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Advance ZincTek Limited

ACN 079 845 855

Annual Report

For the Year Ended 30 June 2026

ACN 079 845 855

ASX Code: ANO

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Chairman's Letter

The profit before tax for FY26 is \$2.247 million compared to \$2.024 million FY25 (up 11.02%) with sales increasing to \$13.111 million compared to \$11.639 million FY25 (up 12.6%).

Artificial Intelligence Positively Impacts ANO

Artificial Intelligence (AI) continues to play an increasingly important role in ANO's growth strategy. We are embedding AI capabilities across the business to improve efficiency, accelerate innovation, enhance decision-making and support future growth.

- **Sales & Business Development** – We are using AI powered analytics to strengthen our global presence and uncover further opportunities to grow sales.
- **Product Development** – Significant improvements to our formulation processes and the streamlining of production activities are expected to increase production capacity and improve operational efficiency.

The early adoption of AI has already delivered measurable benefits, including reduced product development times and improved productivity. These gains have been achieved while maintaining stable wage costs despite significant increases in CPI and broader inflationary pressures.

Home Storage Battery Development

During FY27, the Company intends to commence development of its residential battery energy storage solution. This project will extend Advance ZincTek's existing manufacturing capabilities into battery materials and assembly, utilising our expertise in zinc oxide and White Sapphire high-purity alumina for ceramic separator coatings.

The proposed project is intended to cover the complete battery manufacturing process, from electrode slurry preparation through to finished battery pack assembly. During FY27, we expect to commence construction of a small-scale pilot facility and order the necessary equipment to enable production of a complete pilot-scale battery for testing in FY28.

This project represents an important opportunity to leverage our existing manufacturing capabilities and technical expertise while positioning the Company for potential future growth in the rapidly developing energy home storage market.

I would like to personally thank all our staff for their significant contribution during the year and, in particular, for embracing the implementation of AI across the business. Their adaptability, commitment and willingness to embrace new technologies have been instrumental in supporting this transformation and positioning ANO for continued growth.



Lev Mizikovsky

Non-Executive Chairman

Dated: 31 August 2026

Managing Director's Review

Financial Performance

The operating profit before tax is \$2.247 million compared to FY25 profit before tax of \$2.024 million, up 11.1%.

Sales revenue for FY26 year to date is \$13.111 million, exceeding the full year FY25 revenue of \$11.639 million. This increase reflects stronger sales performance in the USA

Production - Inventory Levels

The Board will consider allocating a portion of the Company's excess cash to increasing levels of key raw materials. This will help protect ANO against potential global shortages, mitigate the impact of future raw material price increases and support the maintenance of our margins.

4MBC

4-MBC is permitted in Australian sunscreens at up to 4 per cent by weight. It is prohibited, or has never been permitted, in the following jurisdictions:

Countries	When banned	When phased out / no longer sold
United States	Never permitted	—
Japan	Never permitted	—
European Union (27 member states)	May 2025	May 2026
United Kingdom	15 July 2026	15 January 2027
Switzerland	May 2025	May 2026
Monaco	May 2025	May 2026
Ukraine	3 August 2026	3 August 2027
Moldova	Pending confirmation	Pending confirmation
China	12 January 2026	Pending confirmation
Burundi	May 2025	May 2026
Democratic Republic of the Congo	May 2025	May 2026
Kenya	May 2025	May 2026
Rwanda	May 2025	May 2026
Somalia	May 2025	May 2026
South Sudan	May 2025	May 2026
Tanzania	May 2025	May 2026
Uganda	May 2025	May 2026
Costa Rica	May 2025	May 2026
El Salvador	May 2025	May 2026
Guatemala	May 2025	May 2026
Honduras	May 2025	May 2026
Nicaragua	May 2025	May 2026

Countries	When banned	When phased out / no longer sold
Panama	May 2025	May 2026
Brunei Darussalam	November 2025	November 2027
Cambodia	November 2025	November 2028
Indonesia	November 2025	November 2027
Lao PDR	November 2025	November 2027
Malaysia	November 2025	November 2028
Myanmar	November 2025	November 2028
Philippines	November 2025	November 2028
Singapore	November 2025	November 2028
Thailand	November 2025	November 2028
Vietnam	November 2025	November 2028

A further 33 countries and jurisdictions have also banned 4MBC or are in the process of banning its use.

The reduction in the permitted percentage of homosalate in sunscreens in Europe has resulted in increased industry focus by manufacturers and cosmetic brands to incorporate zinc into their formulations to meet current UVA and SPF requirements. During FY27 and FY28, manufacturers are expected to continue undertaking formulation changes and developing new formulations that do not contain homosalate. The Group continues to monitor customer demand associated with these changes.

Further discussions with European distributors have highlighted that the recent classification of T10 in food and food colourings is causing concerns among brand owners using T10 in sunscreen formulations. This may provide further opportunities for our products as manufacturers and brands consider alternative ingredients and seek to reformulate existing products.

I would like to thank our distributors, suppliers of key raw materials, and all our staff, from administration through to senior management, for their continued support, commitment and contribution throughout the year. Together, we remain focused on delivering the best possible outcomes for our customers and shareholders and on positioning ANO for continued growth.

G. Acton

Geoff Acton
Managing Director

Dated: 31 August 2026

Directors' Report

For the Year Ended 30 June 2026

Your directors present their report, together with the financial statements of the Group, being Advance ZincTek Limited (the "Company") and its controlled entities (the "Group"), for the financial year ended 30 June 2026.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Lev Mizikovsky	Non-executive Chairman
Rade Dudurovic	Non-executive Director / Chairman of Audit Committee
Geoff Acton	Managing Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretaries

The following persons held the position of Company Secretary during the financial year:

- Geoff Acton (B.Com, CA, GAICD)
- Narelle Lynch ("Cert Gov Prac")

Principal activities

During the year the principal continuing activities of the Group consisted predominantly of the manufacture of aluminium oxide powder (Alusion), zinc oxide dispersions and zinc oxide powder (collectively ZinClear) for the Personal Care Sector.

There were no significant changes in the nature of the Group's principal activities during the financial year.

2. Operating results and review of operations for the year

Operating results

Please refer to Managing Director's Review on page 2.

3. Financial review

Review of financial position

The net assets of the Group have increased by \$286,000 from \$35.769 million at 30 June 2025 to \$36.055 million at 30 June 2026.

4. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Report

For the Year Ended 30 June 2026

Dividends paid or recommended

No dividends have been paid or declared during the financial year (2025: Nil).

Return of capital

A return of capital was paid on the 25 February 2026 amounting to \$0.02 per a share(2025:nil).

Future developments and results

The Group has established a solid platform from which to grow sales, improve margins and deliver profitability.

During FY27, Advance ZincTek plans to begin developing a residential battery energy storage solution, leveraging its existing expertise in zinc oxide and high-purity alumina materials. The project will encompass the full battery manufacturing process, from material preparation to battery pack assembly.

Initial activities in FY27 will include constructing a pilot-scale manufacturing facility and procuring equipment required to produce and test a prototype battery in FY28. The initiative represents a strategic opportunity to diversify the Company's capabilities and position it for future growth in the expanding home energy storage market.

Material business risks

- Loss of manufacturing premises may impact our business in the short term. This is mitigated by us holding stocks in our overseas warehouse.
- Loss of our TGA licence may significantly impact our USA and Australian sales. We would still be able to sell in other jurisdictions. We have systems in place to meet the TGA requirements.
- Loss of major customer may impact our business. We have mitigated the risk by moving to multiple distributors. (e.g. USA from 1 to 4 distributors).
- The potential imposition of tariffs of up to 250% on pharmaceuticals by the Trump Administration may impact sales in the USA. ANO is increasing its stock levels in the USA to mitigate the potential impact of tariffs.

Environmental issues

No breaches of environmental regulations were identified during the year, and the Group is not subject to any significant environmental regulations. We use PV panels to reduce electricity during manufacturing and use organic and vegan ingredients.

Indemnification and insurance of officers

The Directors, Secretaries and Officers of the Group and its controlled entities are insured for liabilities that include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Shares under option

There are no un-issued shares of Advance ZincTek Limited under option at the date of this report.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Directors' Report

For the Year Ended 30 June 2026

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings

Information on directors

Lev Mizikovsky

Qualifications

Experience

Special Responsibilities

Directorships held in other entities

Non-executive Chairman

FAICD

Since 1977, Mr. Lev Mizikovsky has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland companies including Tamawood Limited (TWD), SenterpriSys Limited (NSX: SPS) and Veganic SKN Limited.

Member of all Committees

Lev is the Executive Chairman of Tamawood Limited which started in July 1989. He is Executive Chairman of SenterpriSys Ltd and Veganic SKN Limited.

Rade Dudurovic

Qualifications

Experience

Special Responsibilities

Directorships held in other entities

Non-executive Director / Chairman of Audit Committee

B.Com (Hons), LLB (Hons)

Rade has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA

Chairman of the Audit Committee. Chairman of the Nomination & Remuneration Committee.

Non-executive director of Tamawood Limited (TWD) appointed 31 May 2024, SenterpriSys Limited (NSX: SPS) and Veganic SKN Limited.

Geoff Acton

Qualifications

Experience

Special Responsibilities

Directorships held in other entities

Managing Director

B.Com, CA, GAICD

Geoff brings to Advance ZincTek Ltd a vast number of strategic and operational capabilities in his over 20-year history with the Tamawood Group including as Chief Financial Officer and Company Secretary. Further, he has an in-depth knowledge of the renewable energy sector as head of the successful Renewable Energy Certificate trading business established in 2004.

Member of Audit and Risk Management Committees

Geoff is Non-executive Director of Veganic SKN Limited. No other listed company directorships held during the past three years.

Company secretaries

Geoff Acton - appointed Company Secretary on 13 July 2015. Geoff is a chartered accountant and has more than 20-year history with Tamawood Limited in various capabilities including Director, Chief Financial Officer, Company Secretary and head of Tamawood's Renewable Energy Certificates trading business, which Geoff established in 2004.

Narelle Lynch "Cert (Gov Prac)"

Narelle was appointed joint company secretary on 9 August 2017.

Directors' Report

For the Year Ended 30 June 2026

Meetings of directors

The number of meetings of directors (including committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

	Directors' Meetings		Audit Committee		Risk Committee		Nomination & Remuneration Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Lev Mizikovsky	11	11	2	2	1	1	2	2
Rade Dudurovic	11	11	2	2	1	1	2	2
Geoff Acton	11	11	2	2	1	1	2	2

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

The total fees to the Group's external auditors, William Buck (QLD) for non-audit services during the year ended 30 June 2026 was Nil (2025: Nil).

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2026 has been received and can be found on page 14 of the financial report.

ASIC Corporations Instrument 2026/183 rounding of amounts

The Group is an entity to which ASIC Corporations Instrument 2026/183 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

Remuneration report (audited)

This report details the nature and amount of remuneration for the key management personnel of the Group, including the Directors in accordance with the requirements of the Corporations Act 2001 and its Regulations, and has been audited in accordance with section 308(3C). **Remuneration policy**

The performance of Advance ZincTek Limited depends upon the quality of its key management personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and other key management personnel.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre key management personnel.
- Link executive rewards to shareholder value.

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Directors' Report

For the Year Ended 30 June 2026

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

Structure

The Company's Constitution and the ASX Business Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. The aggregate remuneration that may be paid to Non-executive directors is \$350,000 exclusive of Superannuation Guarantee Levy. This remuneration may be divided among the non-executive directors in such a fashion as the Board may determine. Notice of any proposed increase in the total amount of remuneration payable to the non-executive directors must be given to members in the notice covering the general meeting at which the increase is to be proposed. The Board will seek approval from time to time as deemed appropriate.

The current directors' fees were last reviewed with effect from 1 July 2022. The Non-Executive Chairman will receive no fees. Other Directors receive fees commensurate with their time commitment and responsibilities.

Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

Structure

The Board believes that, at this stage of the Group's development, and in light of the size of the Group and its executive team, senior manager and executive director remuneration should be comprised of the following three components:

- Fixed salary and benefits, including superannuation;
- Short-term performance incentives (bonus payments); and
- Long-term performance incentives (such as options, shares or performance rights)

In determining the level and make-up of executive remuneration, the Board considers external benchmarking information to help ensure that the Group provides a competitive and acceptable remuneration level and that the market value for executives and senior managers in similar companies considering the work that they are required to perform.

Short term performance incentives

Senior managers and executives may be eligible for bonus payments from time to time at the discretion of the Board, if the Board considers that any executive's contribution warrants such recognition. No bonuses have been awarded in this financial year.

Long-term performance incentives

There are no long-term performance incentives in place with key management personnel and the executive director.

Directors' Report

For the Year Ended 30 June 2026

Remuneration report (audited)

Company performance, Shareholder Wealth and Key Management Personnel Remuneration

The Board is cognisant of the link between Directors', and other key management personnel remuneration to the achievement of strategic goals and performance of the Group. In setting remuneration policy, the Group seeks to align key management personnel rewards with overall shareholder value creation.

The Board reviews senior management remuneration on a regular basis to ensure base remuneration and any performance payments are directly linked to the achievement of profit contribution targets.

Details of shareholder returns are provided below. Given the stage of commercialisation of the Group's products and technologies, shareholder returns have been adversely impacted by ongoing investment in research and product development.

	2026	2025	2024	2023	2022
	cents	cents	cents	cents	cents
Net assets per share	57.52	57.09	55.05	56.50	57.06
Net tangible assets per share	43.03	43.36	41.55	45.08	45.15
Earnings/(loss) per share	2.41	1.98	(1.45)	2.69	3.58
Earnings/(loss) per share - excluding impairment & tax	3.59	3.24	(1.58)	3.71	6.01
Share price	\$0.80	\$0.83	\$0.72	\$1.77	\$2.02

Directors' Report

For the Year Ended 30 June 2026

Remuneration report (audited)

The following table of benefits and payments details, in respect to the 2026 and 2025 financial years, the components of remuneration for each member of the key management personnel (KMP) of the Group.

Table of benefits and payments

	Short term employee benefits		Post employment benefits	LSL Benefits	Termination Benefits	TOTALS
	cash salary fees	bonus	Superannuation			
Year Ended 30 June 2026	\$	\$	\$	\$	\$	
Non-Executive Directors						
Lev Mizikovsky	-	-	-	-	-	-
Rade Dudurovic	62,004	-	-	-	-	62,004
Sub-total Non-Executive Directors	62,004	-	-	-	-	62,004
Executive Directors						
Geoff Acton	292,500	-	6,558	870	-	299,928
Sub-total Executive Directors	292,500	-	6,558	870	-	299,928
	354,504	-	6,558	870	-	361,932

	Short term employee benefits		Post employment benefits	LSL Benefits	Termination Benefits	TOTALS
	cash salary fees	bonus	Superannuation			
Year Ended 30 June 2025	\$	\$	\$	\$	\$	
Non-Executive Directors						
Lev Mizikovsky	-	-	-	-	-	-
Rade Dudurovic	62,004	-	-	-	-	62,004
Sub-total Non-Executive Directors	62,004	-	-	-	-	62,004
Executive Directors						
Geoff Acton	292,250	-	6,530	905	-	299,685
Sub-total Executive Directors	292,250	-	6,530	905	-	299,685
	354,254	-	6,530	905	-	361,689

Remuneration for Mr. Acton's company secretarial services is set out on Note 26.

Directors' Report

For the Year Ended 30 June 2026

Remuneration report (audited)

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

The remuneration and other terms of employment for the Group's executives are formalised in service agreements and/or letters of employment, each of which provides for the executive's participation in any bonus or employee share schemes, plus other benefits and membership of approved professional or industry bodies.

On termination, Directors and other key management personnel are entitled to their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable.

Unless otherwise stated, service agreements and employment contracts do not provide for predetermined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy and outlined above. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

Loans to Key Management Personnel

A loan was advanced to Geoff Acton on 8 September 2022 amounting to \$696,000. The funds were advanced to allow him to acquire off market shares in the Company. The balance at 30 June 2026 is \$822,610 (2025: \$752,599). The loan attracts an interest rate of 3.5%. Interest charged during the period and payable at the end of the period was \$24,360. Interest that would have been charged on an arm's length basis would be \$70,051. The shares acquired are to be held in escrow for 3 years.

Other services provided by Key Management Personnel

The company is provided with payroll, advisory and secretarial services by an entity associated with Geoff Acton on an arm's length basis. The total value of services provided for the year ended 30 June 2026 was \$256,887 (30 June 2025: \$219,437).

Directors' Report

For the Year Ended 30 June 2026

Remuneration report (audited)

Director's' shareholdings

	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year
30 June 2026					
Directors					
Lev Mizikovsky	40,409,263	-	-	455,003	40,864,266
Rade Dudurovic	418,772	-	-	-	418,772
Geoff Acton	642,429	-	-	-	642,429
	41,470,464	-	-	455,003	41,925,467
30 June 2025					
Directors					
Lev Mizikovsky	39,811,098	-	-	598,165	40,409,263
Rade Dudurovic	418,772	-	-	-	418,772
Geoff Acton	642,429	-	-	-	642,429
	40,872,299	-	-	598,165	41,470,464

End of Audited Remuneration Report

This Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Lev Mizikovsky
Non-Executive Chairman

Dated: 31 August 2026

Directors' Declaration

For the Year Ended 30 June 2026

The directors of the Company declare that

1. *the financial statements and notes for the year ended 30 June 2026 are in accordance with the Corporations Act 2001 and:*
 - a. *comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and*
 - b. *give a true and fair view of the financial position and performance of the consolidated group;*
2. *the Chief Executive Officer have given the declarations required by Section 295A that:*
 - a. *the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;*
 - b. *the financial statements and notes for the financial year comply with the Accounting Standards; and*
 - c. *the financial statements and notes for the financial year give a true and fair view.*
3. *in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.*
4. *The information disclosed in the attached consolidated entity disclosure statement is true and correct.*

This declaration is made in accordance with a resolution of the Board of Directors.



Lev Mizikovsky
Non-Executive Chairman

Dated: 31 August 2026

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Advance ZincTek Limited

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Advance ZincTek Limited and the entities it controlled during the year.

William Buck

William Buck (Qld)
ABN 21 559 713 106

T C Marti-Warren

T C Marti-Warren
Partner
Brisbane, 31 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2026

	Note	2026 000's	2025 000's
Revenue	5	13,111	11,639
Other income	5	643	676
Raw materials and consumables used		(5,145)	(4,927)
Employee benefits expense		(1,657)	(1,637)
Superannuation		(339)	(257)
Amortisation charge	14	(180)	(91)
Depreciation expense - Property, plant & equipment	12	(1,200)	(1,206)
Depreciation expense - right of use assets		(425)	(456)
Legal expense		(58)	(76)
Directors fees - Non-executive		(336)	(395)
Insurance fees		(177)	(184)
Rent expense		(12)	(24)
Lease interest expense		(52)	(56)
Patent Renewal		(82)	(83)
Travel costs		(4)	(12)
Rates & taxes		-	(12)
Corporate costs		(469)	(171)
Consulting		(262)	(120)
Other operating expenses		(1,109)	(584)
Profit before income tax		2,247	2,024
Income tax benefit (expense)	7	(738)	(786)
Profit for the year		1,509	1,238
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,509	1,238
Profit attributable to:			
Members of the parent entity		1,509	1,238
Total comprehensive income attributable to:			
Members of the parent entity		1,509	1,238
Earnings per share			
Basic earnings per share (cents)		2.41 cents	1.98 cents
Diluted earnings per share (cents)		2.41 cents	1.98 cents

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position As At 30 June 2026

	Note	2026 000's	2025 000's
ASSETS			
Current Assets			
Cash and cash equivalents	8	618	629
Trade and other receivables	9	4,256	3,277
Inventories	10	11,314	11,887
Other assets	11	351	629
Total Current Assets		16,539	16,422
Non-Current Assets			
Property, plant and equipment	12	11,329	11,617
Right of use assets	13	866	1,235
Deferred tax assets	15	5,410	5,652
Development assets	14	3,671	3,114
Total Non-Current Assets		21,276	21,618
TOTAL ASSETS		37,815	38,040
LIABILITIES			
Current Liabilities			
Trade and other payables	16	668	691
Lease liabilities		513	418
Provisions	17	113	99
Total Current Liabilities		1,294	1,208
Non-Current Liabilities			
Lease liabilities		357	983
Provisions	17	109	80
Total Non-Current Liabilities		466	1,063
TOTAL LIABILITIES		1,760	2,271
NET ASSETS		36,055	35,769
EQUITY			
Issued capital	18	52,028	53,254
Reserves	19	1,519	1,519
Accumulated losses		(17,492)	(19,004)
TOTAL EQUITY		36,055	35,769

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2026

2026

	Issued Capital 000's	Accumulated Losses 000's	Foreign Currency Translation Reserve 000's	Share Based Payment Reserve 000's	Total 000's
Balance at 1 July 2025	53,254	(19,004)	16	1,503	35,769
Profit for the year	-	1,509	-	-	1,509
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	1,509	-	-	1,509
Transactions with owners in their capacity as owners					
Return of capital	(1,226)	-	-	-	(1,226)
Other	-	3	-	-	3
Total Transaction with owners	(1,226)	3	-	-	(1,223)
Balance at 30 June 2026	52,028	(17,492)	16	1,503	36,055

2025

	Issued Capital 000's	Accumulated Losses 000's	Foreign Currency Translation Reserve 000's	Share Based Payment Reserve 000's	Total 000's
Balance at 1 July 2024	53,103	(20,242)	16	1,503	34,380
Profit for the year	-	1,238	-	-	1,238
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	1,238	-	-	1,238
Transactions with owners in their capacity as owners					
Shares issued during the year	151	-	-	-	151
Total Transaction with owners	151	-	-	-	151
Balance at 30 June 2025	53,254	(19,004)	16	1,503	35,769

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows For the Year Ended 30 June 2026

	Note	2026 000's	2025 000's
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customer (Inc.GST)		13,051	11,099
Payments to suppliers and employees (Inc.GST)		(9,654)	(8,368)
Lease interest expense		(52)	(56)
Net cash provided by/(used in) operating activities	24	3345	2,675
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		30	-
Purchase of property, plant and equipment		(933)	(887)
Payment for development assets		(736)	(536)
Net cash used by investing activities		(1,639)	(1,423)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments from shares buyback		(1,226)	-
(Decrease) / Increase in borrowings		-	(320)
Repayment of lease liabilities		(491)	(466)
Net cash used by financing activities		(1,717)	(786)
Net increase/(decrease) in cash and cash equivalents held		(11)	466
Cash and cash equivalents at beginning of year	8	629	163
Cash and cash equivalents at end of financial year	8	618	629

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2026

The financial report covers the consolidated financial statements and notes of Advance ZincTek Limited ("Company" or "ANO") and its controlled entities ('the Group'). Advance ZincTek Limited is a for-profit company limited by shares, incorporated and domiciled in Australia and whose shares are traded on the Australian Securities Exchange Limited.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 31 August 2026.

The separate financial statements and notes of the parent entity, Advance ZincTek Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Parent entity summary is included in note 4.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ASIC Corporations Instrument 2026/183 rounding of amounts

The Group is an entity to which ASIC Corporations Instrument 2026/183 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

2 Material Accounting Policy Information

(a) Principles of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

A list of controlled entities is contained in Note 20 to the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(b) Income Tax

ANO and its wholly-owned Australian subsidiary has formed an income tax consolidation group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2015. The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a material change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening consolidated statement of financial position at the earliest date of the comparative period has been presented.

When impracticable to determine the period to which an error relates, the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable are restated.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Materials

Purchase cost is determined using the weighted average cost and is net of any rebates and discounts received.

Finished Goods and Work-in-progress

Cost of direct material and labour and a proportion of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Costs are assigned in a first-in-first-out basis. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Property, plant and equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant and Equipment	10 - 20 years
Motor Vehicles	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(f) Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Development Assets

The development of end formulation products comprises a number of phases including initial development, customer testing and feedback, testing processes including stability and SPF testing and regulatory approvals in order to be "shelf-ready" and capable of being sold. These costs are capitalised to work-in-progress and once the products are fully approved, these work-in-progress amounts will be transferred to end formulation assets.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Development assets have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is generally 10 years.

(g) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(h) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(h) Provisions

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(j) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(k) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(l) Revenue and other income

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(l) Revenue and other income

as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability. Revenue arises mainly from the sale of proprietary advanced material products.

To determine whether to recognise revenue, the Group follows a 5 step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of proprietary advanced material products

Revenue from sale of proprietary advanced material products is recognised when or as the Group has transferred control of the assets to the customer. Invoices for goods transferred are due upon receipt by the customer. Control transfers at the point in time the customer takes undisputed delivery of the goods.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(m) Finance costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(n) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the rates at the dates of the transaction are used.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(o) Share based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(o) Share based payments

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

An Employee Share Plan ('Plan') has been established to enable officers, staff and contractors to participate in the capital growth of the Company. The Group follows this by allowing all Eligible Employees of the Group to be issued shares in the Company.

Restriction on disposal - A participant may not dispose of, deal in, or grant a security interest over, any interest in a share issued under the Plan until the earlier of

- i. the end of the period of three years commencing on the date of the issue of that share
- ii. the date on which the participant is no longer employed by a Group company; and
- iii. the end of any other period determined by the Board in accordance with relevant law.

Shares to rank pari passu - Shares issued under the Plan will rank equally in all respects with ordinary shares in the company for the time being on issue except for any rights attached to the shares by reference to a record date prior to the date of issue.

The Plan is in compliance with the Corporations Act and Listing Rules of ASX as amended or waived from time to time.

(p) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(q) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(r) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Material Accounting Policy Information

(r) Current and non-current classification

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(s) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(t) Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These did not have a material impact on the consolidated entity. The Group has assessed the impact of AASB 18 and does not expect the standard to have a material impact on the measurement of assets, liabilities, income, expenses or cash flows. The main impact is expected to be limited to the presentation and disclosure requirements of the financial statements. The Group intends to adopt AASB 18 when it becomes mandatory for the financial year ending 30 June 2028.

Any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - inventories

Inventories are valued at the lower of cost and net realisable value. The Group assesses net realisable value by reference to the current and expected future selling price of its products. Where the consumption of certain inventory balances for future sales is not reasonably assured, the Group recognises an expense in the current year.

Notes to the Financial Statements

For the Year Ended 30 June 2026

3 Critical Accounting Estimates and Judgments

Key estimates - development costs

Development expenditure incurred on an individual project is carried forward (capitalised) when management considers that its future recoverability can reasonably be regarded as assured.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets recognition criteria listed above. Where no internally generated intangible asset can be recognised, expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Key estimates – deferred tax asset

Deferred tax assets have been recognised in respect of carried forward tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these amounts can be utilised.

The assessment of recoverability is based on management's forecasts of future taxable profits, which incorporate assumptions regarding future sales volumes, margins, operating costs, timing of project developments and other factors relevant to the Company's operations. Changes in these assumptions may affect the amount of deferred tax assets recognised in future reporting periods

Notes to the Financial Statements

For the Year Ended 30 June 2026

4 Parent entity

The following information has been extracted from the books and records of the parent, Advance ZincTek Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Advance ZincTek Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

	2026 000's	2025 000's
Statement of Financial Position		
Assets		
Current assets	16,539	16,422
Non-current assets	21,276	21,618
Total Assets	37,815	38,040
Liabilities		
Current liabilities	1,294	1,208
Non-current liabilities	466	1,063
Total Liabilities	1,760	2,271
Equity		
Issued capital	52,028	53,254
Retained earnings	(17,492)	(19,004)
Reserves	1,519	1,519
Total Equity	36,055	35,769
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	1,509	1,238
Total comprehensive income	1,509	1,238

Guarantees

The parent entity did not have any guarantees as at 30 June 2026 or 30 June 2025 except as detailed in Note 22.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2026 or 30 June 2025.

Capital commitments

At 30 June 2026, the parent entity had no contractual commitments for the acquisition of property, plant and equipment that were not recognised as liabilities in the financial statements (2025: Nil).

Notes to the Financial Statements

For the Year Ended 30 June 2026

5 Revenue and Other Income

Revenue from continuing operations

	2026 000's	2025 000's
Sales revenue		
- Sale of ZinClear	11,537	11,100
- sale of White Sapphire	111	150
- Sale of Sunscreen Products	1,463	389
Total Revenue	13,111	11,639

Revenue from the sale of goods is recognised at a point in time when control of the goods passes to the customer in accordance with the contractual terms

Other Income

- R&D tax incentive	497	495
- Gain on sale of IP and PPE	10	-
- Interest	102	87
- Gain / (Loss) on exchange differences	-	62
- Other income	34	32
Total Other income	643	676

6 Expenses

Included in operating expenses

	2026 \$	2025 \$
Remuneration of the auditor of the parent entity for auditing or reviewing the financial statements		
- William Buck (QLD)	75,350	72,800
Total	75,350	72,800

Included in other operating expenses

Foreign exchange loss	289	-
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Notes to the Financial Statements

For the Year Ended 30 June 2026

7 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2026 000's	2025 000's
Current tax expense / (benefit)		
Current income tax	-	-
Adjustments recognised for current tax of prior periods	-	-
Deferred tax expense		
Relating to the origination and reversal of temporary differences	241	291
Adjustments recognised for impact of R&D tax incentive of prior year	497	495
Income tax expense / (benefit) for continuing operations	738	786
Total income tax expense / (benefit)	738	786

(b) Reconciliation of income tax to accounting profit:

	2026 000's	2025 000's
Profit / (Loss) before income tax from continuing operations	2,247	2,024
Prima facie income tax expense/(benefit) at the statutory income tax rate of 30% (2025:30%)	674	607
Tax effect of:		
- Permanent differences	(428)	(316)
Adjustments in respect of current income tax of previous years:		
Adjustment recognised for impact of R&D tax incentive of prior years	497	495
Other	(5)	-
Income tax expense	738	786

8 Cash and Cash Equivalents

	2026 000's	2025 000's
Cash at bank and in hand	618	629
	618	629

Notes to the Financial Statements

For the Year Ended 30 June 2026

9 Trade and Other Receivables

	2026 000's	2025 000's
CURRENT		
Trade receivables	3,028	2,148
	3,028	2,148
Loans to directors, managers and employees	1,170	1,068
Related party receivables	36	36
Other receivables	22	25
Total current trade and other receivables	4,256	3,277

(a) Aged analysis

The ageing analysis of receivables is as follows:

	2026 000's	2025 000's
0-30 days	2,467	1,041
31-60 days	342	995
61days and over	219	112
	3,028	2,148

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. Refer to Note 27(b) for further details of credit risk management.

The Group applies the simplified approach under AASB 9 to measure expected credit losses on trade receivables. Management assesses expected credit losses by reference to historical default experience, current customer credit profiles, ageing of receivables and forward looking information. At 30 June 2026, receivables greater than 61 days past due totalled \$219,000. These balances relate predominantly to customers with no history of default and amounts subsequently collected after year end. Based on the assessment performed, management concluded that no material expected credit loss allowance was required at 30 June 2026.

Notes to the Financial Statements

For the Year Ended 30 June 2026

10 Inventories

	2026 000's	2025 000's
CURRENT		
At cost:		
Raw materials and consumables	5,038	6,247
Finished goods	6,331	5,743
Goods in transit	180	-
Provision for impairment	(235)	(103)
	<u>11,314</u>	<u>11,887</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2025: \$ NIL). During the year, the provision for inventory impairment increased from \$103,000 to \$235,000. The increase reflects management's reassessment of the recoverability of certain inventory items having regard to ageing, expected future usage and estimated net realisable value.

11 Other Assets

	2026 000's	2025 000's
CURRENT		
Prepayments	179	131
Deposits with suppliers	172	498
	<u>351</u>	<u>629</u>

As part of the trading requirements of overseas suppliers, the Group pays deposits in advance to suppliers for future supply of inventories.

Notes to the Financial Statements

For the Year Ended 30 June 2026

12 Property, plant and equipment

	2026 000's	2025 000's
Motor Vehicles		
Motor Vehicles	306	326
Accumulated depreciation	(222)	(249)
Total Motor Vehicles	84	77
Office eqpt, Furn & Fixtures		
Furniture, Fixtures and Fittings	1,031	963
Accumulated depreciation	(911)	(875)
Total Office eqpt, Furn & Fixtures	120	88
R & D eqpt, Quality Eqpt		
At cost	791	786
Accumulated depreciation	(550)	(551)
Total R & D eqpt, Quality Eqpt	241	235
Production Plant		
At cost	10,616	10,036
Accumulated depreciation	(5,553)	(4,605)
Total Production Plant	5,063	5,431
Leasehold Improvements		
At cost	6,618	6,160
Accumulated depreciation	(1,924)	(1,533)
Total Leasehold Improvements	4,694	4,627
Laboratory		
At cost	1,866	1,735
Accumulated depreciation	(771)	(611)
Total Laboratory	1,095	1,124
Clean Room		
At cost	56	56
Accumulated depreciation	(24)	(21)
Total Clean Room	32	35
Total property, plant and equipment	11,329	11,617

Notes to the Financial Statements

For the Year Ended 30 June 2026

12 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office eqpt, Furn & Fixtures 000's	Motor Vehicles 000's	R & D eqpt, Quality Eqpt 000's	Production Plant 000's	Leasehold Improvements 000's	Lab Assets 000's	Clean Room 000's \$	Total 000's
Year ended 30 June 2026								
Balance at the beginning of year	88	77	235	5,431	4,627	1,124	35	11,617
Additions	70	61	41	171	459	131	-	933
Disposals - written down value	-	(20)	-	-	(1)	-	-	(21)
Depreciation expense	(38)	(34)	(35)	(539)	(391)	(160)	(3)	(1,200)
Balance at the end of the year	120	84	241	5,063	4,694	1,095	32	11,329

	Office eqpt, Furn & Fixtures 000's	Motor Vehicles 000's	R & D eqpt, Quality Eqpt 000's	Production Plant 000's	Leasehold Improvements 000's	Lab Assets 000's	Clean Room 000's	Total 000's
Year ended 30 June 2025								
Balance at the beginning of year	86	134	284	5,731	4,473	1,194	39	11,941
Additions	42	-	-	240	527	81	-	890
Disposals - written down value	-	-	(8)	-	-	-	-	(8)
Depreciation expense	(40)	(57)	(41)	(540)	(373)	(151)	(4)	(1,206)
Balance at the end of the year	88	77	235	5,431	4,627	1,124	35	11,617

Notes to the Financial Statements

For the Year Ended 30 June 2026

13 Right of use assets

	2026 000's	2025 000's
Land and buildings - Right of use	1,103	3,143
Accumulated depreciation	(237)	(1,908)
	866	1,235

Movement in ROU Asset

Opening balance at beginning of the year	1235	1691
Additions	L;	-
Amortisation	(425)	(456)
Disposals	(842)	-
Closing balance at end of the year	866	1235

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 3 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

It is noted that a lease was derecognised during the current year as the option to extend the lease term was not exercised. This resulted in a reduction of both the right of use asset and the lease liability. The difference between the carrying value of the right of use asset and the lease liability at the date of derecognition was recognised in retained earnings.

Subsequently, a new lease agreement was negotiated for the same premises. A new right of use asset and corresponding lease liability were recognised based on the revised lease term, including the extension option where management assessed that exercise of the option was reasonably certain.

14 Development Assets

	2026 000's	2025 000's
Development Cost Work in-Progress	1,666	929
ZinXation		
At cost	783	783
Accumulated amortisation	(179)	(132)
Total ZinXation	604	651
Patented Dispersions		
At cost	1,417	1,417
Accumulated amortisation	(211)	(95)
Total Patented Dispersions	1,206	1,322
Formulations		
At cost	383	383
Accumulated amortisation	(188)	(171)
Net carrying value	195	212
Total Development assets	3,671	3,114

Notes to the Financial Statements

For the Year Ended 30 June 2026

14 Development Assets

(a) Movements in carrying amounts of Development assets

	Development cost - Work in Progress 000's	ZinXation 000's	Patented Dispersions 000's	Formulations 000's \$	Total 000's
Year ended 30 June 2026					
Balance at the beginning of the year	929	651	1,322	212	3,114
Additions	752	-	-	-	752
Transfers between asset classes	-	-	-	-	-
Disposals	-	-	-	-	-
Write-offs	(15)	-	-	-	(15)
Amortisation	-	(47)	(116)	(17)	(180)
Closing value at 30 June 2026	1,666	604	1,206	195	3,671

	Development costs – Work in Progress 000's	ZinXation 000's	Patented Dispersions 000's	Formulations 000's	Total 000's
Year ended 30 June 2025					
Balance at the beginning of the year	1,248	258	942	221	2,669
Additions	536	-	-	-	536
Transfer between asset classes	(855)	418	437	-	-
Amortisation expense	-	(25)	(57)	(9)	(91)
Closing value at 30 June 2025	929	651	1,322	212	3,114

Notes to the Financial Statements

For the Year Ended 30 June 2026

15 Tax assets and liabilities

(a) Deferred tax assets

Deferred tax assets balance comprises temporary differences attributable to:

	2026 000's	2025 000's
Amounts recognised in profit and loss		
Intangibles	126	115
Provisions	71	30
Accrued expenses	107	61
Leases	2	50
Unrealised foreign exchange loss	-	17
	306	273
Losses available for offset against future taxable income	4,694	4,694
R&D offsets carried forward	14	254
Total amounts recognised in profit and loss	5,014	5,221
Amounts recognised in Equity		
DTA relating to share issue costs	1	3
Tax losses relating to share issue costs	449	449
Total amounts recognised in equity	450	452
DTA	5,464	5,673
Deferred tax liabilities offset against deferred tax assets	(54)	(21)
Total offsets	(54)	(21)
Closing balance	5,410	5,652

(b) Deferred tax liabilities

Deferred tax liabilities balance comprises temporary differences attributable to:

	2026 000's	2025 000's
Trade and other receivables	51	21
Unrealised foreign currency gains	3	-
Total deferred tax liabilities	54	21
Deferred tax liabilities offset against deferred tax assets	(54)	(21)
Closing balance	-	-

Deferred tax assets

Deferred tax assets have been recognised in respect of carried forward tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these amounts can be utilised. In assessing recoverability, the Directors considered taxable profits in future periods, including historical profitability, current year profitability, existing customer relationships and the expected utilisation period of available tax losses. The Group reported a profit before tax of \$2.247 million for the year ended 30 June 2026 and has reported profits before tax in each of the last two financial years. Based on these factors, the Directors concluded that sufficient future taxable profits are expected to be available to support the recognition of the deferred tax asset balance at 30 June 2026

Notes to the Financial Statements

For the Year Ended 30 June 2026

16 Trade and Other Payables

	2026 000's	2025 000's
CURRENT		
Unsecured liabilities		
Trade payables	482	458
Other payables	186	101
Withholding tax on dividends	-	132
	668	691

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

17 Provisions

	2026 000's	2025 000's
CURRENT		
Employee benefits	113	99
	113	99
NON-CURRENT		
Employee benefits	109	80
	109	80

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current as the Group does not have the right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The measurement and recognition criteria relating to employee benefits have been discussed at Note 2(g).

Notes to the Financial Statements

For the Year Ended 30 June 2026

18 Issued Capital

	2026 000's	2025 000's
62,679,857 (2025: 62,646,107) Ordinary shares fully paid	52,028	53,254
Total	52,028	53,254

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(a) Movement in ordinary shares

	2026 No.	2025 No.
At the beginning of the reporting period	62,646,107	62,449,763
Shares issued during the year		
Employee share scheme	33,750	196,344
At the end of the reporting period	62,679,857	62,646,107

On the 25th February 2026, the Company completed a return of capital to shareholders totalling \$1.226 million. The return of capital was approved by shareholders and was accounted for as a reduction in issued capital.

(b) Capital Management

At this stage of the Group's growth, management's capital management objectives are to ensure that the entity continues as a going concern and to maintain a capital structure that supports future development of the Group's business. To date, capital management activities have included the issue of new shares to raise equity for investment in research and product development and other activities aimed at supporting the commercialisation and sales and marketing of its products and technologies.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group has not entered into any other arrangements to issue further shares. However, management may consider the issue of further shares in the future in order to provide the necessary capital of future growth and/or take advantage of other opportunities.

The Group does not have any external debt and is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

For the Year Ended 30 June 2026

19 Reserves

	2026 000's	2025 000's
Foreign currency translation reserve		
Opening balance	16	16
Share based payment reserve		
Opening balance	1,503	1,503
Total	1,519	1,519

(a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(b) Share based payment reserve

The share based payment reserve is used to record the value of share-based payments provided to employees, including directors and other key management personnel, as part of their remuneration.

20 Interests in Subsidiaries

(a) Composition of the Group

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest % 2026	Ownership interest % 2025	Tax residency
Antaria Pty Ltd	Body corporate	Australia	100	100	Australia
Sunscreen Safety Testing Laboratory Pty Ltd	Body corporate	Australia	100	100	Australia
Antaria, Inc	Body corporate	USA	100	100	USA
Antaria Europe, B. V.	Body corporate	Netherlands	100	100	Netherlands

Notes to the Financial Statements

For the Year Ended 30 June 2026

20 Interests in Subsidiaries

(a) Composition of the Group

* Advance ZincTek Limited (the "head entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the the Group.

21 Earnings per Share

(a) Earnings used to calculate overall earnings per share

2026	2025
000's	000's
1,509	1,238

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS

	2026	2025
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	62,646,754	62,495,038

22 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2026 (2025: None).

23 Operating Segments

Segment information

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

The Board considers the business from a market perspective and has identified one reportable segment, the Personal Care segment which produces and distributes dispersions of mineral-only UV filters in cosmetic emollients used for sunscreen, skincare and pharmaceutical formulations, as well as alumina plate-like powders used for cosmetic applications.

Notes to the Financial Statements

For the Year Ended 30 June 2026

23 Operating Segments

(a) Revenue by geographical region

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	2026 000's	2025 000's
Australia	3,013	2,211
United States of America & Canada	7,495	6,115
Europe	1,421	1,056
Rest of the world	1,182	2,257
	13,111	11,639

(b) Major customers

The Group's three largest customers accounted for revenues amounting to 23,97%, 11,78% and 20,4% respectively. All other customers individually contributed less than 10% of total revenue.

24 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2026 000's	2025 000's
Profit for the year	1,509	1,238
Adjustments for non-cash items in profit:		
- amortisation	180	91
- depreciation	1,625	1,664
- share based payments	-	152
- R&D grant	(497)	(495)
- discount on employee loans	(102)	(67)
- profit on sale of property, plant and equipment	(9)	-
- write down of intangible asset	15	-
- lease modification	(59)	-
- lease interest expense	52	-
Net changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(979)	(852)
- (increase)/decrease in deferred tax assets	738	786
- (increase)/decrease in prepayments	278	(183)
- (increase)/decrease in inventories	573	847
- increase/(decrease) in trade and other payables	(22)	(419)
- increase/(decrease) in provisions (Current)	14	10
- increase/(decrease) in provisions (Non-Current)	29	(97)
Net cash from operating activities	3,345	2,675

Notes to the Financial Statements

For the Year Ended 30 June 2026

25 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2026	2025
	\$	\$
Short-term employee benefits	354,504	354,254
Long-term benefits	870	905
Post-employment benefits	6,558	6,530
Total	361,932	361,689

Refer to the remuneration report for further details.

Notes to the Financial Statements

For the Year Ended 30 June 2026

26 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Amount receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No allowance for expected credit losses has been recognised on this outstanding balance, nor have any bad debt expenses been incurred.

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 25: Key Management Personnel Disclosure and remuneration report in the Director's Report.

Other transactions with KMP and their entities are shown below.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

(i) Sale of goods and services:

	2026 \$	2025 \$
<i>Key management personnel:</i>		
Lev Mizikovsky		
- Expenditure on-charged at cost to entities associated with Lev Mizikovsky	277,581	369,729
Geoff Acton		
<i>Related parties:</i>		
Tamawood Group		
- Admin, Accounting services and expenditure on-charged at cost	373,002	353,914
SenterpriSys Limited		
- Expenditure on-charged at cost	6,670	66,619
Veganic SKN Limited		
- Sale of sunscreen products	1,283,394	389,143
- Admin, Accounting services and expenditure on-charged at cost	891,220	472,160
- Rent	94,435	102,000

Notes to the Financial Statements

For the Year Ended 30 June 2026

26 Related Parties

(b) Transactions with related parties

(ii) Purchase of goods and services:

	2026	2025
	\$	\$
<i>Key management personnel:</i>		
Lev Mizikovsky		
- Lease of premises	492,538	477,869
Geoff Acton		
- Provision of payroll, advisory and secretarial services by an entity associated with Geoff Acton	256,687	219,437
<i>Related parties:</i>		
Tamawood Group		
- Provision of administration services and construction material at cost and lease premises	199,790	136,494
SenterpriSys Limited		
- Provision of IT equipment at cost and IT services	162,915	123,386
Winothai Pty Ltd		
- Provision of Management services	23,995	20,053
Veganic SKN Limited		
- Purchase of raw materials at cost	104,800	453,723

(iii) Outstanding balances:

	2026	2025
	\$	\$
<i>Key management personnel:</i>		
Geoff Acton		
- Amounts receivable**	822,610	752,599
- Amounts payable	-	1,094

**These borrowings are unsecured and earn interest at 3.5%

Notes to the Financial Statements

For the Year Ended 30 June 2026

26 Related Parties

(b) Transactions with related parties

	2026	2025
	\$	\$
<i>Related parties:</i>		
Tamawood Group		
- Amounts receivable	59,889	-
- Amounts payable	137,500	86,190
SenterpriSys Limited		
- Amounts receivable	35,500	35,624
- Amounts payable	-	3,678
Veganic SKN Limited		
- Amounts receivable	167,934	63,825
- Amounts payable	165	10,454

27 Financial Risk Management

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group is primarily exposed to the following financial risks:

- Market risk - currency risk and cash flow interest rate risk
- Credit risk
- Liquidity risk

Objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and whilst remaining ultimately responsible for them, it has delegated the authority to management for developing and operating processes that ensure the effective implementation of the objectives and policies of the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Group where such impact may be material.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Notes to the Financial Statements

For the Year Ended 30 June 2026

27 Financial Risk Management

(a) Market risk

(i) Foreign currency risk

Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars and Euro.

The Company's policy is that all foreign currency transactions are settled on a spot rate basis. There are no hedge facilities or other forward contract facilities in place.

In order to monitor the continuing effectiveness of the policy, the Board receives reports on its product pricing strategy together with data relating to any major fluctuations in foreign currencies. The Company's policy to mitigate foreign currency risk is to adjust selling prices for its products to reflect movements in foreign currencies.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

	2026 000's	2025 000's
Financial assets		
Cash deposits in USD	530	372
Cash deposits in Euro	36	77
Customers denominated in USD	1,699	1,782
Customers denominated in Euro	442	14
Financial liabilities		
Trade payables denominated in USD	(4)	(257)
Trade payables denominated in Euro	(21)	(8)
Net exposure	2,682	1,980

(ii) Interest rate risk

The Group has no borrowings and has no current exposure to interest rate risk on borrowings.

The Group's minimum exposure to market interest rate relates to its cash investments which are minimal.

The Company adopts a policy of minimising exposure to interest rate risk. A +/-1% change in interest rates would change the net interest expense by +/- \$6,180 per annum (2025: +/- \$6,290) on cash held at year end.

(iii) Foreign currency sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the US Dollar – Australian Dollar exchange rate and the Euro – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years. The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date.

The sensitivity analysis assumes a +/- 7% change of the Australian Dollar / US Dollar exchange rate for the year ended 30 June 2026 (30 June 2025: 5%). A +/- 7% change is also assumed for the Australian Dollar / Euro exchange rate (30 June 2025: 5%). Both of these percentages have been determined based on the historical market volatility in exchange rates.

Notes to the Financial Statements

For the Year Ended 30 June 2026

27 Financial Risk Management

	2026 000's		2025 000's	
	+7%	-7%	+5%	-5%
USD				
Net results	(146)	146	(95)	95
Equity	(146)	146	(95)	95
Euro				
Net results	(30)	30	(4)	4
Equity	(30)	30	(4)	4

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group conducts transactions with the following major type of counterparties:

Receivables counterparties: The majority of sales to the Group customers are made on open terms. As part of managing this risk, new customers can be required to make (part) payment for goods prior to shipping initial orders

To manage credit risk, the Group maintains group wide procedures covering the application for credit approvals, granting and renewal of counterparty limits and regular monitoring of exposure against these limits. The Group monitors its trade receivables balances on an ongoing basis and also maintains a credit insurance policy where appropriate.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Notes to the Financial Statements

For the Year Ended 30 June 2026

27 Financial Risk Management

Liquidity risk

	2026 000's	2025 000's
Current assets	16,539	16,422
Current liabilities	(1,294)	(1,208)
Working capital	15,245	15,214

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2026 000's	2025 000's	2026 000's	2025 000's	2026 000's	2025 000's	2026 000's	2025 000's
Financial liabilities due for payment								
Trade and other payables	668	691	-	-	-	-	668	691
Lease liabilities	543	474	364	1,020	-	-	907	1,494
Total contractual outflows	1,211	1,165	364	1,020	-	-	1,575	2,185

The timing of expected outflows is not expected to be materially different from contracted cashflows.

28 Events Occurring After the Reporting Date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2026

29 Company Details

The registered office of the company is:

Advance ZincTek Limited
1821, Ipswich Road
Rocklea, QLD 4106

Manufacturing Facilities

Unit 1 & 2, 81 Shettleston Street
Rocklea, QLD 4106

Overseas Warehouse Facilities

United States

464 Bronze Way
Dallas, Texas 75236

Europe

Mainfreight

Brede Steeg 1
s'Heerenberg 7041 GV
Netherlands

Consolidated entity disclosure statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest % 2026	Tax residency
Advance ZincTek Limited	Body Corporate	Australia	N/A	Australia*
Antaria Pty Ltd	Body corporate	Australia	100	Australia*
Sunscreen Safety Testing Laboratory Pty Ltd	Body corporate	Australia	100	Australia*
Antaria, Inc	Body corporate	USA	100	USA
Antaria Europe, B. V.	Body corporate	Netherlands	100	Netherlands

Advance ZincTek Limited (the "head entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group the under the tax consolidation regime.

None of the entities within the consolidated group acted as a trustee of a trust, partner in a partnership or participant in a joint venture during the year ended 30 June 2026.

Independent auditor's report to the members of Advance ZincTek Limited

Report on the audit of the financial report

Opinion

In our opinion, the accompanying financial report of Advance ZincTek Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2026,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	Area of focus (refer also to notes 2 & 5)	How our audit addressed the key audit matter
	The group generated \$13.1 million of sales revenue in the year ended 30 June 2026. This relates to sale of goods to customers which are recognised in the financial statements when revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the consolidated entity and at the point in time when the customer takes undisputed delivery of the goods. There is a risk of incorrect timing of revenue recognition due to fraud or misstatements. Due to this, we consider revenue recognition to be a key audit matter	Our audit procedures included: — An analysis of sales transactions to verify the correct treatment in accordance with the AASB 15 revenue recognition criteria; — On a sample basis, comparing sales transactions to delivery documents; — Checking for significant credit notes issued subsequent to year end; — Reconciling cash payments received subsequent to year end against accounts receivable balances as at 30 June 2026; and — Assessing the adequacy of the allowance for expected credit losses. — We have also assessed the adequacy of disclosures in the notes to the financial statements.
Inventory valuation and existence	Area of focus (refer also to notes 2 & 10)	How our audit addressed the key audit matter
	The group held inventory of \$11.3 million as at 30 June 2026 across multiple locations. Inventory is costed using absorption costs and is carried at the lower of cost and net realisable value. This balance accounts for approximately 30% of the group's assets as at 30 June 2026 and misstatements in this balance may have a considerable impact on the group's profit from continuing	Our audit procedures included: — Attending various stock counts during and at year end at locations holding material inventory values ensuring appropriate cut-off of goods in or out of inventory; — Obtaining confirmations from third party's holding stock on behalf of the group as at 30 June 2026;

operations. As a consequence, we consider inventory existence and valuation to be a key audit matter.

- Agreeing on sample basis the cost components of inventory to actual prices;
- Assessing the reasonableness of costing for WIP and finished goods; and
- Assessing whether an appropriate provision has been made for slow moving or obsolete inventory items.

We have also assessed the adequacy of disclosures in the notes to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

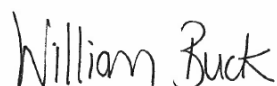
In our opinion, the Remuneration Report of Advance ZincTek Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



William Buck (Qld)
ABN 21 559 713 106



T C Marti-Warren
Partner
Brisbane, 31 August 2026

Corporate Governance Statement

30 June 2026

The objective of the Board of Advance ZincTek Ltd ("ANO") is to create and deliver long term shareholder value through a range of diversified product sales and development in cosmetics and sunscreen.

ANO and its subsidiaries operate as a single economic activity under a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic Group ("the Group").

ANO has adopted the recommendations of the ASX Corporate Principles Edition 4. ANO has completed and lodged an Appendix 4G in conjunction with the lodgement of its Annual Report. ANO has clearly explained in its governance strategy where principles have been adopted and if not why not.

The company's charters, committees and corporate governance principles are on our website www.advancezinctek.com.

Shareholder Information

30 June 2026

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 25 August 2026.

Voting rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Holding	Ordinary shares	
	No. of shares	No. of holders
1 - 1,000	233,404	515
1,001 - 5,000	621,311	252
5,001 - 10,000	448,228	61
10,001 - 100,000	3,117,636	97
100,001 and over	58,259,278	44
	62,679,857	969

There were 383 holders of less than a marketable parcel of ordinary shares.

Shareholder Information

30 June 2026

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Twenty largest shareholders

Holding	Ordinary shares	
	No. of shares	% of shares
ANKLA PTY LTD	25,402,084	40.53%
POLTICK PTY LTD	15,168,557	24.20%
KEARNEY ETHICAL INVESTMENTS PTY LTD	5,289,621	8.44%
MR BRIAN MAURICE KEARNEY & MRS MIRELLA UGHETTA DORICA KEARNEY <KEARNEY ETHICAL INV S/F A/C>	1,899,882	3.03%
CITICORP NOMINEES PTY LIMITED	1,281,505	2.04%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	575,514	0.92%
MR EDWIN GIOVANNI DIAZ	540,140	0.86%
MR KEITH WILLIAM KERRIDGE <AUSTRALASIAN ASSET MGMT A/C>	500,000	0.80%
THE L AND R SUPER FUND PTY LTD <THE L & R SUPER FUND A/C>	472,562	0.75%
MELBOURNE CORPORATION OF AUSTRALIA PTY LTD	400,000	0.64%
MRS NICOLE LOUISE BOWERS	370,444	0.59%
ROLLEE PTY LTD	367,821	0.59%
MR GEOFFREY BROCKWELL ACTON	352,429	0.56%
GADIA INVESTMENTS PTY LTD <DIAZ SUPERFUND A/C>	307,339	0.49%
MR GEOFFREY BROCKWELL ACTON	290,000	0.46%
MR KEVIN RICHARD GOULD	274,034	0.44%
MR RADE DUDUROVIC & MRS JACQUELINE JEANETTE DUDUROVIC <R&J SUPERANNUATION FUND A/C>	268,772	0.43%
MR KEITH WILLIAM KERRIDGE	265,000	0.42%
VELROSSO PTY LTD <HARVEY 1995 DISC A/C>	250,000	0.40%
BANNABY INVESTMENTS PTY LIMITED	235,000	0.37%
	54,510,704	86.97%

Disclosures Regarding Forward Looking Statements

This Annual Report includes forward looking statements that have been based on Advance ZincTek Limited's ("ANO") current expectations and predictions about future events including ANO's intentions.

These forward looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of ANO to differ materially from the expectations and predictions, express or implied, in such forward looking statements.

None of ANO, its officers, directors, the persons named in this Annual Report with their consent, or the persons involved in the preparation of this, Annual Report makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and options as at the date of this Annual Report.

We obviously can't predict the situation in the Middle East with the war and potential effects will have on our views.