

QBIOTICS GROUP SHAREHOLDER UPDATE

March 2026

Dear Fellow Shareholders,

QBiotech is moving with pace and purpose. Recent months have required hard decisions, sharper prioritisation and a company-wide shift toward disciplined execution. As we noted in last week's Strategic Plan communications, every one of our actions is now aligned to three pillars that guide the organisation: Cash, Customers and Culture. These pillars shape our operational decisions, our commercial strategy and our allocation of capital. Below is a direct update on the progress underway.

1. CASH - Discipline, runway, and the capital required

Our financial strategy is clear: extend runway, reduce burn, and raise only the capital required to reach a value-defining oncology commercial deal that will support a liquidity event including an IPO.

As at end March 2026, QBiotech has approximately A\$16.9 million in cash, comprising A\$13.5 million as at the 31 December 2025 interim accounts, plus A\$7.7 million received in February 2026 as our annual R&D tax incentive refund from the Australian Government, less Q1 2026 expenditures. We have completed detailed modelling across multiple operational and financing scenarios. This work has identified specific levers to further reduce cash burn and stretch our runway, and we are now executing against those levers.

In parallel, and as communicated previously, we are preparing for a targeted capital raise designed to bring in just enough funding to reach a negotiated oncology partnership. Capital discipline remains non-negotiable. Every dollar must move us closer to a deal.

This modelling will also underpin the Use of Funds in our coming pitch deck and prospectus, ensuring consistency and transparency across all investor materials. We will provide further updates very soon.

2. CUSTOMERS - Expanding pharma engagement, external validation and commercial momentum

Our prospective customers are global pharmaceutical companies, and interest in our programs continues to build.

Human Oncology

- We are in dialogue with multiple oncology pharmaceutical companies. These discussions have been initiated based on the strength of our science, data and intellectual property.
- The Phase II head and neck cancer trial (QB46C-H08) has completed recruitment and moved into reporting phase. Early results are encouraging and demonstrate meaningful potential in this large cancer markets. We expect to report final data from this study in the coming months.
- Our Clinical Advisory Board (CAB), which includes global oncology Key Opinion Leaders including those from major pharmaceutical organisations, has strongly endorsed our strategy to position the deal for our oncology asset across a broad range of tumour indications. The CAB members have also expressed clear enthusiasm for the upcoming breast cancer trial, noting its strategic importance to QBiotics and the collaborative support of Unicancer.
- We have foundational science, clinical data, additional readouts on the horizon and a robust patent estate. These are the elements potential partners consistently tell us they want to see.

Veterinary Oncology

- We are progressing discussions with a successor to Virbac for the supply and distribution of STLEFONTA®.
- We are seeking a marketing and distribution partner who recognises the critical role of technical veterinary support and is equipped to help ensure successful treatment outcomes across a broader population of dogs diagnosed with mast cell tumour disease.

Wound Healing

- The Phase I dose escalation safety trial is progressing with two cohorts completed. Once this trial is completed, we will commence structured outreach to pharmaceutical companies that have already expressed interest in this drug candidate.
- A US patent has been granted for EBC-1013 protecting its use in disrupting bacterial biofilms. This important patent underlines QBiotics' leadership in approaches to wound infection and strengthens our global IP position. The patent is expected to remain in force until at least 2039.

Across all programs, our objective is consistent: convert scientific value into commercial value.

Corporate and Profile Highlights

QBiotics continues to raise its profile with investors and industry partners.

- Presented at RESI 2026 in San Francisco and BIO-Europe Spring 2026 in Lisbon, connecting with global biotech, pharmaceutical and investment leaders.
- Featured in the Health & Biotech Investor Guide 2026 by Stockhead and The Australian, which reached more than one million readers nationally.

3. CULTURE - Accountability, transparency and a company that moves with purpose

We are reshaping QBiotics into an organisation defined by increased accountability, focus and transparency. You will see:

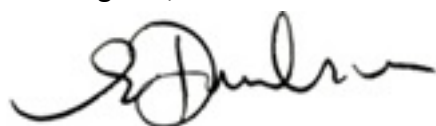
- Sharper prioritisation, with resources directed only toward activities that advance our pillars and priorities;
- Clearer communication, with direct and candid updates across multiple channels;
- Stronger governance, with the Board aligned around the pillars and management accountable for delivery; and
- A culture of urgency, with faster decision-making and reduced internal friction. This cultural shift is already visible in our financial discipline, our commercial outreach and the pace at which we are restructuring internal processes.

In closing, we are acting with urgency because the opportunity ahead is significant and achievable. Our science is strong, our data is compelling, pharma interest is real and our internal focus has never been sharper.

SUMMARY

We will continue to communicate openly as we execute against our three pillars: Cash, Customers and Culture. Thank you for your support and for affording us the time needed to deliver our strategy.

Best regards,



Ebru Davidson

Interim Chief Executive Officer and Managing Director

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