# QBiotics Group Limited
# Annual Report
# 30 June 2025

ABN 13 617 596 139

QBiotics Group

QBiotics Group Limited

Contents



## Forward looking statements

This report contains forward looking statement which reflect the current beliefs and expectations of QBiotics. Statements may involve a number of known and unknown risks that could cause our future results, performance or achievements to differ significantly from those expressed or implied by such forward-looking statements. While these forward-looking statements reflect QBiotics' expectations at the date of this report, they are not guarantees or predictions of future performance or statements of fact. Many factors could cause QBiotics' actual results, performance or achievements to differ from those expressed in the forward-looking statements including risks relating to our ability to recruit patients for our clinical trials, uncertainty and disruption caused by environmental and geo-political developments, actions of regulatory bodies and other governmental authorities. Therefore, readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable laws or regulations, QBiotics does not undertake to publicly update or review any forward looking statements.

# 01

# Chair's and CEO's Messages & Year in Review

# QBiotics Group Limited

## Chair's message

## For the year ended 30 June 2025

Dear Shareholders,

By every measure, this past year has been a milestone one in QBiotics' 25-year history. In an environment where global markets continued to demonstrate volatility and uncertainty, our team remained focused around its commitment to generating world class clinical data and translational research that sets us up to bring important treatment options forward for patients, while building toward our next phase of growth.

A particular highlight of the year was the positive final data from Stage 1 of our Phase IIa trial (QB46C-H07) in advanced Soft Tissue Sarcoma (STS) at the Memorial Sloan Kettering Cancer Center. We reported an 80% objective response rate indicating that 8 out 10 evaluable patients saw either complete ablation or partial ablation (≥30% reduction in volume) of treated tumours. This is an exceptional result which reinforces the unique potential of our lead oncology asset.

In parallel, we progressed our phase I/IIa clinical trial in head and neck cancer (QB46C-H08) which has now closed to recruitment. Post period, we announced momentum in our EBC-1013 Phase I wound healing trial (QB1013C-H201), with successful completion of the dosing of the first cohort and advancement to the next dose concentration. These studies further demonstrate the versatility and potential impact of our epoxitiglianes platform.

This year, we were pleased to announce the appointment of Jefferies (Australia) Pty Ltd (Jefferies) and Bell Potter Securities Limited (Bell Potter) as Joint Lead Managers (JLMs) to advise upon and assist QBiotics with a potential Initial Public Offering (IPO) on the Australian Securities Exchange (ASX).

Global markets experienced significant volatility during the reporting period, influenced by shifting macroeconomic conditions, geopolitical uncertainty, and tightening financial environments. While these factors presented challenges across the life sciences sector, they also underscore the importance of careful planning and strategic execution. Given this, QBiotics continues to monitor market conditions closely as we prepare for a potential IPO. While timing remains under active consideration, our focus is on ensuring that when we do move forward, we do so from a position of strength, with the right foundations in place to support long-term growth and value creation.

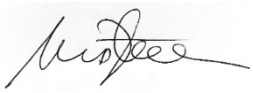
This past year has also seen changes in our leadership team. Following the very sad passing of Dr Sue Foden in November 2024, I took on the role of Chair. Sue made an invaluable contribution to QBiotics and the broader industry, and her loss is deeply felt by all who had the privilege to know and work with her. In March 2025, we farewelled Non-executive Director Mr Hamish Corlett, who stepped down from the Board after nearly four years of dedicated service. During his tenure, Hamish played a key role in guiding the Company to a strong position and we greatly valued his strategic contribution. Professor Bruce Robinson AC and Mr Andrew Denver retired from the board at the Company's Annual General Meeting in November 2024, following long tenures, in line with the board's renewal strategy initiated in 2023. Over the years, both Bruce and Andy served on the board of QBiotics in a variety of roles and we extend our sincere thanks for their dedication, leadership and contributions to the Company.

We were pleased to welcome Sergio Duchini to the Board as a Non-executive Director. Sergio brings more than 30 years of executive and board-level experience across biotechnology, healthcare, technology, and professional services, as well as deep expertise in corporate governance.

QBiotics is a company defined by its commitment to exceptional science and innovation. As we look ahead, we do so with confidence, buoyed by strong data, clear direction, and a shared ambition to bring meaningful therapies to patients worldwide.

On behalf of the Board, I sincerely thank our shareholders for their continued support and belief in our mission.

Yours sincerely,



Mark Fladrich
Chair of the Board

# QBiotics Group Limited

## CEO's message

## For the year ended 30 June 2025

Dear Shareholders,

It is with great pride and a deep sense of responsibility that I present my first Annual Report to you as Chief Executive Officer of QBiotics Group Limited. Since joining the Company in September 2024, I have had the privilege of leading an organisation defined by scientific excellence, operational discipline, and a singular commitment — to improve the lives of patients facing diseases with high unmet medical needs. This mission drives every decision we make, every trial we conduct, and every partnership we pursue.

The past financial year has been a significant chapter in QBiotics' 25-year journey. It was a year marked not only by strong scientific and clinical progress, but also by organisational strengthening and strategic positioning as we prepare for our next phase of growth. The advances we achieved — particularly in our oncology and wound-healing programs — illustrate the depth of our innovation pipeline and our ability to translate pioneering science into potentially life-changing therapies.

Our human oncology program, spearheaded by the development of our lead compound tigilanol tiglate, achieved outstanding results that strengthen our belief in its transformative potential. In our Phase IIa advanced Soft Tissue Sarcoma (STS) trial (QB46C-H07), Stage 1 results reported an exceptional 80% Objective Response Rate indicating that 8 out 10 evaluable patients saw either complete ablation or partial ablation (≥30% reduction in volume) of treated tumours. None of the 14 completely ablated tumours recurred up to 6 months, indicating a long lasting durability. These clinical outcomes are remarkable in the context of such aggressive cancers and point to tigilanol tiglate as a potentially leading candidate in novel intratumoural therapies. Stage 2 of the trial is now underway at the prestigious Memorial Sloan Kettering Cancer Center in New York, where we continue to explore its efficacy across diverse sarcoma subtypes.

Our Phase II clinical trial in head and neck cancers has also progressed significantly. With patient recruitment now concluded, we are analysing the data and anticipate providing preliminary results later this calendar year. Coupled with growing recognition from global partners, these achievements are amplifying international interest in our technology platform, setting a strong foundation for future collaborations and market expansion.

Beyond oncology, we were pleased to advance our first-in-human Phase I wound healing trial in venous leg ulcers in Australia (QB1013C-H201). We successfully dosed our initial cohort and have progressed to the next dose group. This work underscores our strategic intent to expand QBiotics' impact beyond cancer care — addressing other serious medical conditions that today have limited effective treatment options.

From a financial management perspective, we have been disciplined in maintaining a strong cash position and implementing prudent cost controls. This supports our ability to prioritise investment in high-value programs while safeguarding our operational resilience.

As I reflect on the year, the milestones we have reached are not ends in themselves — they are stepping stones toward our broader purpose: delivering breakthrough therapies that offer new hope to patients and their families. This vision is made possible by the dedication of our exceptional team, the guidance of our Board, the trust of our partners, and the unwavering commitment of you, our shareholders.

I thank you sincerely for your continued confidence and support. I am energised by the opportunities ahead and am committed to leading QBiotics into a new era of scientific and commercial impact — always with the goal of improving and extending the lives of patients in need.

Yours sincerely,

Stephen Doyle
Managing Director and CEO

# Highlights

This year marked a pivotal chapter in QBiotics's journey as we celebrated 25 years of innovation. We reported final data from our Phase IIa clinical trial QB46C-H07 in advanced Soft Tissue Sarcoma (STS), welcomed new leadership and laid the groundwork for an initial public offering (IPO) on the Australian Securities Exchange (ASX).

Our tigilanol tiglate human oncology program showed exceptional promise. The final data from Stage 1 of our Phase IIa trial in advanced Soft Tissue Sarcoma (STS) revealed an impressive 80% objective response rate indicating that 8 out 10 evaluable patients saw either complete ablation (100% reduction in tumour volume) or partial ablation (≥30% reduction in volume) of treated tumours, with no recurrences at up to six months. Post period, our Phase II trial in head and neck cancers closed for recruitment, after gathering sufficient data to conclude the trial's recruitment phase.

In addition to our oncology program, we are gaining momentum in our wound healing trials. Our first-in-human Phase I wound healing safety trial in Australia is currently recruiting patients across multiple sites. Our partnering efforts gained traction reflecting the increasing recognition of the uniqueness and clinical promise of tigilanol tiglate. Financially, we remained fiscally vigilant, closely monitoring our cash flow and implementing cost-saving measures.

# Tigilanol tiglate human oncology programme

Tigilanol tiglate, an oncolytic small molecule delivered intratumourally is currently in two clinical trials. During the reporting period, our clinical focus was on two indications: soft tissue sarcomas and head and neck cancers.

In addition to our structured clinical trials, as part of our strategy to investigate tigilanol tiglate's potential across a broad range of tumour types, patients continue to be treated at major oncology centres under Compassionate Use in France and the Special Access Scheme in Australia. These programs provide patients with access to a new drug when they are facing a serious condition, have exhausted all other treatment options and the treating clinician believes it is in the best interest of the patient. To date, 14 patients have been treated under this compassionate access use treating a range of tumour types.

## Tigilanol tiglate treating soft tissue sarcomas

**80% Objective Response Rate in injected tumours reported in Stage 1 of Phase IIa STS trial**

In June 2025, we reported final data from Stage 1 of our Phase IIa trial (QB46C-H07) in advanced Soft Tissue Sarcoma (STS).

STS is a rare type of cancer that generally forms as a painless lump (tumour) in any one of the soft tissues in the body. There were approximately 128,000 new cases of STS globally in 2023, with the incidence growing at 0.54% per year[1].

Stage 1 of the Phase IIa clinical trial evaluated QBiotics' small molecule, tigilanol tiglate in 11 (10 evaluable) participants with advanced STS.

An objective response rate (ORR) of 80% was achieved in injected tumours, based on the Best Observed Response (BOR) at any time during the study, indicating 8 out of 10 evaluable participants saw either

[1] GlobalData®, American Cancer Society, Cancer Australia, Cancer Research UK, Canadian Cancer Society.

complete ablation (100% reduction in volume) or partial ablation (≥30% reduction in volume) of treated tumours.

22 of the 27 (81%) injected tumours across all patients showed complete or partial ablation (14 showing complete ablation and 8 showing partial ablation).

None of the 14 completely ablated tumours recurred up to 6 months, indicating tigilanol tiglate may provide durable responses.

Importantly, as presented at Connective Tissue Oncology Society (CTOS) in November 2024, additional observations outside of the clinical trial showed that patients with metastatic STS disease who were originally non-responsive to systemic therapy, became responsive to systemic therapy after tigilanol tiglate was used to treat the primary tumour.

An expansion (Stage 2) of our Phase IIa trial (QB46C-H07) is now open for recruitment at Memorial Sloan Kettering Cancer Center in New York, USA.

In Stage 2, additional participants with angiosarcoma, leiomyosarcoma, myxofibrosarcoma and other mixed origin sarcomas will be enrolled. In addition to the evaluating tumour ablation in treated tumours and/or tumour segments, Stage 2 will also evaluate the effect of tigilanol tiglate on overall disease control as determined by Response Criteria in Solid Tumours (RECIST) v1.1 which includes the evaluation of non-treated tumours.

## Tigilanol tiglate in treating head and neck cancers

**Post period, phase I/IIa clinical trial in head and neck cancer (QB46C-H08) closed to recruitment**

Based on the ongoing, real-time review of endpoint analyses for this clinical trial, it has been determined that sufficient, promising data has been collected. As a consequence, the trial has been closed to further recruitment, in line with the approved protocol. Close out activities have commenced while the final active study participants complete their follow up, and we are hoping to report preliminary data from the study later this year, followed by completion of the final study report next year.

## New research to support clinical development of tigilanol tiglate

In February 2025, pharmacokinetic data from QBiotics' Phase IIa clinical trial (QB46C-H07) evaluating QBiotics' small molecule, tigilanol tiglate in patients with advanced Soft Tissue Sarcoma (STS) was presented at the Society of Surgical Oncology's Advanced Cancer Therapies 2025 (ACT 2025) Annual Meeting (Scottsdale, AZ, US: 14-17 February 2025).

This new data followed presentation of data from the Phase IIa trial at ESMO 2024 (Spain, September 2024) and CTOS 2024 (USA, November 2024) which highlighted that intratumoural treatment with tigilanol tiglate appeared safe for patients with STS, with local efficacy demonstrated and that patients with metastatic disease who were originally non-responsive to systemic therapies had responded to these therapies after treatment with tigilanol tiglate.

The ACT 2025 data demonstrated that tigilanol tiglate had rapid systemic clearance after intratumoural injections in patients with STS, with a mean half-life of 2 hours and either nil or only small amounts measurable at 24 hours. Given the short half-life of tigilanol tiglate, more frequent dosing will be explored in the upcoming STS trial expansion.

## Tigilanol tiglate partnering program

During the reporting period, we progressed our business development initiatives, with a strategic focus on expanding engagement with potential partners and advancing commercialisation pathways for our lead oncology asset, tigilanol tiglate.

Our participation in key global industry events, including the ASCO Annual Meeting and the BIO International Convention, provided valuable opportunities to showcase tigilanol tiglate's therapeutic potential and build on prior partnering discussions. Engagements with potential partners and clinical development leaders at these forums have been instrumental in continuing to shape our partnering strategy and refine our commercial positioning.

Partnering momentum built steadily in the lead-up to the final reporting of Stage 1 results from our Phase IIa STS clinical trial in July 2025. As we advance the clinical development of tigilanol tiglate, our focus remains on converting this progress into strategic partnerships that align with our long-term commercial objectives. Continued engagement will be essential to identifying the right collaborators and positioning the asset for sustainable value creation across key markets.

# EBC-1013 for wound healing

Our first-in-human Phase I wound healing safety trial in Australia is currently recruiting patients across multiple sites in Australia. EBC-1013 is a topically applied semi-synthetic small molecule that has the potential for treatment of a wide range of chronic and acute wounds and burns. The clinical trial is a placebo-controlled, multi-centre, Phase I dose escalation trial to assess the safety and tolerability of EBC-1013 in patients with Venous Leg Ulcers (VLUs) (QB1013C-H201).

"Phase I/II safety study of EBC-1013 for treating venous leg ulcers

The primary objective of the trial is to assess the overall safety and local tolerability of a single topical application of escalating doses of EBC-1013 gel in patients with VLUs.

Secondary and exploratory objectives include evaluation of systemic exposure resulting from a single application of escalating doses of EBC-1013, determination of the anticipated therapeutic dose range for subsequent studies, and evaluation of the trajectory of the wound bed and healing response, in addition to assessment of the patient's quality of life.

Post period, we announced that we had successfully dosed the first cohort of participants (cohort 1). The trial will now advance to the next dose concentration in accordance with the study protocol.

# STELFONTA® and our veterinary oncology program

STELFONTA® granted label expansion in Great Britain

STELFONTA® continues to gain traction as a standard treatment for mast cell tumours, with a growing number of clinicians incorporating it into their practice. Pet owners consistently report high levels of satisfaction following treatment, and an increasing number are sharing positive outcomes across social media platforms. Despite this momentum, adoption remains below potential, largely due to practitioner hesitation around a protocol that diverges from traditional surgical approaches. Addressing this reluctance remains a key focus. Importantly, insights gained from STELFONTA® are actively shaping our human health development program, reinforcing tigilanol tiglate's strategic value beyond veterinary applications.

STELFONTA® was granted expanded marketing authorisation by Veterinary Medicines Directorate (VMD) in Great Britain (England, Scotland and Wales), enabling broader use for the treatment of mast cell tumours (MCTs) when surgical intervention is not considered the preferred option. This marks an important milestone, as prior use of STELFONTA® was limited solely to non-resectable MCTs.

# Discovery programs

Research informing our product discovery pipeline continued through the period, focused on early-stage development of molecules with antibiotic and anti-inflammatory activity. In addition, we furthered our understanding of the natural product chemistry underpinning our programs. The following related manuscripts were recently published:

- Kumar et al. (2024). Triplinones A-H: Anti-inflammatory arylalkenyl α,β-unsaturated- δ-lactones isolated from the leaves of Australian rainforest plant Cryptocarya triplinervis (Lauraceae). Journal of Natural Products 87 (7), 1817-1825
- Raju et al. (2025). Rhodospermals A–G: an Extension to the chemical diversity of compounds possessing a unique spiroketal with a fused α,β-unsaturated δ-Lactone Isolated from the Leaves of Cryptocarya rhodosperma (Lauraceae). Journal of Natural Products 88 (4), 967-974

# Intellectual property portfolio

During the reporting period, two additional patent families were filed – one for novel therapies and the second for novel processes and compounds produced thereby. These applications are yet to enter the national phase and remain unpublished. Once progressed, they will bring the company's total number of patent families to eleven. In parallel, two existing patent families entered the national/regional phase - one covering crystalline forms of EBC-1013 and their production processes, and another relating to combination therapies of tigilanol tiglate with chemotherapeutic agents.

The continued expansion of our patent portfolio reflects a deliberate and strategic focus on securing robust intellectual property protection across our pipeline. Strengthening our intellectual property position is critical to supporting long-term commercialisation objectives, enhancing partnering opportunities, and safeguarding the value of our innovations as we advance our clinical and research programs.

# QBiotics team

Our team's dedication and expertise has been central to the achievement of milestones outlined in this report. We are pleased to have welcomed Stephen Doyle as Chief Executive Officer to lead QBiotics through its next phase of growth.

Mark Fladrich was appointed as Non-executive Chair following the sudden and unexpected passing of our Chair, Dr. Susan Foden. Sue served as Executive Chair through 2023 and 2024, with her oversight instrumental for preserving the Company’s momentum and stability during a leadership transition period.

After long and productive tenures, Professor Bruce Robinson AC and Andrew Denver retired from the board at the Company's Annual General Meeting in November 2024 and Hamish Corlett resigned as Non-executive Director in March 2025. David Phillips assumed the roles of Chair of the Audit and Risk Management Committee and Chair of the Remuneration Committee.

Post period, Sergio Duchini was appointed to the board as a Non-executive Director and subsequently has taken on the role of Chair of the Audit and Risk Management Committee effective from 19 August 2025. Sergio brings deep experience across biotechnology, healthcare and professional services.

In January this year, we appointed Professor Victoria Elegant as Chief Medical Officer on a part-time basis and welcomed Professor Aurelien Marabelle as a consultant and key advisor for the Company's oncology programme. Professor Marabelle will collaborate with QBiotics on the development and strategic direction of our human oncology drug development and commercialisation initiatives. Post period, Professor Elegant concluded her tenure as Chief Medical Officer and Dr Kevin Lynch has since been engaged as consultant Chief Medical Expert.

Operational changes saw an overall decrease to our headcount, and we now retain a highly experienced team of 49 staff members. QBiotics is proud to have a group of employees who believe in the company and its programmes, evidenced by remarkable length of service statistics, with over 42% of the team employed for more than 5 years.

# Corporate overview

In March 2025, we announced the appointment of Jefferies (Australia) Pty Ltd (Jefferies) and Bell Potter Securities Limited (Bell Potter) as Joint Lead Managers (JLMs) to advise and assist QBiotics in pursuing a potential initial public offering (IPO) on the Australian Securities Exchange (ASX) within this calendar year.

While IPO markets remained challenging and volatile during the year ended 30 June 2025, our focus has been firmly on driving long-term value creation for our shareholders. Together with the JLMs, we continue to actively assess the optimal timing for an IPO, with decisions guided by prevailing market conditions, the strength of our operational and clinical achievements, and other key factors to ensure the best outcome for our investors.

Close monitoring of our financial position remains a priority. During the year we continuously monitored our cash burn and implemented ways to cut costs and conserve cash going forward. As of 30 June 2025, cash at bank was $25.8 million, with an average cash burn rate for the year 1 July 2024 to 30 June 2025 of $4.4 million per quarter (2024: $3.9 million per quarter).

**$25.8 million cash at bank as 30 June 2025**

**$7.37 million R&D Tax incentive received**

QBiotics' application for the Australian Federal Government's R&D tax incentives (43.5% refundable as cash) was successful with $7.37 million cash received during the year, related to eligible R&D expenditure incurred during the year ended 30 June 2024.

# 2025-2026 Outlook

As we reflect on a milestone year for QBiotics, we are excited to continue to accelerate clinical momentum in FY 2026. Our focus remains on achieving key milestones that will drive further value creation for our shareholders.

As we commence the 2026 financial year, we have a clear development plan and near-term catalysts for our oncology programme. With Stage 2 of our Phase IIa clinical trial at Memorial Sloan Kettering Cancer Center in New York, US open for recruitment, our Phase II Head and Neck Trial anticipated to report preliminary data later this year and wound healing trial having completed first cohort of dosing, momentum is building across our clinical programmes. We're excited to continue to build on this compelling data we have to bring new treatment options to patients.

It remains a key priority for the team to secure a suitable international industry partner for our human oncology programme and to that end we are actively engaged in discussions with international pharmaceutical companies that recognise the value we have built and the potential of our oncology programme.

We look forward to sharing our progress with you throughout the year.

# 02

# Directors' Report

The directors of QBiotics Group Limited (the "Company" or "QBiotics Group") present their report together with the consolidated financial statements for the year ended 30 June 2025 and the auditor's report thereon.

## 1. Directors

The directors of the Company, their qualifications, experience and special responsibilities at any time during or since the end of the financial year are:

### Mark Fladrich
### BPharm MBA GAICD

**Non-executive Chair**

Mark Fladrich is an experienced pharmaceutical executive with a passion for bringing innovative medicines to patients. He has more than 30 years of experience in the pharmaceutical industry, with over 20 years at AstraZeneca.

Mark brings to QBiotics Group broad global commercial strategy and implementation experience across all phases of the pharmaceutical product lifecycle in a broad range of therapy areas including: oncology, wound healing, respiratory, cardiovascular, diabetes and metabolism, gastrointestinal, psychiatric disorders, antibiotics and pain management.

Mark was most recently Chief Commercial Officer of Grunenthal - a mid-sized privately owned German company specialising in pain management, where he led the commercial organisation - expanding Grunenthal's footprint beyond Europe and Latin America to establish a commercial presence in the US and relaunch an important pain management treatment in that market.

In his 23 years at AstraZeneca, Mark held several senior roles including Vice President Global Strategic Marketing, Country President roles in Germany, Australia and New Zealand and Regional Head of Southern and Western Europe. Prior to joining AstraZeneca, Mark held various roles at Allergan (now part of AbbVie Inc) and Faulding Pharmaceuticals in Australia.

Mark is currently Non-executive Director of Medical Developments International Ltd (ASX: MVP), a global leader in acute pain and respiratory products, and a Board Observer and Strategic Advisor at HealthMatch, a Sydney based digital startup which has developed a platform to enable patients to match themselves to clinical trials. He is also Chair of the Strategic Advisory Board for Atacana, a consulting firm which specialises in competitive intelligence and strategy consulting to the pharmaceutical and biotech industry, currently serving 7 of the top 10 global pharma companies.

Mark holds a Bachelor of Pharmacy (University of South Australia), Master of Business Administration (Macquarie university), and is a member of the Australian Institute of Company Directors.

Mark was appointed as director of QBiotics Group on 20 May 2024.

### Steven Doyle
### M.Sc. B.Sc. (Hons)

**Chief Executive Director & Managing Director**

Stephen Doyle is a global pharmaceutical executive with more than 24 years' experience gained across a range of specialties within the medical and pharmaceutical sectors in both developed and emerging markets. Stephen brings extensive knowledge in leading negotiations for pharmaceutical assets across a range of deal types, licensing deals across multiple geographies and commercialisation strategies.

A pharmacist by training, Stephen has held numerous senior leadership roles at top pharmaceutical companies globally during the past two decades. Starting his career at Janssen Cilag and Novartis in Sydney, he was appointed to lead medical affairs of the Oncology Business Unit at Sanofi Aventis (later Sanofi). Over the next ten years, the expansion of Stephen's remit within Sanofi saw him relocating to Europe and Asia to oversee scientific communications, then commercial operations of the oncology arm in each market. As Vice President of Oncology, Haematology and Transplantation Business Unit in Shanghai, Stephen launched new indications for Sanofi's drug assets across China, while controlling a P&L accountability of €140M to build a high-performing team culture that translated into double-digit brand growth.

During his time at Boehringer Ingelheim, Stephen led the Specialty Care Business Unit (Oncology, Biosimilars and Rare Diseases) and later the Diabetes Business Unit in Shanghai, managing multiple aspects of the operation including new drug launches, launch readiness, partnership and deal negotiation, team and brand management and evaluation. In 2018 Stephen joined Aslan Pharmaceuticals as the General Manager in China, moving to Singapore as Chief Business Officer to support the growth of Aslan's immunology and dermatology assets in late-stage development.

He holds a Master of Science in Clinical Pharmacy from the University of Derby and a Bachelor of Science (Honours) in Pharmacy from the Robert Gordon University.

Stephen was appointed as director of QBiotics Group on 22 October 2024 and is also a director of the QBiotics Group's wholly owned subsidiary companies, QBiotics Pty Ltd, EcoBiotics Pty Ltd, QBiotics Netherlands B.V. and QBiotics UK Limited.

**Dr Paul Reddell**
**BSc (Hons) PhD FAICD**

**Executive Director and Chief Scientific Officer**

Dr Paul Reddell brings to the Company expert scientific knowledge combined with extensive practical experience in leadership, resourcing, management and commercialisation of complex multi-institutional research and development projects. Paul is co-founder of EcoBiotics and QBiotics and has been CSO of both companies since their inception.

Prior to co-founding EcoBiotics in 2000, Paul gained an international reputation for his scientific expertise in tropical forest ecology and management. During that time, he held senior leadership positions as a Senior Principal Research Scientist and Program Leader at CSIRO's Tropical Forest Research Centre and later as Principal Plant Ecologist for an environmental consulting business in the Rio Tinto group of companies.

Paul holds a PhD in Forest Ecology and a Bachelor of Science (1A Honours) from the University of Western Australia. He has been a Fellow of the Australian Institute of Company Directors since 2007.

Paul was appointed as director of QBiotics Group on 24 February 2017 and is also a director of the QBiotics Group's wholly owned subsidiary companies, QBiotics Pty Ltd, EcoBiotics Pty Ltd, QBiotics Netherlands B.V. and QBiotics UK Limited.

### Dr Victoria Gordon
### BAppSc (Hons) PhD GAICD

**Non-executive Director**

Dr Victoria Gordon brings to QBiotics Group a sound scientific background combined with broad business management experience and a strong commercial emphasis. Victoria left her position as a research scientist in chemical ecology with the Commonwealth Scientific and Industrial Research Organisation ("CSIRO") to establish EcoBiotics Pty Ltd ("EcoBiotics") in 2000 and QBiotics in 2004. Victoria also governed the merger of EcoBiotics and QBiotics to form the QBiotics Group in 2017. Victoria's recent additional board experience includes Non-executive Director of Biopharmaceuticals Australia and Non-executive Director and Non-executive Chairman of the Australian Rainforest Foundation. Victoria's relevant committee memberships include two consecutive terms of the Queensland Government Biotechnology Advisory Council, Federal Government Expert Forum on Biomedicine, Federal Government Expert Forum on Environmental Biotechnology, and the Queensland Government Science Education Taskforce. In 2004 Dr Gordon was presented an award by the Queensland Premier for her service to the biotechnology industry.

Victoria has broad experience in the management of commercial research for Boral Timber Division, then one of Australia's largest plantation forestry companies, has owned and managed a number of small businesses and has held lecturing positions in industrial mycology and plant tissue culture at the University of Tasmania.

Victoria holds a PhD in Microbiology, Bachelor of Applied Science in Chemistry and Biology (Honours), Diplomas in Human and Animal Health, and is a Graduate of the Australian Institute of Company Directors.

Victoria was appointed as director of QBiotics Group on 24 February 2017 and is also a director of the QBiotics Group's wholly owned subsidiary companies, QBiotics Pty Ltd, EcoBiotics Pty Ltd, QBiotics Netherlands B.V. and QBiotics UK Limited.

### David Phillips
### BSc (Hons)

**Non-executive Director**

David Phillips brings to QBiotics Group more than four decades of experience in the global healthcare and pharmaceutical industry. David was previously a senior international marketing executive with Glaxo Wellcome (now GlaxoSmithKlein (GSK)) and also a Managing Partner with GSK's Corporate Venture Fund, SR One.

David spent over a decade at Board level and Chief Business Officer roles at Argenta Discovery, The Automation Partnership and Galapagos NV.

In the latter part of his career, David was both an Executive Director and Non-executive Director of Suda Pharmaceuticals (now Arovella, ASX: ALA). He is now Non-executive Chair of Inosi Therapeutics, a spin-out from Monash University developing novel therapeutics for fibrosis.

David has been responsible for capital raisings globally, as well as the execution of over 50 pharmaceutical and biotechnology deals and 10 mergers and acquisitions.

David holds a Bachelor of Science (Hons) in Pharmacology from Kings College, London.

David was appointed as director of QBiotics Group on 20 May 2024.

**Sergio Duchini**
**BCom CA CTA GAICD**

**Non-executive Director**

Sergio Duchini is a seasoned executive and board director with over 30 years' experience across life sciences, biotechnology, healthcare, technology, and professional services. He has held senior leadership roles including Chair, Board Director (Executive and Non-executive), Risk & Audit Committee Chair, and Chief Strategy Officer.

He is currently Non-executive Chair of Neurizon Therapeutics Limited (ASX: NUZ), a clinical-stage biotech company advancing NUZ-001 for amyotrophic lateral sclerosis (ALS) and other neurodegenerative diseases. He also serves as a Non-executive Director and Audit & Risk Committee Chair at Enlitic Inc (ASX: ENL), an AI-driven medical imaging business.

His prior governance roles include Chair of Lymphoma Australia (2019–2024), Non-executive Director and Risk & Audit Committee Chair of AusBiotech, and he was a former Board Member for Deloitte Australia, where he also chaired the Remuneration Committee and was a member of the National Diversity and Inclusion Council.

A former Deloitte Tax Partner of 23 years, Sergio advised on innovation strategy, R&D investments, M&A, and played an important role in the integration of Deloitte Asia Pacific. He now sits on advisory boards for Medicines Australia, Skillfield (a cybersecurity and data analytics firm), and the R&D Incentives Committee for Industry Innovation and Science Australia.

Sergio is a Chartered Accountant, Chartered Tax Adviser and a Graduate of the Australian Institute of Company Directors.

Sergio was appointed as director of QBiotics Group on 1 July 2025.

## 2. Company secretary

**Mr Michael Wenzel**
**BCom FCA CIA GIA(Cert) GAICD**

**Company Secretary and Chief Financial Officer**

Michael joined QBiotics Group in 2011. Prior to this Michael worked for over 13 years in the audit and advisory divisions of KPMG. During this time, he gained a wealth of experience across a range of industries, including biotechnology, as a senior engagement manager, key client contact, and quality control reviewer on a variety of external and internal audits of publicly listed companies, unlisted companies, foreign owned subsidiaries, government entities and not-for profit entities.

Michael holds a Bachelor of Commerce, is a Fellow of Chartered Accountants Australia and New Zealand, a Certified Internal Auditor and an Associate Member of Institute of Internal Auditors – Australia. Michael is a Certificated Member of the Governance Institute of Australia and a Graduate Member of the Australian Institute of Company Directors. Michael is also a Registered Company Auditor.

Michael was appointed Company Secretary on 1 November 2017.

## 3. Directors' meeting attendance

The number of directors' meetings and committee meetings attended by each director during the financial year are:

| Director | Board meetings | | Audit and Risk Committee meetings | | Remuneration Committee meetings | |
|---|---|---|---|---|---|---|
| | A | B | A | B | A | B |
| Mr Mark Fladrich | 8 | 8 | 5 | 5 | 3 | 3 |
| Mr Stephen Doyle[1] | 8 | 8 | 4 | 4 | 3 | 3 |
| Dr Paul Reddell | 7 | 8 | - | - | - | - |
| Dr Victoria Gordon | 8 | 8 | 1 | 1 | 2 | 2 |
| Mr David Phillips | 8 | 8 | 5 | 5 | 4 | 4 |
| Mr Sergio Duchini[2] | - | - | - | - | - | - |
| Dr Susan Foden[3] | 2 | 2 | 2 | 2 | 1 | 1 |
| Mr Andrew Denver[4] | 3 | 4 | 3 | 3 | 1 | 1 |
| Prof Bruce Robinson AC[4] | 3 | 4 | - | - | 1 | 2 |
| Mr Hamish Corlett[5] | 6 | 6 | 4 | 4 | 3 | 3 |

A = Number of meetings attended

B = Number of meetings held during the time the director was eligible to attend or invited to attend

[1] Mr Stephen Doyle was appointed as an executive director on 22 October 2024.

[2] Mr Sergio Duchini was appointed as a non-executive director on 1 July 2025.

[3] Dr Susan Foden ceased to be a director due to unexpected passing on 2 November 2024.

[4] Mr Andrew Denver and Professor Bruce Robinson retired as non-executive directors of the Company at the Annual General Meeting on 22 November 2024.

[5] Mr Hamish Corlett resigned as a non-executive director on 24 March 2025.

## 4. Company particulars

The Company is incorporated in Australia. The address of the registered office is Suite 3A, Level 1, 165 Moggill Road, Taringa Qld 4068.

## 5. Principal activities

The principal activities of the Group, comprising the Company and its subsidiaries (together referred to as "the Group"), during the period was the research, development and commercialisation of biologically active new chemical entities for application as human and veterinary pharmaceuticals.

The Group's primary focus during the year was on the research and development of the anticancer drug tigilanol tiglate and the wound healing drug candidate EBC-1013. The Group also progressed the early-stage research and development programmes for antimicrobial and anti-inflammatory products as well as explore possible non-pharmaceutical products.

The Group's commercialisation activities focused on securing an international licensing or collaboration partner for the tigilanol tiglate human oncology programme and marketing of QBiotics' veterinary oncology pharmaceutical STELFONTA®, through the Group's marketing and distribution partner Virbac.

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

## 6. Operating and financial review

The Group reported a loss for the year ended 30 June 2025 of $20,633,392 (year ended 30 June 2024: $17,510,885) and recognised a R&D tax incentive of $6,476,542 for the year ended on that date (year ended 30 June 2024: $7,401,963) which the Group will claim at the end of the financial year.

## 7. Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

## 8. Likely developments

The Group will continue to undertake research, development and commercialisation of biologically active new chemical entities for application as human and veterinary pharmaceuticals. Information on likely developments in the operations of the Group is included in the Year in Review section on page 8.

## 9. Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

## 10. Indemnification and insurance of officers and auditors

### (a) Indemnification

To the extent permitted by law and subject to the restrictions in section 199A of the *Corporations Act 2001*, the Group indemnifies and must continually indemnify every person who is or has been an officer of the Group (including a director or secretary) against liability (including liability for costs and expenses) incurred by that person as an officer of the Group where the Group requested the officer to accept that appointment, except where the liability arises out of conduct involving a lack of good faith.

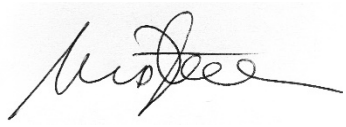
### (b) Insurance premiums

The Group has paid insurance premiums in respect of directors' and officers' liability insurance contracts for current directors and officers, including company secretaries and officers or holders of equivalent positions in any jurisdiction of the Group. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

## 11. Auditor's independence declaration

The auditor's independence declaration (made under section 307C of the *Corporations Act 2001*) is set out on page 55 and forms part of this directors' report for the year ended 30 June 2025.

This directors' report is made out in accordance with a resolution of the directors:



Mark Fladrich
*Chair*

Dated at Brisbane this 18th day of August 2025.

# 03

# Consolidated Financial Statements

## QBiotics Group Limited

# Consolidated statement of profit or loss and other comprehensive income

## For the year ended 30 June 2025

| | Note | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| Revenue | 4 | 838,533 | 1,284,777 |
| Government grants | 5 | 6,476,542 | 7,401,963 |
| Other income | | 16,484 | 15,400 |
| | | 7,331,559 | 8,702,140 |
| **Expenses** | | | |
| Changes in inventories | | 187,945 | 148,644 |
| Inventory purchases | | 193,468 | 295,184 |
| Write-downs of inventories to net realisable value | 11 | 1,373,550 | 102,271 |
| Business compliance and advisory expenses | | 1,116,133 | 689,076 |
| Depreciation and amortisation expenses | | 924,335 | 896,655 |
| Facilities expenses | | 256,184 | 259,781 |
| Personnel expenses | 18(b) | 11,199,799 | 11,768,470 |
| Research and development contractors and related expenses | | 11,667,799 | 11,695,500 |
| Marketing contractors and regulatory expenses | | 1,040,907 | 1,031,281 |
| Technology and communications expenses | | 500,487 | 431,655 |
| Travel and accommodation expenses | | 1,109,954 | 649,934 |
| Other expenses | | 341,400 | 279,830 |
| Total expenses | | 29,911,961 | 28,248,281 |
| **Results from operating activities** | | **(22,580,402)** | **(19,546,141)** |
| Finance income | | 2,006,986 | 2,135,764 |
| Finance costs | | (59,976) | (100,508) |
| Net finance income | | 1,947,010 | 2,035,256 |
| **Loss before tax** | | **(20,633,392)** | **(17,510,885)** |
| Tax expense | 6(a) | - | - |
| Loss for the year | | (20,633,392) | (17,510,885) |
| Other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | **(20,633,392)** | **(17,510,885)** |
| **Attributable to:** | | | |
| Owners of the Company | | (20,633,392) | (17,510,885) |
| | | **Cents** | **Cents** |
| **Earnings per share:** | | | |
| Basic earnings per share | 7(a) | (4.22) | (3.59) |
| Diluted earnings per share | 7(b) | (4.22) | (3.59) |

The notes on pages 22 to 50 are an integral part of these financial statements.

## QBiotics Group Limited

### Consolidated statement of changes in equity

### For the year ended 30 June 2025

| | Note | Attributable to owners of the Company | | | |
|---|---|---|---|---|---|
| | | Share capital $ | Share-based payments reserve $ | Accumulated losses $ | Total equity $ |
| Balance at 1 July 2023 | | 189,605,357 | 3,610,941 | (120,488,093) | 72,728,205 |
| **Total comprehensive income for the year** | | | | | |
| Loss for the year | | - | - | (17,510,885) | (17,510,885) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the year | | - | - | (17,510,885) | (17,510,885) |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | |
| *Contributions by owners* | | | | | |
| Options exercised | 20 | 329,081 | (329,081) | - | - |
| Share-based payment transactions | 19,20 | 54,995 | 470,007 | - | 525,002 |
| Transfer to accumulated losses | 20 | - | (754,027) | 754,027 | - |
| Total contributions by owners of the Company | | 384,076 | (613,101) | 754,027 | 525,002 |
| **Balance at 30 June 2024** | | **189,989,433** | **2,997,840** | **(137,244,951)** | **55,742,322** |
| Balance at 1 July 2024 | | 189,989,433 | 2,997,840 | (137,244,951) | 55,742,322 |
| **Total comprehensive income for the year** | | | | | |
| Loss for the year | | - | - | (20,633,392) | (20,633,392) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the year | | - | - | (20,633,392) | (20,633,392) |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | |
| *Contributions by owners* | | | | | |
| Options exercised | 20 | 755,983 | (755,983) | - | - |
| Share-based payment transactions | 19,20 | 98,240 | 760,598 | - | 858,838 |
| Transfer to accumulated losses | 20 | - | (250,387) | 250,387 | - |
| Total contributions by owners of the Company | | 854,223 | (245,772) | 250,387 | 858,838 |
| **Balance at 30 June 2025** | | **190,843,656** | **2,752,068** | **(157,627,956)** | **35,967,768** |

The notes on pages 22 to 50 are an integral part of these financial statements.

## QBiotics Group Limited

### Consolidated statement of financial position

As at 30 June 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 8 | 10,293,631 | 6,927,293 |
| Term deposits | 9 | 15,461,142 | 36,551,970 |
| Trade and other receivables | 10 | 7,005,757 | 8,196,459 |
| Contract assets | 4(b) | 332,732 | 455,726 |
| Inventories | 11 | 589,793 | 838,961 |
| Prepayments | 12 | 2,936,228 | 1,437,356 |
| **Total current assets** | | **36,619,283** | **54,407,765** |
| | | | |
| Contract assets | 4(b) | 152,894 | 521,208 |
| Inventories | 11 | - | 1,312,327 |
| Prepayments | 12 | - | 1,813,791 |
| Property, plant and equipment | 13 | 3,015,616 | 3,245,403 |
| Right-of-use assets | 14 | 391,808 | 791,006 |
| Intangible assets | 15 | 358,101 | 394,595 |
| **Total non-current assets** | | **3,918,419** | **8,078,330** |
| **Total assets** | | **40,537,702** | **62,486,095** |
| | | | |
| **Liabilities** | | | |
| Contract liabilities | 4(b) | - | 91,345 |
| Trade and other payables | 16 | 2,227,064 | 3,231,513 |
| Lease liabilities | 17 | 330,000 | 588,291 |
| Employee benefits | 18 | 1,589,359 | 1,980,624 |
| **Total current liabilities** | | **4,146,423** | **5,891,773** |
| | | | |
| Contract liabilities | 4(b) | - | 91,346 |
| Lease liabilities | 17 | 107,600 | 317,304 |
| Provisions | | 26,106 | 24,225 |
| Employee benefits | 18 | 289,805 | 419,125 |
| **Total non-current liabilities** | | **423,511** | **852,000** |
| **Total liabilities** | | **4,569,934** | **6,743,773** |
| **Net assets** | | **35,967,768** | **55,742,322** |
| | | | |
| **Equity** | | | |
| Share capital | 19 | 190,843,656 | 189,989,433 |
| Share-based payments reserve | 20 | 2,752,068 | 2,997,840 |
| Accumulated losses | | (157,627,956) | (137,244,951) |
| **Total equity** | | **35,967,768** | **55,742,322** |

The notes on pages 22 to 50 are an integral part of these financial statements.

## QBiotics Group Limited
## Consolidated statement of cash flows
## For the year ended 30 June 2025

| | Note | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash received from: | | | |
| Government grants | | 7,366,757 | 8,635,348 |
| Customers | | 1,286,737 | 868,574 |
| GST refunds | | 781,646 | 637,531 |
| Other income | | 8,008 | 2,150 |
| Cash paid to suppliers and employees | | (28,307,910) | (27,367,154) |
| Net cash used in operating activities | 22 | (18,864,762) | (17,223,551) |
| | | | |
| **Cash flows from investing activities** | | | |
| Interest received | | 1,925,340 | 2,551,600 |
| Transfer from term deposits | | 21,090,828 | 16,413,997 |
| Proceeds from sale of property, plant and equipment | | 56,546 | 60,000 |
| Acquisition of property, plant and equipment | 13 | (247,283) | (403,143) |
| Net cash from investing activities | | 22,825,431 | 18,622,454 |
| | | | |
| **Cash flows from financing activities** | | | |
| Payment of lease liabilities | 17 | (594,331) | (601,788) |
| Net cash used in financing activities | | (594,331) | (601,788) |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | 3,366,338 | 797,115 |
| Cash and cash equivalents at 1 July | | 6,927,293 | 6,130,178 |
| **Cash and cash equivalents at 30 June** | 8 | **10,293,631** | **6,927,293** |

Cash and cash equivalents at 30 June 2025 referred to above does not include term deposits of $15,461,142 (2024: $36,551,970) disclosed separately in the statement of financial position.

The notes on pages 22 to 50 are an integral part of these financial statements.

## 1. Corporate information

QBiotics Group Limited (the "Company" or "QBiotics Group") is a public unlisted company domiciled in Australia. The address of the Company's registered office is Suite 3A, Level 1, 165 Moggill Road, Taringa Qld 4068. These consolidated financial statements ("financial statements") as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as "the Group"). As at 30 June 2025, the Company had four, wholly-owned legal subsidiaries: QBiotics Pty Ltd ("QBiotics"), EcoBiotics Pty Ltd ("EcoBiotics"), QBiotics Netherlands B.V. ("QBiotics Netherlands") and QBiotics UK Limited ("QBiotics UK").

The Group is for-profit and is primarily involved in the development of pharmaceuticals for the human and veterinary markets.

At 30 June 2025 the Company has 2,600 shareholders (2024: 2,595) and is a disclosing entity.

## 2. Basis of preparation

### (a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Board of Directors on the date shown on the directors' declaration.

### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

### (c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised and disclosed in the financial statements is included in the following notes:

- Note 4 – Revenue
- Note 5 – Government grants
- Note 6 – Taxes
- Note 11 – Inventory
- Note 17 – Lease liabilities
- Note 19 – Share capital and
- Note 20 – Share-based payments reserve

### (d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the functional currency of QBiotics Group, QBiotics, EcoBiotics, QBiotics Netherlands and QBiotics UK.

Foreign exchange gains of $320,815 (2024: losses of $37,301) are included within finance income in the consolidated statement of profit or loss and other comprehensive income.

## 2. Basis of preparation (continued)

### (e) Going concern

The consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business.

The Group has a history of losses. For the year ended 30 June 2025, the Group incurred a loss of $20,633,392 (2024: $17,510,885) and had net cash outflows from operating activities of $18,864,762 (2024: $17,223,551). As of 30 June 2025, the Group had cash and cash equivalents and term deposits of $25,754,773 (2024: $43,479,263) and net current assets of $32,472,860 (2024: $48,515,992).

The ability of the Group to continue as a going concern and be able to pay its debts as and when they fall due is contingent upon periodic capital raising to support research and development activities. To that end, the Group monitors cashflow closely against a detailed cashflow forecast which is periodically updated in line with actuals and changes in anticipated future spend to ensure the Group operates as a going concern. The combined cash position and forecast is reviewed by the Directors who continue to assess the funding requirements of the Group, including the potential to raise capital or consider other sources of financing, if required.

On 25 March 2025 the Group announced the appointment of joint lead managers to advise upon and assist with a potential initial public offering (IPO) on the Australian Securities Exchange in the 2025 calendar year. The Group continues to consult with all its advisors to determine the optimal timing for a capital raise or other sources of funding. Any decision including the timing of the IPO will be made in due course, subject to market conditions and other relevant factors.

Should additional funding not be obtained there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements. The Directors believe that the Group will be successful in obtaining a capital raise and accordingly have prepared the accounts on a going concern basis. No adjustments have been made to the financial statements relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should the group not continue as a going concern.

## 3. Operating segments

### (a) Basis of segmentation

The Board has been identified as the Group's chief operating decision maker. The Board assesses the financial performance and position of the Group and makes strategic decisions. The Group is primarily involved in the development of pharmaceuticals for the human and veterinary markets and has one revenue generating product, STELFONTA®. Consequently, the Group only has one reportable operating segment. All assets and liabilities are attributable to the single segment.

### (b) Geographic information

The geographic information analyses the Group's revenue and non-current assets by the company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

| | Revenue by location of customer | | Non-current assets by location of asset | |
|---|---|---|---|---|
| | 2025 $ | 2024 $ | 2025 $ | 2024 $ |
| Australia | - | - | 3,762,500 | 4,479,065 |
| US | 981,049 | (32,651) | 53,814 | 53,441 |
| France | (142,516) | 1,317,428 | 99,080 | 467,767 |
| Italy | - | - | - | 1,193,767 |
| United Kingdom | - | - | 3,025 | 70,499 |
| | 838,533 | 1,284,777 | 3,918,419 | 6,264,539 |

## 3. Operating segments (continued)

### (c) Major customer

Revenues from one customer of the Group's commercial segment represents all of the Group's total revenues.

## 4. Revenue

### (a) Disaggregated revenue

| The Group's revenue disaggregated is as follows: | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Point in time** | | | |
| Fixed fee product sales | | 796,730 | 713,958 |
| Variable consideration - sales-based revenues | 4(b)(i) | (140,888) | 369,522 |
| Variable consideration - milestone revenues | | 182,691 | 201,297 |
| **Total drug sale revenue** | | **838,533** | **1,284,777** |

### (b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

| | | |
|---|---|---|
| Contract assets | 332,732 | 976,934 |
| Contract liabilities | - | (182,691) |
| **Total contract balance** | **332,732** | **794,243** |

The Group has contractual arrangements in place with a customer relating to the sale, marketing and distribution of STELFONTA®. The contract assets primarily relate to the Group's rights to sales-based revenue for product delivered at the reporting date. The amount of the contract asset is based on future sales of the product by the customer and is estimated using the contract terms and the most likely sales outcomes. The contract assets will be transferred to receivables when the rights become unconditional. The rights become unconditional at 31 December each year in respect of the sales during the preceding 12 months.

The contract liabilities related to two milestone payments received from the customer relating to the sale, marketing and distribution of STELFONTA® for which revenue is recognised. The amounts have been recognised into revenue between February 2020 and June 2025 when product is shipped by the Group to the customer.

### (i) Contract assets

| | | |
|---|---|---|
| Balance at 1 July | 976,934 | 789,293 |
| Revenue recognised | (140,888) | 369,521 |
| Amount invoiced | (438,639) | (173,925) |
| Foreign exchange movements in asset | 88,219 | (7,955) |
| **Balance at 30 June** | **485,626** | **976,934** |
| | | |
| Current contract assets | 332,732 | 455,726 |
| Non-current contract assets | 152,894 | 521,208 |
| **Total contract assets** | **485,626** | **976,934** |

During the year ended 30 June 2025, contract assets related to sales-based revenue were remeasured to reflect the customers likely sales outcomes. This resulted in a decrease to contract assets in the current year of $140,888.

## 4. Revenue (continued)

### (b) Contract balances (continued)

### (ii) Contract liabilities

| | 2025 $ | 2024 $ |
|---|---|---|
| Balance at 1 July | 182,691 | 383,988 |
| Contract liability recognised in revenue | (182,691) | (201,297) |
| **Balance at 30 June** | **-** | **182,691** |
| | | |
| Current contract liability | - | 91,345 |
| Non-current contract liability | - | 91,346 |
| **Total contract liabilities** | **-** | **182,691** |

### (c) Performance obligations and revenue recognition policies

All of the Company's revenues are sourced from one customer. Revenue is measured based on the consideration specified in contracts with the customer. The Group recognises revenue when it transfers control over a good or service to its customer.

Information about the nature and timing of the satisfaction of performance obligations in contracts with its customer, including significant payment terms, and the related revenue recognition policies are set out below.

Under the terms of the contracts with its customer, the Group has three forms of consideration: (i) drug product sales, (ii) sales-based revenue, and (iii) milestone payments. While the contract with its customer outlines a number of forms of consideration, the Group has concluded that there is only one performance obligation and the three forms of consideration are effectively recognised based on the actual product delivered and measured at a point in time.

### (i) Drug product sales

QBiotics' customer obtains control of the drug product when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time based on fixed unit prices. Invoices are usually payable within 60 days. No discounts are provided for under the contracts.

*Revenue recognition policies*

Revenue is recognised when the goods are delivered and have been accepted by the customer at their premises.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of revenue recognised for the contract will not occur, in which instance, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for the specific type of product. In these circumstances, a refund liability and an asset representing the right to recover returned goods are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included as a right of return asset. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

### (ii) Sales-based revenue

In addition to drug product sales, sales-based revenue is based on a percentage of the customer's sale of the drug product as set out in the contracts with the customer and is therefore considered variable consideration. Invoices are generated following the completion of the customer's year-end audit and are usually payable within 60 days.

## 4. Revenue (continued)

### (c) Performance obligations and revenue recognition policies (continued)

#### (ii) Sales-based revenue (continued)

*Revenue recognition policies*

Sales-based revenue not yet invoiced under the contract are recorded as contract assets within the consolidated statement of financial position. Amounts expected to be invoiced within the 12 months following the end of the financial period are classified as current assets. Amounts not expected to be invoiced within 12 months following the end of the financial period are classified as non-current assets. Where recognition as revenue has occurred more than 12 months prior to invoicing, consideration is made as to the whether a financing arrangement has been entered into. At reporting date, no such contracts have been identified.

#### (Iii) Milestone payments

Under the terms of the contracts with the customer, the receipt of milestone payments is contingent on meeting certain regulatory or commercial targets and is therefore considered variable consideration. Invoices are generated following the achievement of the regulatory or commercial target and are usually payable within 60 days.

*Revenue recognition policies*

Milestone payments that are contingent upon events not within the control of the Group, such as regulatory approvals, are considered subject to constraint and not recognised until they are highly probable of being achieved. When consideration for milestones is able to be reliably estimated and not constrained, revenue is recognised based on the volume of sales made during the period with reference to the total forecast sales volume over the life of the contract.

Milestone payments received prior to satisfying the revenue recognition criteria are recorded as contract liabilities within the consolidated statement of financial position. Amounts expected to be recognised as revenue within the 12 months following the end of the financial period are classified as current liabilities. Amounts not expected to be recognised as revenue within 12 months following the end of the financial period are classified as non-current liabilities. Where recognition as revenue is expected to extend beyond 12 months following the date of the contract becoming effective, consideration is made as to the whether a financing arrangement has been entered into. At reporting date, no such contracts have been identified.

## 5. Government grants

### (a) Research and development tax incentive

The Group undertakes research and development activities which are eligible for tax incentives under the Australian Government's *R&D Tax Incentive* at the rate of 43.5% (2024: 43.5%) of eligible research and development costs. Management assesses the Group's activities and expenditures to determine which are eligible for the incentive. Where expenditure is incurred outside Australia, an "overseas finding" must be obtained from AusIndustry in order for the expenditure to be eligible for the incentive. Incentives are only recognised in profit or loss once an overseas finding certificate has been received in respect of activities undertaken overseas.

Eligible research and development costs incurred during the year include expenses from all expenditure categories disclosed by nature in the statement of profit or loss and other comprehensive income.

At 30 June 2025 an amount of $6,476,542 (2024: $7,401,963) has been recognised as a government grant. A further $1,170,385 (2024: $nil) has not been recognised as the Group has not yet received the required overseas finding certificate for which an application has been lodged and is awaiting approval.

### (b) Material accounting policies – government grants

#### (i) Tax incentives

The Group recognises R&D tax incentives as a government grant when there is reasonable assurance that the grant will be received and all conditions have been complied with. The grant is recognised in profit or loss on a systematic basis over the periods in which the Group recognised as expenses the related eligible research and development activities which the grant is intended to compensate.

## 5. Government grants (continued)

### (b) Material accounting policies – government grants (continued)

### (ii) Other government grants and incentives

Other government grants and incentives are recognised when there is reasonable assurance that the grant will be received, and all conditions have been complied with.

## 6. Taxes

### (a) Tax expense

### (i) Tax recognised in profit or loss

| | 2025 $ | 2024 $ |
|---|---|---|
| Current year tax expense | - | - |
| Deferred tax expenses | | |
| Origination and reversal of temporary differences | 226,655 | (544,768) |
| Change in unrecognised deductible temporary difference | (226,655) | 544,768 |
| | - | - |
| **Total tax expense** | **-** | **-** |

### (ii) Tax recognised directly in equity

| | | |
|---|---|---|
| Origination and reversal of temporary differences | (49,206) | (83,877) |
| Change in unrecognised deductible temporary differences | 49,206 | 83,877 |
| **Total tax recognised directly in equity** | **-** | **-** |

### (b) Reconciliation between tax expense and loss before tax

| | | |
|---|---|---|
| Loss before tax | (20,633,392) | (17,510,885) |
| Tax benefit using the expected, future domestic corporation tax rate of 25% (2024: 25%) | (5,158,348) | (4,377,721) |
| Increase/(decrease) in tax expense due to: | | |
| Non-temporary differences: | | |
| Non-assessable government grant | (1,619,136) | (1,850,491) |
| Capital raising cost deduction | (49,206) | (83,877) |
| Non-deductible expenses | 291,780 | 154,591 |
| Research and development offset claimed | 3,722,151 | 4,254,001 |
| Impact of lower overseas tax rate | 31,706 | 77,675 |
| | (2,781,053) | (1,825,822) |
| Current year unrecognised temporary differences | 226,655 | (544,768) |
| Reduction in tax rate on overseas losses | (2,529) | - |
| Prior year differences in tax losses | (57,273) | (113,967) |
| Current year losses for which no deferred tax asset was recognised | 2,614,200 | 2,484,557 |
| **Tax expense** | **-** | **-** |

### (c) Unrecognised deferred tax assets and liabilities

| | | |
|---|---|---|
| A deferred tax asset has not been recognised in respect of the following items: | | |
| Temporary differences | 29,307,971 | 28,846,508 |
| Tax losses | 16,846,903 | 14,349,868 |
| **Total unrecognised deferred tax assets and liabilities** | **46,154,874** | **43,196,376** |

## 6. Taxes (continued)

### (c) Unrecognised deferred tax assets and liabilities (continued)

| Unrecognised deductible temporary differences | 2025 $ | 2024 $ |
|---|---|---|
| Unrecognised deductible temporary differences exist in respect of the following items: | | |
| Temporary differences impacting profit or loss | 2,731,598 | 2,220,929 |
| Temporary differences impacting profit or loss – on disposal only | 26,576,373 | 26,576,373 |
| Temporary differences impacting equity | - | 49,206 |
| **Total unrecognised deductible temporary differences** | **29,307,971** | **28,846,508** |

The deductible temporary differences and tax losses do not expire under current tax legislation. Net deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise these benefits.

### (d) Material accounting policies - taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

#### (i) Deferred tax

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (ii) Tax exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

#### (iii) Tax consolidation

From 1 August 2017, the Company and its wholly-owned Australian resident subsidiaries are part of a tax-consolidated group under Australian tax law. QBiotics Group is the head entity in the tax-consolidated group (the "Head Company").

Current tax liabilities and assets, and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Head Company.

## 7. Earnings per share

### (a) Basic earnings per share

The calculation of basic earnings per share for the year ended 30 June 2025 was based on the loss attributable to ordinary shareholders of $20,633,392 (2024: loss of $17,510,885) and a weighted average number of ordinary shares calculated as follows:

| Weighted average number of ordinary shares | 2025 # | 2024 # |
|---|---|---|
| Issued ordinary shares at 1 July | 488,429,663 | 488,010,385 |
| Effect of ordinary shares issued during the year | 66,058 | 171,440 |
| **Weighted average number of shares** | **488,495,721** | **488,181,825** |

### (b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 30 June 2025 was based on the loss attributable to ordinary shareholders of $20,633,392 (2024: loss of $17,510,885) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2025 of 488,495,721 (2024: 488,181,825).

At 30 June 2025 and 30 June 2024 all ordinary share options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

## 8. Cash and cash equivalents

| | 2025 $ | 2024 $ |
|---|---|---|
| Petty cash | 1,200 | 9,517 |
| Bank balances | 10,292,431 | 6,917,777 |
| **Cash and cash equivalents in the statement of cash flows** | **10,293,631** | **6,927,293** |

## 9. Term deposits

The Group holds a variety of short-term term deposits at major Australian banks totalling $15,461,142 at 30 June 2025 (2024: $36,551,970). Term deposits with a maturity of less than 90 days are presented as cash equivalents. The term deposits bear interest rates ranging between 4.15% and 5.03% (2024: 4.70% and 5.18%) and have maturity dates ranging from 3 July 2025 to 25 June 2026 (2024: 5 July 2024 to 25 June 2025). Term deposits totalling $161,142 (2024: $165,566) secure bank guarantees related to our Cairns and Taringa premise leases.

## 10. Trade and other receivables

| | | |
|---|---|---|
| Trade receivables | 202,236 | 274,351 |
| Accrued interest | 295,429 | 523,800 |
| Amount due from related party (Note 23) | 13,100 | - |
| R&D Tax Incentive receivable | 6,508,092 | 7,398,308 |
| **Total trade and other receivables** | **7,005,757** | **8,196,459** |

## 11. Inventories

| | 2025 $ | 2024 $ |
|---|---|---|
| Current | 589,793 | 838,961 |
| Non-current | - | 1,312,327 |
| **Total inventories** | **589,793** | **2,151,288** |
| | | |
| Raw materials | - | 118,560 |
| Work in progress | 589,793 | 1,665,121 |
| Finished goods | - | 367,607 |
| **Total inventories** | **589,793** | **2,151,288** |
| | | |
| Gross inventories | 2,526,843 | 3,077,645 |
| Less write-downs of inventories to net realisable value | (1,937,050) | (926,357) |
| **Total inventories** | **589,793** | **2,151,288** |

Finished goods valued at $220,892 were sold and included in profit and loss as an expense in Changes in inventories (2024: $221,861).

The write-downs of inventories to net realisable value increased by $1,010,693 during the year ended 30 June 2025 due to recognising:

- $309,345 as a write-down of raw materials and finished goods;
- $1,065,306 as a write-down of work in progress; and
- $363,958 as a reversal of prior year write-downs for finished goods valued at $91,738 and work in progress valued at $271,119 disposed of due to expiry and finished goods valued at $1,101 were used in testing. The reversal of the write-down of inventory disposed of had no effect on profit or loss for the year ended 30 June 2025.

### (a) Material accounting policies - inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Each class of inventory is assessed at period end and it is identified whether the inventory holding represents a "normal operating cycle". Where the inventory is deemed to be representative of a normal operating cycle, the inventory is classified as current. Should any inventories be identified that exhibit characteristics that diverge from what would be expected in a normal operating cycle, then the inventory level is assessed against planned usage, and any amounts exceeding the anticipated usage within 12 months from the end of the accounting period are classified as non-current.

## 12. Prepayments

| | | |
|---|---|---|
| Current | 2,936,228 | 1,437,356 |
| Non-current | - | 1,813,791 |
| **Total prepayments** | **2,936,228** | **3,251,147** |
| | | |
| Human clinical trial down payments | 2,157,511 | 2,684,748 |
| Other down payments and deposits | 86,183 | 200,247 |
| Prepayments | 692,534 | 366,152 |
| **Total prepayments** | **2,936,228** | **3,251,147** |

## 13. Property, plant and equipment

| Cost | Land and buildings $ | Plant and equip-ment $ | Furniture and fittings $ | Computer system $ | Assets under con-struction $ | Total $ |
|---|---|---|---|---|---|---|
| Balance at 1 July 2023 | 3,164,394 | 1,419,811 | 71,498 | 232,670 | - | 4,888,373 |
| Additions | 63,217 | 298,559 | - | 17,599 | 23,768 | 403,143 |
| Disposals | - | (86,994) | - | (51,732) | - | (138,726) |
| Balance at 30 June 2024 | 3,227,611 | 1,631,376 | 71,498 | 198,537 | 23,768 | 5,152,790 |
| | | | | | | |
| Balance at 1 July 2024 | 3,227,611 | 1,631,376 | 71,498 | 198,537 | 23,768 | 5,152,790 |
| Additions | 77,681 | 97,688 | - | 70,242 | 1,672 | 247,283 |
| Disposals | - | (116,071) | - | (46,066) | - | (162,137) |
| **Balance at 30 June 2025** | **3,305,292** | **1,612,993** | **71,498** | **222,713** | **25,440** | **5,237,936** |
| **Accumulated depreciation and impairment losses** | | | | | | |
| Balance at 1 July 2023 | 669,919 | 773,077 | 32,966 | 131,469 | - | 1,607,431 |
| Depreciation for the year | 155,798 | 184,129 | 4,998 | 52,426 | - | 397,351 |
| Disposals | - | (45,664) | - | (51,731) | - | (97,395) |
| Balance at 30 June 2024 | 825,717 | 911,542 | 37,964 | 132,164 | - | 1,907,387 |
| | | | | | | |
| Balance at 1 July 2024 | 825,717 | 911,542 | 37,964 | 132,164 | - | 1,907,387 |
| Depreciation for the year | 152,207 | 217,071 | 4,597 | 52,160 | - | 426,035 |
| Disposals | - | (67,920) | - | (43,182) | - | (111,102) |
| **Balance at 30 June 2025** | **977,924** | **1,060,693** | **42,561** | **141,142** | **-** | **2,222,320** |
| **Carrying amounts** | | | | | | |
| At 1 July 2023 | 2,494,475 | 646,734 | 38,532 | 101,201 | - | 3,280,942 |
| At 30 June 2024 | 2,401,894 | 719,834 | 33,534 | 66,373 | 23,768 | 3,245,403 |
| **At 30 June 2025** | **2,327,368** | **552,300** | **28,937** | **81,571** | **25,440** | **3,015,616** |

### (a) Material accounting policies - property, plant and equipment

### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

### (ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

### (iii) Assets under construction

During the year, the Company incurred costs of $1,672 (2024: $23,768) related to establishing bearer plants on its plantation. Once the bearer plants are mature, these costs will be depreciated over their anticipated useful life. At year end there is no fruit on the bearer plants and therefore no biological asset to be accounted for.

## 13. Property, plant and equipment (continued)

### (a) Material accounting policies - property, plant and equipment (continued)

### (iv) Depreciation

Land is not depreciated. The estimated useful lives in the current and comparative year of items of property, plant and equipment are as follows:

- Buildings 3 – 40 years
- Plant and equipment 2 – 15 years
- Furniture and fittings 5 – 20 years
- Computer system 2 – 9 years

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

### (v) Impairment

See Note 15(b)(iv).

## 14. Right of use assets

The Group leases assets including land and buildings and office equipment (Note 17). Information about the right-of-use assets resulting from the leases for which the Group is a lessee is presented below:

| | Land and buildings $ | Office Equipment $ | Total $ |
|---|---|---|---|
| Balance at 1 July 2023 | 1,043,015 | 1,508 | 1,044,523 |
| Additions | 332,601 | 11,580 | 344,181 |
| Disposals | (112,891) | (1,172) | (114,063) |
| Depreciation | (481,369) | (2,266) | (483,635) |
| **Balance at 30 June 2024** | **781,356** | **9,650** | **791,006** |
| | | | |
| Balance at 1 July 2024 | 781,356 | 9,650 | 791,006 |
| Additions | 80,028 | - | 80,028 |
| Depreciation | (476,910) | (2,316) | (479,226) |
| **Balance at 30 June 2025** | **384,474** | **7,334** | **391,808** |

## 15. Intangible assets

| Cost | Intellectual property $ | Trademarks $ | Water licences $ | Total $ |
|---|---|---|---|---|
| Balance at 1 July 2023 | 6,899,663 | 109,624 | 140,569 | 7,149,856 |
| Balance at 30 June 2024 | 6,899,663 | 109,624 | 140,569 | 7,149,856 |
| | | | | |
| Balance at 1 July 2024 | 6,899,663 | 109,624 | 140,569 | 7,149,856 |
| **Balance at 30 June 2025** | **6,899,663** | **109,624** | **140,569** | **7,149,856** |

## 15. Intangible assets (continued)

| Amortisation and impairment losses | Intellectual property $ | Trademarks $ | Water licences $ | Total $ |
|---|---|---|---|---|
| Balance at 1 July 2023 | 6,639,888 | 76,456 | - | 6,716,344 |
| Amortisation for the year | 30,701 | 8,216 | - | 38,917 |
| Balance at 30 June 2024 | 6,670,589 | 84,672 | - | 6,755,261 |
| | | | | |
| Balance at 1 July 2024 | 6,670,589 | 84,672 | - | 6,755,261 |
| Amortisation for the year | 28,339 | 8,155 | - | 36,494 |
| **Balance at 30 June 2025** | **6,698,928** | **92,827** | **-** | **6,791,755** |
| **Carrying amounts** | | | | |
| At 1 July 2023 | 259,775 | 33,168 | 140,569 | 433,512 |
| At 30 June 2024 | 229,074 | 24,952 | 140,569 | 394,595 |
| **At 30 June 2025** | **200,735** | **16,797** | **140,569** | **358,101** |

### (a) Amortisation charge

The amortisation and losses on abandonment are recognised in "Depreciation and amortisation expenses" in the statement of profit or loss and other comprehensive income.

### (b) Material accounting policies - intangible assets

### (i) Recognition and measurement

| | |
|---|---|
| Research and development | Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. |
| Patents | All patent costs incurred in acquiring and extending patents are expensed as incurred except to the extent such costs relate to research and development projects which satisfy the above recognition requirements for development costs. Subsequent to initial recognition, patents are measured at cost less accumulated amortisation and any accumulated impairment losses. |
| Intellectual property | Other intellectual property has a finite useful life and is measured at cost less accumulated amortisation and any accumulated impairment losses. |
| Trademarks | Trademarks have a finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment losses. |
| Water licences | Water licences have an indefinite useful life as they do not expire and can be sold. Water licences are measured at cost less accumulated impairment losses. |

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

### (iii) Amortisation

Finite-live intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use, that is, when they are in a condition necessary for them to be capable of operating in the manner intended by management. Water licences are not amortised.

## 15. Intangible assets (continued)

### (b) Material accounting policies - intangible assets (continued)

### (iii) Amortisation (continued)

The estimated useful lives for the current and comparative year are as follows:

- Intellectual property 4 – 15 years
- Trademarks 10 years

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

### (iv) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Water licences are tested annually for impairment by reference to current market prices.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to dispose. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. No impairment is reversed in respect of goodwill.

## 16. Trade and other payables

| | 2025 $ | 2024 $ |
|---|---|---|
| Accrued expenses | 1,404,468 | 2,677,486 |
| Trade and other payables | 822,596 | 554,027 |
| **Total trade and other payables** | **2,227,064** | **3,231,513** |

## 17. Lease liabilities

| | | |
|---|---|---|
| Current lease liabilities | 330,000 | 588,291 |
| Non-current lease liabilities | 107,600 | 317,304 |
| **Total lease liabilities** | **437,600** | **905,595** |

During the year ended 30 June 2025, $45,132 of interest on lease liabilities was recognised and included in financing costs (2024: $79,821). Lease payments for the year totalled $594,331 (2024: $601,788).

During the year, there was a CPI increase on the Company's leased lab premise which resulted in an increase to the lease liability and the related right of use asset of $3,724.

## 17. Lease liabilities (continued)

On 13 June 2025, QBiotics Group signed a new lease for its Yungaburra office premise with Dr Gordon and Dr Reddell (Note 23). The lease has a one-year term plus a one-year option which the Group expects to exercise. The lease liability was measured using an interest rate of 6.0% and a lease life of 25 months, as the decision to enter the new lease was made in May 2025. As a result, both the lease liability and the right of use asset (Note 15) were increased by $76,304.

### (a) Future minimum lease payments

The Group has leases for its premises in Yungaburra, Taringa and Cairns as well as some office equipment. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 were as follows:

| | Minimum lease payments due | | |
|---|---|---|---|
| | Within one year | One to five years | Total |
| **30 June 2025** | $ | $ | $ |
| Lease payments | 330,000 | 128,316 | 458,316 |
| Finance charges | (17,140) | (3,576) | (20,716) |
| **Net present values** | **312,860** | **124,740** | **437,600** |
| **30 June 2024** | | | |
| Lease payments | 588,291 | 377,957 | 966,248 |
| Finance charges | (44,543) | (16,110) | (60,653) |
| **Net present values** | **543,748** | **361,847** | **905,595** |

### (b) Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of a lease liability is as follows:

| | 2025 $ | 2024 $ |
|---|---|---|
| Short-term leases | - | - |
| Leases of low value assets | 3,130 | 1,830 |
| **Total lease expenses not included in lease liabilities** | **3,130** | **1,830** |

### (c) Total cash outflow for leases

| | | |
|---|---|---|
| **Total cash outflow for leases** | **597,462** | **603,618** |

### (d) Material accounting policies - leases

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use-asset and lease lability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## 18. Employee benefits

### (a) Annual leave and long service leave

| | 2025 $ | 2024 $ |
|---|---|---|
| **Current** | | |
| Accrued annual leave | 1,104,056 | 1,357,657 |
| Accrued long service leave | 434,703 | 493,431 |
| Accrued long-term incentive program | 50,600 | 129,536 |
| **Total current employee benefits** | **1,589,359** | **1,980,624** |
| **Non-current** | | |
| Provision for long service leave | 277,912 | 381,296 |
| Provision for long-term incentive program | 11,893 | 37,829 |
| **Total non-current employee benefits** | **289,805** | **419,125** |

### (b) Personnel expenses

| | | |
|---|---|---|
| Wages and salaries | 8,910,571 | 9,108,400 |
| Contributions to defined contribution plans | 985,974 | 974,750 |
| Change in accrued annual leave | (248,556) | 13,888 |
| Change in liability for long service leave | (162,112) | 166,868 |
| Directors' fees – salary and fees | 139,593 | 99,949 |
| Directors' fees – equity-settled share-based payments | 267,801 | 188,041 |
| Other equity-settled share-based payments | 541,038 | 336,962 |
| **Total employee benefits** | **10,434,309** | **10,888,858** |
| Other expenses associated with personnel | 782,866 | 919,962 |
| Transferred to property, plant and equipment | (17,376) | (40,350) |
| **Total personnel expenses** | **11,199,799** | **11,768,470** |

### (c) Number of employees

| | # | # |
|---|---|---|
| **Number of employees at year end (full-time equivalent)** | **43** | **49** |

### (d) Material accounting policies - employee benefits

#### (i) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

## 19. Share capital

### (a) Movements in share capital

| | Ordinary shares | | Share capital | |
|---|---|---|---|---|
| | 2025 # | 2024 # | 2025 $ | 2024 $ |
| On issue at 1 July | 488,429,663 | 488,010,385 | 189,989,433 | 189,605,357 |
| Exercise of share options | 837,358 | 299,983 | 755,983 | 329,081 |
| Issued for goods or services provided | 245,600 | 119,295 | 98,240 | 54,995 |
| **On issue at 30 June – fully paid** | **489,512,621** | **488,429,663** | **190,843,656** | **189,989,433** |

## 19. Share capital (continued)

### (a) Movements in share capital (continued)

#### Ordinary shares

*Key transactions during the year ended 30 June 2025*

Exercise of share options

The Company issued a total of 837,358 ordinary shares as a result of the exercise of vested zero exercise price options as set out below.

| Date | Grant date fair value $ | # |
|---|---|---|
| 5 November 2024 | 0.579 | 96,959 |
| 5 November 2024 | 0.394 | 26,674 |
| 5 November 2024 | 1.422 | 162,599 |
| 5 November 2024 | 1.359 | 20,475 |
| 16 December 2024 | 1.422 | 116,000 |
| 16 December 2024 | 0.579 | 111,178 |
| 16 December 2024 | 0.394 | 63,063 |
| 12 February 2025 | 0.579 | 40,106 |
| 12 February 2025 | 1.422 | 25,833 |
| 31 March 2025 | 1.422 | 24,167 |
| 31 March 2025 | 1.359 | 23,400 |
| 31 March 2025 | 0.394 | 126,904 |
| Total | | 837,358 |

Consequently, $755,983 was transferred from the Company's share-based payments reserve to share capital.

Issued for goods or services provided

On 12 February 2025 the Company issued 125,000 new shares at a fair value of $0.400 per share to a contractor for services provided.

On 25 June 2025 the Company issued 120,600 new shares at a fair value of $0.400 per share to employees for services provided.

All shares were recognised at the fair value at the time of issue.

*Key transactions during the year ended 30 June 2024*

Exercise of share options

On 13 December 2023 and 26 February 2024 the Company issued a total of 299,983 ordinary shares as a result of the exercise of vested zero exercise priced options. The options had a grant date fair value of $1.097 per option. Consequently, $329,081 was transferred from the Company's share-based payments reserve to share capital.

Issued for goods or services provided

On 7 February 2024 the Company issued 119,295 new shares at a fair value of $0.461 per share to employees for services provided. The shares were recognised at the fair value at the time of issue.

*Terms and conditions*

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

## 19. Share capital (continued)

### (b) Dividends

No dividends have been paid or declared by the Company since the Company was incorporated.

### (c) Material accounting policies – share capital

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

## 20. Share-based payments reserve

### (a) Movements in share-payments reserve

| | 2025 $ | 2024 $ |
|---|---|---|
| Balance at 1 July | 2,997,840 | 3,610,941 |
| Share-based payments recognised during the year | 760,598 | 470,007 |
| Amount transferred to share capital | (755,983) | (329,081) |
| Amount transferred to accumulated losses | (250,387) | (754,027) |
| **Total share-based payments reserve** | **2,752,068** | **2,997,840** |

### (b) Description of share-based payment arrangements

The Group has entered into agreements and share option plans with current and former non-executive directors, key management personnel and senior employees. All options are to be settled by the physical delivery of ordinary shares and are accounted for as equity-settled.

The key terms and conditions related to the share-based payment arrangements that existed during the period are as follows.

### (i) Long-term incentive plan

The Group offers senior employees the opportunity to participate in a long-term incentive (LTI) plan. All shares issued following the exercise of vested options granted under the LTI plan are subject to a two-year holding lock.

| Ref | General terms and conditions | Contractual life |
|---|---|---|
| 2110 | On 1 October 2021, the Group offered 13 of its employees the opportunity to participate in the 2021 LTI plan by granting a total of 1,181,082 zero exercise priced options (ZEPOs). Under the terms of the grant, 40% of the granted ZEPOs vested to participants who were employees of the Group at 30 September 2024. The remaining 60% which were subject to performance hurdles and did not vest. No options related to this grant are outstanding at 30 June 2025. | 3.5 years from grant date |
| 2112 | On 13 December 2021, the Group offered 4 additional employees the opportunity to participate in the 2021 LTI plan by granting a total of 507,185 ZEPOs under the same terms as the grant made on 1 October 2021. Of the options granted, 40% vested and were exercised. No options related to this grant are outstanding at 30 June 2025. | 3.3 years from grant date |
| 2209-1 | On 8 September 2022, the Group offered 24 of its employees the opportunity to participate in the 2022 LTI plan by granting a total of 1,759,164 ZEPOs. Under the terms of the grant, 40% of the granted ZEPOs will vest to participants who are employees of the Group at 7 September 2025, with the remaining 60% only vesting if participants are employees of the Group at 7 September 2025 and have met the following performance hurdles:<br>• Conclude a human oncology pharmaceutical partnering/licencing deal (20%);<br>• Successful completion and read out of a human Phase 1b/IIa trial in chronic wounds (20%);<br>• Achieve STELFONTA three-fold increase in sales (10%); and<br>• Achieve an IPO and public listing or alternative major liquidity event (10%). | 3.5 years from grant date |

## 20. Share-based payments reserve (continued)

### (b) Description of share-based payment arrangements (continued)

### (i) Long-term incentive plan (continued)

| Ref | General terms and conditions | Contractual life |
|---|---|---|
| 2308 | On 1 August 2023, the Group offered 21 of its employees the opportunity to participate in the 2023 LTI plan by granting a total of 2,826,822 ZEPOs. Under the terms of the grant, the ZEPOs will vest to participants who are employees of the Group at 31 July 2026 subject to the Company's 60-day weighted average share price being above a target share price. The following specific targets are in place:<br>• Greater than or equal to $2.00 and less than $2.20 will result in 50% of the options vesting;<br>• Greater than or equal to $2.20 and less than $2.40 will result in 60% of the options vesting;<br>• Greater than or equal to $2.40 and less than $2.60 will result in 70% of the options vesting;<br>• Greater than or equal to $2.60 and less than $2.80 will result in 80% of the options vesting;<br>• Greater than or equal to $2.80 and less than $3.00 will result in 90% of the options vesting; or<br>• Greater than or equal to $3.00 will result in 100% of the options vesting. | 3.5 years from grant date |
| 2408 | On 1 August 2024, the Group offered 21 of its employees the opportunity to participate in the 2024 LTI plan by granting a total of 4,763,254 ZEPOs. Under the terms of the grant, the ZEPOs will vest to participants who are employees of the Group at 31 July 2027 subject to the Company's 60-day weighted average share price being above a target share price. The following specific targets are in place:<br>• Greater than or equal to $2.00 and less than $2.20 will result in 50% of the options vesting;<br>• Greater than or equal to $2.20 and less than $2.40 will result in 60% of the options vesting;<br>• Greater than or equal to $2.40 and less than $2.60 will result in 70% of the options vesting;<br>• Greater than or equal to $2.60 and less than $2.80 will result in 80% of the options vesting;<br>• Greater than or equal to $2.80 and less than $3.00 will result in 90% of the options vesting; or<br>• Greater than or equal to $3.00 will result in 100% of the options vesting. | 3.5 years from grant date |
| 2409 | On 2 September 2024, the Group offered one of its employees the opportunity to participate in the Group's LTI plan by granting a total of 532,995 ZEPOs. 266,497 ZEPOs will vest on 2 September 2025 (Tranche 1) and 266,498 ZEPOs will vest on 2 September 2026 (Tranche 2) if the employee remains an employee of the Group at the applicable vesting date. | 1.5 years from grant date for Tranche 1 and 2.5 years from grant date for Tranche 2. |

### (ii) Non-executive directors option plan

The Group offers non-executive directors the opportunity to participate in a non-executive director (NED) option plan as part of their annual directors' fees. NEDs are granted ZEPOs with are subject to a vesting condition of 12 months of service. All shares issued following the exercise of vested options granted under the NED option plan are subject to a two-year holding lock.

The general terms and conditions of ZEPOs granted to NEDs that existed during the period are as follows:

## 20. Share-based payments reserve (continued)

### (b) Description of share-based payment arrangements (continued)

### (ii) Non-executive directors option plan (continued)

| Ref | Grant date | Vesting date | Number of ZEPOs # | Contractual life |
|---|---|---|---|---|
| 2307 | 27 Jul 2023 | 27 July 2024 | 333,832 | 1.5 |
| 2407 | 31 Jul 2024 | 30 July 2025 | 676,819 | 1.5 |
| 2410-1 | 22 October 2024 | 21 October 2025. | 40,012 | 1.5 |
| 2410-2 | 22 October 2024 | 15 March 2025 | 126,904 | 0.9 |
| 2411-1 | 6 November 2024 | 5 November 2025 | 41,096 | 1.5 |
| 2411-2 | 22 November 2024 | 22 November 2025 | 7,665 | 1.5 |

### (iii) Other option deeds

Prior to 30 June 2021, the Group entered into option deeds for premium-priced options with NEDs and senior employees as part of their directors' fees and compensation arrangements. The options granted vested in tranches at the first, second and third anniversary date of the grant, subject to the counterparty remaining employed at the anniversary date. The general terms and conditions of the options that existed during the period are as follows.

| Ref | Grant date | Vesting date | Number of options # | Exercise price $ | Contractual life Years |
|---|---|---|---|---|---|
| 1607-C | 20 July 2016 | 20 July 2019 | 602,946 | 0.801 | 8.0 |
| 1711-B | 28 November 2017 | 1 November 2019 | 384,256 | 0.801 | 6.9 |
| 1711-C | 28 November 2017 | 1 November 2020 | 345,184 | 0.801 | 7.9 |
| 1808-B | 1 August 2018 | 1 August 2019 | 150,000 | 0.801 | 6.0 |
| 1907-A | 5 July 2019 | 4 July 2020 | 1,268,502 | 1.000 | 6.0 |
| 1907-B | 5 July 2019 | 4 July 2021 | 1,384,859 | 1.000 | 6.0 |
| 1907-C | 5 July 2019 | 4 July 2022 | 1,468,051 | 1.000 | 6.0 |
| 2103-A | 31 March 2021 | 1 February 2022 | 160,778 | 1.510 | 6.0 |
| 2103-B | 31 March 2021 | 1 February 2023 | 160,778 | 1.510 | 6.0 |
| 2103-C | 31 March 2021 | 1 February 2024 | 160,778 | 1.510 | 6.0 |
| 2104-A | 22 April 2021 | 22 April 2022 | 160,778 | 1.510 | 6.0 |
| 2104-B | 22 April 2021 | 22 April 2023 | 160,778 | 1.510 | 6.0 |
| 2104-C | 22 April 2021 | 22 April 2024 | 160,778 | 1.510 | 6.0 |

### (c) Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options are as follows.

| | Options | | Weighted average exercise price | |
|---|---|---|---|---|
| | 2025 # | 2024 # | 2025 $ | 2024 $ |
| Outstanding at 1 July | 11,847,760 | 12,313,523 | 0.552 | 0.715 |
| Granted during the year | 6,188,745 | 3,160,654 | - | - |
| Forfeited during the year | (1,500,636) | (291,524) | - | - |
| Exercised during the year | (837,358) | (299,983) | - | - |
| Expired during the year | (1,175,035) | (3,034,910) | 0.801 | 0.747 |
| **Outstanding at 30 June** | **14,523,476** | **11,847,760** | 0.387 | 0.552 |
| Exercisable at 30 June | 5,278,256 | 6,415,458 | 1.065 | 1.019 |

## 20. Share-based payments reserve (continued)

### (c) Reconciliation of outstanding share options (continued)

The exercise prices and weighted average remaining contractual life of the options outstanding at the end of the year are as follows.

| | Options outstanding | | Weighted average remaining contractual life | |
|---|---|---|---|---|
| | 2025 # | 2024 # | 2025 years | 2024 years |
| ZEPOs | 9,245,220 | 5,432,302 | 1.9 | 1.9 |
| $0.801 | 345,184 | 1,482,386 | 0.3 | 0.4 |
| $1.000 | 4,121,412 | 4,121,412 | - | 1.0 |
| $1.510 | 811,660 | 811,660 | 1.8 | 2.8 |
| **Outstanding at 30 June** | **14,523,476** | **11,847,760** | **1.3** | **1.5** |

### (d) Measurement of fair value

The fair value of all share options issued has been measured using either the Black-Scholes Merton (BSM) formula or a Monte Carlo (MC) simulation as indicated below. An estimate is made for the number of equity instruments for which service conditions are expected to be satisfied, with a true-up to the number ultimately satisfied.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payments included an exercise price of $nil, a dividend yield of 0% and were otherwise as follows.

| Ref | Fair value at grant date (weighted average) $ | Share price at grant date $ | Expected volatility | Expected life (weighted average) | Risk- free interest rate | Measure-ment method |
|---|---|---|---|---|---|---|
| **30 June 2025** | | | | | | |
| 2407 | 0.394 | 0.394 | 66.47% | 1.5 years | 3.92% | BSM |
| 2408 | 0.057 | 0.396 | 60.37% | 3.4 years | 3.39% | MC |
| 2409 | 0.384 | 0.407 | 63.04% | 2.0 years | 3.55% | BSM |
| 2410-1 | 0.394 | 0.394 | 57.87% | 1.5 years | 3.98% | BSM |
| 2410-2 | 0.394 | 0.394 | 57.87% | 0.9 years | 3.98% | BSM |
| 2411-1 | 0.395 | 0.395 | 57.43% | 1.5 years | 4.08% | BSM |
| 2411-2 | 0.395 | 0.395 | 56.73% | 1.5 years | 4.05% | BSM |
| **30 June 2024** | | | | | | |
| 2307 | 0.579 | 0.579 | 60.07% | 1.5 years | 3.87% | BSM |
| 2308 | 0.579 | 0.579 | 67.45% | 3.5 years | 3.69% | MC |

There have been no modifications to previous share-based payment arrangements during the period.

Expected volatility has been based on an evaluation of the volatility of similar listed companies as the Group has no historical volatility data. The expected term of the instruments has been based on historical experience and general option holder behaviour. The risk-free interest rate was based on government bonds.

## 20. Share-based payments reserve (continued)

### (e) Material accounting policies – share-based payments reserve

Where Australian Accounting Standards require a transaction to be recognised as a component of equity, the Group classifies such amounts as a reserve.

The Group's share-based payments reserve consists of share-based payments accounted for under AASB 2 *Share-based Payment*. Share-based payment transactions are measured by reference to the fair value of the goods or services received unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measures the share-based payment transactions by reference to the fair value of the equity instruments granted.

The fair value of the equity instruments granted is determined as follows:

- If a market price is available for the equity instrument granted, then the estimate of fair value is based on this market price; or
- If no market price is available for the equity instrument granted, then the fair value is estimated using an appropriate valuation technique.

When instruments granted as share-based payments have vested and are exercised by the holder, the amount is transferred to share capital. When options lapse unexercised, the amount is transferred to accumulated losses.

## 21. Financial instruments

### (a) Financial risk management

#### (i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

#### (ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all officers understand their roles and obligations.

### (b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables.

## 21. Financial instruments (continued)

### (b) Credit risk (continued)

### (i) Exposure to credit risk

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 2025 $ | 2024 $ |
|---|---|---|
| Cash and cash equivalents | 10,293,631 | 6,927,293 |
| Term deposits | 15,461,142 | 36,551,970 |
| Trade and other receivables | 310,878 | 654,611 |
| **Total as at 30 June** | **26,065,651** | **44,133,874** |

*Cash and cash equivalents and term deposits*

The Group only invests surplus funds in bank accounts and term deposits with major Australian financial institutions.

*Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor.

The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:

| | | |
|---|---|---|
| Financial institutions | 295,429 | 523,800 |
| Suppliers | 2,349 | 130,811 |
| Related party | 13,100 | - |
| **Total as at 30 June** | **310,878** | **654,611** |

### (ii) Impairment losses

None of the Group's receivables are past due (2024: nil) and none of the receivables are considered impaired. Based on historical information about customer default rates, the credit quality of trade and other receivables is considered good.

### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Given the nature of the Group's operations, this is a critical risk. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that either (i) it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters, or (ii) it is confident that fund raising activities set in place will meet operational expenses. The Group currently does not maintain any lines of credit other than corporate credit cards with a combined facility limit of $300,000 (2024: $300,000). The corporate credit cards are secured by $300,000 held in term deposit (2024: $300,000).

## 21. Financial instruments (continued)

### (c) Liquidity risk (continued)

The following are the contractual maturities of the Group's monetary non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| | Carrying amount $ | Contractual cash flow $ | 6 months or less $ | 6 months to 1 year $ | 1 year to 4 years $ |
|---|---|---|---|---|---|
| **30 June 2025** | | | | | |
| Trade and other payables | 2,174,705 | 2,174,705 | 2,174,705 | - | - |
| Lease liabilities | 437,600 | 458,316 | 212,268 | 113,732 | 128,316 |
| | **2,612,305** | **2,633,021** | **2,386,973** | **113,732** | **128,316** |
| **30 June 2024** | | | | | |
| Trade and other payables | 2,647,873 | 2,647,873 | 2,647,873 | - | - |
| Lease liabilities | 905,595 | 966,248 | 313,291 | 275,000 | 377,957 |
| | **3,553,468** | **3,614,121** | **2,961,164** | **275,000** | **377,957** |

### (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### (i) Currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the relevant company which is party to the transaction. The currencies in which these transactions primarily are denominated are United States Dollars (USD), Euro (EUR), British Pound (GBP) and Swedish Krona (SEK).

From time to time the Group uses forward exchange contracts to lock in foreign currency rates on expected purchase commitments in order to reduce the Group's exposure to currency risk.

*Exposure to currency risk*

The summarised quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

| Expressed in AUD | USD | EUR | GBP | SEK |
|---|---|---|---|---|
| **30 June 2025** | | | | |
| Cash held in foreign currency | 129 | 453,666 | 17,131 | - |
| Financial assets in trade and other receivables and prepayments | - | - | 2,052,776 | - |
| Trade and other payables | (469,789) | (344,574) | (720,696) | (52,003) |
| **Net statement of financial position exposure** | **(469,660)** | **109,092** | **1,349,211** | **(52,003)** |
| **30 June 2024** | | | | |
| Cash held in foreign currency | 974 | 174,758 | 10,027 | - |
| Financial assets in in trade and other receivables and prepayments | 793,993 | - | 2,058,502 | - |
| Trade and other payables | (610,250) | (307,965) | (894,934) | (78,903) |
| **Net statement of financial position exposure** | **184,717** | **(133,207)** | **1,173,595** | **(78,903)** |

## 21. Financial instruments (continued)

### (d) Market risk (continued)

### (i) Currency risk (continued)

*The following significant exchange rates have been applied:*

| Year-end spot rate | 2025 | 2024 |
|---|---|---|
| USD to AUD | 1.5267 | 1.5097 |
| GBP to AUD | 2.0960 | 1.9069 |
| EUR to AUD | 1.7902 | 1.6139 |
| SEK to AUD | 0.1537 | 0.1414 |

*Sensitivity analysis*

A reasonably possible strengthening/(weakening) of the United States Dollar, Euro, British Pound and Swedish Krona against the Australian Dollar at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Effect in AUD | Profit or Loss | | Equity, net of tax | |
|---|---|---|---|---|
| **30 June 2025** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** |
| USD (10% movement) | 46,966 | (46,966) | 46,966 | (46,966) |
| EUR (10% movement) | (10,909) | 10,909 | (10,909) | 10,909 |
| GBP (10% movement) | (134,921) | 134,921 | (134,921) | 134,921 |
| SEK (10% movement) | 5,200 | (5,200) | 5,200 | (5,200) |
| **30 June 2024** | | | | |
| USD (10% movement) | (18,472) | 18,472 | (18,472) | 18,472 |
| EUR (10% movement) | 13,321 | (13,321) | 13,321 | (13,321) |
| GBP (10% movement) | (117,360) | 117,360 | (117,360) | 117,360 |
| SEK (10% movement) | 7,890 | (7,890) | 7,890 | (7,890) |

### (ii) Interest rate risk

The Group is exposed to interest rate risk only to the extent that interest receivable on bank and term deposits may be subject to fluctuations in interest rates.

*Profile*

At the reporting date the Group has no interest-bearing financial instruments other than cash at bank, term deposits and corporate credit cards. Cash at bank and corporate credit cards are considered to be variable rate instruments as they can be readily renegotiated. Their carrying amount at balance date has been set out below:

| | 2025 $ | 2024 $ |
|---|---|---|
| Cash and cash equivalents | 10,293,631 | 6,927,293 |
| Corporate credit cards | (72,789) | (86,858) |
| Total as at 30 June | 10,220,842 | 6,840,435 |

## 21. Financial instruments (continued)

### (d) Market risk (continued)

### (ii) Interest rate risk (continued)

*Cash flow sensitivity analysis*

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by $102,208 (2024: $68,404). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

### (e) Capital management

The Board's policy is to maintain a capital position so as to maintain investor, creditor and market confidence and to sustain future development of the business. This position is maintained by setting capital raising strategies in place to address planned expenditure. The Group is not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

### (f) Fair values

The fair values of cash and cash equivalents, term deposits, trade and other receivables and trade and other payables approximate their carrying amounts shown in the statement of financial position.

#### Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

*Trade and other receivables / payables*

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to determine the fair value.

*Interest rates used for determining fair value*

The Group uses the government yield curve as of 30 June 2025 plus an adequate constant credit spread to discount financial instruments. At 30 June 2025, no financial instruments required discounting (2024: nil).

### (g) Material accounting policies - financial instruments

### (i) Non-derivative financial assets

The Group has the following non-derivative financial assets:

*Trade and other receivables*

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at their transaction price if the trade receivables do not contain a significant financing component. Subsequent to initial recognition trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

*Term deposits*

Term deposits comprise cash balances held on deposit with financial institutions with original maturities of more than three months.

### (ii) Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities comprise trade and other payables.

## 22. Reconciliation of cash flows from operating activities

| Cash flows from operating activities | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| Loss for the year | | (20,633,392) | (17,510,885) |
| Adjustments for: | | | |
| Depreciation | 13,14 | 905,261 | 880,986 |
| Amortisation | 15 | 36,494 | 38,917 |
| Loss on disposal of plant and equipment | | (17,421) | (18,719) |
| Loss on disposal of early termination of lease | | - | (4,529) |
| Inventory write down to net realisable value | 11 | 1,060,693 | 102,271 |
| Non-cash interest on leases | | 45,132 | 79,821 |
| Foreign exchange revaluation on assets and liabilities | | (269,127) | 4,960 |
| Share-based payment transactions | | 760,600 | 470,008 |
| Interest income classified as investment activities | | (1,686,172) | (2,173,065) |
| **Operating loss before changes in working capital** | | (19,797,932) | (18,130,235) |
| Change in trade and other receivables | | 618,491 | 643,551 |
| Change in prepayments | | 495,421 | 597,726 |
| Change in inventories | | 500,802 | 148,644 |
| Change in contract assets | | 140,888 | (369,521) |
| Change in trade and other payables | | (902,683) | (688,990) |
| Change in contract liabilities | | (182,691) | (201,297) |
| Change in employee benefits | | (520,585) | 137,279 |
| Change in provisions | | 1,881 | 1,761 |
| **Cash used in operating activities** | | (19,646,408) | (17,861,082) |
| GST refund received | | 781,646 | 637,531 |
| **Net cash used in operating activities** | | **(18,864,762)** | **(17,223,551)** |

## 23. Related parties

### (a) Transactions with key management personnel

### (i) Key management personnel compensation

Key management personnel compensation comprised the following:

| | | |
|---|---|---|
| Short-term employee benefits | 1,871,295 | 1,605,132 |
| Post-employment benefits | 185,968 | 153,569 |
| Other long-term benefits | (258,917) | 58,455 |
| Share-based payments | 482,864 | 243,614 |
| Termination benefits | 196,542 | - |
| **Total key management personnel compensation** | **2,477,752** | **2,060,770** |

### (ii) Loans to key management personnel and their related parties

No loans were outstanding at the reporting date to key management personnel and their related parties.

### (iii) Key management personnel transactions

Key management personnel of the Company control 13.01% (30 June 2024: 24.59%) of the voting shares of the Company.

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

From time to time these entities transacted with the Group. The terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which may reasonably be expected to be available, on similar transactions to non-director related entities.

## 23. Related parties (continued)

### (a) Transactions with key management personnel (continued)

### (iii) Key management personnel transactions (continued)

| | Transaction value | | Balance outstanding as at | |
|---|---|---|---|---|
| | 30 June 2025 $ | 30 June 2024 $ | 30 June 2025 $ | 30 June 2024 $ |
| The Group rents premises from Dr Gordon and Dr Reddell. The lease contract terms are based on market rates and are payable on an annual basis. (Note 17) | 37,371 | 39,144 | - | - |
| The Group contracts Dr Gordon to provide adhoc consulting services. The contract is based on market rates and invoices are payable within 30 days. | 54,720 | - | - | - |
| The Group sold a motor vehicle to Dr Gordon. The sale was based on the market value of the car and the amount was collected in July 2025. | 11,909 | - | 13,100 | - |

### (b) Non-key management personnel disclosures

#### Intergroup transactions

During the year ended 30 June 2025 and 30 June 2024, all transactions between EcoBiotics, QBiotics, QBiotics Netherlands, QBiotics UK and QBiotics Group have been eliminated on consolidation.

## 24. Auditor's remuneration

| Audit services | 2025 $ | 2024 $ |
|---|---|---|
| Auditors of the Group - Grant Thornton Audit Pty Ltd | | |
| Audit and review of financial reports – Group | 209,928 | 189,436 |
| Other auditors | | |
| Audit of annual financial reports – controlled entity | 21,951 | 17,352 |
| **Total audit services** | **231,879** | **206,788** |
| **Other services** | | |
| Auditors of the Group - Grant Thornton Australia Limited | | |
| Taxation advice and compliance services | 16,838 | 15,708 |
| Other assurance services – Investigating Accountants Report | 107,415 | - |
| | **124,253** | **15,708** |
| Other auditors | | |
| Taxation compliance services – controlled entity | 5,475 | 4,172 |
| **Total other services** | **129,728** | **19,880** |

## 25. Parent company disclosures

As at 30 June 2025, QBiotics Group Limited was the parent entity of the Group.

### (a) Results of parent entity

| | 2025 $ | 2024 $ |
|---|---|---|
| Loss for the period | (22,736,829) | (18,432,182) |
| Other comprehensive income | - | - |
| **Total comprehensive income for the period** | **(22,736,829)** | **(18,432,182)** |

### (b) Financial position of parent entity at year end

| | | |
|---|---|---|
| Current assets | 36,796,540 | 54,642,815 |
| **Total assets** | **173,006,180** | **194,876,368** |
| Current liabilities | 17,963,944 | 20,634,309 |
| **Total liabilities** | **18,387,455** | **21,487,614** |
| | | |
| Total equity of the parent entity comprising of: | | |
| Share capital | 258,164,270 | 257,310,047 |
| Other contributed equity | 2,752,068 | 2,962,641 |
| Accumulated losses | (106,297,613) | (86,883,934) |
| **Total equity** | **154,618,725** | **173,388,754** |

### (c) Contingent liabilities, commitments and guarantees

There are no parent entity contingent liabilities, capital commitments, or guarantees in respect of the debts of its subsidiaries at 30 June 2025 (2024: nil).

## 26. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### (ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (b) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss.

## 26. Material accounting policies (continued)

### (b) Foreign currency (continued)

### (ii) Foreign operations

The assets and liabilities of QBiotics Netherlands and QBiotics UK have a functional currency of Australian dollars. The operations of both QBiotics Netherlands and QBiotics UK are carried out as an extension of the parent and without significant autonomy and are financed by QBiotics Group Limited. Any foreign currency income and expenses are translated into Australian dollars at the exchange rates at the dates of the transactions.

## 27. New standards and interpretations not yet adopted

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

### AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

# QBiotics Group Limited
## Consolidated entity disclosure statement
As at 30 June 2025

| Entity name | Body corporate, partnership or trust | Place incorporated/ formed | Percentage of share capital held directly or indirectly by the Company in the body corporate | Australian or foreign tax resident | Jurisdiction(s) for foreign tax residency |
|---|---|---|---|---|---|
| QBiotics Group Limited (the Company) | Body corporate | Australia | - | Australian | n/a |
| QBiotics Pty Ltd | Body corporate | Australia | 100% | Australian | n/a |
| EcoBiotics Pty Ltd | Body corporate | Australia | 100% | Australian | n/a |
| QBiotics Netherlands B.V. | Body corporate | Netherlands | 100% | Australian and Foreign | Netherlands |
| QBiotics UK Limited | Body corporate | United Kingdom | 100% | Australian and Foreign | United Kingdom |

## Basis of preparation

### Key assumptions and judgements

### Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of the financial year if the entity is:

a) an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or

b) a partnership, with at least one partner being an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or

c) a resident trust estate (within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

*Australian tax residency*

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

*Foreign tax residency*

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

# QBiotics Group Limited
## Directors' declaration

1. In the opinion of the directors of QBiotics Group Limited (the "Company"):

   (a) the consolidated financial statements and notes that are set out on pages 17 to 50 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the period ended on that date; and

      (ii) complying with Australian Accounting Standard and the *Corporations Regulations 2001*;

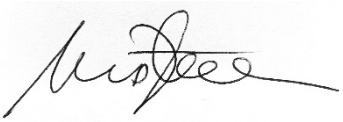
   (b) the consolidated entity disclosure statement set out on page 51 is true and correct; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors draw attention to Note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Sydney this 18th day of August 2025.



Mark Fladrich
*Chair*

**Grant Thornton Audit Pty Ltd**
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# Independent Auditor's Report

## To the Members of QBiotics Group Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of QBiotics Group Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report 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.

#### Material uncertainty related to going concern

We draw attention to Note 2e in the financial statements, which indicates that the Group incurred a net loss of $20,633,392 during the year ended 30 June 2025 and will require additional funding to support its research activities. As stated in Note 2e, these events or conditions, along with other matters as set forth in Note 2e, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Information other than the financial report and auditor's report thereon

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 2025, 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:

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

b) 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:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) 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 Group's ability 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/apzlwn0y/ar3_2024.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

L Worsley.

L M Worsley
Partner – Audit & Assurance

Sydney, 18 August 2025

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# Auditor's Independence Declaration

## To the Directors of QBiotics Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of QBiotics Group Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

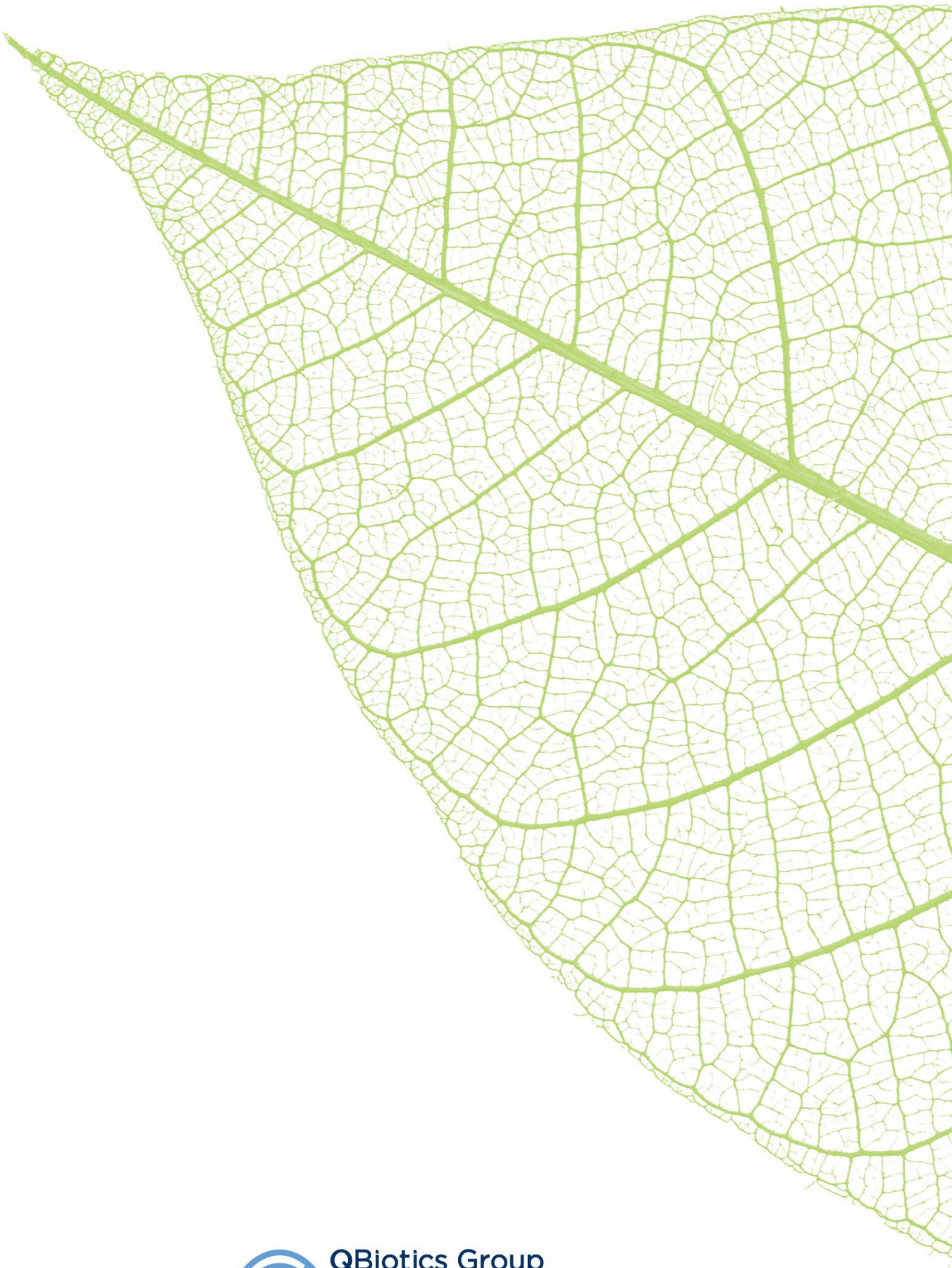
a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

L M Worsley
Partner – Audit & Assurance

Sydney, 18 August 2025



QBiotics Group
Naturally Inspired
Scientifically Defined