QBiotics Group

QBIOTICS
2025 AGM CHAIR KEY REMARKS

As this is the AGM following my first year as Chair of QBiotics, I want to begin by acknowledging the significance of this moment for our company – not only because of the resolutions before you, but because of the broader transition under way.

Everyone on this Board deeply believes in the potential of QBiotics' science to address unmet patient needs. The underlying platforms, our clinical programs, and the global interest in our work give us a strong foundation and reasons to believe in what we are doing. But belief alone is not a strategy.

Today's financial statements provide a clear-eyed view of our starting point. They reflect meaningful investment in scientific programs, but they also reveal the need for much stronger discipline in how and where capital is allocated. As a Board, we have taken the time to fully understand the cost base, the pipeline and the organisational structure. We have made decisions to prioritise programs with the highest likelihood of value creation, and we have placed much tighter scrutiny on expenditure, with this work continuing as an ongoing discipline across the business.

Under the guidance of the new Board and management team, we now have, for the first time, a clear and credible recommendation for the path to approval and market of tigilanol tiglate in the indication of soft tissue sarcoma in humans. This plan aligns with the expectations of global pharmaceutical partners and regulatory authorities, ensuring that QBiotics is positioned to translate its science into commercial outcomes in a disciplined and strategic manner.

This is about ensuring that shareholders' capital is used in a way that supports milestones, optionality and, ultimately, commercial outcomes.

This is not work we take lightly. But it is necessary work.

For a biotech company to progress toward commercialisation of the human pipeline, which for QBiotics will build on what we have already achieved with our veterinary product, Stelfonta, it must meet the expectations of regulators, investors and global pharmaceutical partners – regardless of whether that's through regulatory approvals, strategic partnerships or a future public listing. That includes rigorous governance, financial discipline, clear prioritisation and transparent decision-making.

I want to acknowledge the commitment and dedication of our shareholders, employees and partners. QBiotics is at a critical juncture in its evolution. The decisions and resolutions before you are not simply administrative matters. They reflect the work we have undertaken to ensure that the company is positioned to extend our runway in order to realise its scientific, clinical and commercial potential both responsibly and sustainably.

Let me start with the fundamentals. The science at QBiotics remains compelling. Our lead oncology asset, tigilanol tiglate, continues to deliver meaningful clinical signals. Tigilanol tiglate commenced recruitment for its first Phase I clinical study in 2015, giving us a well-characterised safety profile. Most recently, Phase IIa data in soft-tissue sarcoma has confirmed a high response rate in injected tumours, reinforcing the potential therapeutic impact. Beyond this indication, tigilanol tiglate has potential applicability across multiple solid tumour types, highlighting the breadth of opportunity inherent in our lead oncology asset. In parallel, our wound-healing program, EBC-1013, has now progressed into first-in-human studies. Each milestone represents the culmination of years of scientific effort and reflects the enduring potential of our intellectual property and proprietary R&D. These programs are ultimately the assets that underpin shareholder value.

While strong science is foundational to any biotech company, it is not, on its own, sufficient to ensure sustained value creation. Today, investors, strategic partners and regulators assess companies across a much wider set of fundamentals: effective governance, clear capital priorities, a focused R&D portfolio, a credible regulatory pathway and a commercialisation strategy that aligns with market priorities. In this environment, companies that lack strength in these areas often struggle to attract partners or institutional capital, regardless of the promise of their science.

Shareholders are increasingly aware of the evolving dynamics of biotechnology. Governments are exercising greater caution in funding R&D, intensifying competition for public resources. In this context, strategic partners and investors actively prioritise companies that demonstrate robust governance, sound financial management and a well-articulated pathway for regulatory approval and patient access. Companies able to provide credible evidence of these capabilities are best positioned to secure meaningful support and long-term partnerships.

QBiotics must align with these expectations. Our work over the past year has been about embedding those standards consistently across our operations and how our Board works to serve the interests of shareholders, so that our company can engage with the market from a position of strength, credibility and accountability.

As Chair, I have guided these decisions with a focus on long-term shareholder value, adherence to fiduciary duty and the commercial realities of our sector. I do not understate the challenges – there is work to be done. But I also do not underestimate the potential. QBiotics has meaningful scientific assets and the capability to translate them into value.

This is the context in which the Board has acted. Over the past year, the Board, together with management, has worked to recalibrate the company's governance, financial discipline and operational priorities. These actions are neither arbitrary nor personal. They are deliberate steps to ensure that QBiotics is structured to make decisions that maximise long-term value for all shareholders.

QBiotics is a company with significant scientific potential. The programs we are pursuing have demonstrated promise and the intellectual property underlying our candidates remains highly regarded. At the same time, it is a reality of biotechnology that translating science into commercial outcomes requires discipline, rigorous governance and careful allocation of capital. Partnerships, regulatory approvals and global market credibility are prerequisites for success. We know investors and partners expect demonstrable operational discipline, transparency and a clear pathway to value creation.

The role of the Board is to act in the best interests of the Company and all shareholders, to ensure that the company's resources are deployed strategically, and that the company is positioned to create value over the long term. That responsibility remains our guiding principle.

Since my appointment, together with my fellow directors and the executive team, we have focused on three key areas: governance, operational and financial discipline, together ensuring the continuity and progression of QBiotics' scientific programs.

Over the past year, the Board and management have actively ensured QBiotics' strategic focus is on directing company resources towards programs with the strongest evidence base and the highest likelihood of near-term clinical and commercial validation. It also positions QBiotics to engage with potential partners from a position of credibility and discipline, reinforcing our commitment to rigorous governance, prudent capital allocation and shareholder value creation.

On governance, we have undertaken a careful review of the Board's composition and the company's constitutional arrangements. Strengthening independence and aligning with recognised standards is not about replacing founders or diminishing their contributions, which remain invaluable. Rather, it is about ensuring that the Board is structured to provide rigorous oversight, guidance, and credibility with potential partners and investors. These steps are deliberate, consistent with best practice, and intended to support QBiotics as it prepares for whatever pathway to value creation is pursued.

On operational and financial discipline, the Board has worked with management to ensure that company resources are focused on strategic priorities. This means rigorous assessment of research projects, careful management of cash and an emphasis on activities that advance clinical and commercial milestones. In short, it is about ensuring that every dollar invested drives tangible progress, that we respect shareholders' capital, and the company has the operational and financial flexibility to execute its strategy effectively.

At the same time, we have prioritised the continuity and stability of QBiotics' clinical and research programs. The teams remain highly motivated, and there has been no material disruption to ongoing research, clinical studies or regulatory interactions. Succession planning and operational oversight are in place to protect institutional knowledge and maintain program momentum.

I would now like to address financial and strategic discipline. QBiotics operates in a capital-intensive sector and our company is not immune from the realities of investment markets and clinical development costs. Our approach has been to focus resources on programs with clear, value-creating potential. This means decisions are made based on scientific merit, regulatory opportunity and commercial viability. Financial discipline and rigorous prioritisation are essential if we are to extend our runway, protect the company's core assets and maintain optionality for future funding or strategic partnerships.

Maintaining strict control over our intellectual property is also central to QBiotics' ability to engage partners and deliver on clinical programs, and the Board remains vigilant in ensuring these standards are upheld.

These steps, collectively, are about creating optionality for the company. By embedding discipline and governance, we are ensuring that QBiotics can pursue multiple pathways to value creation – whether through partnerships, licensing or, ultimately, a public-market listing – but those pathways are absolutely dependent on the right fundamentals being in place. That is the approach the Board believes is in the best interests of all shareholders.

Earlier this year, we announced our intention to explore a potential initial public offering and ASX listing (IPO) this calendar year. Following broad assessment of prevailing market conditions and other relevant factors, we remain focused on strengthening the fundamentals that will position the Company to pursue the pathway that best maximises long-term shareholder value. While this represents a shift in timing, we believe it is important to reset expectations in a clear and transparent manner.

We have considered the full spectrum of capital pathways. An IPO is one potential avenue and our objective ultimately is to crystallise maximum value for shareholders. Regardless, whatever pathway we pursue to realise optimal value for shareholders must rest on the right fundamentals: robust governance, disciplined capital allocation, operational continuity, and a credible scientific and commercial plan. These fundamentals provide the optionality that allows the Board and management to choose the path that best maximises value.

Today, shareholders are asked to consider a number of resolutions. Resolution 1 proposes the removal of Clause 37 from the constitution. This is a measured governance evolution. The removal of Clause 37 from the constitution ensures that all directors are subject to the same retirement and re-election requirements, aligning the company's constitutional arrangements with modern governance expectations and best practice for companies preparing to scale and access capital efficiently.

The re-election of our founders, Dr Paul Reddell and Dr Victoria Gordon (subject to Resolution 1 passing), alongside the election of a new director, Sergio Duchini, is also before you. It is important to note that the removal of Clause 37 does not diminish the founders' contributions. They remain significant shareholders and eligible nominees for re-election, should Resolution 1 pass. The changes are part of an ongoing and continuous improvement program to ensure the governance arrangements we have in place are structurally aligned with investors and market expectations, designed to safeguard the company's future and ensure the Board is best positioned to provide oversight, strategic guidance and independent judgment where required.

Resolutions 2 and 3, which concern the re-election of Dr Victoria Gordon and Dr Paul Reddell, are subject to Resolution 1 being passed and framed by that governance context. While the Board recognises the foundational contributions of Paul and Victoria, shareholders are being asked to consider the company's needs today and into the future. These resolutions are for your judgment. At the end of the day, the governance we need to have in place as a public company is not simply about past contributions, but about ensuring the Board is structured to make rigorous, independent decisions in the interests of the company as it advances toward commercialisation.

Resolution 4 concerns the election of Sergio Duchini. Sergio brings extensive experience in governance, risk oversight and financial management. In a company transitioning from discovery-stage science to clinical development and commercial readiness, those skills are critical. The Board believes his appointment strengthens our capacity to make strategic and disciplined decisions on capital allocation, operational priorities and commercial engagement. Supporting the direction the Board and leadership has set out is not a reflection on the value of past contributions, but rather an acknowledgment of the responsibilities of the Board, the expectations of shareholders and the need to create a platform for disciplined, sustainable growth. These resolutions represent the logical, responsible next step for QBiotics at this point in its evolution.

In recent months, the Company has had to make difficult but necessary decisions to protect QBiotics' scientific and commercial future. While we cannot speak to specific details, decisions were made to protect the company's proprietary confidential information and intellectual property. Certain conduct involved the transfer of a significant volume of company files outside our secure IT architecture – a step that placed scientific data and intellectual property at risk. In a biotech company, the integrity of our data systems is not a procedural detail. It is the foundation of regulatory compliance, partner trust and potential commercialisation. This conduct raised serious concerns about intent as taking material outside the Company's controlled environment risks undermining ongoing clinical programs, collaborations and our standing with global partners and investors.

These actions were taken in the context of safeguarding company assets and intellectual property. They are not a reflection on past contributions or enduring commitment to QBiotics. The Company treated the matter as it would any situation involving the unauthorised transfer of sensitive company documents, ensuring that our response was consistent and aligned with the need to protect the integrity of the business. The Company's decisions reflect the principle that all employees are accountable for safeguarding the company's intellectual property, confidential information and operational integrity. This disciplined approach ensures QBiotics is structured to advance toward sustainable commercialisation and maximises value for all shareholders.

Ladies and gentlemen, we stand at an important juncture. The company has extraordinary science, talented teams and promising programs. We also have the reality of financial discipline, governance expectations and operational execution to contend with. The Board has taken steps to ensure that QBiotics is positioned to navigate this complexity effectively. That work is not always visible, but it is critical to creating value.

As shareholders, your decisions today are not just about the present. They are about enabling QBiotics to pursue its potential in a disciplined, structured and accountable way. By supporting the resolutions before you in line with this, you are supporting the establishment of fundamentals that preserve optionality, protect capital, safeguard science and underpin the company's capacity to realise long-term value. You are also affirming governance arrangements that ensure directors remain accountable to all shareholders, avoid the entrenchment of individuals, and uphold fair and equal participation in the company's leadership.

I want to acknowledge the extraordinary contributions of our partners, the dedication of our staff and the patience of our shareholders as we navigate these changes. My role as Chair is to lead the board, ensuring effective governance, constructive debate and sound decision-making that aligns with the company's strategic objectives. These resolutions are a critical part of that process, and I encourage shareholders to reflect on the importance of this moment and the future it enables for QBiotics.

In closing, let me be clear. This AGM is an important moment in QBiotics' journey. My hope is that shareholders will consider these matters with that context in mind and support the resolutions that will reinforce the company's trajectory toward sustainable value creation.

Thank you for your attention, your engagement and your continued commitment to QBiotics.