ACN: 009 109 755

Appendix 4E
&
ANNUAL REPORT
for the year ended 30 June 2026
Comparative year: 30 June 2025

Botanix Pharmaceuticals Limited

ABN: 26 636 569 634

Appendix 4E

Results for announcement to the market
For the year ended 30 June 2026
Comparative year: 30 June 2025

Key Information	**2026 $**	**2025 $**	**Change $**	**% Change**
Revenues from customer sales	33,801,507	5,757,266	28,044,241	487%
Loss from ordinary activities after tax attributable to members	(69,768,611)	(86,396,186)	16,627,575	(19.25)%
Net loss for the period attributable to members	(69,768,611)	(86,396,186)	16,627,575	(19.25)%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim dividend	Nil	- ¢
Final dividend	Nil	- ¢
Previous corresponding period	Nil	- ¢

Record date for determining entitlements to the dividend N/A

Net Tangible Assets per share	**30 June 2026**	**30 June 2025**
Net tangible asset per ordinary security (cents per share)	1.41	2.71

Brief explanation

Revenue for the year ended 30 June 2026 increased 487% to $33.8 million (FY25: $5.8 million), primarily driven by the first full year of commercial sales of *Sofdra* in the United States, together with royalty revenue received from the Company's Japanese licensee and South Korean sublicensee.

The Group recorded a net loss after tax of $69.8 million (FY25: $86.4 million). While operating expenses increased during the year as the Company invested in manufacturing inventory, expanded its commercial infrastructure, established the Botanix Fulfilment Platform, increased sales force capacity and accelerated marketing activities to support the launch and commercialisation of *Sofdra*, these investments were partially offset by significant growth in product revenues. The reduction in net loss compared with the prior year reflects the continued commercial uptake of *Sofdra*, increased prescription volumes, improved customer receipts and the transition of Botanix from a development-stage biotechnology company to a revenue-generating commercial pharmaceutical business.

No dividend was declared or paid during the year

Further review of operations is included in the Directors' Report.

Status of audit

The accounts are audited.

botanix
PHARMACEUTICALS

ACN: 009 109 755

ANNUAL REPORT
for the year ended 30 June 2026

CONTENTS

This financial report covers Botanix Pharmaceuticals Limited ("Botanix" or the "Company") and its subsidiaries. The financial report is presented in Australian dollars.

CORPORATE INFORMATION

Directors
Mr Vincent Ippolito
Executive Chairman

Dr William Bosch
Non-executive Director

Dr Stewart Washer
Non-executive Director

Mr Danny Sharp
Non-executive Director

Dr Patricia Walker
Non-executive Director

Company Secretary
Mr Andrew Bickley

Chief Financial Officers
Mr Graeme Morissey
Mr Chris Lesovitz

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Auditor
BDO Audit Pty Ltd
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Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Bankers
NAB
100 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your Directors are pleased to submit their report together with the financial statements of the Group consisting of Botanix Pharmaceuticals Limited and the entities it controlled during the period for the financial year ended 30 June 2026, in order to comply with the provisions of the Corporations Act 2001. The Directors report is as follows:

Mr Vincent Ippolito	Executive Chairman
Dr William Bosch	Non-executive Director
Dr Stewart Washer	Non-executive Director
Mr Danny Sharp	Non-executive Director
Dr Patricia Walker	Non-executive Director (appointed 25 August 2025)

DIRECTORS

The names and details of Directors in office at the date of this report are:

Mr Vincent Ippolito
Executive Chairman (appointed 18 July 2019)

EXPERIENCE AND EXPERTISE

Mr Ippolito has 40 years of experience in the pharmaceuticals industry, including over 30 years of experience in dermatology. He most recently served as President and Chief Operating Officer of Dermavant Sciences, a specialty biopharmaceutical company that is commercialising products which treat inflammatory skin diseases and medical dermatological conditions.

Prior to his role at Dermavant Sciences, Mr Ippolito served as the Chief Commercial Officer and Executive Vice President of Anacor Pharmaceuticals, a dermatology-based biopharmaceutical company. During his time at Anacor he was responsible for building the marketing and sales functions, and developing the company's product portfolio, as well as playing a key role in the US$5.2bn sale to Pfizer.

Earlier in his career, Mr Ippolito launched multiple new dermatology products during his tenure at Medicis Pharmaceutical Corporation, an industry-leading dermatology company. Mr Ippolito served in key executive roles, including Chief Commercial Officer, General Manager of Dermatology products, Senior Vice President of North American Sales and Executive Vice President, Sales and Marketing. Mr Ippolito played a key role in the sale of Medicis to Valeant for US$2.6bn in 2012, and he went on to serve as Senior Vice President, General Manager, Aesthetics.

Mr Ippolito started his career at Novartis Pharmaceuticals where he served 17 years. His last role was Vice President Dermatology, Pediatric and Respiratory products.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

DIRECTORS' REPORT (CONTINUED)

Dr William Bosch

Non-executive Director (appointed executive director 1 July 2016, non-executive from 1 July 2023)
Member of Remuneration Committee (appointed 11 June 2024)

EXPERIENCE AND EXPERTISE

Dr Bill Bosch is an accomplished pharmaceutical executive with more than 30 years of experience and industry leadership in pharmaceutical R&D. Dr Bosch served as CSO of iCeutica where he was the principal architect of SoluMatrix™ drug delivery technology, used in four FDA-approved prescription drug products. Earlier in his career, Dr Bosch was a pioneer in the application of nanotechnology to pharmaceutical product development. He served as a co-founder of NanoSystems LLC in 1995 and co-inventor of NanoCrystal® Technology, leading to the successful development and FDA approval of seven prescription drug products for a variety of indications and routes of administration.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

Dr Stewart Washer

Non-executive Director (appointed 21 February 2019)
Chair of Remuneration Committee (appointed 11 June 2024)
Member of Audit and Risk Committee (appointed 11 June 2024)

EXPERIENCE AND EXPERTISE

Dr Washer has CEO and board experience in medical biotech and device companies. He has founded a number of ASX listed and private companies and was recently executive chairman of Emyria Limited (ASX: EMD), chairman of Orthocell Limited (ASX: OCC), and founding chairman and director of Cynata Therapeutics Limited (ASX: CYP).

Dr Washer chaired Hatchtech Pty Ltd that was sold in 2015 for AUD$279m and was a director of iCeutica that was sold to US private equity investors in 2010. He has been a Senator with Murdoch University and a director of AusBiotech Ltd.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Cynata Therapeutics Limited (appointed 28 February 2017, resigned 1 July 2023)
Orthocell Limited (appointed 7 April 2014 resigned 22 December 2023)
Emyria Limited (appointed 19 March 2018 resigned 21 November 2023)

DIRECTORS' REPORT (CONTINUED)

Mr Danny Sharp
Non-executive Director (appointed 22 March 2022)
Chair of Audit and Risk Committee (appointed 11 June 2024)
Member of Remuneration Committee (appointed 11 June 2024)

Mr Sharp is an investment banker with more than 30 years of experience in capital markets globally, advising the boards of technology and healthcare-based organisations. He also has significant experience in sourcing and servicing institutional and private wealth investors globally. Mr Sharp was a Corporate Finance Executive Director of Canaccord Genuity for 8 years and previously spearheaded the Corporate Finance departments at Shaw and Partners and Lodge Partners.

He is currently a non-executive Director of health informatics company Alcidion Group Ltd (ASX: ALC) and on the Investment Committee of the Baker Heart and Diabetes Institute Foundation. He holds a Bachelor of Economics and Law and is a CFA Charter Holder.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Alcidion Group Ltd (appointed 1 September 2021)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
ImpediMed Ltd (appointed 1 July 2023, ceased 28 September 2023)

Dr Patricia Walker
Non-executive Director (appointed 25 August 2025)
Member of Audit and Risk Committee (appointed 26 February 2026)

Patricia Walker, MD, PhD, is a practising dermatologist specialising in medical and aesthetic dermatology. She has served in key leadership roles, including President and head of R&D for Brickell Biotech; Chief Medical Officer for Kythera Biopharmaceuticals, Inc.; Executive Vice President and Chief Scientific Officer for Allergan Medical Aesthetics; and Vice President and Dermatology Therapeutic Area Head at Allergan. She was Chief Medical Advisor for Botanix and is a consultant for prominent dermatology pharmaceutical companies.

Dr Walker received her medical degree and served her dermatology residency at the University of Iowa College of Medicine. She then completed a research fellowship at the National Institute of Health's Dermatology Branch. Dr Walker has over 60 publications in medical and scientific journals and has earned more than two dozen academic and professional honours.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Nil

COMPANY SECRETARY

Mr Andrew Bickley
Company Secretary (appointed 13 October 2025)

Mr Bickley has more than 15 years of experience as a company secretary and governance professional for Australian and global organisations, having worked for listed companies, professional services firms and statutory agencies. He holds a Bachelor of Laws from the

DIRECTORS' REPORT (CONTINUED)

University of Essex and is a Fellow of both the Governance Institute of Australia and the Chartered Governance Institute. Mr Bickley is also Company Secretary of Group 6 Metals Limited (ASX: G6M)

OTHER KEY MANAGEMENT PERSONNEL

The names and details of other key management personnel at the date of this report are:

CHIEF EXECUTIVE OFFICER

Dr Howie McKibbon
Chief Executive Officer (appointed 24 August 2023)

Dr McKibbon has more than 20 years of leadership experience in the pharmaceutical industry, including working as Senior Vice President, Sales and Marketing at Anacor Pharmaceuticals; Senior Vice President, Worldwide Commercial Operations at Dermavant Science; and Vice President, Dermatology and Immunology at Medicis Pharmaceuticals. Dr McKibbon has launched 15 products, including 11 in dermatology, and managed over 30 dermatology products. He also played a significant role in two of the world's largest dermatology acquisitions with combined valuations of $7.8 billion. He holds a B.A. in History from the University of South Florida, an MBA from Mercer University's Stetson School of Business and Economics and a Doctor of Pharmacy from Mercer University's Southern School of Pharmacy.

CHIEF FINANCIAL OFFICER – AUSTRALIA

Mr Graeme Morissey
Chief Financial Officer (appointed 26 March 2024)

Mr Morissey has over 18 years' experience with senior roles at international accounting firms including Grant Thornton in Canada and Australia as well as KPMG Australia and EY Australia. Throughout his career, Mr Morissey has worked with more than 40 ASX-listed companies supporting audit and other financial functions. More recently, Mr Morissey has occupied CFO positions at a number of ASX listed companies. Mr Morissey is a member of the Chartered Accountants Australia & New Zealand.

CHIEF FINANCIAL OFFICER – UNITED STATES OF AMERICA

Mr Chris Lesovitz
Chief Financial Officer (appointed 4 August 2024)

Mr Lesovitz has had a distinguished career spanning over two decades as a leader in the financial sector of the healthcare and technology industries. He brings a wealth of expertise in financial strategy, operational management, and corporate growth to his role.

Before joining Botanix Pharmaceuticals, Mr Lesovitz served as the Chief Financial Officer at Strata Skin Sciences. He was instrumental in steering financial operations and strategic planning for various high-profile companies, where he demonstrated exceptional skill in financial budgets, risk management, and capital allocation.

PRINCIPAL ACTIVITIES

Botanix Pharmaceuticals Limited (ASX:BOT) is a pharmaceutical company which is revenue-generating, has an FDA-approved product, is accelerating commercial traction, has a proven fulfilment platform, and the infrastructure required for continued expansion and growth. In February 2025, the Company successfully launched *Sofdra*® (sofpironium) topical gel, 12.45%, a prescription anticholinergic medicine used topically to treat excessive underarm sweating (primary axillary hyperhidrosis) in adults and children 9 years of age and older. The Company has experienced strong sales growth and upward trajectory of total prescriptions shipped during the year.

***Sofdra* is the first and only new chemical entity** approved by the US FDA to treat primary axillary hyperhidrosis and was one of only 32 new chemical entities approved in 2024. Its unique mechanism of action targets the M3 receptor in the sweat gland, blocking acetylcholine to reduce sweat at its source. *Sofdra* is rapidly metabolised, reducing systemic adverse events.

Hyperhidrosis is a condition characterised by abnormally increased sweating beyond what is necessary to regulate body temperature. This disproportionate sweat production results in a disabling medical condition with profound effects on the patient's quality of life. This condition affects work productivity, daily activities, emotional well-being and personal relationships—70% report a negative impact on their lives, and anxiety and depression are three times more common in this group.

The US market for *Sofdra* is large and underserved. Hyperhidrosis is the third largest dermatologic condition after acne and atopic dermatitis, with approximately 10 million patients who have primary axillary hyperhidrosis. *Sofdra* presents a novel, safe and effective solution for patients who have lacked treatment options for this socially challenging medical condition. Of those affected, approximately 3.7 million patients are actively seeking treatment. Yet, prior to *Sofdra's* launch, clinicians ranked hyperhidrosis last in their ability to manage it with available treatments.[1]

Positive launch trends. Dermatologists have quickly adopted *Sofdra*, recognising its benefits for patients, strong clinical data, unique mechanism, and proprietary pump bottle. Total prescriptions shipped (TRx) for *Sofdra* have grown quarter over quarter throughout FY26, driven by new patient acquisition and a fill rate that is 2.5x the industry average.

Highly experienced Board and management team. Having developed, secured approval for and successfully launched more than 30 dermatology products between them, Botanix's team has an unrivalled track record in commercialising products and exiting dermatology companies to larger partners for the benefit of shareholders.

Sofdra is poised for continued growth.

[1] Adapted from Cowen and Company analysis dated February 27, 2019; survey executed by ExpertConnect.

RESULTS AND FINANCIAL POSITION

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the normal course of business.

Botanix Pharmaceuticals Limited and its subsidiaries (the "Group") have generated a loss after tax for the year ended 30 June 2026 of $69,768,611 (30 June 2025: $86,396,186). The net loss is attributable primarily to advancing commercial activities for *Sofdra*. The Group had a net working capital surplus of $49,297,956 at 30 June 2026 (30 June 2025: $74,665,232) and experienced net cash outflows from operating activities for the year of $64,596,523 (30 June 2025: $78,584,745).

At 30 June 2026, the Group had a cash balance of $36,631,217 (30 June 2025: $64,966,581). The Directors consider the going concern basis of preparation to be appropriate as underlying operating costs are stable, revenues are expected to rise quarter on quarter, and the Directors are confident in the ability of the Company to raise capital where required.

DIVIDENDS

There were no dividends paid or declared during the year (30 June 2025: Nil).

OPERATING AND FINANCIAL REVIEW

Business overview

FDA approved Botanix's New Drug Application for *Sofdra* (sofpironium) topical gel, 12.45% on 18 June 2024. *Sofdra* was successfully launched in February 2025. During FY26, Botanix progressed the commercialisation of *Sofdra* and built on its strong growth trajectory. For the year ending 30 June 2026, Botanix had gross revenue of $152.8 million compared to $25.6 million in FY25, and 105,794 prescriptions were shipped compared to 16,869 in FY25.

Gaining momentum in FY2026. In the first full year of sales operations, the commercial launch of *Sofdra* demonstrated accelerated growth across key metrics. Total prescriptions shipped (TRx) for the year grew by 527% to 105,794. In Q4 FY26, total prescriptions shipped grew 145% to 33,358 when compared to 13,618 in Q4 FY25. TRx saw slower growth in January and February during winter in the US, followed by record-setting growth in March. *Sofdra* established a new record high TRx of 12,895 in June 2026.

Average gross-to-net (GTN) yield for FY26 was 22%, showing improvement from 20% for FY25 (representing two quarters of revenue in *Sofdra's* launch year). GTN is expected to continue its upward trajectory through 1H FY27.

100% of HCPs surveyed expect to maintain or increase prescribing. In May 2026, Botanix conducted a new survey of 21 US dermatology healthcare providers using the same questionnaire as in Q2 FY26. Results confirmed that *Sofdra* use was driven by its streamlined access, strong efficacy, unique applicator and safety.

Botanix Fulfilment Platform is innovative and scalable. A refill rate exceeding the industry average contributed strongly to TRx growth.[2] Patients received >5 fills on average, compared to the industry average of <2 fills per year.[3] The Company is currently assessing several potential acquisition opportunities for which the Botanix Fulfilment Platform could make a material improvement to that product's Gross-to-Net, refill rate and commercial adoption.

The Botanix Fulfilment Platform delivers seamless fulfilment through a single pharmacy network that supports dermatology practices and their patients. Overall, the Platform continues to deliver strong prior authorisation (PA) approval rates and increase the number of fully reimbursed prescriptions to improve GTN yield. Product consignment directly to the pharmacy eliminates the wholesaler and generates supply chain cost savings.

These key benefits of the Botanix Fulfilment Platform, and *Sofdra's* launch performance, have fuelled strategic interest in Botanix.

Botanix is driving sustainable growth.

Botanix remains focused on improving profitability and driving sustainable growth through disciplined resource allocation, commercial execution and cash flow optimisation.

[2] Industry average for topicals based on refills in a 12-month period following first Rx (https://pmc.ncbi.nlm.nih.gov/articles/PMC9056466/)
[3] Botanix data on file. SendRx shipments as of 30 June 2026 for patients with the first fill on or after 1 February 2025.

DIRECTORS' REPORT (CONTINUED)

Disciplined resource allocation. Following *Sofdra's* 2025 launch, physicians' strong responsiveness to direct promotion from our sales professionals demonstrated it as the most immediately productive and highest-performing sales channel at that time. In response, the Company largely reallocated its existing sales and marketing budget to the sales force, expanding it from 27 sales professionals to 33 at the beginning of Q1 FY2026. An additional 17 sales professionals were deployed in October, bringing the total to 50.

Following fiscal year-end 2026, as part of its ongoing focus on return on investment, the Company completed a sales force sizing and alignment initiative. Botanix found that 90% of prescriptions were generated by 39 of the 50 sales territories. The Company has reduced the sales force size by 11 and reallocated the most valuable physician targets from unprofitable sales territories to the 39 high-performing sales professionals in adjacent territories to maintain 94% coverage and continue growth. This resizing will lower overall operating costs by ~12%, beginning on 31 July 2026.

Cash flow optimisation. Effective working capital management is crucial during the launch and growth phases. The Company has made significant progress in optimising cash flow and working capital during the fiscal year driven by growth in product sales receipts and deferring the April 2026 API purchase while maintaining sufficient supply to support expected growth. This increases financial flexibility and improves working capital efficiency.

Botanix is also focused on expanding gross margins through supply chain initiatives. Botanix has amended its API supply agreement with Kaken Pharmaceutical, shifting two purchases from April 2026 and January 2027 to later dates. No API purchase is expected before December 2027.

The selection of Piramal as an alternative API supplier in April 2026, is expected to provide supply chain resilience, improve manufacturing flexibility and reduce long-term cost of goods sold by 25% – 40%.[4] Onboarding has begun and is expected to be completed in 2028. Importantly, Piramal's US manufacturing site is favourable for US tariff management.

Strengthening the intellectual property estate. In July 2026, Botanix announced receipt of an Intention to Grant for a European patent application and a Notice of Allowance for a US patent application.[5,6] Together with multiple patents already in place, these developments strengthen the company's intellectual property estate around *Sofdra* and enhance its long-term value proposition into 2040 to support future commercialisation and partnering initiatives.

The European patent application covering the applicator, system for pharmaceutical preparation, and method of use protects features such as controlled topical administration and patient use. Physicians have indicated that the applicator, which limits unwanted drug contact with hands, is a key reason they prescribe *Sofdra*. Upon completion of the grant process and validation in selected European countries, the patent is expected to provide protection into May 2039 and enhance the Company's potential for European commercialisation, where *Sofdra* is not yet available.

[4] Botanix Pharmaceuticals, 'Botanix reaches term sheet agreement with 2nd API supplier' (ASX Announcement, 15/04/2026)
[5] Botanix Pharmaceuticals, 'Intention to grant a European patent on Sofdra applicator' (ASX Announcement, 06/07/2026)
[6] Botanix Pharmaceuticals, 'Notice of Allowance for US Patent on Sofdra drug substance' (ASX Announcement, 12/07/2026)

DIRECTORS' REPORT (CONTINUED)

The Notice of Allowance for a US patent application covering the crystalline form of Sofpironium Bromide and its preparation method protects the drug substance in *Sofdra*. A chemical entity patent (in this case, the crystalline form of sofpironium bromide) is generally considered the hardest to design around, and that's why this type of patent is so highly valued. Once issued, the patent is expected to protect against unauthorised commercial manufacturing of the drug substance into May 2040.

Combined with Botanix's existing commercial infrastructure, fulfilment platform and patient services capabilities, these initiatives position the Company to support future growth, increase operating efficiency and make it more attractive for licensing and acquisition opportunities.

Focus on shareholder value.

FY26 has been an important year for Botanix given the ongoing commercial launch, continued growth of *Sofdra* and the milestones we have achieved.

The Company remains strongly focused on the following:

- Continuing growth of the *Sofdra* franchise and increasing commercial momentum.
- Exploring strategic acquisition opportunities that could leverage Botanix's commercial infrastructure, highly trained sales professionals and fulfilment capabilities to accelerate/improve value creation.
- Engaging with significant inbound interest, including relating to potential licensing and acquisition.
- Strengthening the intellectual property estate, including already issued patents and pending patent protections extending the *Sofdra* franchise.
- Onboarding Piramal as alternate API supplier to enhance flexibility, resilience and long-term margins.
- Improving cash flow performance and enhancing working capital management.
- Optimising resource allocation and sales force alignment to improve operating efficiency and profitability.
- Validating that the scalable Botanix Fulfilment Platform has the ability to support additional products leading to future growth opportunities.

ECCLOCK® gel, 5% received regulatory approval and launched in South Korea.

Dongwha Pharm. Co. received approval in South Korea for ECCLOCK® gel, 5% (Sofpironium Bromide) in August 2025. As a sublicensee of Botanix's Japanese partner, Kaken Pharmaceutical, Dongwha launched ECCLOCK in Korea in January 2026, expanding its product range. While Botanix expects minimal revenue from this sublicense, the Company can sublicense Sofpironium Bromide outside Asia and expects potential growth from upfront payments, milestones, royalties, as well as other deal features.

Comprehensive patient and HCP engagement programs supported by medical education.

Botanix invests to increase patient awareness within physician offices with posters, easel-backed cards, and videos to encourage patients with primary axillary hyperhidrosis to inquire about their medical condition and learn about *Sofdra*. These materials are well-received in waiting and exam areas.

The Botanix speaker program combines peer influence, scientific rigour, and clinical relevance to educate healthcare professionals about *Sofdra*.

Dermatologists also learn about the science underpinning *Sofdra* through medical education. Data from *Sofdra's* clinical trials were published in the prestigious Journal of the American Academy of Dermatology.[7] Additional *Sofdra* data was included in poster sessions at major medical congresses: the Fall Clinical Dermatology Conference for PAs and NPs in May and the American Academy of Dermatology Innovation Academy in July of FY26. Conference faculty who authored these posters promoted the content in their presentations.

Botanix proudly supported November's Hyperhidrosis Awareness Month.

Botanix sales professionals visited dermatology offices nationwide, carrying over 28,000 promotional materials designed to stimulate conversations between physicians and patients about primary axillary hyperhidrosis and *Sofdra*. The Company shares the International Hyperhidrosis Society's compassionate belief that 'together, we can amplify the message that excessive, uncontrollable sweating is a serious medical condition warranting serious attention.'

Impact of US pharmaceutical tariffs.

In April 2026, the US government announced its intention to impose tariffs on pharmaceutical products imported from numerous countries. *Sofdra* is considered a product of Japan based on its API manufacturing site. Beginning 29 September 2026, *Sofdra* will be subject to a 15% tariff upon importation into the US from its finished goods manufacturing site in Canada. The estimated tariff is 15% of the total value, equating to ~$10 per bottle. Locating manufacturing in the US will be key to long-term tariff management and is one reason Botanix signed an alternate API supplier agreement with Piramal. Piramal's US manufacturing site is favourable for US tariff management.

Chief Operating Officer appointment strengthens leadership team.

The Company announced the promotion of Paul Seaback to Chief Operating Officer from Chief Technical Officer in Q4 FY26. In his new role, he will oversee daily operations, drive strategic initiatives, and support growth and efficiencies across key business areas. An accomplished biopharmaceutical executive with over 30 years of industry experience, Mr Seaback joined Botanix in November 2024, initially managing CMC/Supply, Quality, Regulatory, Medical Affairs, Pharmacovigilance, and Tech Services. Prior to Botanix, he was CTO at Dermavant Sciences until its acquisition by Organon and has held global leadership roles at Gilead, Medicis, Hospira, Mayne, and Novartis (Sandoz).

Corporate

The Company completed a capital raise during the period, totalling AUD$45.0 million (before costs), comprising a two-tranche placement and an underwritten Security Purchase Plan of $5.0 million (before costs) for the participation of existing eligible shareholders. The Company offered options on a 1:1 basis with an exercise price of $0.06, expiring on 31 January 2027. Directors and the CEO showed support for the capital raising by committing approximately A$500,000 in aggregate.

[7] Journal of the American Academy of Dermatology, vol 93, July 2025.

Tranche two of the Placement, the SPP and the options offer were subject to shareholder approval. All resolutions presented at the Extraordinary General Meeting of Shareholders held on 1 April 2026 were approved.

The funds were raised for API purchases, manufacturing components, alternate API supplier setup, advertising and marketing initiatives, operating expenses, working capital and transaction costs.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as mentioned in the Operating and Financial Review, and specifically the capital raising, no significant changes in the state of affairs of the Group occurred during the financial year.

OPERATIONAL RISKS

There are material risks inherent in the pharmaceutical industry that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Botanix and the value of its shares. Some of these risks may be mitigated by Botanix's internal controls and processes, but some are outside the control of Botanix, its directors and management. The material risks identified by management are described below:

Regulatory risks

The Company carries a risk of non-compliance with legal or regulatory requirements relevant to the sale of its product. To mitigate these risks, the Company has employed or contracted experienced personnel in Quality, Production and Compliance. In addition, the Company maintains a robust control environment with relevant policies, procedures and monitoring.

Manufacturing risk

The Company's development stage and commercial product are manufactured by contract manufacturing organisations engaged by Botanix for that purpose. The Company relies on supply relationships with third-party organisations and partners for raw materials, packaging components and other consumables. An inability of these third-party organisations to continue to supply the Company in a timely, economical and/or consistent manner could adversely impact the progress of the Company's development programs and potentially on the financial performance of the Company.

Mitigation measures employed by the Company include performing rigorous due diligence on suppliers, engaging suppliers with strong track records and sufficient capability to meet the Company's foreseeable needs and employing a senior manager responsible for managing and monitoring the performance of third parties including suppliers.

Market Risks

The Company is subject to a number of financial risks that arise as a result of its activities. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk – During the normal course of business, the Company enters into contracts with overseas customers or suppliers or consultants that are denominated in foreign currency. As a result of these transactions, there is exposure to fluctuations in foreign exchange rates. The principal currency risk faced by the business is the exchange rates between the Australian dollar, the US dollar, and the Japanese yen.

DIRECTORS' REPORT (CONTINUED)

The Company holds cash denominated in US dollars and Australian dollars and may have material future expenditure in each of these currencies. Where possible, the Company matches foreign currency income and foreign currency expenditure as a natural hedge, holding foreign currency cash to facilitate this natural hedge. When foreign currency expenditure exceeds foreign currency revenue and foreign currency cash, the Company may consider purchasing foreign currency to meet anticipated requirements under spot and forward contracts.

Interest rate risk – The Company is exposed to changes in market interest rates as the Company holds cash and cash equivalents. The Company mitigates this risk through a series of term deposits structured to provide some certainty of financial returns.

Liquidity risk – The Company's financial liabilities, comprising trade and other payables and derivatives, are generally repayable within 1 – 3 months. The maturity and availability of financial assets, comprising cash and cash equivalents and trade and other receivables, are monitored and managed to ensure financial liabilities can be repaid when due.

Capital management – The Company monitors capital, including share capital, retained earnings and reserves and the cash and cash equivalents presented in the consolidated statement of financial position. The key objective of the Company when managing its capital is to safeguard its ability to continue as a going concern, so that the Company can sustain the commercialisation and the future development of the research and development activities being performed by the Company. Capital management risk is mitigated largely by the Company's ability to access funding via equity capital markets and it has historically been successful in doing so as and when required. Alternative strategies may include the restructuring of financing arrangements. Refer to Note 2: Basis of Preparation.

Changes in the United States trade policy, including the impact of US pharmaceutical tariffs

The recent enactment of tariffs by the US government, along with the unpredictability of the rates and the potential for punitive actions and retaliatory tariffs by such countries, poses a risk to our business operations and may materially increase our costs and reduce profits. We are actively monitoring the impact of any tariffs that become effective, as well as potential retaliatory tariffs imposed by other countries. We are currently analysing strategies that can be taken to moderate or minimise the effects of these trade actions, however, there can be no assurance that any such strategies will be successful, or that they will offset the negative impact of the tariffs on our business.

Given the uncertainty regarding scope and duration of the current and potential tariffs, as well as the potential for additional trade actions by the US or other countries, the specific impact to our business, results of operations, cash flows and financial condition is uncertain.

IT systems, privacy and cybersecurity

The Group is subject to a number of risks associated with IT systems, privacy and cybersecurity including:

- non-compliance with privacy and data security laws, regulations and guidance;
- cybersecurity breaches, data theft, or data leakage; and
- significant disruption to our technology systems.

The Group mitigates these risks by the recruitment of experienced IT personnel and the implementation of protective measures such as firewalls, antivirus software, data encryption, routine back-ups, system monitoring, system audits and disaster recovery procedures (including the testing of these procedures).

DIRECTORS' REPORT (CONTINUED)

Environmental and climate

The Group will rely on its governance and strategy to mitigate its climate-related risks and opportunities whilst engaging third-party expert advice where appropriate.

DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interests of the Directors in ordinary shares, unlisted options and performance rights of the Company were:

	Shares		Options		Performance rights	
Director	**Directly**	**Indirectly**	**Directly**	**Indirectly**	**Directly**	**Indirectly**
Mr Vincent	16,668,311	-	1,666,667	-	16,000,000	-
Dr Patricia	1,666,667	-	10,666,667	-	-	-
Dr William Bosch	21,503,369	-	1,666,667	-	2,000,000	-
Dr Stewart	-	7,826,801	-	1,666,667	-	3,333,333
Mr Danny Sharp	-	6,075,791	-	833,333	-	3,333,333
Total	**39,838,347**	**13,902,592**	**14,000,001**	**2,500,000**	**18,000,000**	**6,666,666**

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors held during the year and the number of meetings attended by each Director are:

	Board Meetings		Audit and Risk Committee Meetings[1]		Remuneration and Nomination Committee Meetings[2]	
Board of Directors	**Number held**	**Number attended**	**Number held**	**Number attended**	**Number held**	**Number attended**
Mr Vincent Ippolito	8	8	-	-	-	-
Dr William Bosch	8	8	2	2	3	3
Dr Stewart Washer	8	8	3	3	3	3
Mr Danny Sharp	8	8	3	3	3	3
Dr Patricia Walker	7[3]	7	1	1	-	-

[1] Members of the Audit and Risk Committee during the financial year were Mr Danny Sharp (Chair), Dr Stewart Washer, Dr William Bosch who ceased to be a member after August 2025, and was replaced on the committee by Dr Patricia Walker who attended the 26 February 2026 meeting.
[2] Members of the Remuneration and Nomination Committee during the financial year were Dr Stewart Washer (Chair), Mr Danny Sharp and Dr William Bosch.
[3] Dr Patricia Walker was appointed on 25 August 2025 and was only eligible to attend 7 of the 8 meetings held during the year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

After the 2026 fiscal year-end, Botanix conducted a review of sales force size and alignment. It was found that 90% of prescriptions came from 39 of 50 sales territories. Consequently, the Company reduced its sales force size by 11 and reallocated the most valuable physician targets to the 39 high-performing sales professionals, while maintaining 94% coverage, continuing growth, and decreasing overall operating costs by approximately 12%.

Other than the matter above, no matters or circumstances have arisen since the end of the year that significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law. For the year ended 30 June 2026, the Directors have assessed that there are no current reporting requirements but have committed to develop an ESG framework in the future.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid premiums to insure the Directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNITY AND INSURANCE OF AUDITORS

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

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

RESPONSE TO FIRST STRIKE AT 2025 AGM AND AFFECT ON REMUNERATION FOR FY26

The Board acknowledges the first strike received on the Company's Remuneration Report at the 2025 Annual General Meeting (AGM). Following the AGM, the Board undertook a comprehensive engagement program to better understand the concerns raised, and appreciates the feedback provided by shareholders and proxy advisers.

Large shareholders have been engaged with and consulted to seek further understanding and clarity on issues surrounding the structure of executive compensation. The Company also had meetings with prominent proxy advisors, Ownership Matters and ASCI, which resulted in receipt of detailed engagement reports. Their comments on governance, specifically the lack of majority director independence, prompted initiation of a formal director search, which was initiated with a global search firm, and a number of candidates have been identified.

Botanix has carefully considered all feedback in reviewing the Company's remuneration framework and incentive structures. The Board remains committed to ongoing shareholder engagement and regular review of the remuneration framework to ensure it continues to support the Botanix strategy and long-term performance.

Botanix Operating and Remuneration Context

While two Non-Executive Directors, the Corporate Secretary, and the Australian CFO are Australia-based, the balance of the Company's personnel is US-based, making it important to understand the differences in equity practices between Australia and the US. Equity is more important in the US. Whereas Australian companies typically use Short-Term Incentives (STI), Long-Term Incentives (LTI), and Performance Rights, US companies rely more heavily on restricted stock units (RSUs) and Performance Stock Units (PSUs), which are similar to performance rights, and Stock options.

In Australia, common STI measures include EBITDA, EBIT, NPAT, safety, customer satisfaction, ESG objectives, and individual strategic goals. LTI measures often include total shareholder return (TSR), earnings per share (EPS), and return on capital (ROIC). By contrast, US companies place greater emphasis on relative TSR, revenue growth, operating income, free cash flow, strategic milestones, and market capitalisation growth.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2026. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes the following specified executives in the Company:

DIRECTORS' REPORT (CONTINUED)

Key Management Personnel for the year ended 30 June 2026

Directors:

Mr Vincent Ippolito	Executive Chairman
Dr William Bosch	Non-executive Director
Dr Stewart Washer	Non-executive Director
Mr Danny Sharp	Non-executive Director
Dr Patricia Walker	Non-executive Director (appointed 25 August 2025)

Other Key Management Personnel:

Dr Howard McKibbon	Chief Executive Officer
Mr Graeme Morissey	Chief Financial Officer, Australia
Mr Chris Lesovitz	Chief Financial Officer, United States of America

Remuneration Policy

All the feedback received provided an important perspective on Botanix remuneration. While listening to and acknowledging stakeholder feedback, the Board must also consider how to balance the need for remuneration packages for its Directors and executives that are appropriate to their respective geographies, to attract, reward and retain people with the qualifications, skills, and experience to help the company achieve the required objectives. However, the Company understands that whilst it is still in its current phase, a prudent position must be observed in the total remuneration expense.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology. Performance rights are valued at the share price on the grant date (in the absence of market-based vesting hurdles).

Remuneration Governance

The Board has a Remuneration Committee, consisting of a majority of independent non-executive directors and chaired by an independent director. The Committee met three times during financial year 2026. The Committee operates under a charter approved by the Board, which is available on the Botanix website. It is responsible for undertaking a broad review of, supporting compliance with, and making recommendations in respect of the Group's remuneration policies. It is also responsible for setting and reviewing the Company's compensation policies and practices, and all elements of remuneration for directors and members of the executive team, including long-term incentive plans for employees and/or directors. In undertaking these tasks, the Remuneration Committee meets separately with management as required.

Non-Executive Director Remuneration

Fees and payments to non-executive Directors reflect the demands made on them and their responsibilities. Non-executive Directors' fees and payments are reviewed by the Board.

The total amount paid to non-executive Directors is determined by the Board from time to time for presentation to and resolution by shareholders in the Annual General Meeting. The current approved maximum aggregate remuneration payable to non-executive Directors is $450,000 per year.

DIRECTORS' REPORT (CONTINUED)

The non-executive Directors are paid a set amount per year and receive reimbursement of expenses incurred on the company's behalf. Non-executive Directors may also receive consultancy fees, at normal commercial rates, where appropriate expertise and time commitment are required, such additional amounts being approved by the Board.

Long-term performance incentives comprise options and performance rights granted to align the objectives of non-executive Directors with shareholders and the Company. The issue of options and performance rights to non-executive Directors requires shareholder approval.

Executive Remuneration
Remuneration packages for the executive Directors and senior executives are prepared by the Remuneration and Nominations Committee and presented for formal approval by the Board.

The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by and approved by the Board.

When employed, senior executives receive a fixed salary, bonus payments based on Board review of performance, and options or performance rights.

Performance-Based Remuneration
Where appropriate, the Board may set key performance indicators for executive Directors and employees that provide for the payment of bonuses if met in whole or in part. There is no direct correlation between the Company's performance and fixed remuneration paid to executive Directors and employees. Certain Directors are eligible to receive a bonus based on meeting objectives related to commercialisation; investor relations; business development activities; and corporate strategy and development. The outcome of these milestones and/or payment of bonuses is at the complete discretion of the Board.

When the Board deems it appropriate, equity-based remuneration may be granted to Directors, employees and consultants (subject to shareholder approval if appropriate).

Relationship between the remuneration policy and Company performance
The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives.

The Company operates an Employee Securities Incentive Plan ("ESIP") for eligible participants of the Group. Under the ESIP, the Company may, at the discretion of the Directors, offer eligible participants securities on the terms and conditions stated in an offer letter. A security granted under the ESIP may be a plan share, option, performance right or other convertible security as defined in the ESIP. In considering grants under the ESIP the Board considers the person's seniority, position, length of service, potential contribution and any other matters which the Board considers relevant.

A participant in an equity-based remuneration plan operated by the Company must not enter into a transaction (whether through the use of derivatives or otherwise) that limits the economic risk of participating in the plan.

The Company aims to align its executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

DIRECTORS' REPORT (CONTINUED)

	2022	2023	2024	2025	2026
Revenues	-	$102,934	$601,820	$5,757,266	$33,801,507
(Loss) for the year attributable to owners	($12,982,549)	($8,917,281)	($13,709,868)	($86,396,186)	($69,768,611)
Basic loss per share (cents)	(1.35)	(0.79)	(0.92)	(4.68)	(3.22)
Share price	$0.06	$0.13	$0.35	$0.32	$0.019
Dividends paid	-	-	-	-	-

Security based payment arrangements granted to date

Options

In accordance with the provisions of the ESIP, Directors, executives and employees have been granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when the options were issued or agreed to be issued.

Each share option converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

Options granted may vest on issue or progressively over the life of the options as decided by Directors when making an offer under the ESIP. Options granted under the ESIP usually expire within forty-eight months of issue. Unvested options expire immediately on the resignation of the eligible participant, unless otherwise determined by the Board.

Performance rights

In accordance with the provisions of the ESIP, Directors, executives and employees have been granted performance rights to purchase ordinary shares at nil cost as determined by the Board with regard to the market value of the shares when the performance rights were issued or agreed to be issued.

Each performance right converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the performance right. The performance rights carry neither rights to dividends nor voting rights. Performance rights may be exercised at any time from the date of vesting to the date of expiry.

Performance rights granted may vest on issue or progressively over the life of the performance rights as decided by Directors when making an offer under the ESIP. Performance rights granted under the ESIP usually expire within forty-eight months of issue. Unvested performance rights expire immediately on the resignation of the eligible participant, unless otherwise determined by the Board.

DIRECTORS' REPORT (CONTINUED)

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the Key Management Personnel (as defined in AASB 124 *Related Party Disclosures)* of the Group are set out in the following tables:

2026	Short Term Benefits				Post-Employment Benefits	Share Based Payments			
Key Management Personnel	**Salary and Fees $**	**Bonuses $**	**Insurances $**	**Leave Movements $**	**Superannuation $**	**Options $**	**Performance Rights $**	**Total $**	**Performance Based %**
Directors									
Mr V Ippolito	683,095	225,420	33,549	52,545	15,767	-	1,021,595	2,031,971	61.4
Dr W Bosch[2]	85,000	-	-	-	-	-	220,485	305,485	72.2
Dr S Washer	100,000	-	-	-	-	-	220,485	320,485	68.8
Mr D Sharp	100,000	-	-	-	-	-	220,485	320,485	68.8
Dr P Walker[1]	74,375	-	-	-	-	247,517	-	321,892	76.9
Total – Directors	**1,042,470**	**225,420**	**33,549**	**52,545**	**15,767**	**247,517**	**1,683,050**	**3,300,318**	**65.3**
Executives									
Mr G Morissey	125,000	-	-	-	-	20,002	-	145,002	13.8
Dr H McKibbon	667,915	154,287	30,863	51,378	15,766	-	1,060,748	1,980,957	61.3
Mr C Lesovitz	495,200	162,009	49,485	36,567	16,239	340,430	448,729	1,548,659	61.4
Total – Executives	**1,288,115**	**316,296**	**80,348**	**87,945**	**32,005**	**360,432**	**1,509,477**	**3,674,618**	**59.5**
Grand Total	**2,330,585**	**541,716**	**113,897**	**140,490**	**47,772**	**607,949**	**3,192,527**	**6,974,936**	**62.3**

[1]appointed 25th August 2025 and, therefore, the remuneration disclosed is from appointment date through to 30 June 2026.

[2]during the period, Dr W Bosch was paid $63,750 which represented an underpayment of fees earned as a result of overpayments in prior period. Refer footnote 1 of the prior period remuneration table below. Earned amounts are presented in the remuneration table above.

DIRECTORS' REPORT (CONTINUED)

2025	**Short Term Benefits**				**Post-Employment Benefits**	**Share Based Payments**			
Key Management Personnel	**Salary and Fees $**	**Bonuses $**	**Insurances $**	**Leave Movements $**	**Superannuation and 401K $**	**Options $**	**Performance Rights $**	**Total $**	**Performance Based %**
Directors									
Mr V Ippolito	694,838	277,935	25,454	53,450	21,765	-	4,596,497	5,669,939	86.0
Mr M Callahan	371,321	-	-	-	-	-	552,729	924,050	59.8
Dr W Bosch	126,991 [1]	-	-	-	-	-	618,853	745,844	83.0
Dr S Washer	89,056	-	-	-	2,108	-	618,853	710,017	87.2
Mr D Sharp	88,333	-	-	-	-	11,889	618,853	719,075	87.7
Total – Directors	**1,370,539**	**277,935**	**25,454**	**53,450**	**23,873**	**11,889**	**7,005,785**	**8,768,925**	**83.2**
Executives									
Mr G Morissey	125,000	-	-	-	-	60,795	-	185,795	32.7
Dr H McKibbon	669,103	190,231	30,692	52,262	16,908	30,036	4,348,187	5,337,419	85.6
Mr C Lesovitz	404,270	128,268	33,897	22,805	11,120	874,532	307,733	1,782,625	73.5
Total – Executives	**1,198,373**	**318,499**	**64,589**	**75,067**	**28,028**	**965,363**	**4,655,920**	**7,305,839**	**81.3**
Grand Total	**2,568,912**	**596,434**	**90,043**	**128,517**	**51,901**	**977,252**	**11,661,705**	**16,074,764**	**82.3**

[1] During the period, Dr W Bosch was paid $163,552 which represented an overpayment of fees earned. The Company has ceased payments until the earned amounts have caught up. Earned amounts are presented in the table above.

DIRECTORS' REPORT (CONTINUED)

Shareholdings of Key Management Personnel

The movement in the number of ordinary shares of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally related entities, for the year ended 30 June 2026 is as follows:

Key Management Personnel	Held at 1 July 2025	Acquired in Placement	Cancelled Shares	Conversion of Performance Rights	Sale of shares on market	Held at 30 June 2026
Mr V Ippolito	15,001,644	1,666,667	-	-	-	16,668,311
Dr W Bosch	18,836,702	1,666,667	-	1,000,000	-	21,503,369
Dr S Washer	6,160,134	1,666,667	-	-	-	7,826,801
Mr D Sharp	5,242,458	833,333	-	-	-	6,075,791
Dr P Walker	-	1,666,667	-	-	-	1,666,667
Mr G Morissey	-	-	-	-	-	-
Mr C Lesovitz	-	-	-	750,000	(254,964)[1]	495,036
Dr H McKibbon	11,313,391	833,333	(6,928,586)[2]	16,333,334	(3,485,238)[1]	18,066,234
Total	**56,554,329**	**8,333,334**	**(6,928,586)**	**18,083,334**	**(3,740,202)**	**72,302,209**

[1] As resolved by the Board during the 2025 financial year, when exercising performance rights or options, Board members and executives are permitted to sell shares to cover their US tax obligations related to the exercise whilst adhering to the share trading policies of the Company which includes restrictions during "blackout" periods and the requirement to obtain Board approval.

[2] As announced on 30 December 2025, these shares which were originally issued as a result of the Company's employee share scheme, were subject to a buy-back for nil consideration as the shares were issued erroneously.

DIRECTORS' REPORT (CONTINUED)

Option holdings of Key Management Personnel

The movement in the number of options of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally related entities, for the year ended 30 June 2026 is as follows:

Name and Grant date	Held at 1 July 2025	Granted as Compensation	Options Exercised	On inception as Key Management Personnel	Options Lapsed	Obtained from participation in placement	Held at 30 June 2026	Vested and Exercisable	Unvested
Mr V Ippolito									
20/04/2026	-	-	-	-	-	1,666,667	1,666,667	1,666,667	-
Dr W Bosch									
20/04/2026	-	-	-	-	-	1,666,667	1,666,667	1,666,667	-
Dr S Washer									
20/04/2026	-	-	-	-	-	1,666,667	1,666,667	1,666,667	-
Mr D Sharp									
20/04/2026	-	-	-	-	-	833,333	833,333	833,333	-
Dr P Walker									
14/06/2024	-	-	-	4,000,000[1]	-	-	4,000,000	4,000,000	-
22/08/2025	-	1,000,000	-	-	-	-	1,000,000	-	1,000,000
22/08/2025	-	4,000,000	-	-	-	-	4,000,000	-	4,000,000
20/04/2026	-	-	-	-	-	1,666,667	1,666,667	1,666,667	-
Dr H McKibbon	-	-	-	-	-	-	-	-	-
20/04/2026						833,333	833,333	833,333	
Mr C Lesovitz									
10/06/2024	10,000,000	-	-	-	-	-	10,000,000	6,000,000	4,000,000
Mr G Morissey	-	-	-	-	-	-	-	-	-
20/6/2024	1,000,000	-	-	-	-	-	1,000,000	1,000,000	-
Total	**11,000,000**	**5,000,000**	**-**	**4,000,000**	**-**	**8,333,334**	**28,333,334**	**19,333,334**	**9,000,000**

1 Balance on inception was awarded prior to Dr Patricia Walker becoming key management personnel and was not a sign-on grant.

DIRECTORS' REPORT (CONTINUED)

Performance rights holdings of Key Management Personnel

The movement in the number of performance rights of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally related entities, for the year ended 30 June 2026 is as follows:

Name and Grant date	Held at 1 July 2025	Granted as Compensation	Rights Exercised	Rights Lapsed	Held at 30 June 2026	Vested and Exercisable	Unvested
Mr V Ippolito							
4/11/2024	16,000,000	-	-	-	16,000,000	4,000,000	12,000,000
Dr W Bosch							
4/11/2024	3,000,000	-	(1,000,000)[1]	-	2,000,000	1,000,000	1,000,000
Dr S Washer							
23/11/2022	333,333	-	-	-	333,333	333,333	-
4/11/2024	3,000,000		-	-	3,000,000	2,000,000	1,000,000
Mr D Sharp							
23/11/2022	333,333	-	-	-	333,333	333,333	-
4/11/2024	3,000,000		-	-	3,000,000	2,000,000	1,000,000
Dr P Walker	-	-	-	-	-	-	-
Mr G Morissey	-	-	-	-	-	-	-
Mr C Lesovitz							
18/12/2024	3,000,000	-	(750,000)[2]	-	2,250,000	-	2,250,000
Dr H McKibbon							
25/08/2023	56,000,000	-	(16,333,334)[3]	-	39,666,666	16,333,333	23,333,333
Total	**84,666,666**	**-**	**(18,083,334)**	**-**	**66,583,332**	**25,999,999**	**40,583,333**

[1]Exercise date of 22 May 2026. $Nil paid. Fair value of instruments upon exercise was $25,000.
[2]Exercise date of 13 May 2026. $Nil paid. Fair value of instruments upon exercise was $22,500.
[3]9,333,334 with an exercise date of 2 October 2025 and 7,000,000 with an exercise date of 22 May 2026. $Nil paid. Fair value of instruments upon exercise was $1,446,667 and $175,000 respectively.

DIRECTORS' REPORT (CONTINUED)

Terms and conditions of the share-based payment arrangements

Options

The number of options over ordinary shares in the Company provided as remuneration to Key Management Personnel on issue at 30 June 2026 is shown above under the heading "Option holdings of Key Management Personnel". The options carry no dividend or voting rights. The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

<table>
<tr><th>Grant date</th><th>Number</th><th>Vesting timing and conditions</th><th>Expiry date</th><th>Exercise price</th><th>Fair value per option at grant date</th><th>Vesting Status</th></tr>
<tr><td rowspan="3">14/06/2024</td><td rowspan="3">4,000,000</td><td>50% on FDA approval of Sofdra;</td><td rowspan="3">12/07/27</td><td rowspan="3">$0.28</td><td rowspan="3">$0.183</td><td>Vested</td></tr>
<tr><td>25% 12-months following FDA approval of Sofdra; and</td><td>Vested</td></tr>
<tr><td>25% 24-months following FDA approval of Sofdra.</td><td>Vested</td></tr>
<tr><td rowspan="3">20/6/2024</td><td rowspan="3">1,000,000</td><td>50% on FDA approval of Sofdra;</td><td rowspan="3">12/07/27</td><td rowspan="3">$0.364</td><td rowspan="3">$0.174</td><td>Vested</td></tr>
<tr><td>25% 12-months following FDA approval of Sofdra; and</td><td>Vested</td></tr>
<tr><td>25% 24-months following FDA approval of Sofdra.</td><td>Vested</td></tr>
<tr><td rowspan="7">10/6/2024</td><td rowspan="7">10,000,000</td><td>1,500,000 – 12 months following approval of Sofdra, provided that the approved label for Sofdra includes an efficacy and safety data set that supports promotion of the product in the US market.</td><td rowspan="7">12/7/28</td><td rowspan="7">$0.24</td><td rowspan="7">$0.168</td><td>Vested</td></tr>
<tr><td>1,500,000 – later of 12 months after vesting date of Tranche 1, or 30 December 2025, provided that:
- the Company has launched Sofdra for commercial sale in the US; and
- the Company has established a distribution network which is effectively providing reimbursed prescriptions to patients.</td><td>Vested</td></tr>
<tr><td>1,500,000 – 12 months after the vesting date of Tranche 2, provided that:
- the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis; and
- the Company is generating revenue from prescriptions as a direct result from the utilisation of the telehealth platform.</td><td>Not Vested</td></tr>
<tr><td>1,500,000 vest where US$45M in revenue achieved for a financial year.[1]</td><td>Vested</td></tr>
<tr><td>1,500,000 vest where US$100M in revenue achieved for a financial year.[1]</td><td>Vested</td></tr>
<tr><td>1,500,000 vest where US$150M in revenue achieved for a financial year.[1]</td><td>Not Vested</td></tr>
<tr><td>1,000,000 vest where US$250M in revenue achieved for a financial year.[1]</td><td>Not Vested</td></tr>
</table>

1 Where revenue is calculated as the gross revenue derived from sales of products.

DIRECTORS' REPORT (CONTINUED)

Options (Continued)

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per option at grant date	Vesting Status
22/08/2025	1,000,000	Vests upon continued service to 10 business days before expiry date (1 year from issue date).	22/8/2026	$0.145	$0.044	Not Vested
22/08/2025	4,000,000	33% vests after 1 year of service from issue date.	22/8/2028	$0.19	$0.064	Not Vested
		33% vests after 2 years of service from issue date.				Not Vested
		33% vests upon continued service to 10 business days before expiry date (3 years from issue date).				Not Vested

Performance rights

The number of performance rights over ordinary shares in the Company provided as remuneration to Key Management Personnel on issue at 30 June 2026 is shown above. The performance rights carry no dividend or voting rights. The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are as follows:

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per right	Vesting Status
25/08/2023	56,000,000	Tranche 1 (9,333,334) – 12 months following FDA approval of *Sofdra*, provided that the FDA approved label for *Sofdra* includes efficacy and safety data that supports promotion in the US market.	31/8/2028	Nil	$0.185	Vested
		Tranche 2 (9,333,333) – the later of the date that is 12 months after the vesting date of Tranche 1 or 30 December 2025, provided that *Sofdra* has been launched commercially in the US and the Company has also established a distribution network that is effectively providing reimbursed prescriptions to patients.				Vested
		Tranche 3 (9,333,333) – 12 months after the vesting date of Tranche 2, provided that the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis and the Company is also generating revenue as a direct result from the utilization of the telehealth platform.				Not Vested
		Tranche 4 (7,000,000) – achieving US$45 million of revenue from sales of *Sofdra* in a financial year.[1]				Vested
		Tranche 5 (7,000,000) – achieving US$100 million of revenue from sales of *Sofdra* in a financial year.[1]				Vested
		Tranche 6 (7,000,000) – achieving US$150 million of revenue from sales of *Sofdra* in a financial year.[1]				Not Vested
		Tranche 7 (7,000,000) – achieving US$250 million of revenue from sales of products in a financial year.[1]				Not Vested

1 Where revenue is calculated as the gross revenue derived from sales of products.

DIRECTORS' REPORT (CONTINUED)

Performance rights (Continued)

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per right	Vesting Status
04/11/2024	24,000,000	4,000,000 – the date the Company has: - successfully established a distribution network which is effectively providing reimbursed prescriptions to patients; and executed its first payer contract with a leading US payer for coverage of *Sofdra*.	2/12/2029	Nil	$0.32	Vested
		4,000,000 – the date that the Company: - has successfully deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis; and - is generating revenue from prescriptions as a direct result from utilization of the telehealth platform.				Vested
		2,000,000 – the date the Company has acquired an FDA approved product or products in the dermatology space which is accretive to annual revenue.				Not Vested
		2,000,000 – the date the Company has acquired a late-stage development or commercial ready product in the dermatology space with a market potential of US$200 million in aggregate sales or greater.				Not Vested
		4,000,000 – achieving US$100 million of revenue from the sales of products in a financial year.[1]				Vested
		4,000,000 – achieving US$150 million of revenue from the sales of products in a financial year.[1]				Not Vested
		4,000,000 – achieving US$250 million of revenue from the sales of products in a financial year.[1]				Not Vested
04/11/2024	12,000,000	4,000,000 – the date the Company has launched *Sofdra* with the sales force and telemedicine.	2/12/2029	Nil	$0.32	Vested
		4,000,000 – achieving US$100 million of revenue from the sales of products in a financial year.[1]				Vested
		4,000,000 – achieving US$150 million of revenue from the sales of products in a financial year.[1]				Not Vested
18/12/2024	3,000,000	25% vests after 1 year of service from issue date;	8/01/2030	Nil	$0.385	Vested
		25% vests after 2 years of service from issue date;				Not Vested
		25% vests after 3 years of service from issue date; and				Not Vested
		25% vests after 4 years of service from issue date.				Not Vested

1 Where revenue is calculated as the gross revenue derived from sales of products.

DIRECTORS' REPORT (CONTINUED)

The only grant of new share-based instruments to key management personnel during the period were options granted to Dr Patricia Walker of 4,000,000 and 1,000,000. The fair value of the options was determined using a Black-Scholes pricing model with the following inputs, estimates and results:

Input:	4,000,000 options:	1,000,000 options:
Grant date	20 August 2025	20 August 2025
Share price on grant date	$0.145	$0.145
Exercise price	$0.190	$0.145
Risk-free rate	3.35%	3.35%
Time to maturity (years)	3	1
Volatility	75%	75%
Fair value per instrument	$0.064	$0.044
Total fair value	$256,000	$44,000

The issuance of 1,000,000 options vest 100% 10 business days prior to expiry date (1 year from issue). The 4,000,000 options vest as follows: 33% 1-year from date of issue, 33% 2-years from date of issue, and 33% 10 business day prior to expiry (3 years from issue). In the remuneration table presented above, which reports Dr Patricia Walker's remuneration for the period, the total fair value is recognised straight-line over the vesting period as share-based payments.

Key Management Personnel Service Contracts

Mr Vincent Ippolito

Mr Ippolito was appointed as Executive Chairman of Botanix on 18 July 2019.

The term of Mr Ippolito's employment was agreed to be for three years and will automatically renew for successive periods of one year unless either party gives the other party 60 days' written notice prior to the end of the initial (or renewal) period. Mr Ippolito's salary is contracted to be US$463,500 (AUD$683,095). Mr Ippolito is also eligible to receive an annual bonus of up to 50% of base salary dependent on certain objective performance goals and targets being attained as set by the Board.

Mr Ippolito's employment can be terminated by either himself or the Company, with good reason, immediately. Without good reason, Mr Ippolito and the Company must give 30 days' notice. In any circumstance, termination of Mr Ippolito's employment results in the payment of 12-months' base salary plus a pro-rata portion of his target bonus.

Dr Howard McKibbon

Dr McKibbon was appointed Chief Executive Officer (CEO) effective 24 August 2023. The term of Dr McKibbon's employment as the CEO was agreed to be for five years. During the financial year 2026 period, Dr McKibbon's base salary was US$453,200 (AUD$667,915). The salary is subject to an annual review. Dr McKibbon is also eligible to receive a target short-term incentive of up to 35% of base salary dependent on certain specified annual performance objectives being attained as set by the Board.

Botanix may terminate Dr McKibbon's employment with cause at any time by written notice. Additionally, Dr McKibbon can terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 90 days' notice.

If Dr McKibbon's employment is terminated by the Company without cause or by Dr McKibbon with cause Dr McKibbon will be entitled to receive a payment equivalent to 12 months' base salary and a pro-rata portion of annual bonus unless agreed otherwise between the Company and Dr McKibbon.

Mr Graeme Morissey

Mr Morissey was appointed Chief Financial Officer (CFO) of Australia, effective 26 March 2024. He is contracted with the Company as a sole proprietor with an annual fee of $125,000. Either the Company or Mr Morissey may terminate the contract: in the case of Mr Morissey, by giving the Company at least three (3) months' written notice; in the case of the Company, by giving Mr Morissey at least two (2) months' written notice. No termination amounts are payable under the contract.

Mr Chris Lesovitz

Mr Lesovitz was appointed Chief Financial Officer (CFO) of the United States of America subsidiaries effective 4 August 2024. The term of Mr Lesovitz's employment was agreed to be for 3 years. Mr Lesovitz's base salary is US$322,560 (AUD$495,200). Mr Lesovitz is also eligible to receive a target short-term incentive of up to 40% of base salary dependent on certain specified annual performance objectives being attained as set by the Board.

Botanix may terminate Mr Lesovitz's employment with cause at any time by written notice. Additionally, Mr Lesovitz can terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 90 days' notice. The initial term of the agreement shall automatically renew for successive periods of 1 year unless either party gives the other party written notice at least 60 days prior to the end of the then-existing term or at least 60 days prior to the end of any 1-year renewal period that the term of the agreement shall not be further extended.

If Mr Lesovitz's employment is terminated by the Company without cause or by Mr Lesovitz with cause, Mr Lesovitz will be entitled to receive a payment equivalent to 9 months' base salary and a pro-rata portion of annual bonus unless agreed otherwise between the Company and Mr Lesovitz.

DIRECTORS' REPORT (CONTINUED)

Dr William Bosch

Dr Bosch receives a base fee of AUD$85,000 inclusive of superannuation as a non-executive Director and as a member of the Remuneration and Nomination Committee.

Dr Stewart Washer

Dr Washer receives a base fee of AUD$100,000 inclusive of superannuation as a non-executive Director, chairman of the Remuneration and Nomination Committee and as a member of the Audit and Risk Committee.

Mr Danny Sharp

Mr Sharp receives a base fee of AUD$100,000 inclusive of superannuation as a non-executive Director, chairman of the Audit and Risk Committee and as a member of the Remuneration and Nomination Committee.

Dr Patricia Walker

Dr Walker receives a base fee of AUD$85,000 per annum exclusive of superannuation, as a non-executive Director and as a member of the Audit and Risk Committee.

No termination amounts are payable under the agreements, nor is there a required notice period.

DIRECTORS' REPORT (CONTINUED)

Short-term Incentives

Certain key management personnel are entitled to short-term cash incentives, calculated as a percentage of their base salary. For the financial year 30 June 2026, the following short-term incentives in the form of cash bonuses were awarded:

Key Management Personnel	Fixed Term Remuneration ("FTR")	Short-term incentive percentage of FTR	Total At-Risk Bonus (USD$)	Total At-Risk Bonus (AUD$)
Vincent Ippolito	US$463,500	50%	US$231,750	AUD$341,545
Howie McKibbon	US$453,200	35%	US$158,620	AUD$233,768
Chris Lesovitz	US$322,560	40%	US$129,024	AUD$190,151

The short-term cash incentive as a percentage of each key management personnel's FTR is accrued based on distinct key performance indicators which are established by the Remuneration Committee, approved by the Board of Directors and then evaluated by the Remuneration Committee and recommended for payment to the Board of Directors at period end.

The key management personnel are paid in USD. The 'Total At-Risk Bonus (AUD$)' column above represents the translated amount in AUD using the average USD:AUD exchange rate during the financial year.

The following key performance indicators were applied to each bonus for all key management personnel above:

DIRECTORS' REPORT (CONTINUED)

		$ At Risk Amount (AUD)				$ Earned (AUD)		
Key Performance Indicator	**Weighting**	**Howie McKibbon**	**Chris Lesovitz**	**Vince Ippolito**	**Percentage Achieved**	**Howie McKibbon**	**Chris Lesovitz**	**Vince Ippolito**
1. Financial management	60.00%							
A. Achieve net sales targets	40.00%	93,507	76,060	136,618	40%, 88%, 40%[1]	37,403	66,933	54,647
B. Manage operating expenses within 10% of budget	20.00%	46,754	38,030	68,309	100%	46,754	38,030	68,309
2. Operational management	25.00%							
A. Successfully renegotiate Kaken commercial supply agreement supply terms	10.00%	23,377	19,015	34,155	100%	23,377	19,015	34,155
B. Execute contract with additional API supplier and commence activities	10.00%	23,377	19,015	34,155	100%	23,377	19,015	34,155
C. Progress investor relations plan and appoint appropriate contractors for retail investors	5.00%	11,688	9,508	17,077	100%	11,688	9,508	17,077
3. Strategic Growth and Expansion	15.00%							
A. Secure signed term sheet for at least one late-stage product that the Board accepts (post NDA filing or commercially marketed)	10.00%	23,377	19,015	34,155	0%	-	-	-
B. Generate at least one feasible *Sofdra* Product life cycle extension concept	5.00%	11,688	9,508	17,077	100%	11,688	9,508	17,077
Totals		**233,768**	**190,151**	**341,546**		**154,287**	**162,009**	**225,420**

1 For key performance indicator 1.A., the Group's Remuneration Committee exercised discretion in awarding the relevant percentages achieved for each eligible participant.

DIRECTORS' REPORT (CONTINUED)

Remuneration Consultants

The Board did not use the services of remuneration consultants during the year to determine compensation for Directors and executives.

Other transactions with Key Management Personnel

Loan to Dr Howie McKibbon

During the period, the Company loaned USD282,931 (AUD411,896) to Dr Howie McKibbon to settle income taxes owed due to the vesting of 9,333,334 performance rights during the period. Under the tax legislation of the United States, share-based awards are taxed when a share-based instrument vests. Given the employee did not have access to sell-to-cover at vesting to cover the tax, a loan was arranged with Dr McKibbon accordingly. The loan attracts interest of 8.25%, being the fair market value for a loan of this type. The loan matures five (5) years after the loan date.

The loan arrangement consists of a feature whereby 20% of the loan is forgiven at each 1-year anniversary date, a clause that is applicable only where Dr McKibbon continues to be employed by the Company or ceases employment with the Company and is resolved to be a “Good Leaver” by the Board of Directors. In a situation where Dr McKibbon is resolved to be a “Bad Leaver” by the Board of Directors, the loan is repayable net of any previously forgiven amounts and proceeds from the sale of up to 9,334,334 collateral shares. The loan is therefore limited recourse as the repaid amount is solely from the collateral. The loan is subject to mandatory prepayment in the event Dr McKibbon is resolved to be a “Bad Leaver” or a stock price threshold is met.

Voting and comments made at the Company's 2025 Annual General Meeting

The Company received 73.64% of “against” votes on its remuneration report for the 2025 financial year. The Company has commented on feedback received from shareholders related to this result earlier in this remuneration report.

*************END OF AUDITED REMUNERATION REPORT*************

LIKELY DEVELOPMENTS & EXPECTED RESULTS OF OPERATIONS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Company that were not finalised at the date of this report.

AUDITOR

BDO Audit Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

AUDITOR’S INDEPENDENCE DECLARATION

The auditor’s independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2026 has been received and can be found on page 37.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

No proceedings have been brought to or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements. No non-audit services were provided by the auditor (or by another person or firm on the auditor’s behalf).

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2026/183 issued by the Australian Securities and Investments Commission, relating to ‘rounding-off’. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS AND PERFORMANCE RIGHTS

Shares under Option

At the date of this report, there are unissued shares under option outstanding.

Date Issued	Expiry Date	Exercise Price	Number of shares under option
12 July 2024	12 July 2027	$0.28	5,000,000
12 July 2024	12 July 2028	$0.24	10,000,000
8 January 2025	8 January 2030	$0.34	22,250,000
6 March 2025	6 March 2030	$0.475	2,750,000
1 April 2025	1 April 2030	$0.41	5,000,000
22 August 2025	22 August 2026	$0.145	1,000,000
22 August 2025	22 August 2028	$0.19	4,000,000
8 October 2025	8 October 2030	$0.11	13,500,000
24 December 2025	24 December 2029	$0.125	4,250,000
20 April 2026	20 April 2029	$0.06	772,997,200
Total			**840,747,200**

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

During financial year 2026, a total of 1,971,429 ordinary shares were issued as a result of the exercise of 1,971,429 options with a weighted average exercise price of $0.08 (2025: 21,710,067 ordinary shares were issued as a result of the exercise of 21,710,067 options with a weighted average exercise price of $0.094). This included exercise of 4,000,000 options using the cashless exercise facility available to employees and consultants of the Company where 2,228,571 options were cancelled as a result of the exercise (2025: 17,710,067 options utilising the cashless exercise facility available to employees and consultants of the Company where 6,123,266 were cancelled as a result of the exercise).

DIRECTORS' REPORT (CONTINUED)

Performance Rights

At the date of this report, there are unissued shares under performance rights outstanding.

Date Issued	Expiry Date	Exercise Price	Number of shares under performance rights
3 January 2023	30 November 2026	nil	666,666
12 September 2023	31 August 2028	nil	39,666,666
12 July 2024	12 April 2029	nil	10,500,000
2 December 2024	2 December 2029	nil	24,000,000
8 January 2025	8 January 2028	nil	7,500,000
12 July 2024	30 September 2028	nil	5,600,000
1 April 2025	1 April 2030	nil	3,750,000
8 October 2025	8 October 2030	nil	4,500,000
Total			**96,183,332**

During the 30 June 2026 period, 28,143,334 shares were issued as a result of the exercise of performance rights (2025: 8,000,000).

Warrants

At the date of this report, there are unissued shares under warrants held by the Company's debt financier Kreos Capital VII (UK) Limited as follows:

Date Issued	Expiry Date	Exercise Price	Number of shares under warrants
10 June 2025	10 June 2030	$0.33	3,030,303
			3,030,303

Signed in accordance with a resolution of the Directors.

Vince Ippolito

Vincent Ippolito
Executive Chairman
26 August 2026

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DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF BOTANIX PHARMACEUTICALS LIMITED

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Botanix Pharmaceuticals Limited and the entities it controlled during the period.

Melissa Reid

Director

BDO Audit Pty Ltd

Perth

26 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue from continuing operation			
Sales revenue		33,801,507	5,757,266
Total revenue from continuing operations	3	**33,801,507**	**5,757,266**
Other income			
Interest income		1,109,672	1,876,845
Research and development incentive scheme		-	31,924
Total other income	3	**1,109,672**	**1,908,769**
Materials and related expenses		(14,328,722)	(3,438,584)
Product sales and marketing		(52,013,711)	(38,458,943)
Employee and related expenses		(14,165,030)	(12,513,205)
Finance, general and administrative		(1,679,402)	(1,714,485)
Corporate consulting		(3,115,821)	(3,029,648)
Legal fees, insurances and regulatory		(4,828,519)	(6,064,874)
Communications, branding and marketing		(235,567)	(370,517)
Research expenses		-	(143,950)
Depreciation and amortisation	8	(2,316,591)	(2,263,852)
Finance expenses		(2,837,185)	(256,155)
Foreign exchange gain/(loss)		(315,944)	8,537
Share based payments	13	(10,409,929)	(20,516,949)
Cost of issuing debt	10	-	(5,110,627)
Inventory provision expense	6	(18,525)	(188,969)
Gain on change in financial liabilities at fair value through profit or loss	10	1,585,156	-
Total expenses		**(104,769,790)**	**(94,062,221)**
Loss before income tax expense		**(69,768,611)**	**(86,396,186)**
Income tax expense	4	-	-
Loss after income tax for the year		**(69,768,611)**	**(86,396,186)**
Other comprehensive income/(loss) for the year:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation difference		(471,412)	522,292
Other comprehensive income/(loss) for the year, net of tax		(471,412)	522,292
Total comprehensive loss for the year attributed to members of Botanix Pharmaceuticals Limited		**(70,240,023)**	**(85,873,894)**
Loss per share for the year attributable to members of Botanix Pharmaceuticals Limited			
Basic loss per share (cents)	16	**(3.22)**	**(4.68)**
Diluted loss per share (cents)	16	**(3.22)**	**(4.68)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 $	2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	36,631,217	64,966,581
Inventory	6	31,350,321	28,075,635
Trade and other receivables	7	6,641,217	3,203,926
Prepayments		5,654,042	3,340,425
Total Current Assets		**80,276,797**	**99,586,567**
Non-Current Assets			
Plant and equipment		175,554	275,930
Intangible assets	8	24,881,956	28,124,554
Right-of-use assets		641,037	1,108,289
Total Non-Current Assets		**25,698,547**	**29,508,773**
Total Assets		**105,975,344**	**129,095,340**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	16,160,090	15,290,538
Lease liabilities		468,160	408,211
Provisions		526,408	399,671
Financial liabilities at fair value through profit or loss	10	13,824,183	8,822,915
Total Current Liabilities		**30,978,841**	**24,921,335**
Non-Current Liabilities			
Lease liabilities		448,664	809,548
Financial liabilities at fair value through profit or loss	10	11,026,496	22,065,528
Total Non-Current Liabilities		**11,475,160**	**22,875,076**
Total Liabilities		**42,454,001**	**47,796,411**
Net Assets		**63,521,343**	**81,298,929**
EQUITY			
Contributed equity	11	268,262,508	226,301,989
Share based payments reserve	12	41,662,674	31,160,756
Foreign currency translation reserve	12	552,599	1,024,011
Accumulated losses		(246,956,438)	(177,187,827)
Total Equity		**63,521,343**	**81,298,929**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Note	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2025		226,301,989	(177,187,827)	31,160,756	1,024,011	81,298,929
Total comprehensive loss for the year						
Loss for the year		-	(69,768,611)	-	-	(69,768,611)
Total other comprehensive loss		-	-	-	(471,412)	(471,412)
Total comprehensive loss for the year		-	(69,768,611)	-	(471,412)	(70,240,023)
Transaction with equity holders:						
Ordinary shares issued net of costs	11	41,960,519	-	91,989	-	42,052,507
Share based payments	13	-	-	10,409,929	-	10,409,929
Balance at 30 June 2026		**268,262,508**	**(246,956,438)**	**41,662,674**	**552,599**	**63,521,343**

	Note	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2024		188,320,331	(90,791,641)	10,702,140	501,719	108,732,549
Total comprehensive loss for the year						
Loss for the year		-	(86,396,186)	-	-	
Total other comprehensive income		-	-	-	522,292	522,292
Total comprehensive loss for the year		-	(86,396,186)	-	522,292	(85,873,894)
Transaction with equity holders:						
Ordinary shares issued net of costs	11	37,923,325	-	-	-	37,923,325
Share based payments	13	58,333	-	20,458,616	-	20,516,949
Balance at 30 June 2025		**226,301,989**	**(177,187,827)**	**31,160,756**	**1,024,011**	**81,298,929**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026	2025
		$	$
CASHFLOWS FROM OPERATING ACTIVITIES			
Interest received		1,109,672	1,876,845
Receipts from customers		30,955,566	3,948,834
R&D tax concession received		-	1,500,000
Payments to suppliers and employees		(94,025,132)	(85,862,087)
Finance costs		(2,636,629)	(48,337)
Net cash used in operating activities	17	**(64,596,523)**	**(78,584,745)**
CASHFLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(286,430)
Payment for intangibles		-	(763,457)
Loan to employees	14	(408,960)	-
Net cash used in investing activities		**(408,960)**	**(1,049,887)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(264,969)	(192,688)
Proceeds from issue of shares		45,021,000	40,462,000
Transaction costs paid from the issue of shares		(2,968,493)	(2,538,675)
Repayment of borrowings		(2,757,330)	-
Proceeds from convertible loan		-	28,395,975
Transaction costs from convertible loan		(2,453,583)	(769,597)
Net cash provided by financing activities		**36,576,625**	**65,357,015**
Net (decrease) in cash held		(28,428,858)	(14,277,617)
Cash and cash equivalents at beginning of financial year		64,966,581	79,308,130
Foreign exchange adjustment		93,494	(63,932)
Cash and cash equivalents at end of financial year	5	**36,631,217**	**64,966,581**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: REPORTING ENTITY

Botanix Pharmaceuticals Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2026 comprises the Company and its subsidiaries (collectively referred to as the "Group").

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report which does not form part of this financial report.

NOTE 2: BASIS OF PREPARATION

This General-Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the Corporations Act 2001.

The Financial Statements and Notes of the Company comply with Australian Accounting Standards, which include Australian equivalents to IFRS Accounting Standards. Compliance ensures that the Financial Statements and Notes comply with IFRS Accounting Standards.

Botanix Pharmaceuticals Limited is a company limited by shares. The financial report is presented in Australian currency. The financial report has been prepared on a historical cost basis.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Botanix Pharmaceuticals Limited's functional and presentation currency.

Going Concern

The financial statements for the year ended 30 June 2026 have been prepared on the basis that the Group is a going concern and therefore, contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Group recorded a net loss after tax of $69,768,611 (30 June 2025: $86,396,186). Included in the loss is $10,409,929 of non-cash share-based payments expense (30 June 2025: $20,516,949). The Group had a net working capital surplus of $49,297,956 at 30 June 2026 (30 June 2025: $74,665,232) and experienced net cash outflows from operating activities for the period of $64,596,523 (30 June 2025: $78,584,745). Under its current loan facilities, the Group is required to maintain a minimum cash balance to satisfy its loan covenant (refer Note 10) of which it monitors by reviewing cash positions and cashflow forecasts regularly.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its asset and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors believe that there are reasonable grounds that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- the Group is confident in its ability to achieve budgeted sales and outcomes of its operations, which includes continued growth in revenues;
- the Group can continue to curtail costs whilst still operating in the normal course of business and realising its short term, 12-month cashflow forecasts; and

Going Concern (Continued)

- the Group has potential avenues of financing or refinancing, which could include, for example, the restructuring of its debt facility repayment arrangements or traditional fundraising via equity capital markets.

The Board is confident in their ability to source financing or refinancing, particularly with raising further capital on equity capital markets as and when required.

Without achieving these mitigating factors, most notably completion of a capital raising or otherwise obtaining further financing, refinancing or funding, the Group may not be able to meet its debts and obligations as and when they fall due within a 12-month period from the signing of this financial report.

The existence and Directors' assessment of these mitigating factors have led the Directors to conclude that the Group is a going concern and that it will be able to meet its obligations as and when they fall due for at least 12 months from the date of signing this report. Accordingly, the financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the entity does not continue as a going concern.

Critical Accounting Estimates and Significant Judgments

The Directors evaluate estimates and judgments incorporated in the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. Refer to critical accounting estimates and significant judgements shown below, or as specifically identified within the notes to the financial statements.

(i) Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. For options, the fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. For performance rights, the fair value has been estimated to be the share price on the grant date of the award. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(ii) Share based payments – vesting period

During the current and prior years, the Group granted rights to Key Management Personnel, as disclosed in Note 13. The Group has made an assessment on the timing and probability of the achievement of non-market based vesting hurdles in assessing the ongoing vesting of the value of the equity instruments granted.

(iii) Amortisation of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Intangible assets commence amortisation from the point they are considered ready for intended use, which also requires estimation and judgment. In the prior period, the Company's Sofpironium Bromide Licence was judged to be available for use upon the granting of approval by the US regulators, the FDA. The useful life of the intangible asset is estimated to be approximately 16 years based on a patent period. Management have estimated that the asset will be consumed evenly over the useful life and therefore adopted the straight-line method of amortisation.

Critical Accounting Estimates and Significant Judgments (Continued)

(iv) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgment. The level of the provision is assessed by taking into account sales expectations, the ageing of inventories, expiry dates and other factors that affect inventory obsolescence.

(v) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. In its assessment of whether impairment indicator triggers exist, the Group judges the extent to which it can achieve sales and costs budgets and includes estimates such as prescription volumes and gross-to-net ratios. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer Note 8 for further information.

(vi) Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 15 for further information.

NOTE 3: SALES REVENUE AND OTHER INCOME

	2026 $	2025 $
Revenues from contracts with customers		
Sales of *Sofdra*	33,219,460	5,094,216
Royalty fees received	1,293,437	1,388,608
Royalty fees paid	(711,391)	(725,558)
	33,801,507	**5,757,266**
Other income		
Interest income	1,109,672	1,876,845
Research and development incentive scheme	-	31,924
	1,109,672	**1,908,769**
Timing of revenue recognition		
Goods transferred at a point in time	33,801,507	5,757,266
Services transferred over time	-	-
	33,801,507	**5,757,266**

All revenues are generated in the United States of America.

Accounting policy

The Group has adopted AASB 15 Revenue from Contracts with Customers (AASB 15).

Sales of Sofdra

The Group receives revenue for the supply of goods to patients against prescriptions received.

Product revenue is recognised when control of the goods is passed to the customer, which occurs at delivery (i.e., at a point in time).

Product revenue represents net sales value including variable consideration. The variable consideration is estimated at contract inception under the ‘expected value method’. Variable consideration arises on the sale of goods as a result of discounts and allowances as well as accruals for estimated rebates, chargebacks and government health care deductions (described further below). The methodology and assumptions used to estimate these variable considerations are monitored and adjusted regularly considering contractual and legal obligations, historical trends, past experience and market conditions.

NOTE 3: SALES REVENUE AND OTHER INCOME (CONTINUED)

Variable consideration – critical accounting estimate

Consistent with pharmaceutical industry practices, Botanix's sales (and therefore revenue recognition) are subject to various deductions which are primarily composed of rebates and discounts to retail customers, government agencies, health insurance companies and managed healthcare organisations (collectively referred to as 'Gross to Net' adjustments within the industry). These deductions represent estimates of the related obligations, requiring use of judgment when estimating the effect of variable consideration for a reporting period. These adjustments are deducted to determine reported revenue.

The following summarises the nature of some of these deductions and how the deductions are estimated. After recording these, net sales represent the Group's best estimate of the cash that it expects to ultimately collect.

US specific healthcare plans and program rebates

The United States Medicaid Drug Rebate Program is a partnership between Centers for Medicare and Medicaid Services (CMS), State Medicaid Agencies, and participating drug manufacturers that helps to offset the Federal and State costs of most outpatient drugs dispensed to Medicaid patients. Calculating the rebates to be paid related to this program involves interpreting relevant regulations, which are subject to challenge or change in interpretative guidance by government authorities. Accruals for estimating Medicaid rebates are calculated using a combination of historical experience, product and population growth, product pricing and the mix of contracts and specific terms in the individual State agreements. The United States Federal Medicare Program aids Medicare eligible recipients by funding healthcare benefits to individuals aged 65 or older and those with certain disabilities, providing prescription drug benefits under Part D section of the program. This Part D benefit is provided and administered through private prescription drug plans. Accruals for estimating Medicare Part D rebates are calculated based on the terms of individual plan agreements, product sales and population growth, product pricing and the mix of contracts.

We offer rebates to key managed healthcare and private plans to sustain and increase sales of our products. These programs provide a rebate after the plans have demonstrated they have met all terms and conditions set forth in their contract with the Group. These rebates are estimated based on the terms of individual agreements, historical experience, product pricing, and projected product growth rates. These accruals are adjusted based on established processes and experiences from filing data with individual states and plans. There is often a time lag of several months between the Group recording the revenue deductions and the final accounting for them.

Non-healthcare plans and program charge-backs, rebates, returns and other deductions

Managed care rebates are offered to purchasing organisations, health insurance companies, managed healthcare organisations, and other direct and indirect customers to sustain and increase market share, and to ensure patient access to the Group's products. The provisions for managed care rebates are estimated using a combination of factors such as contractual terms, historical experience and patient demand. The provisions are recorded in the same period that the corresponding revenues are recognized and paid in a subsequent period.

NOTE 3: SALES REVENUE AND OTHER INCOME (CONTINUED)

Charge-backs occur where the Group has arrangements with indirect customers to sell products at prices that are lower than the price charged to wholesalers. A charge-back represents the difference between the invoice price to the wholesaler and the indirect customer's contract price. The Group accounts for vendor charge-backs by reducing revenue for the estimated charge-backs attributable to a sales transaction. Provisions for estimated charge-backs are calculated using a combination of factors such as historical experience, product growth rates, payments, product pricing, level of inventory in the distribution channel and the terms of individual agreements.

Royalty fees received

The Company receives royalty fees from a licensee in Japan, which includes a South Korean sublicensee, and a portion of the royalty received is paid in accordance with the asset purchase agreement for its Sofpironium Bromide product. The Group is considered to represent an agent in this scenario, and accordingly royalties received are presented net of royalties paid.

NOTE 4: INCOME TAX

	2026	2025
(a) Income tax expense	**$**	**$**
Current tax expense	-	-
Income tax expense	-	-
	-	-
Tax benefit recognised via Equity	-	-
Movement in deferred tax asset not recognised via Equity	-	-
(b) Reconciliation of tax expense to net profit before tax		
Loss before tax	(69,768,611)	(86,396,186)
Tax at the statutory rate of 25% (2025: 25%)	(17,442,153)	(21,599,046)
Tax effect of:		
Difference between Australian and US tax rates	2,273,109	2,581,737
Non-deductible expenses	3,763,939	5,816,254
Deductible expenses	-	(4,594,583)
Income not assessable	(20,934)	(3,360)
Movement in deferred tax assets not recognised	11,426,038	17,798,998
Income tax benefit	-	-

NOTE 4: INCOME TAX (CONTINUED)

(c) The balance comprises temporary differences attributable to

	2026	2025
Deferred tax assets:	**$**	**$**
Accruals	646,563	1,075,170
Provisions for doubtful debts	100,000	-
Intangible assets	223,391	205,540
Blackhole	791,952	1,226,149
Depreciable assets	-	(1,214,050)
Inventory	461,817	311,818
Research and development credits	3,325,943	3,286,966
Tax losses	47,292,542	36,791,021
Borrowing costs	730,716	1,055,898
Lease liabilities	201,392	255,729
Share based payments	3,553,641	-
Other	1,408,508	1,846,998
Total deferred tax assets	**58,736,466**	**44,840,240**
Deferred tax liabilities:		
Right of use assets	140,812	232,741
Fixed assets	33,818	-
Intangible assets	4,736,299	-
Capitalised freight costs	349,270	-
Other	337,131	-
Total deferred tax liabilities	**5,597,330**	**232,741**
Net unrecognised deferred tax assets	**53,139,135**	**44,607,499**

Net unrecognised deferred tax assets		
Opening	44,607,499	26,501,349
Current year movement	11,463,144	17,957,666
Unders/overs	(408,749)	(30,037)
Effect of foreign exchange on translation	(2,522,759)	178,521
Deferred tax not recognised	(53,139,135)	(44,607,499)
Closing balance	**-**	**-**

No deferred tax asset is recognised in the statements of financial position as it is not probable that the Group will derive tax profits in the future to allow utilisation of the income tax benefits represented by the deferred tax asset. If tax profits are derived in future years, the tax losses and other tax benefits will be able to be offset against this income subject to the Company continuing to meet the relevant statutory tests.

Botanix Pharmaceuticals Limited has not elected to consolidate the Group under the Tax Consolidation Regime, however, the Company may elect to do so in the future.

NOTE 5: CASH AND CASH EQUIVALENTS

	2026	2025
	$	$
Cash at bank	36,631,217	64,966,581
Total cash and cash equivalents[1]	**36,631,217**	**64,966,581**

[1]Cash and cash equivalents are subject to floating interest rates at an effective weighted average interest rate of 2.27% (30 June 2025: 3.43%) including non-interest-bearing accounts.

NOTE 6: INVENTORY

	2026	2025
	$	$
Finished goods	12,798,542	8,240,925
Work-in-progress	563,953	840,355
Raw materials	19,337,432	20,479,202
Total gross inventory	**32,699,927**	**29,560,482**
Provision for obsolescence[1]	(1,349,606)	(1,484,847)
Total inventory net of provision	**31,350,321**	**28,075,635**

[1] The Group has estimated a provision for obsolescence of $1,349,606 (30 June 2025: $1,484,847) which represents Sofpironium Bromide raw materials that is approaching its expiry date and may not be sold in the normal course of business. The change in the provision from the prior period resulted in an $18,525 charge (excluding the impact of foreign exchange translations) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income (30 June 2025: $188,969).

Accounting policy

Raw materials and finished goods are stated at the lower of cost and net realisable value and initially recorded using the first-in, first-out ("FIFO") method. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The determination of net realisable value for inventories requires management to estimate expected selling prices, demand forecasts, inventory expiry profiles, expected product returns, rebates, chargebacks and other post-sale adjustments. Changes in these assumptions may result in future inventory write-downs.

NOTE 7: TRADE AND OTHER RECEIVABLES

	2026	2025
	$	$
Trade receivables	5,972,266	2,853,263
Other receivables[1]	668,951	350,663
Total trade and other receivables (net of GST)	**6,641,217**	**3,203,926**

[1] Other receivables are non-trade receivables; are non-interest bearing and have an average term of 3 months and generally receivable from the ATO for GST.

The above amounts do not bear interest and their carrying amount is equivalent to their fair value. No trade and other receivables were impaired during the current year.

Trade receivables are generally due for settlement within 30 – 60 days.

NOTE 7: TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables impairment – significant estimate

The Group assesses on a forward-looking basis the expected credit loss associated with its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTE 8: INTANGIBLE ASSETS

	2026 $	2025 $
At cost	28,527,532	30,075,050
Accumulated amortisation	(3,645,576)	(1,950,496)
	24,881,956	**28,124,554**

Sofpironium Bromide Licences	2026 $	2025 $
Opening balance	28,124,554	29,491,543
Additions	-	-
Effects of foreign currency translation	(1,414,536)	585,258
Amortisation expense	(1,828,062)	(1,952,247)
Closing balance	**24,881,956**	**28,124,554**

	Acquisition costs $	Development costs $	Total $
Balance at 1 July 2025	18,828,940	9,295,614	28,124,554
Effects of foreign currency translation	(947,009)	(467,527)	(1,414,536)
Amortisation expense	(1,223,859)	(604,204)	(1,828,062)
Balance at 30 June 2026	**16,658,072**	**8,223,883**	**24,881,956**

	Acquisition costs $	Development costs $	Total $
Balance at 1 July 2024	19,744,117	9,747,426	29,491,543
Effects of foreign currency translation	391,821	193,437	585,258
Amortisation expense	(1,306,998)	(645,249)	(1,952,247)
Balance at 30 June 2025	**18,828,940**	**9,295,614**	**28,124,554**

Depreciation and amortisation as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income includes depreciation of right-of-use assets and property, plant and equipment of $488,529 (2025: $311,605).

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accounting policy

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Useful life

The Group amortises its Sofpironium Bromide licences straight-line over a useful life of approximately 16 years. Refer to Note 2(iii).

Recoverability – significant judgment

The Group tests annually whether its finite intangible assets have suffered any impairment indicators in accordance with AASB 136 *Impairment of Assets*.

Impairment testing using the fair value less costs of disposal ('FVLCD') uses market-based valuation techniques based on key inputs derived from the Group's key financial information as well as observable inputs based on market information for similar participants. FVLCD was considered to be the appropriate methodology for impairment testing given the availability and reliability of revenue and market data now available for this purpose.

As at 30 June 2026, it was determined that impairment indicators existed, primarily the market capitalisation deficit of the Company at reporting date, and accordingly impairment testing was performed.

The impairment test for 30 June 2026 was performed with assistance from a third-party valuation specialist and applied a market approach utilising comparable merger and acquisition transactions and comparable public companies involving pharmaceutical and biotechnology with similar economic characteristics, stage of development, commercial profile and risk profile to determine an appropriate revenue multiple.

The valuation included various other estimates and assumptions including an acquisition premium and working capital adjustment, as well as estimated costs to dispose.
For the purposes of this assessment:

Revenue – Reflects actual revenue for the year ended 30 June 2026, and Board approved forecast revenue for the Sofdra product.

Multiples – Represents a market-based assessment, with specific consideration to recent transactions and comparable public companies. The multiple ranges adopted were 0.75x – 1.55x.

Sensitivity analysis - Management recognise that actual revenues and multiples may vary from what has been estimated as part of the annual impairment testing.
Fair value estimates may be sensitive to the achievement of those assumptions. The Group's position is that a reasonable possible change in these key estimates would be free of impairment at reporting date.

Based on the above impairment testing, the recoverable value of the Sofpironium Bromide Licences exceeds the carrying value and as such, no impairment has been identified.

NOTE 9: TRADE AND OTHER PAYABLES

	2026	2025
	$	$
Trade payables[1]	5,860,865	8,869,227
Accrued bonuses	2,665,307	1,882,540
Sundry payables and other accrued expenses	4,539,444	2,877,185
Rebates accrual	3,094,474	1,661,586
	16,160,090	**15,290,538**

[1]Trade payables are non-interest bearing, unsecured, and normally settle on 30-day terms.

NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

The Group entered into a loan facility of up to the euro equivalent of US$30 million ("Facility") with Kreos Capital VII (UK) Limited ("Lender"). The total Facility is denominated in Euros and includes an initial tranche of the euro equivalent of US$20,000,000 available upon closing ("Tranche A") and a further euro equivalent of US$10,000,000 ("Tranche B") available to be drawn down up to and including 1 October 2026 subject to the following drawdown conditions:

(i) the Group has achieved gross revenues of USD $40,000,000;

(ii) the Group has completed equity raises between the dates of 1 April 2025 and before 1 October 2026 in aggregate of USD $30,000,000;

(iii) the drawdown shall not cause the aggregate outstanding principal amount of the Loan to exceed 12.5% of the market capitalisation of the Group at that time; and

(iv) Tranche A has been fully drawn.

Key terms of the Facility are as follows:

Security – assets of Botanix Pharmaceuticals Limited and the assets and shares of each of its subsidiaries.

Maturity dates and Terms – Tranche A: 1 October 2028 (interest only until 1 April 2026). Tranche B: 1 July 2029 (interest only until 1 January 2027). Each Tranche has an initial interest-only period followed by 30 monthly payments of principal and interest for each Tranche. The interest-only periods may be extended by between 6 and 12 months for Tranche A and 6 months for Tranche B, subject to the satisfaction of certain conditions.

Conversion feature – At any time, the Lender may elect to convert up to 20% of the total principal amount drawn down after deducting any principal amounts repaid or prepaid (and any principal amount already converted into Shares) (Available Conversion Amount) into Shares in the Company (Conversion Shares) at the Conversion Price. The Conversion right may only be exercised twice and is non-transferable. The Conversion Price will be the Euro Equivalent of 130% of AUD$0.33. Any Conversion Shares will be issued from the Company's available placement capacity under ASX Listing Rule 7.1.

Interest – 9.95%

NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") (CONTINUED)

Prepayment features – The Company may (subject to certain restrictions and conditions) prepay the Facility, in whole or in part. Where the Company prepays the Facility, the Lender may elect to convert such amount of the Facility specified in the prepayment notice up to the lesser of

(A) 20% of the principal amount of the Facility to be prepaid and

(B) the Available Conversion Amount into Warrants (Prepayment Loan Warrants). The terms of any Prepayment Loan Warrants issued will be substantively in the form of the Warrants. Any Prepayment Loan Warrants will be issued from Botanix's available placement capacity under ASX Listing Rule 7.1

Warrants – exercisable at AUD$0.33 per Warrant. The Warrants may be exercised up until the earlier of five years from the date of issue of the Warrants and 3 Business Days after the date on which a change of control takes place. The exercise period may be extended where the Lender seeks to exercise Warrants during the "Closed Periods" set under the Company's Securities Trading Policy or other periods where exercise cannot be affected. The Warrant holder may elect to exercise its Warrants by way of cashless exercise in accordance with a formula typical for such convertible securities.

Covenants – the facility is subject to financial, corporate and operating covenants customary for these types of arrangements, including a liquidity covenant to hold a minimum amount of USD $5M cash. No breaches occurred during financial year 2026. Where a breach occurs, the face value of loaned amounts becomes due and payable immediately. As disclosed under the Going Concern section of Note 2, the group manages this risk by frequent monitoring of cashflow forecasts by management and the Board of Directors to evaluate the capital requirements of the Group.

During the 30 June 2025 period, the Company drew down US$20,000,000 of the facility and issued 3,030,303 warrants to the lender exercisable at AUD$0.33 each and expiring on 10 June 2030.
The Company has accounted for the convertible loan and warrants as described in the accounting policies below.

The accounting treatment for the loans and warrants has therefore resulted in the following balances and transactions recorded in the Company's Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income.

NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") (CONTINUED)

	Fair Value 30 June 2025	Drawn/Issued (AUD)	Repayments	Effects of exchange rate	Revaluation through Profit or Loss	Fair Value 30 June 2026
Financial liabilities at FVTPL	$30,888,443	-	(2,757,330)	(1,695,278)	(1,585,156)	$24,850,679

	Fair Value 30 June 2024	Drawn/Issued (AUD)	Repayments	Effects of exchange rate	Revaluation through Profit or Loss[1]	Fair Value 30 June 2025
Financial liabilities at FVTPL	-	$30,888,443	-	-	-	$30,888,443

[1] There has been no change in fair value or impact of foreign exchange translations since inception given the proximity of the drawdown to the reporting date.

Financial liabilities at FVTPL – Presentation	**2026** **$**	**2025** **$**
Current liabilities[1]	13,824,183	8,822,915
Non-Current liabilities	11,026,496	22,065,528
	24,850,679	**30,888,443**

[1] Presentation of the financial liabilities at FVTPL as a current liability is determined based on the maximum amount that the Group are unable to contractually defer more than 12-months from balance date by payment of principal, conversion of debt and warrants into ordinary shares (as exercised at the option of the holder) or a combination of those methods. Under the terms of the loan facility, as at 30 June 2026, the loan holder has the ability to convert up to 20% of outstanding principal into ordinary shares at any time. This amount is USD$3,463,230 (AUD$5,005,891) as at 30 June 2026 (USD$3,850,090 (AUD$5,878,001) as at 30 June 2025). In addition to this, principal cash payments due within 12-months of balance date under a scenario where the above conversion is exercised would be USD$6,027,600 (AUD$8,592,297) (USD$1,547,440 (AUD$2,362,504) as at 30 June 2025). Finally, the lender has the ability to exercise warrants into ordinary shares at any time which carries a value included in the financial liabilities at FVTPL of USD$7,228 (AUD$5,001) (USD$381,479 (AUD$582,411) as at 30 June 2025).

NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”) (CONTINUED)

Accounting Policy

Financial liabilities at FVTPL

The Group’s financial liabilities at FVTPL are comprised of a convertible loan and issued warrants. Convertible loans issued to the Group are loans that can be converted to share capital at the option of the holder or at the option of the issuer in certain circumstances. The loan includes multiple embedded derivative liabilities, including a conversion feature to convert a variable amount of liability based on a variable conversion price, as well as the lender’s ability to convert a portion of facility prepayments made into additional warrants. Warrants are the right to acquire ordinary shares of the Parent Company at a predetermined strike price required to be exercised before an expiry date.

The Group had elected upon initial recognition of the convertible loan (including its embedded derivatives and warrants) to recognise the whole instrument as a financial liability carried at fair value through profit or loss. On initial recognition, the fair value of the convertible loan will equate to the fair value of consideration paid, as no gain or loss on initial recognition can be recognised per the requirements of the accounting standards AASB 9. The warrant feature is recognised using a valuation model given its nature as an option to acquire ordinary shares in the Parent Company. The financial liability will subsequently be measured at fair value at each reporting period or until settlement and fair value movements will be recognised in the profit or loss as gain/loss on revaluation of financial liabilities.

The fair value of the financial liability (including warrants) is calculated as described in note 15.

There were no transaction costs incurred during the period related to the facility. Transactions costs totalling $5,110,627 related to the facility were expensed when incurred during financial year 2025.

NOTE 11: CONTRIBUTED EQUITY

(a) Issued and Paid-Up Capital

	2026 Number	2026 $	2025 Number	2025 $
Fully paid ordinary shares	**2,734,312,800**	**268,262,508**	**1,961,126,643**	**226,301,989**

(a) Movements in fully paid shares on issue	**Number**	**$**
Balance as at 1 July 2025	1,961,126,643	226,301,989
Placement at $0.03	666,666,667	40,000,000
Share purchase plan at $0.03	83,333,313	5,000,000
Share cancellation	(6,928,586)	-
Exercise of options at $0.105	200,000	21,000
Cashless exercise of 4,000,000 options at $0.078	1,771,429	-
Exercise of performance rights	28,143,334	-
Less: transaction costs	-	(3,060,481)
Balance as at 30 June 2026	**2,734,312,800**	**268,262,508**

NOTE 11: CONTRIBUTED EQUITY (CONTINUED)

(b) Movements in fully paid shares on issue	Number	$
Balance as at 1 July 2024	1,810,037,788	188,320,331
Placement at $0.33	121,212,122	40,000,000
Exercise of performance rights	8,000,000	-
Exercise of options at $0.099	2,000,000	198,000
Exercise of options at $0.132	2,000,000	264,000
Cashless exercises of options by employees	17,710,067	-
Shares issued to consultants	166,666	58,333
Less: transaction costs	-	(2,538,675)
Balance as at 30 June 2025	**1,961,126,643**	**226,301,989**

(c) Movements in options on issue	2026 Number	2025 Number
Balance as at 1 July	74,700,000	46,533,333
Add: options issued(1)	800,247,200	59,500,000
Less: exercise of options	(1,971,429)	(21,710,067)
Less: forfeiture of options by employee	(10,187,500)	(2,000,000)
Less: expiry and cancellation of options(2)	(18,791,071)	(7,623,226)
Balance as at 30 June	**843,997,200**	**74,700,000**

30 June 2026 notes

(1) 750,000,000 of these were free attaching options issued at a 1:1 ratio for the capital raise completed during the period.

30 June 2025 notes

(1) Of the 59,500,000 options issued during the 30 June 2025 financial year, 19,000,000 of these were granted (for accounting purposes) during the 30 June 2024 financial year.

(2) Included in the 30 June 2024 number is 666,667 of options that lapsed but were not yet cancelled by 30 June 2024.

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Risk Management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern and to progress development of its technologies toward commercialisation, so as to provide returns to shareholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group monitors capital on the basis of available working capital.

NOTE 12: RESERVES

	2026 $	2025 $
Share based payments reserve		
Balance at beginning of year	31,160,756	10,702,140
Share based payments expense	10,409,929	20,458,616
Issue of options (cost of raising capital)	91,989	-
Balance at end of year	**41,662,674**	**31,160,756**
Foreign currency translation reserve		
Balance at beginning of year	1,024,011	501,719
Effect for foreign currency translation during the year	(471,412)	522,292
Balance at end of year	**552,599**	**1,024,011**

Share Based Payments Reserve

The share-based payments include the following:

- Items recognised as expenses on valuation of employee, consultant and director share options and rights.
- Options issued to non-related parties in exchange for cash or services but not yet exercised.

When options or performance rights are exercised by employees under the ESIP, any amounts accumulated in the share-based payments reserve for the issuance of those instruments is transferred out of the reserve and into contributed equity.

Foreign Currency Translation Reserve

The foreign currency translation reserve includes the effect of foreign currency translation of foreign subsidiaries at year end.

NOTE 13: SHARE BASED PAYMENTS

Employee Securities Incentive Plan ("ESIP")

The ESIP was originally approved by shareholders on 14 June 2016 and re-approved on 19 November 2018 and 26 October 2021. In accordance with the provisions of the ESIP, Directors, employees and consultants may be granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may only be granted to eligible participants after the Board considers the person's seniority, position, length of service, potential contribution and any other matters which the Board considers relevant.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry. The Board determines the number of options granted.

Options on issue at 30 June

Description	2026 Number	Weighted Average Exercise Price	2025 Number	Weighted Average Exercise Price
Options				
Opening balance	74,700,000	0.288	46,533,333	0.105
Issued during the period for remuneration	27,250,000	0.128	59,500,000	0.339
Issued free attaching to placements	750,000,000	0.06	-	-
Issued during the period as transaction costs from the issue of shares	22,997,200	0.06	-	-
Exercised during the period	(1,971,429)	0.081	(21,710,067)	0.094
Forfeited during the period	(10,187,500)	0.23	(2,000,000)	0.340
Expired and cancelled during the period	(18,791,071)	0.23	(7,623,266)	0.105
Balance at 30 June	**843,997,200**	0.077	**74,700,000**	0.288

The weighted average exercise period is 2.85 years (2025: 3.12 years).

Performance Rights on issue at 30 June

Description	2026 Number	Weighted Average Exercise Price	2025 Number	Weighted Average Exercise Price
Performance Rights				
Opening balance	123,320,000	0.00	57,000,000	0.00
Issued during the period for remuneration(1)	4,500,000	0.00	76,320,000	0.00
Lapsed during the period	(3,493,334)	0.00	(2,000,000)	0.00
Exercised during the period	(28,143,334)	0.00	(8,000,000)	0.00
Balance at 30 June	**96,183,332**	0.00	**123,320,000**	0.00

(1) Of the 76,320,000 performance rights issued during the 30 June 2025 financial year, 23,000,000 of these were granted (for accounting purposes) during the 30 June 2024 financial year.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2026 $	2025 $
Share options	4,034,559	4,206,479
Performance rights	6,375,370	16,252,137
Shares issued to consultants	-	58,333
Total value of share based payments expense	**10,409,929**	**20,516,949**

Options granted in the year ended 30 June 2026

13,500,000 were issued to employees and sales representatives on 8 October 2025 with an exercise price of $0.11 and vesting conditions where: ¼ vest 1 year from the date of issuance, ¼ vest 2 years from the date of issuance, ¼ vest 3 years from the date of issuance and ¼ vest 4 years from the date of issuance.

8,750,000 were issued to employees and sales representatives on 24 December 2025 with an exercise price of $0.125, expiring 5 years from the date of issuance and vesting conditions where: ¼ vest 1 year from the date of issuance, ¼ vest 2 years from the date of issuance, ¼ vest 3 years from the date of issuance and ¼ vest 4 years from the date of issuance.

4,000,000 were issued to Dr Patricia Walker, considered key management personnel, on 22 August 2025 with an exercise price of $0.19, expiring 3 years from the date of issuance and vesting conditions where: 1/3 vest 1 year from the date of issuance, 1/3 vest 2 years from the date of issuance and 1/3 10 business days before expiry date (3 years from the date of issuance).

1,000,000 were issued to Dr Patricia Walker, considered key management personnel, on 22 August 2025 with an exercise price of $0.145, expiring 1 year from the date of issuance and vesting 10 business days prior to expiry date.

The fair value of the above options was determined using a Black-Scholes pricing model and recognised straight-line over the vesting period. All current year grants require ongoing employment to vest. The following represents the inputs, estimates and results of the fair value estimate:

Input	8,750,000 options	13,500,000 options	4,000,000 options	1,000,000 options
Grant date	28 November 2025	27 September 2025	20 August 2025	20 August 2025
Share price on grant date	$0.120	$0.155	$0.145	$0.145
Exercise price	$0.125	$0.11	$0.190	$0.145
Risk-free rate	4.0%	3.8%	3.35%	3.35%
Time to maturity (years)	4	5	3	1
Volatility	75%	75%	75%	75%
Fair value per instrument	$0.069	$0.108	$0.064	$0.044
Total fair value	$603,750	$1,458,000	$256,000	$44,000
Total fair value recognised in period	$130,659	$562,674	$134,333	$38,918

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

The total fair value recognised in period is recognised straight-line over the vesting period of each instrument.

Performance rights granted in the year ended 30 June 2026

4,500,000 performance rights (PRs) were granted to employees in September 2025 under the Company's ESIP. The performance rights have an expiry date of 8 October 2030 and a nil exercise price. The rights were valued by reference to the share price on grant date of $0.16 for 2,500,000 of the Rights and 0.13 for 2,000,000 of the Rights. The Rights vest ¼ vest 1 year from the date of issuance, ¼ vest 2 years from the date of issuance, ¼ vest 3 years from the date of issuance and ¼ vest 4 years from the date of issuance. A share-based payment expense of $255,301 was recognised during the period for these performance rights.

Options/performance rights granted in the year ended 30 June 2025

24 million performance rights (PRs) were granted to Executive Director Vince Ippolito on 4 November 2024 under the Company's ESIP. The performance rights have an expiry date of 2 December 2029 and a nil exercise price. The rights were valued by reference to the share price on grant date of $0.32. The following vesting conditions pertain to Mr Ippolito's performance rights:

Tranche #1 - 4,000,000 – the date the Company has:

- successfully established a distribution network which is effectively providing reimbursed prescriptions to patients; and
- executed its first payer contract with a leading US payer for coverage of *Sofdra*

Tranche #2 - 4,000,000 – the date that the Company:

- has successfully deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis; and
- is generating revenue from prescriptions as a direct result from utilization of the telehealth platform

Tranche #3 - 2,000,000 – the date the Company has acquired an FDA approved product or products in the dermatology space which is accretive to annual revenue.

Tranche #4 - 2,000,000 – the date the Company has acquired a late-stage development or commercial ready product in the dermatology space with a market potential of US$200 million in aggregate sales or greater.

Tranche #5 - 4,000,000 – achieving US$100 million of revenue[1] from the sales of products in a financial year.

Tranche #6 - 4,000,000 – achieving US$150 million of revenue[1] from the sales of products in a financial year.

Tranche #7 - 4,000,000 – achieving US$250 million of revenue[1] from the sales of products in a financial year.

1 Where revenue is calculated as the gross revenue derived from sales of products.

Tranches 1 and 2 above vested during the prior period whereas tranche 4 vested during the current period. In this situation, the remaining fair value of the tranche is recognised in full. For the remaining hurdles, management have assumed a more than likely probability of achievement of all above hurdles with the exception of Tranche #7. In that situation, amount recognised in prior period are reversed through profit or loss. A total of $1,021,595 has been recorded as an expense during the period for the issue of these performance rights (2025: $4,596,497). The fair value of the performance rights has been vested from grant date to either the date of vesting or, where not yet vested, expected achievement date in relation to each performance hurdle.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

The Group granted 3,000,000 performance rights on 4 November 2024 to each key management personnel Matt Callahan, William Bosch, Danny Sharp and Stewart Washer under its ESIP. The performance rights have an expiry date of 2 December 2029 and a nil exercise price. The rights were valued by reference to the share price on grant date of $0.32. The following vesting conditions pertain to these performance rights:

4,000,000 – the date the Company has launched *Sofdra* with the sales force and telemedicine.

4,000,000 – achieving US$100 million of revenue[1] from the sales of products in a financial year.

4,000,000 – achieving US$150 million of revenue[1] from the sales of products in a financial year.

1 Where revenue is calculated as the gross revenue derived from sales of products.

Tranche 1 above vested during the 2025 period and Tranche 2 vested during the 2026 period. Therefore, the attaching accounting expense was recognised in full during the respective periods. For the remaining hurdles, management have assumed a more than likely probability of achievement of those hurdles. However, Matt Callahan formally left the Company during the 2026 period resulting in all unvested performance rights lapsing and the accumulated expense was reversed through the profit or loss. A total of $362,603 has been recorded as an expense during the period for these performance rights (2025: $2,475,414). The fair value of the performance rights has been vested from grant date to either the date of vesting or, where not yet vested, expected achievement date in relation to each performance hurdle.

During the 2025 period, the Group also granted options and performance rights under its ESIP to employees and sales representatives as shown in the table below. For options, the Group used a Black-Scholes valuation model with the below assumptions. For performance rights, the fair value per instrument is the grant date share price. In all circumstances, under the ESIP, an employee or consultant must be continuously employed with or providing services to the Company on the date of vesting. As in-line with the accounting policy, the fair value of performance rights and options is expensed straight-line from grant date to the expected achievement date in relation to each performance hurdles.

Type	**Options**	**Performance Rights**	**Options**	**Performance Rights**	**Options**	**Performance Rights**
Grant date	Various[1]	Various[1]	2 Feb 2025	2 Feb 2025	26 Mar 2025	26 Mar 2025
Exercise price	$0.34	$0.00	$0.475	$0.00	$0.41	$0.00
Grant date share price	$0.39	$0.39	$0.435	$0.435	$0.475	$0.475
Fair value at grant date	$0.259	$0.39	$0.270	$0.435	$0.316	$0.475
Expected volatility	75%	N/A	75%	N/A	75%	N/A
Life	5 years	5 years	5 years	5 years	5 years	5 years
Dividend yield	-	N/A	-	N/A	-	N/A
Interest rate	4%	N/A	4%	N/A	4%	N/A
Tranche	**Proportion of Options that will vest**	**Proportion of Rights that will vest**	**Proportion of Options that will vest**	**Proportion of Rights that will vest**	**Proportion of Options that will vest**	**Proportion of Rights that will vest**
T1 – 25% vest after 1 year of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000
T2 – 25% vest after 2 years of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000
T3 – 25% vest after 3 years of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000
T4 – 25% vest after 4 years of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000

1 These options and performance rights were granted between 23 September 2024 and 19 December 2024.

$5,271,602 has been recorded as an expense during the period for the issue of these options (2025: $4,111,471). The fair value of the options has been vested from grant date to expected achievement date in relation to each performance hurdle.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Accounting Policy

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

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

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

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

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

NOTE 14: RELATED PARTY TRANSACTIONS

(a) Parent Entities

The parent entity of the Group is Botanix Pharmaceuticals Limited. The ultimate Australian parent entity in the group is Botanix Pharmaceuticals Limited, which, at 30 June 2026, owned 100% of the issued ordinary shares of Botanix Pharmaceuticals Inc. (incorporated in Delaware, United States of America) and Botanix SB Inc. (incorporated in Delaware, United States of America).

b) Subsidiaries

Interests in subsidiaries are set out in Note 21 Subsidiaries.

(c) Loans Due to Subsidiaries

Loans between entities in the wholly owned Group are not interest-bearing and are payable upon demand.

(d) Key Management Personnel Compensation

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	2026	**2025**
	$	**$**
Short term employee benefits	3,126,688	3,383,906
Post-employment benefits	47,772	51,901
Share based payments	3,800,476	12,638,957
	6,974,936	**16,074,764**

NOTE 14: RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans to Key Management Personnel

Loan to Dr Howie McKibbon

During the period, the Company loaned USD282,931 (AUD411,896) to Dr Howie McKibbon to settle income taxes owed due to the vesting of 9,333,334 performance rights during the period. Under the tax legislation of the United States, share-based awards are taxed when a share-based instrument vests. Given the employee did not have access to sell-to-cover at vesting to cover the tax, a loan was arranged with Dr McKibbon accordingly. The loan attracts interest of 8.25%, representing the fair market value for a loan of his type. The loan matures five (5) years after the loan date.

The loan arrangement consists of a feature whereby 20% of the loan is forgiven at each 1-year anniversary date, a clause that is applicable only where Dr McKibbon continues to be employed by the Company or ceases employment with the Company and is resolved to be a "Good Leaver" by the Board of Directors. In a situation where Dr McKibbon is resolved to be a "Bad Leaver" by the Board of Directors, the loan is repayable net of any previously forgiven amounts and proceeds from the sale of up to 9,334,334 collateral shares. The loan is therefore limited recourse as the repaid amount is solely from the collateral. The loan is subject to mandatory prepayment in the event Dr McKibbon is resolved to be a "Bad Leaver" or a stock price threshold is met.

(f) Other transactions with Key Management Personnel

There were no other related party transactions in the year ended 30 June 2026 (30 June 2025: $nil).

NOTE 15: FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks: market risk (including interest rate risk, currency risk, credit risk and liquidity risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. Risk management is carried out by the Board of Directors.

Financial Risk

The main risks the Group is exposed to through financial instruments are market risk (including currency risk, interest rate risk, liquidity risk and credit risk).

The Group holds the following financial instruments:

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

	2026 $	2025 $
Financial assets		
Cash and cash equivalents	36,631,217	64,966,581
Other receivables	6,641,217	3,203,926
Total financial assets	**43,272,434**	**68,170,507**
Financial liabilities		
Trade and other payables	16,160,090	15,290,538
Financial liabilities at FVTPL	24,850,678	30,888,443
Lease liabilities	916,824	1,217,758
Total financial liabilities	**41,927,592**	**47,396,739**

Market Risk

(i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising mainly from its exposure to the United States dollar. The Group may also be exposed to one-off transactional flows which occur on an ad hoc basis in other foreign exchange currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency, and changes in value of convertible note liability and convertible note derivative. The risk is measured using sensitivity analysis and cash flow budgeting. From time to time, the Group will enter into forward foreign exchange contracts to lock in attractive rates for the US dollar for working capital purposes. The loan with Kreos Capital VII (UK) Limited in Note 10 exposes the Company to foreign exchange risk with respect to its financial liabilities at fair value through profit or loss as the loan is denominated in Euros.

Foreign exchange risk is managed by the Board with an overall responsibility to minimising its effect on the expenditures of the Group.

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Group Sensitivity

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian dollars and United States dollars.

(ii) Cash flow interest rate risk

The Group's main interest rate risk arises from interest bearing cash deposits.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

		2026		2025	
		%	**$**	**%**	**$**
Financial assets					
Cash[1]	Floating rate	2.01	32,388,483	3.43	31,644,120

[1]Excludes any non-interest-bearing accounts.

Group Sensitivity

If the weighted average interest rates had changed on the instruments in the above tables by plus/minus 75 basis points the effect to the Groups post-tax loss for the year would have been $242,914 (2025: $237,331) lower/higher.

The method used to arrive at the possible change of 75 basis points was conservatively based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards a decrease in interest rate ranging between 0 to 50 basis points. It is considered that 75 basis points is a 'reasonably possible' estimate as it more than accommodates for the maximum variations inherent in the interest rate movement over the past five years.

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as receivables for subsidiaries. The Board manages credit risk by ensuring that the banks and financial institutions where cash and deposits are held are independently rated parties with a minimum rating of 'A'.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 68. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default risk. All financial assets are with customers with no history of default and have been customers for greater than six months.

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk and Liquidity Risk Management

Prudent liquidity risk management implies maintaining sufficient cash to support the activities of the Company. The Group manages liquidity risk by continuously monitoring budgeted and actual cash flows.

The Board monitors rolling budgets of the Company's liquidity on the basis of expected cash flow.

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months $	6 – 12 months $	Greater than 12 months $	Total contractual Cashflows $	Carrying Amount $
Group – at 30 June 2026					
Trade and other payables	16,160,090	-	-	16,160,090	16,160,090
Financial liabilities at FVTPL	6,500,792	6,500,792	16,189,298	29,190,882	24,850,678
Group – at 30 June 2025					
Trade and other payables	15,290,538	-	-	15,290,538	15,290,538
Financial liabilities at FVTPL	1,457,264	4,209,035	31,018,622	36,684,921	30,888,443

(d) Fair Value Measurement

Fair value hierarchy

The following tables detail the Group's liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the liability, either directly or indirectly

Level 3: Unobservable inputs for the liability

The Company has no assets measured at fair value.

	Level 1	Level 2	Level 3	Total
Consolidated – 2026	$	$	$	$
Liabilities				
Financial liabilities at FVTPL	-	24,850,678	-	24,850,678
Total liabilities	-	24,850,678	-	24,850,678

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

	Level 1	Level 2	Level 3	Total
Consolidated – 2025	**$**	**$**	**$**	**$**
Liabilities				
Financial liabilities at FVTPL	-	30,888,443	-	30,888,443
Total liabilities	-	30,888,443	-	30,888,443

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 – critical estimate

Financial liabilities at FVTPL – valued based on estimated discounted cash flows and the value of share capital to be issued to the lender to dissolve the obligation, taking into account and weighting the probabilities of various scenarios that impact timing and extent of any cash flows or share capital to be issued. The fair value therefore considers the credit risk profile of the Company, market interest rates, share price of the Company, volatility of the Company's share price, probability of the conversion feature being exercised by the Lender and foreign exchange rates. Attaching warrants are valued using a Black-Scholes model with the following inputs:

	2026	2025
Share price on valuation date:	$0.02	$0.32
Exercise price:	$0.33	$0.33
Expected term:	2.2 years	4.8 years
Volatility factor:	106.5%	70%
Risk-free rate:	4.4%	3.7%
Dividend yield:	0%	0%

Accounting policies:

(i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each reporting date presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Profit or Loss, as part of the gain or loss on sale where applicable.

NOTE 16: LOSS PER SHARE

Continuing operations	2026 $	2025 $
Basic loss per share – cents	(3.22)	(4.68)
Diluted loss per share – cents	(3.22)	(4.68)
Loss used in the calculation of basic and diluted loss per share	$(69,768,611)	$(86,396,186)

	2026 No	2025 No
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	2,164,937,709	1,844,974,041
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share	2,164,937,709	1,844,974,041

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are not considered dilutive.

NOTE 17: OPERATING CASH FLOW INFORMATION

Reconciliation of loss for the year to net cash flows used in operations

	2026 $	2025 $
Loss for the year	(69,768,611)	(86,396,186)
Adjustments for:		
Share based payments	10,409,929	20,516,949
Depreciation and amortisation	2,316,591	2,263,852
Cost of debt	2,453,583	5,110,627
Gain on change in financial liabilities at fair value through profit or loss	(1,585,156)	-
Other	-	64,294
Changes in assets and liabilities:		
(Increase)in trade and other receivables	(5,341,948)	(4,160,549)
(Increase) in Inventories	(4,945,463)	(26,866,261)
Increase in trade, other payables and provisions	1,864,552	10,882,529
Net cash flows used in operations	**(64,596,523)**	**(78,584,745)**

Non-cash investing and financing activities

	2026 $	2025 $
Additions to the right-of-use assets	-	1,387,614
Additions to financial liabilities at FVTPL at inception	-	582,410
	-	**1,970,024**

Changes in liabilities arising from financing activities

	Financial liabilities at FVPL $	Lease Liabilities $
Balance as at 1 July 2025	30,888,443	1,217,759
Acquisition of leases	-	-
Net cash from/(used in) financing activities	(2,757,330)	(264,969)
Adjustment for designation of financial liability at FVTPL	(1,585,156)	-
Effects of foreign currency translation	(1,695,279)	(35,966)
Balance as at 30 June 2026	**24,850,678**	**916,824**

NOTE 17: OPERATING CASH FLOW INFORMATION (CONTINUED)

	Financial liabilities at FVPL $	Lease Liabilities $
Balance as at 1 July 2024	-	-
Acquisition of leases	-	1,387,614
Net cash from/(used in) financing activities	28,395,975	(192,688)
Adjustment for designation of financial liability at FVTPL	2,501,969	-
Effects of foreign currency translation	(9,501)	22,833
Balance as at 30 June 2025	**30,888,443**	**1,217,759**

NOTE 18: PARENT ENTITY DISCLOSURES

As at 30 June 2026, and throughout the year then ended, the parent company of the Group was Botanix Pharmaceuticals Limited.

Financial position

	2026 $	2025 $
Assets		
Current assets	5,847,328	32,125,761
Non-Current Assets	200,826,593	137,463,705
Less Provision for impairment Assets (loans to subsidiaries)	(142,776,834)	(85,532,121)
Total assets	**63,897,087**	**84,057,345**
Liabilities		
Current liabilities	375,746	2,812,852
Total liabilities	**375,746**	**2,812,852**
Net Assets	**63,521,341**	**81,244,493**
Equity		
Issued capital	267,204,588	225,244,069
Accumulated losses	(245,345,920)	(175,160,332)
Share-based payments	41,662,673	31,160,756
Total Equity	**63,521,341**	**81,244,493**

Financial performance

	2026 $	2025 $
Loss for the period	(70,185,588)	(85,928,331)
Total comprehensive loss	(70,185,588)	(85,928,331)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

NOTE 18: PARENT ENTITY DISCLOSURES (CONTINUED)

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Investments in associates are accounted for at cost, less any impairment, in the parent entity.

NOTE 19: SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments geographically. The chief operating decision makers of the Group are the executive Directors. At 30 June 2026, all revenues and material assets are considered to be derived and held in two geographical areas being Australia and United States as set out below:

	Australia	**United States**	**Total**
	2026	**2026**	**2026**
	$	**$**	**$**
Revenue from continuing operations	-	33,801,507	33,801,507
Other Revenue	842,347	267,325	1,109,672
Expenditure on continuing operations	3,871,323	100,808,467	104,679,790
Net loss	(3,028,976)	(66,739,635)	(69,768,611)
Current Assets	5,850,566	74,426,231	80,276,797
Non-Current Assets	8,802	25,689,743	25,698,545
Total Assets	**5,859,368**	**100,115,974**	**105,975,342**
Current Liabilities	387,786	30,370,060	30,757,846
Non-Current Liabilities	-	11,696,154	11,696,154
Total Liabilities	**387,786**	**42,066,214**	**42,454,000**
Net Assets	**5,471,582**	**58,049,760**	**63,521,342**

NOTE 19: SEGMENT INFORMATION (CONTINUED)

	Australia 2025 $	United States 2025 $	Total 2025 $
Revenue from continuing operations	-	5,757,266	5,757,266
Other Revenue	1,908,769	-	1,908,769
Expenditure on continuing operations	4,581,177	89,481,044	94,062,221
Net loss	**(2,672,408)**	**(83,723,778)**	**(86,396,186)**
Current Assets	32,040,172	67,546,395	99,586,567
Non-Current Assets	-	29,508,773	29,508,773
Total Assets	**32,040,172**	**97,055,168**	**129,095,340**
Current Liabilities	2,761,654	22,159,681	24,921,335
Non-Current Liabilities	-	22,875,076	22,875,076
Total Liabilities	**2,761,654**	**45,034,757**	**47,796,411**
Net Assets	**29,278,518**	**52,020,411**	**81,298,929**

NOTE 19: SEGMENT INFORMATION (CONTINUED)

Material segment expenses

	Australia 2026 $	United States 2026 $	Total 2026 $
Materials and related expenses	3,079	14,325,643	14,328,722
Product sales and marketing	-	52,013,711	52,013,711
Employee and related expenses	343,767	13,821,263	14,165,030
Depreciation and amortisation	63,240	2,253,351	2,316,591
Share based payments	498,027	9,911,902	10,409,929
Legal fees, insurances and regulatory costs	2,155,857	2,672,662	4,828,519
Corporate consulting	288,126	2,827,695	3,115,821
Cost of issuing debt	-	-	-
Gain on change in financial liabilities at fair value through profit or loss	-	(1,585,156)	(1,585,156)
Other categories	519,227	4,567,396	5,086,623
	3,871,323	100,808,467	104,679,790

	Australia 2025 $	United States 2025 $	Total 2025 $
Materials and related expenses	27,201	3,411,383	3,438,584
Product sales and marketing	-	38,458,942	38,458,942
Employee and related expenses	336,593	12,176,612	12,513,205
Depreciation and amortisation	63,240	2,200,611	2,263,851
Share based payments	1,310,390	19,206,559	20,516,949
Legal fees, insurances and regulatory costs	1,624,766	4,440,092	6,064,858
Corporate consulting	790,204	2,239,444	3,029,648
Cost of issuing debt	-	5,110,627	5,110,627
Other categories	428,782	2,236,775	2,665,557
	4,581,176	89,481,045	94,062,221

NOTE 20: AUDITOR'S REMUNERATION

	2026 $	2025 $
Amounts paid/payable to auditor		
Audit and review services – payable to BDO Audit Pty Ltd	164,500	143,350
Total services provided by BDO	**164,500**	**143,350**

NOTE 21: SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2026 %	Equity Holding 2025 %
Botanix Pharmaceuticals Inc.	Delaware, United States of America	Ordinary	100	100
Botanix SB Inc.	Delaware, United States of America	Ordinary	100	100
Botanix GD Inc.	Delaware, United States of America	Ordinary	100[1]	100

[1] Company incorporated during financial year 2025.

The proportion of ownership interest is equal to the proportion of voting power held.

NOTE 22: EVENTS OCCURRING AFTER THE REPORTING PERIOD

Following fiscal year-end 2026, as part of its ongoing focus on return on investment, the Company completed a sales force sizing and alignment initiative. Botanix found that 90% of prescriptions were generated by 39 of the 50 sales territories. The Company made the decision to reduce the sales force size by 11 and reallocate the most valuable physician targets to the 39 high-performing sales professionals to maintain 94% coverage and continue growth. This resizing will lower overall operating costs by ~12%, beginning from 31 July 2026.

On 14 August 2026, the Group issued 14,000,000 performance rights to non-key management personnel pursuant to the terms and conditions of the Employee Awards Plan.

No other matters or circumstances have arisen since the end of the year that significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 23: CONTINGENT LIABILITIES AND COMMITMENTS

On 21 July 2023, the Company negotiated an agreement with Fresh Tracks to extinguish all potential future financial obligations owed under the Asset Purchase Agreement for Sofpironium Bromide gel, in exchange for the payment of US$8.25M which was made during financial year 2024. The Company retains an obligation to the head licensor, Bodor Laboratories, to pay a 5% royalty on net sales made by Botanix and 55% of royalties received from sub-licensees outside of the United States of America.

Under the terms of a contract with Bodor Laboratories ("Bodor"), the Company is to pay Bodor US$100,000 upon each subsequent FDA approval of an additional Sofpironium Bromide product. In addition, there is an arrangement in place whereby the Group is liable for any patent costs incurred by Bodor.

The Company has committed purchases of its active pharmaceutical ingredient (API) in future periods, beginning December 2027. In total, there are 5 committed purchases at approximately USD $7.5M each (depending on the exchange rate at the time of purchase). These will occur first during the months of December 2027 and December 2028, and then over 2029 and 2030.

Other than set out in this note, the Directors are not aware of any non-cancellable commitments as at 30 June 2026 not reflected in the financial statements. The Directors are not aware of any contingent liabilities that may arise from the Group's operations as at 30 June 2026.

NOTE 24: OTHER MATERIAL ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Impairment of goodwill and other indefinite life assets

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

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

(b) New accounting standards and interpretations

In the year ended 30 June 2026, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting year.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

NOTE 24: OTHER MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Standards and Interpretations not yet adopted

AASB 18 (issued June 2024) *Presentation and Disclosure in Financial Statements*

Nature of change

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and requires income and expenses to be classified in profit or loss as one of five categories, being investing, financing, income taxes, discontinued operations and operating (which is a residual category). There are also two mandatory sub-totals:

- Operating profit or loss
- Profit or loss before financing and income taxes, which comprises operating profit or loss and all investing income and expenses.

AASB 18 also requires disclosures related to management-defined performance measures in the notes to the financial statements.

Application date

Annual reporting periods beginning on or after 1 January 2027

Impact on initial adoption

When this standard is first adopted on 1 July 2027, subtotals in the Statement of Profit or Loss and Other Comprehensive for the year ended 30 June 2027 may differ, including restated comparatives for the year ended 30 June 2027. However, there will be no change to net profit or loss after taxation in either period.

There may also be changes in the way interest and dividend cash inflows and outflows are presented in the Statement of Cash Flows, which may impact the subtotals for cash generated or utilised from operating activities, investing activities and financing activities.

Lastly, additional information will be disclosed in the notes to the financial statements if the entity uses management-defined performance measures in public communications outside the financial statements to communicate management's view of aspects of the entity's financial performance.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2026

Name of entity	Type of entity	% of share capital held	Country of incorporation	Australian resident	Foreign jurisdiction in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Botanix Pharmaceuticals Limited	Body Corporate	N/A	Australia	Yes	United States of America
Botanix Pharmaceuticals Inc.	Body Corporate	100	United States of America	No	United States of America
Botanix SB Inc.	Body Corporate	100	United States of America	No	United States of America
Botanix GD Inc.	Body Corporate	100	United States of America	No	United States of America

Basis of preparation
This Group Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the Group at the end of the financial year.

Determination of Tax Residency
Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment, as 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 Group has applied the following interpretations:

(a) Australian tax residency: the Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner’s public guidance in Tax Ruling TR 2018/5.

(b) Foreign tax residency: where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 38 to 79, and the Remuneration Report in the Directors' Report 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 2026 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements

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

c) the financial statements and notes thereto are in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board.

d) The information disclosed in the attached Consolidated Entity Disclosure Statement is true and correct.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2026.

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

On behalf of the Board

Vince Ippolito

Vincent Ippolito
Executive Chairman
26 August 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of Botanix Pharmaceuticals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Botanix Pharmaceuticals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

(ii) 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 auditor independence requirements of 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of intangible assets

Key audit matter	How the matter was addressed in our audit

As disclosed in Note 8 of the financial report, the Group's Sofpironium Bromide Licences represent a significant intangible asset.
 	
Australian Accounting Standards require management to assess at each reporting date whether indicators of impairment exist. Where indicators are identified, management is required to estimate the recoverable amount of the asset to determine whether an impairment charge should be recognised.
 	
Management identified impairment indicators during the year and performed impairment testing. The recoverable amount of the Sofpironium Bromide Licences was determined using a fair value less costs to dispose model.
 	
The impairment assessment involved significant judgement and estimation uncertainty, including consideration of internal and external factors, and the selection of key assumptions and inputs that may materially affect the recoverable amount.
 	
Given the significance of the asset to the Group's financial position, together with the judgement and complexity involved in determining its recoverable amount, we considered this to be a key audit matter.
 	
Notes 2(v) and 8 of the financial report disclose the Group's accounting policy and the significant judgements and estimates applied in assessing impairment.
	Our audit procedures included, but were not limited to the following:
	
	• Assessing the appropriateness of management's identification of internal and external indicators of impairment at reporting date;
	
	• Evaluating management's impairment assessment, including the following:
	
	    • In conjunction with our internal valuation specialists, evaluating the appropriateness of the valuation methodology used by management to calculate the fair value less cost of disposal of the intangible asset;
	
	    • Assessing the competence and objectivity of the independent expert to which management has engaged to perform valuation services;
	
	    • Challenging the reasonableness of key assumptions and inputs used in the valuation model, including performing sensitivity analyses over those assumptions; and
	
	• Assessing the adequacy of the related disclosures in Notes 2(v) and 8 of the financial report.

Revenue recognition – gross-to-net sales adjustments

Key audit matter	How the matter was addressed in our audit
Following launch of Sofdra, material revenues were recognised during the financial year as disclosed in Note 3. The Group has contracts in place with pharmacy benefit managers and group purchasing organisations. The ultimate net selling price received by the group is determined based on the contractual arrangements the Group has with these third parties and the ultimate end user who purchases the Group's products. Net revenue for products sold is generally recognised when control of the goods is passed to the end user. This requires an estimate of the variable consideration at that time, taking into consideration different elements including commercial rebates and other discounts (collectively referred to as 'gross-to-net' sales adjustments). The estimate depends on factors impacting applicable price and rebate terms such as specific contract terms and end user insurance coverage as well as factors impacting the time lag between sale of the product and determination of the actual selling price. Gross-to-net adjustments were identified as a key audit mater due to the significant judgement involved in the estimation processes to calculated net sales. The Group's accounting policies and significant accounting estimates are disclosed in Note 3 of the financial report.	Our procedures included, but were not limited to: • Assessing the Group's revenue recognition policies for compliance with AASB 15; • Obtaining confirmation of prescriptions filled during the financial year from the Group's key distributor; • On a sample basis, verifying physical delivery of goods sold to third-party documentation; • Performing process walkthroughs with management to understand the Group's approach to estimating each gross to net adjustment; • Assessing the reasonableness and accuracy of the data used in the gross to net adjustments calculated by the group; • On a sample basis, testing the significant assumptions utilised by management to estimate the gross to net adjustments by comparing to underlying supporting documentation such as third-party contracts, and third-party invoices; • Assessing key judgements and estimates contained in management's accrual model including reviewing third-party invoices received post year-end to evaluate the Group's estimation of the gross to net sales adjustments; and • Assessing the adequacy of the related disclosures in Note 3 of the financial report.

Other information

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

Our opinion on the financial report does not cover the other information and 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 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 (http://www.auasb.gov.au/Home.aspx) at:

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 33 of the directors' report for the year ended 30 June 2026.

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

Responsibilities

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

BDO Audit Pty Ltd

BDO

Melissa Reid

Director

Perth, 26 August 2026

ASX ADDITIONAL INFORMATION

The Shareholder information set out below was applicable as at 18 August 2026.

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issued capital of the Company as at 18 August 2026 was 2,736,612,800 ordinary fully paid shares.

1. TOP 20 SHAREHOLDERS

The names of the twenty largest holders of fully paid ordinary shares (ASX:BOT) as at 18 August 2026 are:

Position	Holder Name	Holding	% Issued Share Capital
1	CITICORP NOMINEES PTY LIMITED	113,512,450	4.15%
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	59,681,007	2.18%
3	SHENASABY INVESTMENTS PTY LTD <SHENASABY A/C>	54,586,791	1.99%
4	CAPERI PTY LTD <CAPERI A/C>	52,573,784	1.92%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	51,961,872	1.90%
6	ZENITH PACIFIC LIMITED	47,518,483	1.74%
7	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	45,456,107	1.66%
8	LL DIAMOND TOOLS PTY LTD <LL D FAMILY A/C>	38,344,080	1.40%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	36,851,188	1.35%
10	BOND STREET CUSTODIANS LIMITED <TIMHAR - X12077 A/C>	30,000,000	1.10%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,720,341	1.05%
12	UBS NOMINEES PTY LTD	24,896,999	0.91%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	21,511,633	0.79%
14	DR HENRY WILLIAM BOSCH	21,503,369	0.79%
15	DR HOWARD MCKIBBON	18,066,234	0.66%
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	16,830,492	0.62%
17	MR XUANZHI HU	16,800,000	0.61%
18	VINCE IPPOLITO	16,668,311	0.61%
19	LAVYA PTY LTD <LAVYA FAMILY A/C>	16,383,731	0.60%
20	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	15,821,403	0.58%
	Total	**727,688,275**	**26.59%**
	Total issued capital - selected security class(es)	**2,736,612,800**	**100.00%**

ASX ADDITIONAL INFORMATION (CONTINUED)

2. DISTRIBUTION SCHEDULE

The distribution schedule and number of holders of listed fully paid ordinary shares (ASX:BOT) as at 18 August 2026 is below:

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 – 1,000	246	55,532	0.00%
1,001 – 5,000	2,329	7,058,495	0.26%
5,001 – 10,000	1,822	14,401,653	0.53%
10,001 – 100,000	5,443	216,146,330	7.90%
100,001 and over	2,815	2,498,950,790	91.32%
	12,655	**2,736,612,800**	**100.00%**

The number of holders with less than a marketable parcel of fully paid ordinary shares (ASX:BOT) as at 18 August 2026 was 6,565.

3. SUBSTANTIAL SHAREHOLDERS

The Company did not have any substantial shareholders with a relevant interest as disclosed in substantial holding notices provided to the Company as at 18 August 2026.

ASX ADDITIONAL INFORMATION (CONTINUED)

4. UNLISTED SECURITIES

Unlisted securities range and number of holders as at 18 August 2026 are below:

	Performance Rights	Warrants - Tranche 1 A$0.33, Expiring 20 June 2030		Unlisted options A$0.105, Expiring 12 September 2026
Over 100,001	56	1		3
Total Holders	**56**	**1**		**3**
Number of Securities	**107,883,332**	**3,030,303**		**1,700,000**

		Unlisted options A$0.364, Expiring 12 July 2027	Unlisted options A$0.28, Expiring 12 July 2027	Unlisted options A$0.24, Expiring 12 Jul 2028
Over 100,001		1	1	1
Total Holders		**1**	**1**	**1**
Number of Options		**1,000,000**	**4,000,000**	**10,000,000**

	Unlisted options A$0.34, Expiring 8 January 2030	Unlisted options A$0.28, Expiring 8 January 2028	Unlisted options A$0.475, Expiring 6 March 2030	Unlisted options A$0.44, Expiring 6 March 2030
Over 100,001	13	2	12	1
Total Holders	**13**	**2**	**12**	**1**
Number of Options	**22,250,000**	**2,000,000**	**3,000,000**	**500,000**

ASX ADDITIONAL INFORMATION (CONTINUED)

	Unlisted options A$0.41, Expiring 1 April 2030	Unlisted options A$0.125, Expiring 24 December 2029	Unlisted options A$0.11, Expiring 8 October 2030	Unlisted options A$0.06, Expiring 31 January 2027
Over 100,001	2	15	9	249
Total Holders	**2**	**15**	**9**	**338**
Number of Options	**5,000,000**	**4,500,000**	**13,250,000**	**772,997,200**

The 3,030,303 Tranche 1 Warrants are held by Kreos Capital VII Aggregator SCSp.

UBS Nominees Pty Ltd holds 230,161,403 (29.78%) of the unlisted options exercisable at $0.06, expiring 31 January 2027.

The remaining options and performance rights were issued under an employee incentive scheme. Therefore, no disclosure is required in relation to holders that hold more than 20% of a given class of unquoted securities as at 18 August 2026.

ASX ADDITIONAL INFORMATION (CONTINUED)

5. VOLUNTARY ESCROW

There are no shares currently held in voluntary escrow.

6. VOTING RIGHTS

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

Warrants
Warrants carrying no voting rights. Warrants convert to one fully paid ordinary share upon exercise.

Options
Options carrying no voting rights. Options convert to one fully paid ordinary share upon exercise.

Performance rights
Performance rights carrying no voting rights. Performance rights convert to one fully paid ordinary share upon exercise.

7. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of the Company's listed securities.

8. CORPORATE GOVERNANCE

The Board of Botanix Pharmaceuticals Limited is committed to maintaining an effective Corporate Governance framework that provides the structure for the Company to deliver the best value for all shareholders. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability.

In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://botanixpharma.com/.