

20 February 2026

**ASX Announcement**

## H1 FY26 Results Announcement

PolyNovo Limited (“PolyNovo”, we, the Company) is pleased to release its half-year audited results for the period ending 31 December 2025.

### Commercial highlights: strong growth despite an evolving macro environment

- Group sales **A\$68.2m** up **26.0%** on STLY **A\$54.1m**
- U.S. sales **A\$51.7m** up **25.3%** on STLY **A\$41.2m**
- NovoSorb<sup>®</sup> MTX group sales **A\$6.2m** up **195.2%** on STLY **A\$2.1m**
- Rest of World sales **A\$16.5m** up **28.3%** on STLY **A\$12.9m**
- BARDA revenue of **A\$2.0m**, down **(62.5%)** on STLY of **A\$5.4m** as expected with the completion of the U.S. Pivotal Trial for full-thickness burns
- Total group revenue including BARDA of **A\$75.0m**, up **25.2%** on STLY **A\$59.9m**
- The group recorded **Net Profit after Tax** of **A\$0.0m** down **99.9%** on STLY **A\$3.3m**
- The group recorded **EBITDA** adjusted for significant items and FX of **A\$4.7m** up **82.0%** on STLY **A\$2.6m\***

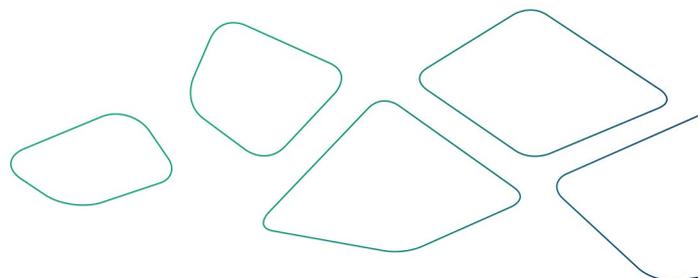
### Initiatives throughout the period: key appointments set the stage for the next phase of growth

- Appointed **Bruce Peatey** as **Chief Executive Officer** effective from 1 December 2025
- Appointed **Amy Demediuk** as **Company Secretary and General Counsel** effective from 16 February 2026
- Completed construction of the additional manufacturing facility in Port Melbourne, meeting all budgetary and operational requirements

### Remarks:

#### Chief Executive Officer, Bruce Peatey said:

*“Since stepping into the role of CEO, my focus has been on building on PolyNovo’s strong foundations while sharpening our execution. We have a clear strategy, an incredible technology platform, supported by highly capable teams.*”



*As we enter the second half of FY26, we have confidence, clarity and focus, supported by several key growth catalysts. With strong clinical demand, increasingly favourable reimbursement dynamics and an accelerating innovation pipeline, PolyNovo is well positioned, now and into the future.”*

Further commentary and Bruce Peatey's insights from his first months at PolyNovo can be accessed through the supplementary content provided [here](#).

**Non-Executive Chair, Leon Hoare said:**

*“PolyNovo has generated a strong first half result and delivered the new manufacturing facility build. The half-year was capped with the commencement of PolyNovo’s new CEO who has already identified many opportunities to enhance the company’s performance.*

*We enter the second half of FY26 with strong momentum, adding more leadership capability, and with multiple initiatives to advance our growth.”*

**Investor Call**

The results will be presented today, 20 February, at 2:00 pm AEDT. To access the webcast, shareholders will need to register prior to commencement of the presentation.

- Visit <https://event.choruscall.com/mediaframe/webcast.html?webcastid=H8e32Z7G>
- Once registered, attendees will receive a confirmation email with additional information about the event, including a link to access.

**Enhanced online investor platform**

PolyNovo is pleased to announce the launch of a new interactive investor hub. This centralised online platform will keep investors informed of updates and progress. For shareholders who would like to receive email correspondence directly from PolyNovo, there are options to subscribe or create an account.

- Investors will be able to view ASX announcements, Annual and Half-Year Reports, video content, and key insights as PolyNovo continues expanding the global adoption of its proprietary NovoSorb® technology across the United States, Australia, Europe, and new international markets.
- PolyNovo will regularly upload new content to the platform to give investors a deeper understanding of PolyNovo’s clinical value proposition, commercial momentum, and long-term strategy.
- In line with PolyNovo’s commitment to enhancing communication with shareholders, corporate governance related policies and disclosures will be available on the platform.

**Signing up to the PolyNovo investor platform:**

- Visit <https://investors.polynovo.com/auth/signup>
- Follow the prompts to create your investor hub account
- Complete your account profile to receive personalised updates

This announcement has been authorised by PolyNovo Company Secretary, Amy Demediuk.

### About PolyNovo®

**PolyNovo (ASX: PNV) is a leading medical technology company transforming the management of complex wounds.** Headquartered in Melbourne, Australia, it has international operations in the United States, United Kingdom, India, Hong Kong and Singapore and several other markets supported by distributor partners.

The proprietary NovoSorb® polymer is addressing significant unmet needs in wound care, as evidenced by its clinical adoption and patient outcomes, and the Company is leveraging the technology platform to develop new products and markets.

Achievements to date, including continued revenue growth, profitability, numerous clearances and registrations, as well as market leadership in several geographies, provide a strong foundation for continued growth.

For more information see [polynovo.com](http://polynovo.com)

### About NovoSorb® Technology

**NovoSorb® is a proprietary biodegradable polymer platform designed to support tissue regeneration in complex wound care.** The unique characteristics of NovoSorb® provide several key advantages including excellent biocompatibility, control over physical properties, a programmable bio-resorption profile and can be produced in many formats including film, fibre, foam, and coatings.

**NovoSorb® BTM** is a synthetic dermal scaffold for the regeneration of the dermis when lost through extensive surgery, trauma or burn. This innovative product was the first to be commercially available utilising NovoSorb® technology and is supported by a growing body of independent clinical evidence.

**NovoSorb® MTX** is PolyNovo's latest advanced wound care product; a fully synthetic dermal matrix, developed in response to surgeon demand for a dermal substitute without a temporising, sealing membrane. Since receiving FDA 510(k) clearance in 2022, NovoSorb® MTX has rapidly gained surgeon adoption and is emerging as a key driver of growth.

\*EBITDA adjusted for significant items and FX referred to throughout this release are non-IFRS financial information, exclude significant items, and are not subject to audit or review.

# Appendix 4D

## 1. Company details

Name of entity:	PolyNovo Limited
ABN:	96 083 866 862
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

## 2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	up	25.2%	to	74,982
Profit from ordinary activities after tax attributable to the owners of PolyNovo Limited	down	99.9%	to	3
Profit for the half-year attributable to the owners of PolyNovo Limited	down	99.9%	to	3

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The profit for the Group after providing for income tax amounted to \$3,000 (31 December 2024: \$3,338,000).

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	10.7	10.6

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### Current period

There were no dividends paid, recommended or declared during the current financial period.

### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

## 7. Dividend reinvestment plans

Not applicable.

## 8. Details of associates and joint venture entities

Not applicable.

## Appendix 4D (continued)

### 9. Foreign entities

#### Details of origin of accounting standards used in compiling the report:

Not applicable.

### 10. Audit qualification or review

#### Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Year Report.

### 11. Attachments

#### Details of attachments (if any):

The Half-Year Report of PolyNovo Limited for the half-year ended 31 December 2025 is attached.

### 12. Signed



Date: 20 February 2026

**Amy Demediuk**  
Company Secretary

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# NovoSorb<sup>®</sup>: From Platform Technology to Products



Half-Year Financial Report

For the half-year ended  
31 December 2025



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## Our Vision

# Healing. Redefined.

Our mission is to innovate and bring disruptive technologies to market by partnering with the best minds to improve patient outcomes and reimagine the standard of care.

## Our Values



We put patients first.



We earn trust.



We innovate boldly.



We believe in each other.



We respect and nurture diversity.

## Our Performance

Annual growth in NovoSorb sales of 26.0% reflects the strength of our commercial teams, surgeon-led innovation, and increasing demand for PolyNovo products globally.

### NovoSorb Group Sales

26.0%

H126: \$68.2m  
H125: \$54.1m

### NovoSorb U.S. Sales

25.3%

H126: \$51.7m  
H125: \$41.2m

### NovoSorb ROW\* (Rest of World) Sales

28.3%

H126: \$16.5m  
H125: \$12.9m

### Total Revenue Growth

41.9%  
\$18.2m

62.2%  
\$29.5m

65.6%

\$48.8m

HY22

HY23

HY24



22.8%

\$59.9m

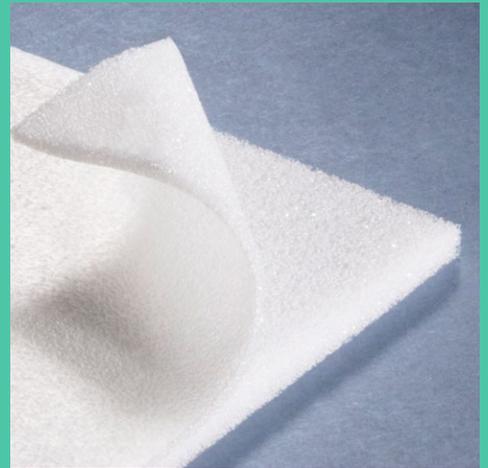
HY25



25.2%

\$75.0m

HY26



## Global Growth

Global commercial momentum remained robust in H1 FY26, as sales increased across North America, Europe, Asia, and Australia, supported by the growing clinical adoption of NovoSorb® BTM and NovoSorb® MTX.

Several key markets delivered strong performances. Although commercial sales remain somewhat volatile due to the sporadic nature of the burns category, the expanded availability of NovoSorb MTX®, along with rising demand from plastic and reconstructive surgery, are anticipated to temper this moving forward.

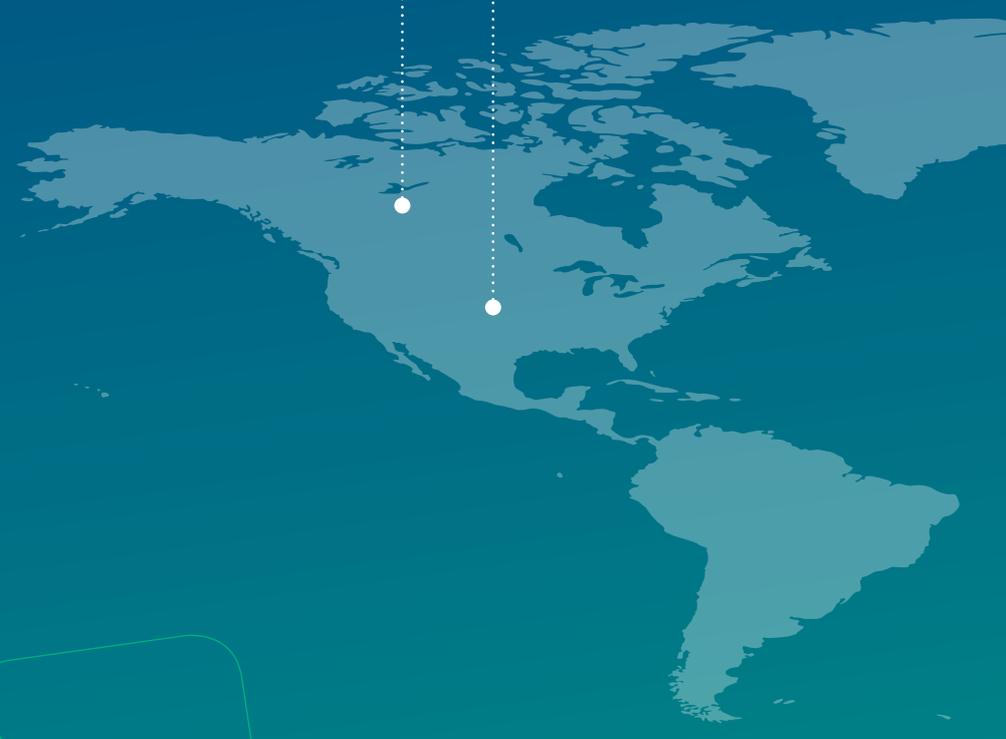
To date, NovoSorb® BTM and MTX have featured in more than 450 published articles and abstracts. This extensive body of evidence underlines their clinical value, utility and increasing role in surgical practice across a range of applications.

### Canada

YOY: +50.8%

### United States

YOY: +25.3%



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### United Kingdom

YOY: +19.2%

### Australia

YOY: +52.0%

### Germany

YOY: +28.3%

### France

YOY: +22.9%

### Türkiye

YOY: +91.3%

### India

YOY: +49.1%

### Ireland

YOY: +328.1%

### Hong Kong

YOY: +16.9%

# Directors' Report

The Directors of PolyNovo Limited (PolyNovo, we, the Company) present the Directors' Report, together with the Financial Report, of the Company and its controlled entities (the Group) for the half-year ended 31 December 2025 and the related Auditor's Report.

## Directors

The Company's Directors in office during or since the end of the period are as detailed below. Directors were in office for the entire reporting period unless otherwise stated.

- Mr Leon Hoare, Non-Executive Chair (appointed to the position of Non-Executive Chair 27 October 2025)
- Dr Robyn Elliott, Non-Executive Director (ceased as Acting Chief Executive Officer and resumed duties as Non-Executive Director on 1 December 2025)
- Ms Christine Emmanuel-Donnelly, Non-Executive Director
- Mr Andrew Lumsden, Non-Executive Director
- Mr Robert Douglas, Non-Executive Director (appointed 14 October 2025)
- Mr David Williams, Non-Executive Chairman (resigned 27 October 2025)

## Review of Operations

The Group recorded revenue of \$74,982,000 (1H25: \$59,887,000) for the period and net profit after tax (NPAT) amounted to \$3,000 (1H25: net profit after tax of \$3,338,000). The reduction in net profit after tax was primarily due to a temporary reduction in manufacturing output for the period to prepare for the submission of a premarket approval (PMA) filing including certain validation activities for the existing and new manufacturing facilities. The Australian dollar also appreciated during the period impacting the result. During the 6-month period to 31 December 2025, the key achievements and initiatives of the Company were:

- Total revenue from contracts with customers of \$70,201,000 (including BARDA) up 18.0% on prior period (1H25: \$59,515,000).
- 1H26 commercial product sales of \$68,171,000 (excluding BARDA) up 26.0% on prior period (1H25: \$54,100,000).
- NovoSorb MTX achieved strong sales growth following the successful U.S. launch in Q4 2024. NovoSorb MTX sales in the U.S. reached \$6,020,000 up 193.0% on prior period (1H25: \$2,055,000).
- Appointed Bruce Peatey as Chief Executive Officer effective from 1 December 2025.
- Appointed Amy Demediuk as Company Secretary and General Counsel effective from 16 February 2026.

- Completed construction of the additional manufacturing facility in Port Melbourne, meeting all budgetary and operational requirements.

The Group recorded a global commercial sales increase of 26.0% compared to the previous period. U.S. sales grew 25.3% and the rest of the world sales grew by 28.3% compared to the previous period.

The Company is investing in all direct markets, especially the U.S., and anticipates continued revenue growth from increased sales, marketing, and R&D efforts. Focus areas include expanding revenue from current customers, acquiring new accounts, entering new indications and markets, and launching products like NovoSorb MTX with a 6 mm thickness in the U.S.

Except as otherwise set out in this report, the Directors are not aware of any significant changes in the principal activities of PolyNovo during the financial half-year ended 31 December 2025.

## Financial Result

The Group recorded revenue of \$74,982,000 (1H25: \$59,887,000) for the period. The net profit of the Group attributable to the parent entity for the period, after income tax was \$3,000 (1H25: net profit after tax of \$3,338,000). Net profit before income tax was \$1,961,000 (1H25: \$5,704,000).

The Group increased commercial sales locally and globally with sales revenue of \$68,171,000 for the period (1H25: \$54,100,000). Product sales continued to grow as the Company gained market penetration in the U.S. through an expanded sales force and customer base, and effective marketing activities. Revenue from the BARDA contract was \$2,030,000 for the period (1H25: \$5,415,000). The decrease was expected as the Pivotal Trial for full-thickness burns nears conclusion, following the recruitment and treatment of all 120 patients.

The Group recorded other income of \$4,781,000 for the period of which \$4,576,000 relates to an insurance claim related to the fire event in the standalone R&D laboratory on 4 November 2025.

Changes in inventories of finished goods and work in progress of \$7,642,000 (1H25: \$1,134,000) were recognised for the period. The increase in changes in inventories expense is due to a reduction in manufacturing output during the period resulting in an unfavourable manufacturing variance of \$3,650,000 (1H25: favourable variance of \$1,905,000). Inventory levels were increased in the prior year FY25 to allow for completion of activities in 1H26 in preparation for submission for a premarket approval (PMA) filing for an on-label indication supporting the use of NovoSorb BTM in full-thickness burns in

the U.S., which includes certain validation activities for the existing and new manufacturing facility.

Inventory/finished goods on hand reduced during the period to \$11,853,000 (June 2025: \$14,492,000).

Employee expenses of \$39,723,000 were recognised for the period (1H25: \$35,406,000). The increase in underlying employee expenses is due to headcount increases in sales and operations staff to drive sales growth and restructuring costs in Australia. The rate of employee expense growth was 12.2% for the period, decreasing compared to the prior period (1H25: 28.7%).

Research and development costs of \$2,435,000 (1H25: \$5,056,000) were recognised for the period. The projects include the extension of the NovoSorb BTM and NovoSorb MTX portfolio, hernia prototype development, Pivotal Trial for full-thickness burns and other projects to support new product development. The reduction in expenditure on research and development costs is primarily due to the decrease in activity of the Pivotal Trial as it nears its conclusion.

Corporate, administrative, and overhead expenses recognised for the period have increased to \$17,045,000 (1H25: \$10,958,000). The underlying increase for the period after excluding the unrealised exchange gains/(losses) was 4.7%. Due to the Australian dollar appreciating during the period, an unrealised exchange loss was recognised for the period of \$761,000. In contrast, in the prior period, the Australian dollar depreciated resulting in a significant unrealised gain (1HY25: gain of \$4,602,000). Professional, sales and travel expenses increased due to the growth in the size of the business. In addition, one-off quality and regulatory expenses increased due to preparing for submission for a premarket approval (PMA) filing for an on-label indication supporting the use of NovoSorb BTM in full-thickness burns in the U.S.

Impairment of assets expense of \$4,389,000 (1H25: Nil) was recognised for the period. The impairment relates to the fire event in the standalone R&D laboratory on 4 November 2025. The fire rendered the significant majority of the R&D equipment including the specialised HVAC system and laboratory, unusable and was written off. Importantly, all R&D activities have continued without interruption in the original laboratory, located in a separate facility.

## Cash and Short-term Investments

As of 31 December 2025, PolyNovo held total cash, including short-term investments, of \$29,212,000 (June 2025: \$33,535,000).

Term deposits exceeding three months term amounting to \$50,000 on 31 December 2025 (June 2025: \$50,000) have been classified as other financial assets in the statement of financial position.

Cash flow from operations for the period was \$9,037,000 (1H25: \$12,545,000 – cash out flow) increasing significantly due to improved payment collections from customers. Payments for property, plant and equipment for the period were \$10,777,000 (1H25: \$5,129,000) for the completion of building a new manufacturing facility in Port Melbourne. The net decrease in cash and cash equivalents was \$3,392,000 (1H25: \$19,241,000 – net decrease).

As of 31 December 2025, PolyNovo has external borrowings with National Australia Bank consisting of an equipment finance facility of \$2,645,000 (June 2025: \$3,182,000). The equipment finance facility is used to fund capital expenditure over a 5-year period after each capital expenditure item is paid in full. During the period no additional drawdowns for funding equipment purchases were required.

### NovoSorb BTM

NovoSorb Biodegradable Temporising Matrix (NovoSorb BTM) is a dermal scaffold for the regeneration of the dermis when lost through extensive surgery, trauma or burn. With the NovoSorb BTM scaffold in place, the dermal layer is regenerated and once fully integrated, the wound closes through secondary intention or with the application of a skin graft.

NovoSorb BTM is sold directly by PolyNovo in Australia, Hong Kong, India, New Zealand, Singapore, United Kingdom, and the United States. The Company utilises distributors for sales in Canada, Europe, Taiwan, South Africa, the Middle East and South America. Regulatory approvals for other markets are in progress to continue to expand our geographical footprint.

NovoSorb BTM (up to 6 mm) secured FDA 510(k) clearance in June 2025, representing a further expansion of the dermal matrix portfolio. Additional product sizes and a product with a thinner matrix are being evaluated to address clinical applications not covered by existing products.

### Premarket Approval and U.S. Pivotal Trial funded by Biomedical Advanced Research and Development Authority (BARDA)

In September 2024, it was announced that all 120 patients had been enrolled in the complex randomised controlled trial comparing NovoSorb BTM to the standard of care for full-thickness burns and deep partial thickness burns. Patient recruitment was conducted



through 27 sites. The BARDA contract, funded by the U.S. Department of Health and Human Services (Office of the Assistant Secretary for Preparedness and Response), commenced on 28 September 2015. After extending the contract in FY21, BARDA increased its funding commitment in Q2 FY24 to US\$25m.

The Company has progressed communications with the U.S. Food and Drug Administration (FDA) in terms of the requirements for the premarket approval (PMA) filing for an on-label indication supporting the use of NovoSorb BTM in full-thickness burns. The documentation is in the final stages of preparation and is anticipated to be submitted to the FDA before June 2026. Granting of a PMA by the FDA would bring the U.S. market in line with many other markets where this indication is already cleared by regulators.

### NovoSorb MTX

NovoSorb MTX potentially has broad applicability in burns, chronic, trauma, and surgical wounds, providing increased treatment pathways for clinicians. NovoSorb MTX and BTM are complementary, and clinicians use both products for the treatment of soft tissue defects.

### Enhanced investor platform

PolyNovo has recently launched a new interactive online platform to keep investors informed of Company updates and progress. New content will be regularly uploaded to the platform to give investors a deeper understanding of PolyNovo's clinical value proposition, commercial momentum, and long-term strategy.



For more information see [investors.polynovo.com](https://investors.polynovo.com)



Subscribe for updates

## Directors' Report continued

NovoSorb MTX received FDA 510(k) clearance with a 2 mm thickness in 2022, and a full market launch campaign was initiated in late FY24. The total addressable U.S. market comprising in and out-patient settings is estimated at A\$500m.

NovoSorb MTX (up to 6 mm) received FDA 510(k) clearance with the addition of new indications for tunnelled and undermined wounds in March 2025. This clearance offers healthcare professionals greater versatility in management of deep soft tissue defects in plastic and reconstructive surgery applications. The Company is working towards a market release to introduce the product to the U.S., planned in late FY26, leveraging the successful model first used for NovoSorb MTX (2 mm).

### U.S. Outpatient

Changes to skin substitute pricing in the U.S. outpatient setting is expected to reinforce the market opportunity for NovoSorb matrices, to deliver greater clinical choice with a compelling value position.

A comprehensive clinical evidence package was submitted to the Centers for Medicare and Medicaid Services (CMS) on 31 October 2025, to support Medicare coverage for NovoSorb BTM under the skin substitute LCDs. A request to CMS for a new HCPCS code for NovoSorb MTX is also being prepared for submission.

In parallel, resources have been invested to optimise the business for an improved reimbursement landscape, including investment in market access, targeting the optimal outpatient procedures and clinical settings, new clinical evidence specific to outpatient procedures, and recruiting for key commercial positions.

## Research and Development Projects

### Hernia Repair

The approach to hernia repair has been refined to focus on targeted solutions for ventral hernia and complex abdominal wall reconstruction. These products, branded under the NovoSorb SynTrel umbrella, comprise a novel NovoSorb-based textile that will expand the clinical application of our patented technology.

After achieving promising outcomes in preclinical studies for the final hernia mesh prototype, the subsequent phase involves conducting a comprehensive comparative pre-clinical trial. The data obtained from this trial will be used to support a 510(k) clearance submission to the FDA. In parallel, the commercialisation pathway for the product will be finalised in CY26.

### Plastics and Reconstructive Device Products

The Plastic and Reconstructive device product program will leverage the experience and processes developed for hernia devices and will be branded under the NovoSorb SynTrix platform. The hernia product development models serve as effective building blocks for other tissue reinforcement products in breast, orthopaedics, and other applications. We anticipate that manufacturing processes, technology and equipment will be shared across a range of new products.

## Beta Cell Implant

The Company continues to supply NovoSorb BTM to Beta Cell Technologies (BCT) for clinical trial purposes following positive results of the First in Man proof of concept study, as announced in May 2025. PolyNovo and Beta Cell continue to collaborate to accelerate this effort to position NovoSorb technology in the cell therapy market.

Beta Cell Technologies (BCT) is an Adelaide based, third-party research and development group. BCT have identified an opportunity to design, develop and implement a novel Intracutaneous Ectopic Pancreas (EIP) to treat Type 1 Diabetes (T1D) at scale. This treatment holds significant promise for treating T1D with reduced reliance on a donor pancreas.

## Significant Events after the Balance Date

The Directors are not aware of any other matters or circumstances since the end of the period or otherwise dealt with in this report, which have significantly affected, 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.

Announcements released by the Company after 31 December 2025 include:

- 19/01/2026 – 1H26 Trading Result (unaudited)
- 02/02/2026 – Distributor appointed for Balkan markets
- 12/02/2026 – Change in substantial holding

- 12/02/2026 – 1H26 Results Presentation – Webcast Link
- 12/02/2026 – Update on fire event at R&D facility – fully insured

## Inherent Risks of Investment in Biotechnology Companies

There are many inherent risks associated with the development of medical devices and bringing them to market. The clinical trial process is designed to assess the safety and efficacy of a medical device prior to commercialisation and a significant proportion of medical devices fail one or both criteria.

Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary regulatory authority approvals and uncertainties caused by the rapid advancements in technology.

Companies such as PolyNovo are in part dependent on the success of their research projects and on the ability to attract funding to support these activities.

Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Investment in companies such as PolyNovo must be regarded as risky and highly speculative. It is strongly recommended that professional investment advice be sought prior to investing in the Company.

The Company recognises it has an impact on the environment, directly through its operations, and indirectly through its value chain. The clinical benefits of NovoSorb BTM include improvements to health economics for hospitals, such as a reduction of patient days in hospital. The Company is committed to minimising the environmental impact of its operations and products.

## Forward-looking Statements

Certain statements in this Half-Year Report contain forward-looking statements regarding the Company's business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing the Company's goals, expectations, intentions, or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of discovering, developing and commercialising drugs and medical devices that can be proven to be safe and effective for use in humans, and in the endeavour of building a business around such products and services. PolyNovo undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Actual results could differ materially from those discussed in this report. As a result, readers of this report are cautioned not to rely on forward-looking statements.

Consideration should be given to these and other risks concerning the Company's research and development program referred to in this report.

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial Half-Year other than those included in this Directors' Report.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors,



**Leon Hoare**  
Chair

20 February 2026



# Auditor's Independence Declaration



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Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

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Fax: +61 3 8650 7777  
ey.com/au

## Auditor's independence declaration to the directors of PolyNovo Limited

As lead auditor for the review of the half-year financial report of PolyNovo Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of PolyNovo Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Matt Biernat' in a cursive style.

Matt Biernat  
Partner  
20 February 2026

A member firm of Ernst & Young Global Limited  
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# Statement of Profit or Loss and other Comprehensive Income

For the half-year ended 31 December 2025

	Note	Consolidated	
		31 December 2025 \$'000	31 December 2024 \$'000
<b>Revenue</b>			
Revenue from contracts with customers	4	70,201	59,515
Interest and other income	5	4,781	372
		<b>74,982</b>	59,887
<b>Expenses</b>			
Changes in inventories of finished goods and work in progress		(7,642)	(1,134)
Employee-related expenses	6	(39,723)	(35,406)
Research and development expenses		(2,435)	(5,056)
Depreciation and amortisation expenses		(1,375)	(1,253)
Corporate, administrative and overhead expenses		(17,045)	(10,958)
Impairment of assets	7	(4,389)	–
Interest expense		(412)	(376)
<b>Profit before income tax expense</b>		<b>1,961</b>	<b>5,704</b>
Income tax expense	8	(1,958)	(2,366)
<b>Profit after income tax expense for the half-year attributable to the owners of PolyNovo Limited</b>		<b>3</b>	<b>3,338</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on translation of foreign operation		122	(935)
Other comprehensive income for the half-year, net of tax		122	(935)
<b>Total comprehensive income for the half-year attributable to the owners of PolyNovo Limited</b>		<b>125</b>	<b>2,403</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	28	0.00	0.48
Diluted earnings per share	28	0.00	0.48

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# Statement of Financial Position

As at 31 December 2025

	Note	Consolidated	
		31 December 2025 \$'000	31 December 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	29,212	33,535
Trade and other receivables	10	19,638	24,386
Contract cost assets	11	–	37
Insurance claim receivables	12	4,576	–
Inventories	13	11,853	14,492
Other assets	15	3,898	4,599
Other financial assets		50	50
<b>Total current assets</b>		<b>69,227</b>	<b>77,099</b>
<b>Non-current assets</b>			
Property, plant and equipment	16	29,917	26,425
Right-of-use assets	14	12,699	11,794
Intangibles		537	661
Deferred tax assets	8	10,312	10,768
Other assets	15	676	661
<b>Total non-current assets</b>		<b>54,141</b>	<b>50,309</b>
<b>Total assets</b>		<b>123,368</b>	<b>127,408</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	16,156	22,539
Interest-bearing loans and borrowings	18	1,846	1,495
Lease liabilities	19	951	912
Deferred income	20	326	283
Income tax liabilities	8	563	13
Provisions		2,971	2,640
<b>Total current liabilities</b>		<b>22,813</b>	<b>27,882</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	18	1,841	2,217
Lease liabilities	19	13,550	12,511
Deferred income	20	1,409	908
Provisions		614	628
<b>Total non-current liabilities</b>		<b>17,414</b>	<b>16,264</b>
<b>Total liabilities</b>		<b>40,227</b>	<b>44,146</b>
<b>Net assets</b>		<b>83,141</b>	<b>83,262</b>
<b>Equity</b>			
Issued capital	21	191,758	191,758
Reserves		(5,717)	(5,593)
Accumulated losses		(102,900)	(102,903)
<b>Total equity</b>		<b>83,141</b>	<b>83,262</b>

The above statement of financial position should be read in conjunction with the accompanying notes

# Statement of Changes in Equity

For the half-year ended 31 December 2025

	Contributed Equity \$'000	Other Reserves \$'000	Acquisition of non-controlling interest Reserve \$'000	Accumulated Losses \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2024	191,601	5,934	(9,294)	(116,117)	72,124
Profit after income tax expense for the half-year	-	-	-	3,338	3,338
Other comprehensive income for the half-year, net of tax	-	(935)	-	-	(935)
<b>Total comprehensive income for the half-year</b>	-	(935)	-	3,338	2,403
Issue of share capital	157	-	-	-	157
Share-based payments	-	811	-	-	811
<b>Balance at 31 December 2024</b>	<b>191,758</b>	<b>5,810</b>	<b>(9,294)</b>	<b>(112,779)</b>	<b>75,495</b>

	Contributed Equity \$'000	Other Reserves \$'000	Acquisition of non-controlling interest Reserve \$'000	Accumulated Losses \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2025	191,758	3,701	(9,294)	(102,903)	83,262
Profit after income tax expense for the half-year	-	-	-	3	3
Other comprehensive income for the half-year, net of tax	-	122	-	-	122
<b>Total comprehensive income for the half-year</b>	-	122	-	3	125
Net reversal of share-based payments	-	(246)	-	-	(246)
<b>Balance at 31 December 2025</b>	<b>191,758</b>	<b>3,577</b>	<b>(9,294)</b>	<b>(102,900)</b>	<b>83,141</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes

# Statement of Cash Flows

For the half-year ended 31 December 2025

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	72,754	44,307
Receipts from BARDA reimbursements and advances	3,170	7,295
Receipts of grant income	825	590
Receipts from other income	539	–
Payment of interest on borrowings	(109)	(57)
Payments of interest on lease liabilities	(324)	(319)
Payments to suppliers and employees	(67,762)	(63,892)
Income tax paid	(56)	(469)
Net cash from/(used in) operating activities	9,037	(12,545)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(10,777)	(5,129)
Interest received	119	615
Net cash used in investing activities	(10,658)	(4,514)
<b>Cash flows from financing activities</b>		
Repayment of principal on borrowings	(1,071)	(1,891)
Repayment of principal on lease liabilities	(700)	(291)
Net cash used in financing activities	(1,771)	(2,182)
Net decrease in cash and cash equivalents	(3,392)	(19,241)
Cash and cash equivalents at the beginning of the financial half-year	33,535	45,907
Net effects of foreign exchange rate changes	(931)	3,796
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>29,212</b>	<b>30,462</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

# Notes to the Financial Statements

31 December 2025

## Note 1. Corporate Information

The financial statements cover PolyNovo Limited as a Group consisting of PolyNovo Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is PolyNovo Limited's functional and presentation currency.

PolyNovo Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

320 Lorimer Street, Port Melbourne, VIC, 3207

**Principal place of business**

320 Lorimer Street, Port Melbourne, VIC, 3207

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 February 2026.

## Note 2. Basis of Preparation of the Half-Year Financial Report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 ("the period") have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025, except for the adoption of new standards effective as of 1 July 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### (a) Basis of accounting

This half-year financial report for the period ended 31 December 2025 is a condensed set of financial statements, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements.

The half-year financial report has been prepared on an historical cost basis. The half-year financial report is presented in Australian dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The consolidated financial statements provide comparative information in respect of the previous period. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

### (b) New or amended Accounting Standards and Interpretations adopted

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025.

### (c) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgement, estimates and assumptions applied in the Half-Year Financial Report, including the key sources of estimation uncertainty, are the same as those applied in the annual report for the year ended 30 June 2025, except for the judgement below that related to the fire occurred in R&D standalone laboratory on 4 November 2025.

#### Fire incident in R&D laboratory

On 4 November 2025, a fire occurred at PolyNovo's new standalone R&D laboratory. Despite the fire affecting only a small section of the facility, following insurance specialist investigation, the resultant smoke damage has rendered the significant majority of the R&D equipment, including the specialised HVAC system, unusable. The R&D facility office (located in the same building) remains unaffected and will be made available once cleaning is completed and facilities restored.

Following the fire incident, the Group assessed the recoverability of the affected assets in accordance with AASB 136 Impairment of Assets. As the damaged assets were no longer capable of being used and no future economic benefits were expected to be derived from them, the affected assets were written off in full, resulting in an impairment expense of \$4,389,000 (including \$2,141,000 for construction in progress) in the half year ended 31 December 2025 (refer to note 7 and note 16).

The cost to rebuild and restore the R&D facility to its previous state is fully covered by insurance. The Company's insurers have provided written notice of indemnity and therefore it is considered virtually certain that the Group will receive proceeds under its insurance policy.

The insurance receivable has been measured based on the best estimate of the amounts expected to be received, using a probability-weighted assessment of the anticipated claim outcomes.

At 31 December 2025, an insurance receivable of \$4,576,000 has been recognised on balance sheet (refer to note 12), which is included in Other Income in the Statement of profit or loss (refer to note 5).

Subsequent to the reporting date, the Group agreed with the lead insurer and the insurance panel to an initial progress payment of \$2,400,000. PolyNovo signed the interim form of release on 5 February 2026, and the Group expects to receive this payment during the second half of FY2026.

In forming the best estimate of the amounts expected to be received, management considered the interim claim submitted and the interim release signed.

# Notes to the Financial Statements (continued)

31 December 2025

## Note 3. Operating segments

### Operating Segment

PolyNovo has one reportable segment, being the development, manufacture and commercialisation of products based on the NovoSorb technology for use in a range of biodegradable medical devices.

The chief operating decision-maker is the Chief Executive Officer of PolyNovo Limited.

The chief operating decision-maker reviews the results of the business on a single entity basis and assesses business performance in order to make decisions about resource allocation in order to progress the commercialisation of the PolyNovo technology. Performance assessment is based on EBITDA (earnings before interest, tax, depreciation and amortisation, and other significant items including other income from insurance claim and impairment loss). These measures are different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense.

	PolyNovo Group	
	31 December 2025 \$'000	31 December 2024 \$'000
Net Profit After Tax	3	3,338
Interest income	(79)	(352)
Interest expense	412	376
Depreciation and amortisation	1,786	1,523
Other income from insurance claim	(4,576)	–
Impairment loss	4,389	–
Tax	1,958	2,366
<b>EBITDA</b>	<b>3,893</b>	<b>7,251</b>

During the period, sales to BARDA in the United States of America, represented 2.9% (December 2024: 9.1%) of total sales revenue from contracts with customers.

In addition to the depreciation and amortisation expenses listed in the Statement of Profit or Loss and Other Comprehensive Income (\$1,375,000), depreciation and amortisation relating to manufacturing of \$411,000 is also included in the total depreciation amortisation. Total depreciation and amortisation expenses amount is \$1,786,000 in the period (December 2024: \$1,523,000).

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
<b>Revenue from contracts with customers</b>		
Geographical areas:		
United States of America	53,757	46,647
Australia and New Zealand	4,699	3,633
Other countries	11,745	9,235
	<b>70,201</b>	<b>59,515</b>

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Non-current assets</b>		
Geographical areas:		
United States of America	3,402	2,880
Australia and New Zealand	49,645	44,263
Other countries	1,094	3,138
	<b>54,141</b>	<b>50,281</b>

#### Note 4. Revenue from contracts with customers

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
BARDA revenue	2,030	5,415
Commercial product sales	68,171	54,100
	70,201	59,515

#### Note 5. Interest and other income

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
Interest income	79	352
Other income	4,702	20
	4,781	372

##### Interest income

During the period, the interest rate related to the term deposits have dropped and the Group has closed majority of the term deposit balances.

##### Other income

###### Other income from the grant

The Group received a R&D grant in the year ended 30 June 2025. The grant is an Industry R&D Infrastructure grant from the Department of Jobs, Skills, Industry and Regions, to support the purchase of R&D equipment as well as the construction of the new innovation centre.

The total grant amount is \$2,000,000, of which \$1,250,000 was received in cash in the year ended 30 June 2025. The remaining \$750,000 was received in cash in the half year ended 31 December 2025.

During the half year ended 31 December 2025, a grant income of \$126,000 was recognised. As at the reporting date, cumulative grant income of \$222,000 has been recognised, with the remaining \$1,778,000 recognised as deferred income.

###### Other income from the insurance claim

The Group recognised \$4,576,000 as other income in relation to the fire incident insurance claim in the half year ended 31 December 2025 (refer to note 2).

# Notes to the Financial Statements (continued)

31 December 2025

## Note 6. Employee-related expenses

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
Wages and salaries (including sales commission)	33,294	29,388
Superannuation	1,556	1,264
Share-based payments expense	(246)	889
Other	5,119	3,865
	<b>39,723</b>	<b>35,406</b>

Other employee-related expenses include directors' fees of \$240,000 (December 2024: \$319,000), payroll taxes of \$610,000 (December 2024: \$442,000), Medicare and US FICA employer contribution of \$1,263,000 (December 2024: \$1,054,000) and US employee health insurance contributions of \$1,562,000 (December 2024: \$1,081,000).

## Note 7. Impairment loss and assets write off

Following the fire incident, the Group assessed the recoverability of the affected assets in accordance with AASB 136 *Impairment of Assets*.

Equipment and leasehold improvements with a carrying amount of \$2,248,000 and construction in progress with a carrying amount of \$2,141,000 were damaged and written off. The Group recognised an impairment loss of \$4,389,000 in total (refer to note 2).

## Note 8. Income tax expense

### (a) Income tax expense

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
<b>Income tax expense</b>		
Current tax	685	2,516
Adjustment recognised for prior periods	853	712
Deferred tax – origination and reversal of temporary differences	420	(862)
Aggregate income tax expense	<b>1,958</b>	<b>2,366</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	<b>1,961</b>	<b>5,704</b>
Tax at the statutory tax rate of 30%	<b>588</b>	<b>1,711</b>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Recognition of research and development concessional credits	<b>759</b>	671
Entertainment expenses	<b>179</b>	52
Share-based payments	<b>(103)</b>	219
Others	<b>16</b>	51
Subtotal	<b>851</b>	993
Other Payables, provisions and accruals	<b>396</b>	989
Previously unrecognised tax losses brought to account	–	51
Adjustments to prior year deferred income tax	<b>169</b>	(4,964)
Other	<b>(46)</b>	3,586
Income tax expense	<b>1,958</b>	<b>2,366</b>

## (b) Deferred tax assets and liabilities

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
Deferred tax assets	10,609	11,998
Deferred tax liabilities	(297)	(1,230)
Net deferred tax assets	10,312	10,768
<b>Deferred tax balances reflects temporary differences attributable to:</b>		
<i>Deferred tax assets</i>		
Carried forward tax losses	5,866	5,902
Share based payments	331	306
Property, plant and equipment	192	117
Right-of-use assets and associated lease liabilities	536	483
Intercompany interest expense	651	2,473
Employee benefits	935	885
Deferred revenue	521	580
Other accruals and provision	1,282	1,071
Other	295	181
Total deferred tax assets	10,609	11,998
<i>Deferred tax liabilities</i>		
Prepaid expenses	(184)	(223)
Trade and other receivables	(82)	(211)
Property, plant and equipment	–	(22)
Other	(31)	(774)
Total deferred tax liabilities	(297)	(1,230)

## (c) Deferred tax assets not brought to account

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
Unrecognised, unconfirmed tax losses for which no deferred tax asset has been recognised	59,787	62,411
Deductible temporary differences – no deferred tax asset has been recognised	279	154
	60,066	62,565
Potential tax benefit	18,020	18,552

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

## (d) Current tax liability

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
Income tax liabilities	563	13

# Notes to the Financial Statements (continued)

31 December 2025

## Note 9. Cash and cash equivalents

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current assets</b>		
Cash at bank	29,212	33,535

As at 31 December 2025, the Group holds term deposits of \$1,799,000 (June 2025: \$6,906,000) with a maturity date within 90 days, which is classified as cash and cash equivalents. In addition, the Group holds \$50,000 (June 2025: \$50,000) in term deposit with a maturity date exceeding 90 days. This term deposit is classified in the Statement of Financial Position as other financial assets.

## Note 10. Trade and other receivables

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current assets</b>		
Trade receivables	18,561	22,717
BARDA trade receivables	274	702
Sundry receivables	798	941
	1,072	1,643
Interest receivable	5	26
	19,638	24,386

Trade receivables relate to invoices to customers for sale of goods and PolyNovo's BARDA project representing invoiced and un-invoiced services for labour and sub-contractor expenses.

## Note 11. Contract cost assets

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current assets</b>		
Contract cost assets	–	37

The Group engaged subcontractors to fulfil specific performance obligation with regards to the Group's BARDA arrangement since the year ended 30 June 2021. The Group was required to prepay specific amount to the subcontractor upfront to support the delivery of the BARDA contract. Amortisation is calculated on a straight-line basis over the life of the BARDA contract from the FY2021 to FY2026.

## Note 12. Insurance claim receivables

The Group holds insurance coverage for the financial loss from damage to the affected property, plant and equipment and leasehold improvements, as well as certain other costs, in relation to the fire occurred at R&D laboratory (refer to note 2).

## Note 13. Inventories

Inventories are comprised of the following:

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current assets</b>		
Raw materials	820	1,089
Work in progress	1,013	2,122
Finished goods	10,631	11,568
Provision for finished goods	(611)	(287)
	10,020	11,281
	11,853	14,492

# Notes to the Financial Statements (continued)

31 December 2025

## Note 14. Right-of-use assets

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Non-current assets</b>		
Right-of-use assets	16,705	15,625
Accumulated Depreciation – Right of use assets	(4,006)	(3,831)
	<b>12,699</b>	<b>11,794</b>

The Group has lease contracts for various items of property, office equipment and lease equipment used in its operations. Leases of property generally have lease terms between 3 and 20 years, while office and manufacturing equipment generally have lease terms between 3 and 5 years.

On 1 December 2025, US office extended the lease in San Diego. The new lease will expire on 28 Feb 2032, with a 3-year renewal option.

The management expects to renew the year for 3 years and the expectation is included in the calculation of right-of-use assets and lease liability. A lease liability of \$1,623,000 with a corresponding right-of-use assets of \$1,623,000 was recognised. Right-of-use assets will be amortised on straight line basis over the lease period.

In prior year, on 1 September 2024, the Group entered a contract to lease R&D innovation centre in Port Melbourne, Australia. The lease term is 5.4 years, plus 2 further renewal options of 5 years each. A lease liability of \$1,379,000 with a corresponding \$1,379,000 right-of-use assets was recognised. Right-of-use assets will be amortised on straight line basis over the lease period. The lease renewal options are not included in the calculation of right-of-use assets and lease liability.

## Note 15. Other assets

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current assets</b>		
Accrued revenue	–	773
Prepayments	3,898	3,826
	<b>3,898</b>	<b>4,599</b>
<b>Non-current assets</b>		
Security deposits	676	661

The current prepayment includes the prepaid insurance of \$1,724,000 (June 2025: \$1,303,000) and other prepaid expenses.

The non-current security deposit relates predominantly to PolyNovo's long-term lease of office premises in Port Melbourne and San Diego, USA.

## Note 16. Property, plant and equipment

### Acquisitions and disposals

During the half year, the Group acquired plant and equipment with a cost of \$367,000, excluding the costs capitalised related to construction in progress.

As a result of the fire incident occurred at R&D laboratory, equipment and leasehold improvements with a carrying amount of \$2,248,000 was damaged and written off (refer to note 2).

At the reporting date, construction of the additional manufacturing facility was complete. The facility is undergoing the quality validation and commissioning. It is expected that the facility will be operational in the July 2026.

### Construction in Progress

During the half year, additions to construction in progress totalled \$7,870,000, of which \$7,365,000 related to the construction of the additional manufacturing facility.

R&D and manufacturing equipment with a cost of \$581,000 were ready for use during the half year and transferred to fixed assets.

As a result of the fire incident, construction in progress with a carrying amount of \$2,141,000 was damaged and written off (refer to note 2).

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Non-current assets</b>		
Leasehold improvements – at cost	7,982	7,661
Accum Depn – Leasehold improvements	(2,818)	(2,581)
	5,164	5,080
Furniture and fittings – at cost	998	1,000
Accum Depn – Furniture and fittings	(720)	(640)
	278	360
Computer hardware – at cost	2,036	1,971
Accum Depn – Computer hardware	(1,481)	(1,306)
	555	665
Office equipment – at cost	257	254
Accum Depn – Office equipment	(181)	(175)
	76	79
Manufacturing equipment – at cost	2,396	2,365
Accum Depn – Manufacturing equipment	(1,259)	(1,100)
	1,137	1,265
R&D equipment – at cost	3,571	5,544
Accum Depn – R&D equipment	(2,345)	(3,025)
	1,226	2,519
Computer software – at cost	188	189
Accum Depn – Computer software	(188)	(189)
	–	–
Construction in progress – at cost	21,481	16,457
	29,917	26,425

# Notes to the Financial Statements (continued)

31 December 2025

## Note 17. Trade and other payables

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current liabilities</b>		
Trade payables	4,901	6,939
Other payables	11,255	15,600
	<b>16,156</b>	<b>22,539</b>

## Note 18. Interest-bearing loans and borrowings

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current liabilities</b>		
Equipment Finance (a)	804	965
Short term loan (b)	1,042	530
	<b>1,846</b>	<b>1,495</b>
<b>Non-current liabilities</b>		
Equipment Finance (a)	1,841	2,217

### (a) Equipment finance facility

The purpose of this facility is to fund the capital expenditure items such as manufacturing equipment and R&D equipment.

The facility is a \$7,500,000 revolving equipment finance facility with repayments over 5 years on each tranche drawn at an interest rate between 2.6% to 6.6% (average rate of 6.30%). Currently a total of \$2,645,000 was drawn down as at 31 December 2025. Interest is calculated daily and payable on the last business day of each month.

No additional covenant requirements exist, except that PolyNovo needs to maintain a minimum cash balance of \$1,285,000 at all times, reflective of 12 months interest payable and principal repayments of the facility.

### (b) Short term loan

Short term loan relates to insurance premium funding for the Group.

## Note 19. Lease liabilities

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current liabilities</b>		
Lease liability – current	951	912
<b>Non-current liabilities</b>		
Lease liability – non current	13,550	12,511

On 1 December 2025, the US office extended the lease in San Diego. The lease will expire on 28 February 2032, and it is expected to be renewed for another 3 years. Further details please refer to note 14.

## Note 20. Deferred Income

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current liabilities</b>		
Deferred income	326	283
<b>Non-current liabilities</b>		
Deferred income	1,409	908

Deferred income comprises amounts received in advance in respect of the Industry R&D Infrastructure Grant and the BARDA contract.

The Group received a \$2,000,000 Industry R&D Infrastructure Grant from the Department of Jobs, Skills, Industry and Regions, of which \$1,778,000 was recognised as deferred income as at the reporting date. Refer to note 5.

In addition, BARDA income of \$43,000 was recognised during the half year, resulting in a correspondence reduction in deferred income.

## Note 21. Issued capital

	Consolidated			
	31 December 2025 Number of Shares	30 June 2025 Number of Shares	31 December 2025 \$'000	30 June 2025 \$'000
Ordinary shares – fully paid	690,842,991	690,842,991	191,758	191,758

### Movements in ordinary share capital

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Equity raising costs incurred in issuing shares include registration and other regulatory fees, amounts paid to legal and other professional advisors.

On 1 December 2025, the Group granted Chief Executive Officer a one-off grant of Alignment Share Appreciation Rights (ASARs) with a value of \$600,000 being 1-year base salary. Vesting of the ASARs will be contingent on a service period of 3 years, and a term of 5 years.

#### Share buy-back

There is no current on-market share buy-back.

## Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

## Note 23. Fair value measurement

### Foreign exchange forward contracts

The Group have been taking foreign currency forward contracts to manage financial risk by locking in exchange rates in the future. This can help business protect from against volatility in exchange rates. As at the period end, there were four forward contracts outstanding with National Australia Bank.

Fair value of foreign exchange forward contracts is measured by National Australia Bank and calculated using widely accepted valuation techniques including discounted cash flow analysis of the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, such as yield curves, spot and forward foreign exchange rates (level 2 in below fair value hierarchy).

The carrying amount of foreign currency forward contracts recognised in the financial statements is deemed to be the fair value unless stated otherwise.

# Notes to the Financial Statements (continued)

31 December 2025

## Fair value hierarchy

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purpose at each balance date. Various methods are available to estimate the fair value of a financial instrument, and comprise:

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

Level 3: Unobservable inputs for the asset or liability

## Note 24. Contingent liabilities and Contingent assets

The Directors are not aware of any contingent liabilities or contingent assets.

## Note 25. Capital Commitments

The Group had no capital commitments as at the reporting date.

## Note 26. Related party transactions

### Parent entity

PolyNovo Limited is the parent entity.

### Transactions with related parties

There were no transactions with related parties during the half-year ended 31 December 2025.

### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

## Note 27. Events after the reporting period

Other than disclosed in Note 2, no matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Note 28. Earnings per share

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
Profit after income tax attributable to the owners of PolyNovo Limited	3	3,338
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	690,722,173	690,842,991
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	7,496,400	9,100,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	698,218,573	699,942,991
	Cents	Cents
Basic earnings per share	0.00	0.48
Diluted earnings per share	0.00	0.48

As at 31 December 2025, there existed share options that if vested, would result in the issue of additional ordinary shares over the period to FY2031. In the prior period, these potential ordinary shares are considered antidilutive as their conversion to ordinary shares would reduce the loss per share. Accordingly, they were excluded from the dilutive loss per share calculation.

# Directors' Declaration

31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



**Mr Leon Hoare**  
Chair

20 February 2026

# Independent Auditor's Review Report

To the members of PolyNovo Limited



**Shape the future  
with confidence**

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## Independent auditor's review report to the members of PolyNovo Limited

### Conclusion

We have reviewed the accompanying condensed half-year financial report of PolyNovo Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 reviews of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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# Independent Auditor's Review Report (continued)

To the members of PolyNovo Limited



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Matt Biernat'.

Matt Biernat  
Partner  
Melbourne  
20 February 2026

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# Corporate Directory

31 December 2025

<b>Non-executive Chairman</b>	Mr Leon Hoare
<b>Non-executive Directors</b>	Dr Robyn Elliott Ms Christine Emmanuel-Donnelly Mr Andrew Lumsden Mr Robert Douglas
<b>Chief Executive Officer</b>	Mr Bruce Peatey
<b>Company secretary</b>	Ms Amy Demediuk
<b>Registered office</b>	Unit 2/ 320 Lorimer Street Port Melbourne Victoria 3207 T (03) 8681 4050 F (03) 8681 4099
<b>Share register</b>	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnson Street Abbotsford, Victoria 3067 T 1300 850 505
<b>Auditor</b>	Ernst & Young 8 Exhibition St Melbourne Victoria 3000
<b>Stock exchange listing</b>	PolyNovo Limited shares are listed on the Australian Securities Exchange (ASX code: PNV)
<b>Website</b>	<a href="http://www.polyново.com">www.polyново.com</a>

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