

ASX Announcement ([ASX: AXE](#))

29 January 2026

Q2 FY26 Activities Report and Appendix 4C

For the quarter ended 31 December 2025

Key Highlights

- Improved quantum state readout for Archer's carbon qubit materials, further de-risking the 12CQ project.
 - Signed a collaboration agreement with leading quantum technology company, Emergence Quantum, to identify graphene and carbon-based technologies for next-generation quantum and electronic devices.
 - Entered into an agreement with CSIRO to develop quantum machine learning (QML) models for boosting financial fraud detection, and potentially other applications.
 - The Biochip team and IMEC demonstrated that Archer's potassium testing device accuracy requirements met clinical standards.
 - End of quarter cash balance of \$10.3 million, excluding \$2.1 million R&D tax rebate received on 22 January 2026 from the Australian government.
 - Appointed Mr Andrew Just as Non-Executive Director. Mr Just is an experienced director and health industry executive with 30 years of global experience in delivering growth and scaling companies and technologies.
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Archer Materials Limited ("Archer", the "Company", "ASX: AXE"), a quantum technology company developing advanced semiconductor chips for quantum technology and medical diagnostics, provides its Quarterly Activities Report and Appendix 4C for the quarter ended 31 December 2025 ("Quarter").

Commenting on Q2 FY26 activities, Greg English, Executive Chairman of Archer, said:

"Archer made strong progress across both its ¹²CQ and Biochip programs over the quarter. Our 12CQ team moved closer to qubit demonstration by advancing readout capabilities for our carbon-based qubit materials. Achieving readout is essential for real-world, commercial quantum devices. We also strengthened qubit scalability by synthesising our material on a one-inch silicon wafer and achieving room temperature spin lifetimes that compare favourably with other leading quantum platforms."

"In parallel, we expanded our strategic partnerships, including collaborations with Emergence Quantum and CSIRO, broadening our reach into next-generation quantum devices, sensing and quantum-enhanced machine learning. These partnerships are instrumental in bolstering our pathway to potential future commercialisation of the 12CQ quantum project."

“Our Biochip program also delivered a significant milestone, with silicon-based devices meeting clinical blood potassium accuracy standards in collaboration with IMEC. The successful transition to silicon has the potential to de-risk future supply chains, reduce cost and accelerate our path to market as we progress toward regulatory approval and the point-of-care testing of potassium in blood.”

“Overall, these achievements highlight the strength of our technology platforms and partnerships as we continue to build a company that aims to commercialise quantum technology across computing, sensing, and medical diagnostics.”

Technology development and commercialisation activities

12CQ Project

During the quarter, Archer made strong progress in the 12CQ project by:

- Advancing the readout technology for its carbon-based qubit material.
- Electrically gating the carbon films using electrically detected magnetic resonance (EDMR).
- Completed multiple design and fabrication cycles to refine its gating and single-electron transistor (SET) architectures.
- Successfully synthesising its carbon qubit material on a 1-inch silicon wafer.
- Demonstrating electron spin lifetimes exceeding 0.4 microseconds at room temperature.

Qubit development

During the quarter, Archer advanced the readout technology for its carbon-based qubit material. Building on earlier success with its proprietary on-chip EDMR approach, Archer demonstrated that quantum spin states in the material can be electrically detected directly on a chip. This is a key milestone toward developing smaller, scalable quantum devices that are simpler and more cost-effective to manufacture.

In collaboration with Queen Mary University of London, Archer also achieved initial success in electrically gating the carbon films using EDMR. This progress strengthens Archer’s pathway toward demonstrating a functional qubit later this year.

Building on this progress, Archer completed multiple design and fabrication cycles to refine its gating and single-electron transistor (SET) architectures in its carbon materials. This work is critical for controlling charge and spin at the nanoscale and advancing toward operational qubits.

During the quarter, the team also demonstrated electrical gating within its quantum SET devices using carbon nano-onions, de-risking the approach by confirming that gating can be achieved in carbon-based systems.

Achieving SET gating directly in the carbon film material is expected to further improve manufacturability and compatibility with standard chip-making processes.

Archer also strengthened the scalability of its qubit platform by successfully synthesising its carbon qubit material on a 1-inch silicon wafer and demonstrating electron spin lifetimes exceeding 0.4 microseconds at room temperature. This performance represents a meaningful technical advantage over several existing quantum computing approaches, including diamond-based platforms.

Quantum Machine Learning (QML) Project

The Company also signed an agreement with Australia's national science agency, CSIRO. The year-long project will focus on developing QML models to enhance the detection of fraudulent activities in financial transactions. Archer will also look to use hybrid quantum-classical machine learning models, based on work in fraud detection, for other applications.

Biochip

The Biochip team worked with its partner IMEC during the quarter to demonstrate that the silicon version of the device has met blood potassium accuracy requirements. Results showed that the silicon device matched both its latest graphene field effect transistor (gFET) performance and established CLIA standards. The silicon devices have faster readout times than the gFET device.

Showing that the Biochip can be built on a silicon platform potentially de-risks the device's supply chain, as silicon is more widely used in the semiconductor industry, and reduces costs and accelerates its path to market.

Archer and IMEC are continuing testing to improve measurement accuracy and validate performance, while advancing regulatory approvals planning, with the aim of bringing the Biochip to market for at-home potassium testing, particularly for patients with chronic kidney disease.

Financial and corporate update

During the quarter, Ken Williams resigned as Non-Executive Director and Andrew Just was appointed as a Non-Executive Director. Andrew is an experienced director and health industry executive with 30 years of global experience in delivering growth and scaling companies and technologies. He has worked with leading Fortune 500 companies, including GE Healthcare, Danaher, Stryker, Roche, and Cochlear. His expertise in MedTech will help Archer develop its Biochip technology.

The Company's cash balance at the end of the Quarter was \$10.3 million (excluding the \$2.1 million R&D tax rebate received at the end of January 2026) with no debt.

Archer's accompanying Appendix 4C cashflow report for the Quarter includes an amount of \$195,000 at item 6.1, relating to executive and non-executive director fees paid as salaries and wages.

Investor webinar

Archer is hosting an investor webinar for a Q2 FY26 update. The update will be presented by Archer's Chief Executive Officer, Simon Ruffell, today at 11:00am AEDT, followed by a Q&A session.

To attend, please register at:

https://us02web.zoom.us/webinar/register/WN_kxDWbeV_SFO07dC1iOqICg

The Board of Archer has authorised this announcement for ASX release.

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About Archer

Archer is a quantum technology company developing advanced semiconductor chips for quantum technology 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

64 123 993 233

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(721)	(1400)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(761)	(1,802)
(f) administration and corporate costs	(325)	(739)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	507	557
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,300)	(3,384)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(15)
(d) investments	-	-
(e) intellectual property	(38)	(60)
(f) other non-current assets	(1)	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(46)	(77)

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)	(4)	(8)
3.10	Net cash from / (used in) financing activities	(4)	(8)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,626	13,745
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,300)	(3,384)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(46)	(77)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(8)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,276	10,276

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	2,194	1,543
5.2	Call deposits	8,082	10,083
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)	10,276	11,626

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	195
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	-	-
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)	(1,300)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,276
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	10,276
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.90
<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>		
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		
<i>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.</i>		

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: 29 January 2026

Authorised by: The Board of Archer
(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.