ASX Announcement
31 July 2026

FTI June Q4 FY26 Activity Report

Highlights

- **CEO Appointment:** Silicon Valley veteran Kelly Herrell appointed as CEO
- **Board of Advisors Formation:** appointment of inaugural members David Walker, Tim Edwards and Jason Forget
- **Nol8 Platform:** version 1.0 Nol8 platform release
- **Industry Engagement:** Nol8 joins the Megaport AI Exchange
- **Strong Balance Sheet:** A$15M strategic placement completed. Closing cash position of $20M as at 30 June 2026 with no debt.
- **Financial Snapshot:** Cash receipts from customers of $214k for the quarter and receipt of $1,764k in rebates and tax incentive claims for FY25 period.

FortifAI Limited (ASX: FTI) ("FTI" or the "Company") provides its Quarterly Activity Statement and Appendix 4C for the June 2026 Quarter ("Q4 FY26").

Operational Summary

During the quarter, the Company focused on the integration and growth of the Nol8 team including expansion in the USA with the appointment of Kelly Herrell as CEO and Jamie Pope as CSO. Refer to ASX Announcements dated 1 June 2026 and 21 April 2026. These key executive appointments further validate the market opportunity for Nol8 and bring critical industry and execution skills to the team.

FTI formed a Board of Advisors with the appointment of inaugural members David Walker and Tim Edwards bringing deep industry and commercialisation experience. This was complemented with the appointment of leading global sales executive, Jason Forget, subsequent to quarter end. Refer to ASX Announcements dated 26 June 2026 and 27 July 2026.

FTI has raised a further $15M to support growing interest in Nol8 Technology and FTI Group. This strategic placement was the result of strong institutional demand and secures funds to accelerate technology, marketing and business development of Nol8 Technology, support business development programs for existing assets, strengthen commercial initiatives and general working capital. Refer to ASX Announcement dated 28 April 2026.

<u>Nol8 Developments and Activity</u>

During the quarter, details of the RE2 benchmark testing findings were released confirming the performance advantages of the Nol8 product compared to the Google RE2 standard at AI-grade workloads under extreme load conditions, combined with Nol8's compute cost efficiency advantage. Refer to ASX Announcements dated 1 April 2026 and 28 April 2026.

The Nol8 AI Data Plane Version 1.0 was launched and available for demanding Agentic AI workloads – delivering the right data at wire speed. Version 1.0 exceeds its planned functionality, enabling design partners and customers to begin commercial assessment. The delivery of Version 1.0 is ahead of target. Refer to ASX Announcement dated 29 June 2026.

Nol8 joined the Megaport AI Exchange, giving Megaport customers early access to wire-speed, governed data movement for their AI workloads. This enables the commencement of proof-of-concept deployments with select customers on the exchange to measure the real-world impact of the AI Data Plane. Refer to ASX Announcement dated 30 June 2026.

Early industry engagement on Nol8 Version 1.0 is valuable to validate product design and capability ahead of commercial usage. Nol8 Version 2.0, the commercial-ready version, is anticipated near the end of this calendar year.

Nol8 Market Opportunity

Nol8 targets AI-forward enterprise buyers adopting a powerful trend known as Agentic AI. The first years of AI were spent building the "brain" with massive amounts of GPU compute; the next wave is building the "bodies" — AI agents, the software programs that put that brain to work. The industry has pivoted quickly and sharply to this new dynamic, because it is how AI autonomously produces work.

An AI agent is powered by access to enterprise data. Doing its job requires data to move continuously between different stores, systems, tools, and AI model calls, and back again to the agent. As the universe of agents grows, it drives demand for immense volumes of data movement across an enterprise's IT infrastructure. That data — and how it is used — must also be actively governed by enterprise policy, so that sensitive information is never exposed. This is the problem Nol8 solves.

Legacy enterprise infrastructure was not designed for this speed and scale of data in motion. It was built for thousands of employees working at human speed — not millions of agents working at machine speed.

This is the value of Nol8: it ensures the correct, authorized data is delivered continuously to every agent, no matter how complex the rules or how large the number of agents. Given the explosive growth forecast for Agentic AI, the market opportunity for Nol8 should expand rapidly.

MKL Studio

The MKL Studio continues to undertake business development activity and the team delivered new and existing contracts. The royalty and contract cash receipts were lower than the previous quarter in an increasingly competitive market. The team continues to pursue new revenue opportunities across work-for-hire development with small contracts being won. The team continues to adopt AI-enabled production and workflow tools where appropriate with ongoing in-house game development.

Financial Results

During the quarter, cash receipts from customers for Q4 FY26 totalled $214k. Net cash outflows from operating activities were $892k for the quarter, representing an investment of $1,401k in the Nol8 Technology and MKL Studio. This result reflects ongoing technology development, business development activities and ongoing contract delivery for the business units. The Company received $1,504k in relation to rebates and tax incentives relating to FY25 period and a further $260k was received subsequent to quarter end. The Company continues to apply for rebates and tax incentives to offset MKL Studio costs.

As required by ASX Listing Rules, FTI notes that the amount of $124k disclosed in Section 6.1 of the accompanying Appendix 4C relates to payments made during the quarter to related parties and their associates. These payments consist of salaries, wages, and consultant fees paid to members of the Board of Directors.

Outlook

The FTI group continues to integrate the Nol8 Technology and Mighty Kingdom business units. FTI has complementary business units with teams in both Australia and Israel, and more recently in USA. Subsequent to the quarter end, the Company incorporated a subsidiary in Delaware, USA. The operational efficiencies and continued gaming studio revenue and rebates together with ongoing capital market support will assist underpinning the development and progress to an MVP Nol8 Technology. The Nol8 team continues to expand its local team to advance its commercial objectives, expand technology capabilities and pursue potential partners.

Authorised for release by the Board of Directors of FortifAI Limited.

Media and Public Relations

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Forward-Looking Statements: This announcement may contain forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those anticipated. FortifAI undertakes no obligation to update forward-looking statements.

About Nol8

Nol8 delivers the AI Data Plane, purpose-built to govern and deliver the right data to every AI agent at wire speed. By enforcing policy inline, Nol8 recovers idle GPU capacity and lifts effective utilisation for NeoClouds and the customers they serve. Learn more at nol8.io.

About FortifAI

FortifAI Limited (ASX: FTI) is an Australian Securities Exchange listed technology company focused on artificial intelligence and advanced computing. In addition to developing AI-forward technologies through its subsidiary Nol8, FortifAI has developed a broad portfolio of video games. FortifAI uses AI to target efficiencies and expansion opportunities in technology.

NOL8 THE AI DATA PLANE x fortifAI

APPENDIX 4C

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

Name of entity

FortifAI Limited

ABN	**Quarter ended ("current quarter")**
39 627 145 260	30 June 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		214	2,350
1.2	Payments for			
	(a)	research and development	0	0
	(b)	product manufacturing and operating costs	(72)	(308)
	(c)	advertising and marketing	0	0
	(d)	leased assets	0	0
	(e)	staff costs	(1,657)	(3,411)
	(f)	administration and corporate costs	(983)	(2,110)
1.3	Dividends received (see note 3)		0	0
1.4	Interest received		93	152
1.5	Interest and other costs of finance paid		9	0
1.6	Income taxes paid		0	0
1.7	Government grants and tax incentives (DGTO & R&D)		1,504	1,504
1.8	Other – ATO repayment of outstanding tax liabilities		0	(113)
1.9	**Net cash from / (used in) operating activities**		**(892)**	**(1,936)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	0	0
	(b)	businesses	0	(201)
	(c)	property, plant and equipment	(29)	(34)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	(120)	(120)
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	1
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (cash acquired from business acquisition)	0	244
2.6	**Net cash from / (used in) investing activities**	**(149)**	**(110)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	14,731	19,735
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(132)	(278)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	(75)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (Lease payments)	(29)	(29)
3.10	**Net cash from / (used in) financing activities**	**14,570**	**19,353**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,812	3,034
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(892)	(1,936)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(149)	(110)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	14,570	19,353
4.5	Effect of movement in exchange rates on cash held	14	14
4.6	**Cash and cash equivalents at end of period**	**20,355**	**20,355**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	20,355	6,812
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**20,355**	**6,812**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify) – debt facility with converting loan	0	0
7.4	**Total financing facilities**	**0**	**0**
7.5	**Unused financing facilities available at quarter end**		**0**
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(892)
8.2	Cash and cash equivalents at quarter end (item 4.6)	20,355
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	20,355
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**22.82**

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

8.6 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

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

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

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

Compliance statement

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

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

Date: **31 July 2026**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.