



FIRST GRAPHENE LIMITED

ACN 007 870 760
ABN 50 007 870 760

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2024

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2024 Annual Report

Corporate Directory

Directors

Warwick Grigor (Non-Executive Chairman)
Dr Andy Goodwin (Non-Executive Director)
Michael Quinert (Non-Executive Director)
Michael Bell (Managing Director and CEO)

Company Secretary

Elizabeth Lee

Principal Registered Office in Australia

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Henderson WA 6166
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Email: info@firstgraphene.net
Website: www.firstgraphene.net

Stock Exchange Listings

The Company is listed on the **Australian Securities Exchange** under the trading code **FGR**.

The Company is quoted on the **Frankfurt Stock Exchange** under the trading code **FSE:M11**.

The Company is quoted on the **OTCQB market** in the USA under the trading code **FGPHF**.

Share Registry

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P: 1300 288 664 (within Australia)
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Auditor

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring St
Perth WA 6000

Solicitors – Australia

EMK Lawyers
Suite 1, 519 Stirling Hwy, Cottesloe
WA 6011
PO Box 103, Cottesloe WA 6011

Bankers – Australia

Westpac Banking Corporation
Level 6, 109 St Georges Terrace,
Perth WA 6000

First Graphene Limited
For the half-year ended 31 December 2024

Results for announcement to the market

Revenue from ordinary activities	Up	9%	\$ 205,558
Loss from continuing ordinary activities after tax attributable to members	Down	24%	2,846,789
Net loss for the period attributable to members	Down	25%	2,821,737
Dividends			
No dividends have been paid or declared during the period			

	31 December 2024	31 December 2023
	Cents	Cents
Net tangible asset backing per share	0.50	1.20

During the first half of the period ended 31 December 2024, First Graphene experienced a **9% increase in revenue** on the same half the previous year. Despite the modest increase, this was attributed predominantly to the Company's application development work in energy generation and the cement and concrete segment. This was further supported by the continued growth in demand for graphene enhanced swimming.

The net loss for the half-year was AUD 2,821,737, which includes non-cash expenses for finance costs for the prior capital raise in 2021 (AUD 140,057) and share based payments (AUD 161,939). Excluding these non-cash accounting expenses, the Company's operating loss is AUD 2,558,653 which is 1% higher than last year.

As the Company continues to deliver its commercialisation strategy, it also continues to optimise operational expenditure by implementing cost optimisation strategies to effectively counter inflationary pressures in the market. These include reducing storage costs, improving manufacturing processes and continued investment in non-cash incentives for its employees.

DIRECTOR'S REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the “Group”) consisting of First Graphene Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

DIRECTORS

The following persons were Directors of First Graphene Limited during the half-year and up to the date of this report:

- Warwick Robert Grigor
- Michael Bell
- Michael Quinert
- Dr Andy Goodwin

OVERVIEW

The first half of FY2025 predominantly focused on the solidification of a strong pipeline of commercial opportunities, which is anticipated to accelerate over the coming 12 to 18 months. These additional opportunities will result in the Company's products being supplied for use by new global companies across a range of segments, including bearing lubricants, anticorrosion coatings, fire retardant construction materials and PET packing.

Supporting this forward-looking pipeline has been further progress in the cement and concrete sector, as well as advancements in the emerging hydrogen industry. This includes two new patents being secured in Australia and Korea for the Company's Kainos Technology which creates graphite, graphene, and hydrogen from petroleum feedstocks.

Importantly, the Company maintained its trajectory towards cash breakeven through improvements to its manufacturing process at the Henderson facility. Multiple tax rebates for research and development (R&D) work have also been received post year-end, delivering more than AUD \$570,000 combined as well as reinforcing the benefits of the Company's R&D work to industry.

As new and emerging industries realise and harness the benefits of graphene, the demand for tried and tested products such as PureGRAPH® will continue to grow. First Graphene's position as a key supplier of this high-performing additive will grow in tandem with demand, strengthening the future commercial opportunities and industry awareness of the Company's proven and market-ready graphene products.

Key highlights include:

- PureGRAPH® arrives in UK ahead of real-world project with cement producer, Breedon Group
- Permeability benefits of graphene validated in large-scale trials in the UK and South Africa
- Patents filed and secured for processes used to generate hydrogen
- New distribution deals deliver further expansion into leading global markets
- Pipeline of commercial opportunities advances as new product applications launch

DIRECTOR'S REPORT

Cement and Concrete

A shipment of more than three tonnes of First Graphene's cement and concrete focused product PureGRAPH-CEM® arrived in the United Kingdom during the period, ahead of a third trial with Breedon Group. The project is expected to further validate the benefits of PureGRAPH-CEM® to the industry using a real-world application.

Further results from a large-scale trial in South Africa has also further validated the durability benefits of PureGRAPH®, with an improvement in permeability of more than 33% compared to standard concrete detected. The Company also supplied its product for a trial in the UK to test the durability and cost-effectiveness of graphene enhanced repair mortar.

Combined, these trials reinforce PureGRAPH®'s ability to increase longevity of concrete structures, delivering a stronger and more sustainable solution for the broader cement and concrete industry.

Energy Storage

The Company secured a two-year commercial agreement with Australian manufacturer Halocell Energy to provide PureGRAPH® to create graphene enhanced perovskite solar cells for the local market.

These graphene-coated modules are up to five times more efficient than conventional silicon solar cells and are more cost-effective, as using graphene can reduce manufacturing and materials costs by more than 80%.

The graphene enhanced perovskite solar cells will be used to charge small household electronics, replacing disposable batteries, and as uptake of this technology increases, renewable energy costs in Australia are expected to reduce.

Hydrogen Generation

The Company secured two patents with the Australian and Korean Governments for its Kainos Technology, which generates battery-grade graphite, pristine graphene, and hydrogen from petroleum feedstock.

These patents recognise the potential of First Graphene's technology to assist with generating critical minerals required for the energy transition, leveraging existing materials from the petroleum industry.

Supplementing this was the filing of a patent for the Company's unique process to create metal oxide deposited graphene for electrocatalysts, used in the production of hydrogen. The new process uses existing equipment and leverages cost-effective base metals such as iron, zinc, and aluminium.

Combined, these patents recognise First Graphene's advancements in the emerging hydrogen sector, which could improve the economic viability of producing hydrogen as an alternative energy source.

DIRECTOR'S REPORT

Other activities

First Graphene also signed five additional distribution deals covering Asia, South America, and South Africa, expanding the Company's presence across nine markets in a range of industry applications. The multi-year agreements will ensure the Company has representation in key target markets to increase awareness of PureGRAPH® and drive commercial uptake from established clients and customers.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of Directors and on behalf of the Directors by:



Michael Bell

CEO & Managing Director

Perth, Western Australia, 27 February 2025

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF FIRST GRAPHENE LIMITED

As lead auditor for the review of First Graphene Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of First Graphene Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J. Wheeler', is written over a horizontal line.

Jackson Wheeler
Director

BDO Audit Pty Ltd
Perth
27 February 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

		Half-Year	
	Note	2024	2023
		\$	(Restated)
			\$
Continuing operations			
Revenue from contracts with customers	2	205,558	188,667
Cost of goods sold		(269,240)	(189,944)
Gross loss		(63,682)	(1,277)
Other income	3	58,677	252,273
Research & development	4(a)	(643,282)	(811,703)
Selling & marketing	4(b)	(236,628)	(164,630)
Mineral lease maintenance	4(c)	(68,131)	(60,320)
General & administrative	4(d)	(1,605,607)	(1,752,161)
Loss from continuing operations before tax expense and finance		(2,558,653)	(2,537,818)
Non-Operating Income / Expense			
Share Based Payment expense	12	(161,939)	(279,954)
Finance income		13,860	13,178
Finance expense	7	(140,057)	(920,736)
Loss before tax expense		(2,846,789)	(3,725,330)
Income tax benefit/(expense)		-	-
Loss after tax from continuing operations		(2,846,789)	(3,725,330)
Other comprehensive income			
<i>Items which may be reclassified to the profit or loss</i>			
Foreign currency translation difference on foreign operations		25,052	(35,703)
Total comprehensive loss for the period attributable to the owners of First Graphene Limited		(2,821,737)	(3,761,035)
Loss per share for the period attributable to the owners of First Graphene Limited:			
Basic loss per share (cents per share)	10	(0.42)	(0.63)
Diluted loss per share (cents per share)	10	(0.42)	(0.63)

Refer to Note 17 for detailed information on Restatement of comparatives

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

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		1,322,559	3,160,135
Inventories	5	720,000	820,000
Trade and other receivables		77,170	63,453
Other current assets		132,120	126,841
Total Current Assets		2,251,849	4,170,429
<i>Non-Current Assets</i>			
Property, plant, and equipment		1,811,482	2,010,421
Inventories	5	2,482,666	2,737,615
Intangible assets		60,359	78,288
Right of use asset		567,345	412,263
Other Assets	6	-	227,027
Total Non-Current Assets		4,921,852	5,465,614
Total Assets		7,173,701	9,636,043
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		162,633	296,908
Lease liabilities		167,078	100,223
Employee liabilities		233,475	190,484
Financial liabilities	7	2,775,039	3,125,039
Total Current Liabilities		3,338,225	3,712,654
<i>Non-Current Liabilities</i>			
Lease Liabilities		419,880	322,575
Total Non-Current Liabilities		419,880	322,575
Total Liabilities		3,758,105	4,035,229
Net Assets		3,415,596	5,600,814
Equity			
Issued capital	8	111,910,419	111,406,042
Reserves		6,392,595	6,235,401
Accumulated losses		(114,986,674)	(112,139,885)
Capital and reserves attributable to the owners of First Graphene Limited		3,316,340	5,501,558
Non-controlling interest		99,256	99,256
Total Equity		3,415,596	5,600,814

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

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2024

	Issued capital \$	Share based payments reserve \$	Translation reserve \$	Other Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
As at 1 July 2024	111,406,042	6,322,666	(10,299)	(76,966)	(112,139,885)	99,256	5,600,814
Loss for the period	-	-	-	-	(2,846,789)	-	(2,846,789)
Foreign currency translation			25,052				25,052
Total comprehensive income for the period	-	-	25,052	-	(2,846,789)	-	(2,821,737)
Shares issued	480,000	-	-	-	-	-	480,000
Share issue costs	(5,420)	-	-	-	-	-	(5,420)
Share-based payments	-	161,939	-	-	-	-	161,939
Exercise of performance rights	29,797	(29,797)	-	-	-	-	-
Balance at 31 December 2024	111,910,419	6,454,808	14,753	(76,966)	(114,986,674)	99,256	3,415,596
As at 1 July 2023	106,378,129	6,171,889	590	(76,966)	(105,811,650)	185,787	6,847,779
Profit/(loss) for the period	-	-	-	-	(3,725,330)	-	(3,725,330)
Other Comprehensive income			(35,703)				(35,703)
Total comprehensive income for the period	-	-	(35,703)	-	(3,725,330)	-	(3,761,033)
Shares issued	4,684,936	-	-	-	-	-	4,684,936
Share issue costs	(8,487)	-	-	-	-	-	(8,487)
Share-based payments	-	279,955	-	-	-	-	279,955
Exercise of performance rights	218,468	(218,486)	-	-	-	-	-
Balance at 31 December 2023	111,273,046	6,233,378	(35,113)	(76,966)	(109,536,980)	185,787	8,043,151

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

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2024

	Note	Half-Year	
		2024	2023
		\$	(Restated) \$
Cash flows from operating activities			
Receipts from customers		199,309	632,176
Payments to suppliers and employees		(1,999,748)	(2,199,797)
Interest received		13,860	13,178
Interest expense		(11,240)	(20,736)
Other operating income		42,573	199,602
Net cash outflows from operating activities		(1,755,246)	(1,375,577)
Cash flows from investing activities			
Payments for property, plant, and equipment		(24,633)	-
Payments for right-of-use assets		(16,652)	-
Net cash outflows from investing activities		(41,285)	-
Cash flow from financing activities			
Proceeds from rights issue/ placement of shares		-	2,632,962
Payment for share issue costs		(5,420)	-
Repayment of leased liability		(47,728)	(44,529)
Net cash (outflows)/inflows from financing activities		(53,148)	2,588,433
Net (decrease)/increase in cash and cash equivalents		(1,849,679)	1,212,856
Exchange rate adjustments		12,103	1,267
Cash and cash equivalents at beginning of the period		3,160,135	3,225,954
Cash and cash equivalents at the end of the period		1,332,559	4,440,077

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

Notes to the Consolidated Financial Statements

1. Basis of preparation of half-year financial statements

This interim consolidated financial report for the half-year reporting period ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim consolidated financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Statements of First Graphene Limited as at 30 June 2024 and any public announcements made by First Graphene Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These interim financial statements were authorised for issue in accordance with a resolution of directors on 27 February 2025.

Accounting policies

New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 July 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Going Concern

For the period ended 31 December 2024 the Group recorded a loss of \$2,846,789 (2023: \$3,725,330) and had net cash outflows from operating activities of \$1,755,246 (2023: \$1,375,577).

The ability of the Group to continue as a going concern is dependent on securing additional funding through the sale of equity securities to either existing or new shareholders to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty which may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

Subsequent to the year-end, the Group received \$2,387,000 via the issue of equity securities to either existing or new shareholders; and

- In the event of further funds not being raised, the Group's activities would be wound back to a sustainable level.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts which differ from those stated in the financial statements and the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities which might be necessary should the Group not continue as a going concern.

Notes to the Consolidated Financial Statements

2. Revenue from Contracts with Customers

	31 December 2024 \$	31 December 2023 (Restated) \$
Sales of goods	143,816	138,735
Sales of services	61,742	49,932
Total revenue from contracts with customers	205,558	188,667

3. Other Income

	31 December 2024 \$	31 December 2023 (Restated) \$
Other operating income	-	105,717
Grant income	58,677	146,556
Total other income	58,677	252,273

4. Operating Expenses

	31 December 2024 \$	31 December 2023 (Restated) \$
(a) Research & development expenses		
Employee expenses	316,750	345,261
Consultants and research programs	33,515	26,566
Depreciation	10,023	9,351
Amortisation	75,661	56,034
Other	207,333	374,491
	643,282	811,703
(b) Selling & marketing		
Employee expenses	112,786	83,872
Advertising & promotions	111,752	65,390
Depreciation	413	1,329
Other	11,677	14,039
	236,628	164,630
(c) Mineral lease maintenance		
Employee expenses	23,543	16,760
Other	44,588	43,560
	68,131	60,320
(d) General & administrative		
Employee expenses	712,981	806,731
Finance & company secretarial fees	24,285	9,255
Legal and other professional fees	239,765	252,931
ASX listing, share registry and other corporate costs	66,337	96,562
Depreciation	243,081	233,275
Other expenses	319,158	353,407
	1,605,607	1,752,161

Notes to the Consolidated Financial Statements

5. Inventories

	31 December 2024 \$	30 June 2024 \$
Raw materials	1,997,403	2,008,322
Finished goods	1,241,349	1,563,736
Work in progress	6,034	27,677
	3,244,786	3,599,735
Less: Provision for impairment	(42,120)	(42,120)
Carrying amount	3,202,666	3,557,615
<i>Disclosed as:</i>		
Current	720,000	820,000
Non-current	2,482,666	2,737,615
Total inventory	3,202,666	3,557,615

6. Other assets

	31 Dec 2024 \$	30 Jun 2024 \$
Non-Current		
Investment in unlisted shares	-	227,027
	-	227,027

The company's investment of GBP120,005 in PlanarTech (Holdings) Ltd, a company registered in England and Wales, was not considered to be recoverable by management during the period. Hence, this investment was fully impaired during the period and recognised within General and administrative expenses (Note 4(d)).

7. Financial liabilities

	31 Dec 2024 \$	30 Jun 2024 \$
Current		
Convertible liabilities - Share Placement Agreement	2,775,039	3,125,039
	2,775,039	3,125,039
	31 Dec 2024 \$	31 Dec 2023 \$
Finance Expense		
Finance Cost -Share Placement Agreement	130,000	900,000
Interest – Right of use Asset	10,057	13,071
Finance costs - Other	-	7,665
	140,057	920,736

Notes to the Consolidated Financial Statements

Opening Balance at 1st July 2024	3,125,039
5,000,000 Shares at an issue price of \$0.04 per Share on 30 Aug 2024	(200,000)
5,000,000 Shares at an issue price of \$0.04 per Share on 08 Oct 2024	(200,000)
Fair value adjustment	50,000
Closing Balance at 31st Dec 2024	2,775,039

8. Issued capital

	31 December 2024 Number of Shares	30 June 2024 Number of Shares	31 December 2024 \$	30 June 2024 \$
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Ordinary shares

Issued and fully paid	669,989,502	659,251,723	111,910,419	111,406,042
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	31 December 2024 Number of Shares	31 December 2023 Number of Shares	31 December 2024 \$	31 December 2023 \$
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Movements in ordinary share capital

At the beginning of the period	659,251,723	590,205,277	111,406,042	106,378,131
Shares issued to employees	737,779	3,231,821	29,797	218,467
Entitlement issue / SPP	-	43,514,625	-	2,784,936
Shares issued to third party (Note 7)	10,000,000	20,000,000	480,000	1,900,000
Share issue costs	-	-	(5,420)	(8,487)
	669,989,502	656,951,723	111,910,419	111,273,047

9. Dividends

No dividends have been paid or declared during the period. (2023: Nil)

Notes to the Consolidated Financial Statements

10. Earnings per share

	2024 A\$	2023 A\$
Loss attributable to the owners of First Graphene used in calculating basic and diluted loss per share	(2,821,737)	(3,761,035)
	Number of shares	Number of shares
Weighted average ordinary shares used in calculating basic and diluted earnings pershare	665,197,962	601,514,306
Basic and diluted loss per share - cents per share	(0.42)	(0.63)

11. Options

(a) Share options

Unlisted share options

	31 December 2024 Number	30 June 2024 Number
At the beginning of the period	4,500,000	15,000,000
Options issued	-	4,500,000
Options expired	-	(15,000,000)
Total	4,500,000	4,500,000

(b) Performance rights

Unlisted performance rights

	31 December 2024 Number	30 June 2024 Number
At the beginning of the period	2,331,041	1,745,888
Performance rights issued	9,281,496	4,116,974
Performance rights cancelled (Note 12)	(167,424)	-
Performance rights converted to shares	(737,779)	(3,531,821)
At the end of the period	10,707,334	2,331,041

Notes to the Consolidated Financial Statements

12. Share based payments

Incentive Award Plan & Performance Rights to Non-Executive Directors (NED)

Under the Company's old Incentive Award Plan, Performance Rights (PR) are granted to employees following the release of the Company's full financial year results starting October 2022 till December 2024. The employees have an option to convert each right to a fully paid ordinary share in the company up to 2 years following the allocation. At the time of allotment of the PRs the Company recognises an employee expense, with a corresponding increase in reserves. When the employee chooses to convert the rights to ordinary shares the company recognises an increase in equity with a corresponding decrease in reserves previously recognised. Over the 6-month period ending 31 December 2024, the company has issued 1,914,072 PRs to employees and Key Management Personnel.

Performance rights issued to Employees & KMP

The following performance rights were granted to employees & KMP:

	Number of Performance Rights	Date of Grant	Share Price A\$	Vesting Date
Employees	972,317	01/09/2024	0.049	01/09/2024
KMP	941,755	01/09/2024	0.049	01/09/2024
	1,914,072			

These had a total valuation of \$93,790. 167,424 performance rights were issued to the NEDs in error on 1 September 2024 and subsequently cancelled on the same date.

The company also issued 7,200,000 Performance Rights to its CEO and Non-Executive Directors as announced to the ASX in the Company's Notice of Meeting for its 2024 Annual General Meeting.

	Tranche 1	Tranche 2	Tranche 3	Total
Vesting Conditions	Unvested	Unvested	Unvested	
Share Price ¹	\$0.07	\$0.11	\$0.17	
Sales (AUD) ²	\$1.5 million	\$2.0 million	\$5.0 million	
Personal KPI ³	To be achieved	To be achieved	To be achieved	
Service Condition ⁴	Remain employed	Remain employed	Remain employed	
KMP Name				
Michael Bell	2,000,000	2,000,000	2,000,000	6,000,000
Andrew Goodwin	100,000	100,000	100,000	300,000
Michael Quinert	100,000	100,000	100,000	300,000
Warwick Grigor	200,000	200,000	200,000	600,000
TOTAL	2,400,000	2,400,000	2,400,000	7,200,000

Notes:

1. 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) exceeds the price shown. 25% weighting i.e. 25% of the Performance Rights in a Tranche will be measured against this vesting condition. This is valued using a hybrid share option pricing model.

Notes to the Consolidated Financial Statements

2. Sales revenue received during the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) is at least the amount shown, based on audited accounts. 40% weighting i.e. 40% of the Performance Rights in a Tranche will be measured against this vesting condition. These rights have been valued at the share price on the grant date.

3. 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) as determined by the Board; and

4. 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27).

The Board will assess performance against the Vesting Conditions following the end of applicable financial year. If a Share Price or Sales revenue Vesting Condition is partially met, a proportionate percentage of the Performance Rights subject to that Vesting Condition will vest. For example, if FY25 Sales revenue is \$1.2 million, 32% of the Tranche 1 Performance Rights will vest (being 80% of 40%). Any Performance Rights that do not vest will lapse.

Share based payment expense Summary

The Group recognised total share-based payment expenses as follows:

Half Year	2024	2023
Performance rights issued to employees	47,644	128,519
Performance rights issued to KMP	102,937	151,435
Performance rights issued to Non-Executive Directors	11,358	-
Total	161,939	279,954

13. Segment reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports which are reviewed and used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The existing operating segments are identified by management based on the way the Group's operations were carried out during the financial year. Discrete financial information about each of these operating businesses is reported to the Board on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the asset base and revenue or income streams, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group's segment information for the current reporting period is reported based on the following segments:

Graphene production

As the Company expands its graphene production and inventory, the Board monitors the Company based on actual versus budgeted expenditure incurred.

Research and development

As the Company expands its research inhouse and in conjunction with third parties, the Board monitors the Company based on actual versus budgeted expenditure incurred.

Corporate services

This segment reflects the overheads associated with maintaining the ASX listed FGR corporate structure, identification of new assets and general management of an ASX listed entity.

Mining asset maintenance

Although the Company has suspended its mineral exploration and development in Sri Lanka, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred.

Notes to the Consolidated Financial Statements

13. Segment reporting (continued)

Business Segment	Graphene Production		Research & Development		Corporate Services		Mining Asset Maintenance		Total	
	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to
	31	31	31	31	31	31	31	31	31	31
	December 2024	December 2023 (Restated)	December 2024	December 2023 (Restated)	December 2024	December 2023 (Restated)	December 2024	December 2023 (Restated)	December 2024	December 2023 (Restated)
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$
Revenue from external customers	143,816	138,735	61,742	49,932	-	-	-	-	205,558	188,667
Profit / (Loss) from Continuing operations	(608,601)	(471,053)	(522,864)	(615,454)	(1,359,057)	(1,390,991)	(68,131)	(60,323)	(2,558,653)	(2,537,821)
Depreciation expense	171,124	168,327	10,023	9,351	72,370	66,277	-	-	253,517	243,955
Amortisation expense	-	-	75,661	56,034	-	-	-	-	75,661	56,034

Business Segment	Graphene Production		Research & Development		Corporate Services		Mining Asset Maintenance		Total	
	31	30 June	31	30 June	31	30 June	31	30 June	31	30 June
	December 2024	2024	December 2024	2024	December 2024	2024	December 2024	2024	December 2024	2024
Segment assets	3,305,162	3,664,265	2,482,876	2,590,587	1,383,078	3,379,531	2,585	1,660	7,173,701	9,636,043
Segment liabilities	-	(174,210)	(288,815)	(15,168)	(3,468,507)	(4,343,045)	(712)	(9,637)	(3,758,104)	(4,542,060)

Notes to the Consolidated Financial Statements

13. Segment reporting (continued)

Geographical areas

In presenting the information based on geographical areas, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

	6 months to 31 December 2024	31 December 2024	6 months to 31 December 2023 (Restated)	30 June 2024
Geographical segments	Revenue \$	Total Assets \$	Revenue \$	Total Assets \$
Australia	205,558	6,773,495	188,667	9,320,893
United Kingdom	-	397,621	-	313,490
Sri Lanka	-	2,585		1,660
Total	205,558	7,173,701	188,667	9,636,043

Reconciliation of segment assets and liabilities to the Statement of financial Position

Reconciliation of segment assets to the Statement of Financial Position

	31 December 2024 \$	30 June 2024 \$
Total segments assets	13,390,962	15,253,786
Inter-segment elimination	(6,217,261)	(5,617,743)
Total assets per statement of financial position	7,173,701	9,636,043

Reconciliation of segment liabilities to the Statement of Financial Position

	31 December 2024 \$	30 June 2024 \$
Total segments liabilities	24,523,830	23,847,361
Inter-segment elimination	(20,765,725)	(19,812,132)
Total liabilities per statement of financial position	3,758,105	4,035,229

Notes to the Consolidated Financial Statements

14. Subsequent events after Reporting Date

On 17 January 2025, the Group issued 30,000,000 shares at an issue price of \$0.025 per share to Specialty Materials Investments, LLC (the Investor) as per Share Placement Agreement.

On January 2025, the Group received research and development tax rebates of GBP84,319 and AUD404,301 from the UK tax office and Australian tax office respectively.

On February 2025, the Group secured firm commitments from institutional, sophisticated and professional investors to raise \$2,387,000 (before costs) at A\$0.05 per share ("Placement"). Under the Placement, the Group issued 47,740,000 new fully paid ordinary shares.

Other than the above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

15. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets to report as of 31 December 2024.

16. Related Party Transactions

There has been no change to related party transactions other than the issue of Performance rights disclosed in note 12.

17. Correction of prior period revenue and operating income

In the 2023 Financial statements, the Company had incorrectly classified a portion of grant funding in Revenue, which should have been reflected in other operating income in the Company's Statement of Profit or Loss and Other Comprehensive Income, and in other income in the Company's Statement of Cash Flows. There is no change to the Company's results or total assets or total liabilities.

Below is a summary of the changes made:

	2023 \$ Restated	2023 \$ Previously reported
Revenue from contracts with customers	188,667	335,233
Cost of goods sold	(189,944)	(189,944)
Gross (loss)/profit	(1,277)	145,279
Other income	252,273	105,717
Research & development	(811,703)	(811,703)
Selling & marketing	(164,630)	(164,630)
Mineral lease maintenance	(60,320)	(60,320)
General & administrative	(1,752,161)	(1,752,161)
Loss from continuing operations before tax expense and finance	(2,537,818)	(2,537,818)
Receipts from customers	632,176	735,134
Payments to suppliers and employees	(2,199,796)	(2,199,796)
Interest received	13,178	13,178
Interest expense	(20,736)	(20,736)
Other income	199,602	96,643
Net cash outflows from operating activities	(1,375,577)	(1,375,577)

Director's Declaration

In the Directors' opinion:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe First Graphene Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors on 27 February 2025.



Michael Bell

CEO & Managing Director

Perth, Western Australia, 27 February 2025

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Graphene Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of First Graphene Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Independent Auditor's Report



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'JW', is written over a horizontal line.

Jackson Wheeler

Director

Perth, 27 February 2025

Additional Securities Information

(Note this information does not form part of the audit reviewed financial statements)

Additional information not shown elsewhere in this report is as follows. This information is complete as at 26 February 2025.

a) Distribution of Shareholdings – Fully Paid Ordinary Shares:

Size of Holding	Number of Shareholders	Number of Shares
1 – 1,000	175	30,178
1,001 – 5,000	1,181	4,024,110
5,001 – 10,000	936	7,389,746
10,001 – 100,000	2,175	78,603,588
100,001 and over	549	657,681,880
	5,016	747,729,502

Equity Security	Quoted	Unquoted
Fully paid ordinary shares	747,729,502	-

b) Top 20 Security Holders – Fully Paid Ordinary Shares (FGR)

	Holder Name	Number of Shares	%
1	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	231,109,325	30.91%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,938,487	5.48%
3	CITICORP NOMINEES PTY LIMITED	40,650,215	5.44%
4	BNP PARIBAS NOMS PTY LTD	28,788,573	3.85%
5	GREGORACH PTY LTD	15,685,946	2.10%
6	TWYNAM INVESTMENTS PTY LTD	15,562,308	2.08%
7	BUILDING ON THE ROCK LIMITED	14,685,000	1.96%
8	IPS NOMINEES LTD	13,828,400	1.85%
9	DEBT MANAGEMENT ASIA CORPORATION	13,007,146	1.74%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,393,831	0.99%
11	ORCA CAPITAL GMBH	5,000,000	0.67%
12	GINGA PTY LTD	4,217,565	0.56%
13	PALM BEACH NOMINEES PTY LTD	4,000,000	0.53%
14	BNP PARIBAS NOMINEES PTY LTD		
14	<IB AU NOMS RETAILCLIENT>	3,482,414	0.47%
15	MR RICHARD HOPETOUN BITCON	3,210,000	0.43%
16	BILGOOLA NOMINEES PTY LIMITED	3,110,945	0.42%
17	SPICEME CAPITAL PTY LTD	3,000,000	0.40%
18	MR MICHAEL BELL	2,880,808	0.39%
19	IPS NOMINEES LIMITED	2,759,611	0.37%
20	MR RYAN JEHAN ROCKWOOD	2,500,000	0.33%
	Total	455,810,574	60.96%
	Total issued capital - selected security class(es)	747,729,502	100.00%

At 26 February 2025, there were 2,344 shareholders holding less than a marketable parcel of shares (\$0.046 cents on this date) in the Company totalling 11,987,199 ordinary shares amounting to 1.6% of the issued capital.