434 | 2,675,217 | 2,820,217 | 105% |
| Loss after income tax expense from continuing operations | (1,442,629) | (2,216,244) | 773,615 | (35%) |
| Loss for the year attributable to the owners of Adisyn Ltd | (1,554,770) | (1,740,563) | 185,793 | (11%) |

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to \$1,554,770 (30 June 2023: \$1,740,563).

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | 0.53 | 0.76 |

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Audit qualification or review

The financial statements are in the process of being audited. Audited financial statements will be released in September 2024.

8. Attachments

The Preliminary Report of Adisyn Ltd for the year ended 30 June 2024 is attached.

9. Signed

Signed  _____

Blake Burton
Managing Director

Date: 30 August 2024

Adisyn Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



| | 30 June 2024 \$ | 30 June 2023 \$ |
|--|--------------------|--------------------|
| Revenue from continuing operations | | |
| Revenue | 5,495,434 | 2,675,217 |
| Other income | 1,530,031 | 179,632 |
| Expenses | | |
| Cost of goods sold | (2,286,498) | (1,234,024) |
| Selling and distribution expenses | (93,319) | (224,072) |
| Administrative expenses | (1,034,863) | (596,991) |
| Impairment of assets | (773,121) | - |
| Other operating expenses | (3,943,347) | (2,863,039) |
| Finance costs | (336,946) | (152,967) |
| Loss before income tax expense from continuing operations | (1,442,629) | (2,216,244) |
| Income tax expense | - | - |
| Loss after income tax expense from continuing operations | (1,442,629) | (2,216,244) |
| Profit/(loss) after income tax expense from discontinued operations | (112,141) | 475,681 |
| Loss after income tax expense for the year attributable to the owners of Adisyn Ltd | (1,554,770) | (1,740,563) |
| Other comprehensive income | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Foreign currency translation | (2,590) | (8,640) |
| Other comprehensive income for the year, net of tax | (2,590) | (8,640) |
| Total comprehensive income for the year attributable to the owners of Adisyn Ltd | (1,557,360) | (1,749,203) |
| Total comprehensive income for the year is attributable to: | | |
| Continuing operations | (1,445,219) | (2,224,884) |
| Discontinued operations | (112,141) | 475,681 |
| | (1,557,360) | (1,749,203) |

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

Adisyn Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



| | Cents | Cents |
|---|--------|--------|
| Earnings per share for loss from continuing operations attributable to the owners of Adisyn Ltd | | |
| Basic earnings per share | (0.92) | (2.19) |
| Diluted earnings per share | (0.92) | (2.19) |
| Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Adisyn Ltd | | |
| Basic earnings per share | (0.07) | 0.47 |
| Diluted earnings per share | (0.07) | 0.47 |
| Earnings per share for loss attributable to the owners of Adisyn Ltd | | |
| Basic earnings per share | (1.00) | (1.72) |
| Diluted earnings per share | (1.00) | (1.72) |

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

Adisyn Ltd and its controlled entities
Consolidated statement of financial position
As at 30 June 2024



| | Note | 30 June 2024 \$ | 30 June 2023 \$ |
|---|------|-------------------------|-------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 299,141 | 676,806 |
| Trade and other receivables | | 721,579 | 398,383 |
| Inventory | | 147,309 | 11,944 |
| Other assets | | 173,419 | 80,209 |
| | | <u>1,341,448</u> | <u>1,167,342</u> |
| Assets of disposal groups classified as held for sale | | 1,503,576 | 3,343,106 |
| Total current assets | | <u>2,845,024</u> | <u>4,510,448</u> |
| Non-current assets | | | |
| Right-of-use assets | | 1,667,130 | 2,474,423 |
| Property, plant and equipment | | 936,895 | 1,335,062 |
| Intangibles | | 1,481,378 | 1,470,738 |
| Other assets | | 105,600 | 118,382 |
| Total non-current assets | | <u>4,191,003</u> | <u>5,398,605</u> |
| Total assets | | <u>7,036,027</u> | <u>9,909,053</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 1,310,862 | 1,136,360 |
| Contract liabilities | | 233,279 | 399,167 |
| Lease liabilities | | 563,039 | 745,698 |
| Other liabilities | | - | 1,208,816 |
| Convertible notes | | - | 217,226 |
| Borrowings | | 563,794 | 211,424 |
| Provisions | | 209,377 | 285,071 |
| | | <u>2,880,351</u> | <u>4,203,762</u> |
| Liabilities directly associated with assets classified as held for sale | | 189,785 | 872,375 |
| Total current liabilities | | <u>3,070,136</u> | <u>5,076,137</u> |
| Non-current liabilities | | | |
| Trade and other payables | | 92,000 | 45,073 |
| Lease liabilities | | 1,274,117 | 1,919,395 |
| Borrowings | | 244,362 | 361,000 |
| Provisions | | 49,288 | 23,587 |
| Total non-current liabilities | | <u>1,659,767</u> | <u>2,349,055</u> |
| Total liabilities | | <u>4,729,903</u> | <u>7,425,192</u> |
| Net assets | | <u>2,306,124</u> | <u>2,483,861</u> |
| Equity | | | |
| Issued capital | 4 | 11,324,454 | 10,067,297 |
| Reserves | | 2,807,112 | 2,687,235 |
| Accumulated losses | | (11,825,442) | (10,270,671) |
| Total equity | | <u>2,306,124</u> | <u>2,483,861</u> |

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

| Consolidated | Issued capital \$ | Share-based payment reserve \$ | Translation reserve \$ | Accumulated losses \$ | Total equity \$ |
|--|----------------------|-----------------------------------|---------------------------|--------------------------|--------------------|
| Balance at 1 July 2022 | 8,072,098 | 2,679,978 | - | (8,530,108) | 2,221,968 |
| Loss after income tax expense for the year | - | - | - | (1,740,563) | (1,740,563) |
| Other comprehensive income for the year, net of tax | - | - | (8,640) | - | (8,640) |
| Total comprehensive income for the year | - | - | (8,640) | (1,740,563) | (1,749,203) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 4) | 1,246,078 | - | - | - | 1,246,078 |
| Share-based payments | 481,262 | - | - | - | 481,262 |
| Conversion of convertible notes (note 4) | 267,859 | - | - | - | 267,859 |
| Share-based payments | - | 15,897 | - | - | 15,897 |
| Balance at 30 June 2023 | 10,067,297 | 2,695,875 | (8,640) | (10,270,671) | 2,483,861 |
| Consolidated | Issued capital \$ | Share-based payment reserve \$ | Translation reserve \$ | Accumulated losses \$ | Total equity \$ |
| Balance at 1 July 2023 | 10,067,297 | 2,695,875 | (8,640) | (10,270,671) | 2,483,861 |
| Loss after income tax expense for the year | - | - | - | (1,554,770) | (1,554,770) |
| Other comprehensive income for the year, net of tax | - | - | (2,590) | - | (2,590) |
| Total comprehensive income for the year | - | - | (2,590) | (1,554,770) | (1,557,360) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 4) | 699,167 | - | - | - | 699,167 |
| Share-based payment | 92,230 | 122,466 | - | - | 214,696 |
| Conversion of convertible notes and interest shares (note 4) | 289,121 | - | - | - | 289,121 |
| Issue of shares related to business combination | 176,639 | - | - | - | 176,639 |
| Balance at 30 June 2024 | 11,324,454 | 2,818,341 | (11,230) | (11,825,441) | 2,306,124 |

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

Adisyn Ltd and its controlled entities
Consolidated statement of cash flows
For the year ended 30 June 2024



| | Note | 30 June 2024 \$ | Restated 30 June 2023^ \$ |
|---|------|--------------------|---------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 5,177,801 | 2,953,254 |
| Payments to suppliers and employees (inclusive of GST) | | (7,098,565) | (3,912,469) |
| Receipts from other income | | 1,427,053 | 67,216 |
| Interest and other finance costs paid | | (255,680) | (147,480) |
| Net cash used in operating activities | | (749,391) | (1,039,479) |
| Cash flows from investing activities | | | |
| Net of cash acquired from business combination | | - | 234,289 |
| Payments for property, plant and equipment | | (51,211) | (41,497) |
| Proceeds from disposal of non-current asset | | - | 112,416 |
| Proceeds from disposal of property, plant and equipment | | 852,432 | - |
| Net cash from investing activities | | 801,221 | 305,208 |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 4 | 698,000 | 1,255,900 |
| Share issue transaction costs | | (10,800) | (9,822) |
| Proceeds from borrowings | | 793,538 | 216,803 |
| Repayment of borrowings | | (757,713) | (10,866) |
| Repayment of lease liabilities | | (1,152,520) | (641,613) |
| Net cash from/(used in) financing activities | | (429,495) | 810,402 |
| Net increase/(decrease) in cash and cash equivalents | | (377,665) | 76,131 |
| Cash and cash equivalents at the beginning of the financial year | | 676,806 | 600,675 |
| Cash and cash equivalents at the end of the financial year | | 299,141 | 676,806 |

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

Note 1. Reporting entity

The consolidated financial report covers Adisyn Limited (**the Company**) and its controlled entities as a consolidated entity (also referred to as **the Group**). Adisyn Limited is listed public company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The Group's financial statements are presented in Australian dollars (AUD), which is also the Company's functional currency.

Note 2. Basis of preparation

The financial report is preliminary financial report which:

- has been prepared in accordance with ASX Listing Rule 4.3A.
- has been derived from the unaudited consolidated Annual Report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').
- has been prepared on historical basis, unless otherwise stated.
- is presented with values rounded to the nearest dollars in accordance with ASIC Legislative Instrument 2016/191, unless otherwise stated.
- is presented in Australian dollars, which is the functional currency of the Group. The Group has a subsidiary operating in United Kingdom.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods starting on or before 1 July 2023.
- does not early adopt any new Accounting Standards and Interpretations that have been issued or amended but are not yet effective, unless otherwise stated.

The preliminary financial report does not include all the disclosures of the type normally included in the Annual Report. Accordingly, the unaudited Preliminary Financial Report should be read in combination with the Annual Report for the year ended 30 June 2023 and any public announcements issued by the Company in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in **note 3**.

Note 2. Basis of preparation (continued)

Going concern

The unaudited preliminary financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$1,554,770 (Company 30 June 2023: \$1,740,563) and had net cash outflows from operating of \$749,391 (Company 30 June 2023 : \$1,039,479) and investing activities inflow of \$801,221 (Company 30 June 2023 : \$305,208) respectively for the year ended 30 June 2024. As at that date, the Group had net assets of \$2,306,124 (Company 30 June 2023 : \$2,483,861). The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Group has the ability to reduce forecast expenditure if required and it is anticipated that additional capital can be raised in the future if required. The financial report has been prepared on a going concern basis which assumes that the Company will continue to pay its debts as and when they fall due. The validity of this assumption depends on:

- The Company's ability to raise additional capital as required; and
- The Company's ability to generate cash flows from the successful operations of its primary activities.
- The Company's completion of the divestment of VMware cloud business assets to ZettaGrid to generate up to \$1.4m in cash (before costs) which payable into 2 tranches. The first tranche of \$850,000 was settled during the year and the second tranche of up to \$550,000 will be payable 9 months from 1 May 2024.

Should the Group be unable to maintain sufficient funding as outlined above, there is material uncertainty whether or not the Company will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The Directors believe that the Group will be successful in the above matters and accordingly, have prepared the preliminary financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2024.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment

The Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Discontinued Operations

In preparing the preliminary financial report, management has made several key judgments and estimates regarding the classification and measurement of discontinued operations. These include:

Classification as Discontinued Operations: Management determined that the sale of the Miner Hosting Services represents a strategic shift that will have a major effect on the company's operations and financial results. This judgment was based on the division's contribution to total revenues and assets.

Measurement of Assets: The assets were measured at the lower of their carrying amount and fair value less costs to sell. This required significant judgment in estimating the fair value of the division's assets, including property, plant, and equipment, and intangible assets.

Timing of Recognition: The decision to classify the Miner Hosting Services as held for sale was made when management committed to a plan to sell the asset, and it was available for immediate sale in its present condition. The sale was expected to be completed within one year from the date of classification.

Presentation and Disclosure: The results of the Miner Hosting Services have been presented separately in the income statement as discontinued operations. The major classes of assets and liabilities of the division have been presented separately in the balance sheet. Additional disclosures include the nature of the discontinued operations, and the major classes of assets and liabilities.

Note 4. Issued capital

| | 30 June 2024 Shares | 30 June 2023 Shares | 30 June 2024 \$ | 30 June 2023 \$ |
|------------------------------|------------------------|------------------------|--------------------|--------------------|
| Ordinary shares - fully paid | 185,132,002 | 130,716,089 | 11,969,128 | 10,701,171 |
| capital raising cost | - | - | (644,674) | (633,874) |
| | <u>185,132,002</u> | <u>130,716,089</u> | <u>11,324,454</u> | <u>10,067,297</u> |

Note 4. Issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--|---------------------|--------------------|-------------|-------------------|
| Balance | 1 July 2022 | 75,166,666 | | 8,072,098 |
| Conversion of convertible notes | 1 Sep 2022 | 125,000 | \$0.050 | 6,250 |
| Conversion of convertible notes incl interest | 30 Nov 2022 | 5,351,780 | \$0.050 | 267,859 |
| Issue of shares | 5 Oct 2022 | 7,516,667 | \$0.039 | 293,150 |
| Issue of shares – Share Purchase Plan | 28 Nov 2022 | 3,717,945 | \$0.039 | 145,000 |
| Issue of shares | 30 Nov 2022 | 11,269,237 | \$0.039 | 439,500 |
| Issue of shares | 5 January 2023 | 9,538,462 | \$0.039 | 372,000 |
| Issue of shares related to business combination | 5 April 2023 | 17,824,504 | \$0.027 | 481,262 |
| Issue of shares to employee under ESIP ¹ | 5 January 2023 | 104,126 | \$0.058 | - |
| Issue of shares to employee under ESIP ¹ | 24 May 2023 | 101,702 | \$0.052 | - |
| Share issue costs | | - | | (9,822) |
| Balance | 30 June 2023 | 130,716,089 | | 10,067,297 |
| Issue of shares to vendors related to acquisition of Attained ² | 26 October 2023 | 8,831,950 | \$0.020 | 176,639 |
| Issue of shares to interest note holders ³ | 26 October 2023 | 239,344 | \$0.050 | 11,967 |
| issue of shares - placement | 30 November 2023 | 20,000,000 | \$0.020 | 400,000 |
| Issue of shares to employees under ESIP | 18 December 2023 | 162,193 | \$0.030 | 8,230 |
| Issue of shares to employees under ESIP ⁴ | 18 December 2023 | 1,500,000 | \$0.020 | 30,000 |
| Issue of shares - placement | 26 February 2024 | 14,900,000 | \$0.020 | 298,000 |
| Conversion of convertible notes | 2 May 2024 | 4,925,000 | \$0.050 | 246,250 |
| Conversion of convertible notes incl interest | 2 May 2024 | 857,426 | \$0.050 | 42,871 |
| Issue of shares to corporate advisor | 16 May 2024 | 3,000,000 | \$0.018 | 54,000 |
| Share issue costs | | | | (10,800) |
| Balance | 30 June 2024 | 185,132,002 | | 11,324,454 |

¹ Average share price of 5-days VWAP.

² On 26 October 2023, the Company issued 8,831,950 ordinary shares at a deemed price of \$0.02 per share (Consideration Shares) to Esidium Group and Aviso IT to offset \$176,639 of cash consideration.

³ On 26 October 2023, the Company issued 239,344 ordinary shares at \$0.05 to the convertible note holders in satisfaction of the interest up to 30 September 2023.

⁴ On 18 December 2023, the Company issued 1,500,000 ordinary shares at \$0.02 to Jesper Sentow, Chief Financial Officer of the Company.