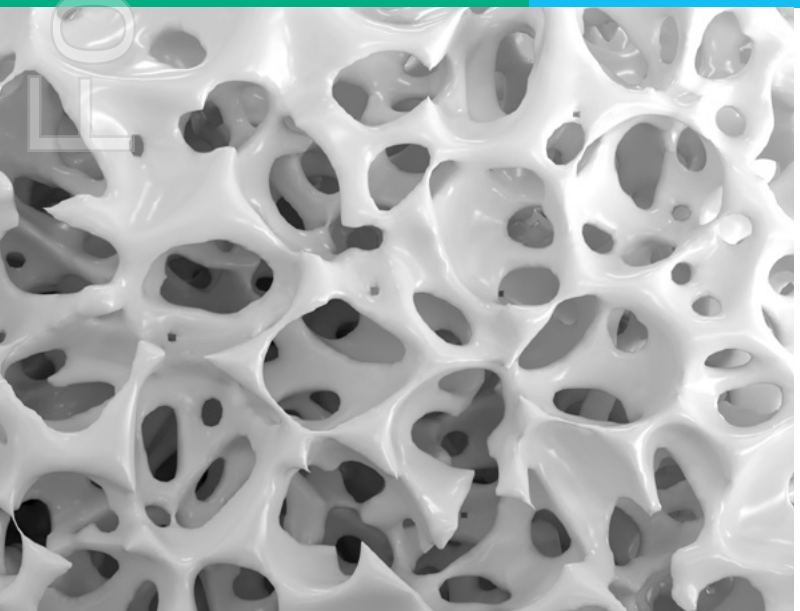
Proven Platform. Scaling for Growth.

ANNUAL REPORT 2026



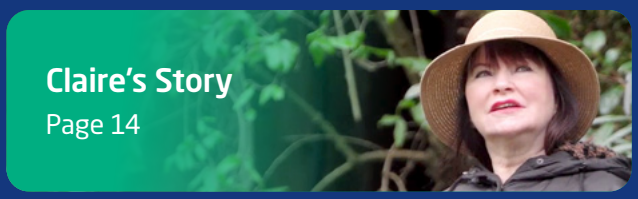
PolyNovo®

Healing. Redefined.

Headquartered in Melbourne, Australia, PolyNovo (ASX: PNV) is a medical technology company transforming the management of acute and complex wounds.

Its innovative product solutions (NovoSorb® BTM, NovoSorb® MTX) deliver improved patient outcomes across a wide spectrum of wounds. Having treated over 127,000 patients in 50+ countries, PolyNovo is scaling its global presence and driving growth through new products and expanded clinical indications.

CONTENTS



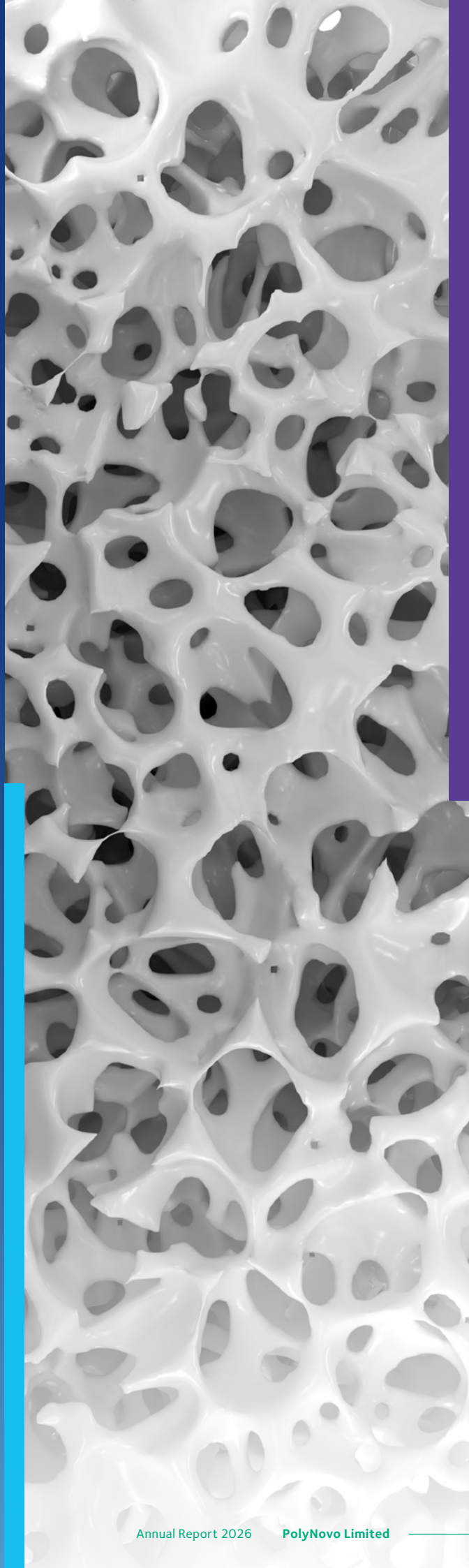
OUR VISION

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.

VALUES

- We put patients first.
- We earn trust.
- We innovate boldly.
- We believe in each other.
- We respect and nurture diversity.



OUR PERFORMANCE

PolyNovo generated total revenue of $150.0m in FY26, an increase of 16.1% compared to FY25. Commercial sales increased 16.7% to $138.4m, and on a constant currency basis, increased 21.3%.

NovoSorb® Group Sales

+16.7%

+21.3% in constant currency

FY26: $138.4m
FY25: $118.6m

EBITDA[1]

+8.1%

Underlying EBITDA[1] +50.4%

FY26: $12.1m
FY25: $11.2m

NovoSorb® U.S. Sales

+15.6%

+21.1% in constant currency

FY26: $102.1m
FY25: $88.4m

Cash and Cash Equivalents

+5.7%

FY26: $35.4m
FY25: $33.5m

NovoSorb® Rest of World Sales

+20.0%

+21.9% in constant currency

FY26: $36.3m
FY25: $30.3m

Operating Cash Flow

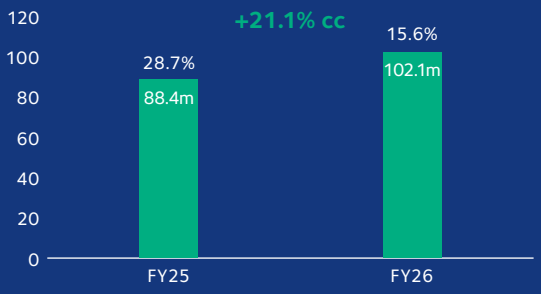
+$20.0m

Free Cash Flow[1] +$9.4m

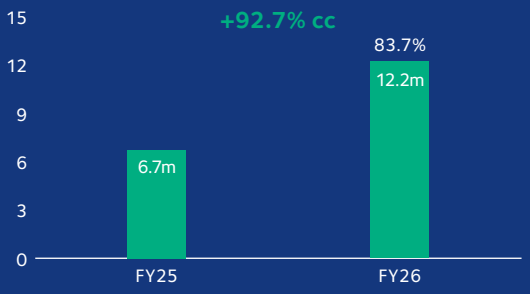
FY26: $23.1m
FY25: $3.1m

1. Non-IFRS financial measures have not been audited and should be read in conjunction with the statutory results in the Financial Report

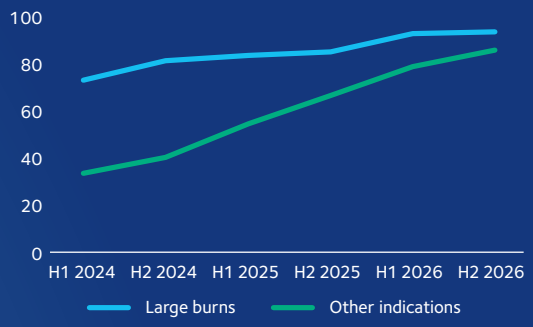
U.S. Commercial Product Sales



NovoSorb® MTX Commercial Product Sales

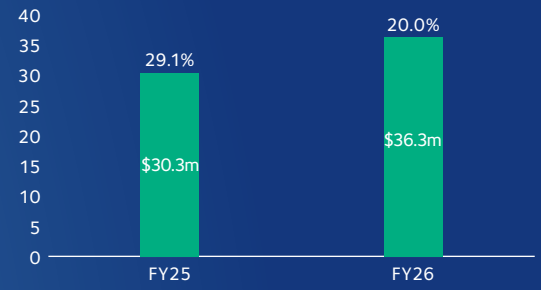


Accelerating Growth in Complex Wound Applications



Large burns vs other indications of total U.S. commercial sales revenue (local currency)

Rest of World Commercial Sales



CHAIR'S LETTER

Leon Hoare
Chair

> PolyNovo's highly differentiated platform technology is poised to unlock significant additional value, as its full potential continues to emerge.

Dear Shareholders,

FY26 was an important year of renewal for PolyNovo. Following a period of significant leadership change, the Board has focused on strengthening the Company's foundations, reinforcing its governance and ensuring we're well positioned to deliver strong and sustainable long-term growth, as we realise the potential of our NovoSorb® platform technology.

A priority during the year was assembling a leadership team that can drive PolyNovo's next stage of development. The appointment of Bruce Peatey as Chief Executive Officer, together with the appointments of Dr Marthe D'Ombrain as Chief Scientific Officer and Amy Demediuk as General Counsel and Company Secretary, provides the Company with deep international healthcare, scientific, regulatory and governance capability.

These appointments substantially strengthen PolyNovo's leadership capability across innovation, governance and commercial execution as the Company continues to expand globally.

The Board itself was strengthened through the appointment of two highly credentialed Non-Executive Directors, Mr Robert Douglas and Dr Charmaine Gittleson, whose experience complements an already diverse and accomplished Board. The Board is highly focused on its continuous development, ensuring its skills mix is optimised, whilst aligning capability and scope to support long-term Company growth. The Board has also taken the opportunity to review its governance framework, committee structure and oversight processes to ensure the Company is equipped to support a business of increasing global scale and complexity. The updates to the Board, and to Committee charters reflect this commitment. We expect this will provide the discipline, accountability and strategic oversight necessary to create enduring shareholder value.

The Board remains focused on the Company's long-term growth opportunities. While our core business continues to expand across burns, reconstructive and trauma applications, we are increasingly encouraged by the growing clinical interest in NovoSorb® Technology. Clinicians, scientists and researchers continue to explore new applications for the platform, reinforcing its versatility and potential to address a broader range of surgical and regenerative medicine needs over time.

Expanding clinical impact

While burns care remains central to PolyNovo's heritage and future, the Board increasingly views NovoSorb® as a platform technology capable of supporting a much broader range of reconstructive and regenerative applications. A growing body of clinical evidence and real-world experience continues to support expansion into adjacent applications, creating opportunities to significantly broaden the Company's addressable market.

The Board recognises the increasingly complex healthcare environment in which PolyNovo operates. Healthcare systems globally are under pressure, with ongoing resource constraints, and medical technology companies must demonstrate both meaningful clinical outcomes and economic value. In this environment, PolyNovo's commitment to evidence generation remains fundamental to sustaining long-term growth and competitive advantage.

Investing in innovation

During FY26, the Company continued to advance a pipeline of innovation programs intended to broaden the application of NovoSorb® Technology. With the appointment

of Dr Marthe D'Ombrain as our Chief Scientific Officer, we are bringing focus, rigour and structure to accelerate our R&D pipeline.

Taking an indication first approach, we are focusing our innovation efforts on solutions with clear unmet medical needs. Going forward, our portfolio will be balanced with products that include life cycle management opportunities for our existing products and platform innovation opportunities comprising novel NovoSorb® formulations.

We are innovating NovoSorb® BTM to retain our leadership position with a focus on reducing time to graft and reducing hospital length of stay. As we build business development capability, we will unlock partnering opportunities for NovoSorb® formulations beyond PolyNovo's core commercial strengths and enable growth beyond NovoSorb® through adjacencies that provide a broader offering to clinicians and patients across complex wound management and other indications.

As PolyNovo continues to scale, the Board has supported investment in both manufacturing and research and development capacity, but also in the people, systems and infrastructure required to operate as a larger global medical technology company.

Forward view

Looking ahead, the Board believes PolyNovo enters FY27 from a position of increasing strength as it progresses several important strategic initiatives. These include the planned PMA submission for NovoSorb® BTM in support of an on-label indication for full-thickness burns in the USA, a significant commercial and regulatory milestone for the Company.

Expanding manufacturing capacity and continued investment in market development will support the Company's future growth.

Accelerating entry into the U.S. chronic wound market remains a key priority in building a more predictable and diversified revenue base beyond burns. The foundations for this growth have been established through the appointment of key commercial personnel and a sharpened focus on procedures with clear reimbursement pathways. The Board is confident NovoSorb® SynPath® can gain traction within our existing customer base, many of whom operate across both outpatient and inpatient settings, by providing clinicians with a proven treatment option in an area of significant unmet need.

The Board remains highly confident in the Company's long-term outlook and in the substantial commercial opportunities for NovoSorb® Technology beyond NovoSorb® BTM and NovoSorb® MTX. PolyNovo's highly differentiated platform technology is poised to unlock significant additional value, as its full potential continues to emerge.

PolyNovo has entered a new chapter. We now have renewed leadership, strengthened governance and a clear strategy centred on disciplined execution and innovation. While significant opportunities remain ahead, we are confident that the foundations established during FY26 position the Company to create meaningful long-term value for patients, clinicians and shareholders alike.

On behalf of the Board, I would like to thank our shareholders for their continued support and confidence in PolyNovo. I also extend my appreciation to our employees, clinicians, research partners and leadership team for their dedication and commitment to improving patient outcomes. Together, we remain focused on our vision of redefining healing.

Leon Hoare
Chair

CHIEF EXECUTIVE OFFICER'S LETTER

Bruce Peatey
Chief Executive Officer

> The opportunity ahead is substantial. PolyNovo is entering its next chapter with momentum, stronger capability and a differentiated platform with expanding global relevance. Our focus now is to convert that potential into sustained growth, broader clinical adoption and lasting shareholder value.

Dear Shareholders,

Since joining PolyNovo in December 2025, I have had the opportunity to assess the business closely — its technology, people, markets and growth opportunities. That experience has strengthened my conviction that PolyNovo is entering its next phase with momentum, relevance and significant long-term potential.

The foundation is strong and proven. We have a highly differentiated technology platform, clinicians who continue to champion our products, a global footprint, and a committed and credentialed team.

At the same time, my early experience has reinforced an important reality; when a company is fortunate to possess a technology with such broad potential application, focus is imperative.

FY26 has been a year of strategic refinement while maintaining disciplined execution. Leadership changes inevitably bring questions about continuity, strategy and execution. My focus since joining has been to ensure that we preserve the entrepreneurial and clinical strengths that have driven PolyNovo's success, while building the capabilities and discipline required for the next stage of global growth.

As PolyNovo grows from a larger revenue base, sustaining and accelerating strong growth will require more than replicating what has worked in the past. It will require deeper penetration of existing markets, expansion into new indications and care settings, stronger clinical evidence and reimbursement support, and continued investment in the commercial capabilities that allow us to capture opportunity at greater scale.

I remain confident that the opportunities available to PolyNovo provide a substantial runway for growth, and our focus is to convert that opportunity into sustained momentum through disciplined execution.

A platform technology

The NovoSorb® matrix has already demonstrated its value across a range of clinical applications. Over the past year, I have heard powerful patient and clinician stories from around the world, including Claire's story in the following pages, which highlights the strong aesthetic and functional outcomes associated with our products.

These experiences reinforce both the clinical value of NovoSorb® and the breadth of opportunity that remains ahead of us as we expand adoption and unlock new applications of the platform.

Importantly, we do not believe the full potential of the platform has yet been realised.

Given the versatility and favourable biological profile of NovoSorb®, its potential extends well beyond the current commercial footprint of NovoSorb® MTX and NovoSorb® BTM.

Our task is to identify the opportunities where we can create meaningful value for patients, clinicians and shareholders, and then pursue them with focus, pace and execution discipline.

Building capability while delivering growth

During FY26 we continued to grow our commercial presence across key markets, supported by strong clinician adoption of NovoSorb® BTM and the continued rollout of NovoSorb® MTX, strengthening the base from which we can accelerate future growth.

Our success to date has largely been driven by clinicians recognising the benefits of our technology and choosing to use it in cases of varying complexity. Clinician advocacy remains one of PolyNovo's greatest strengths.

As we scale, our opportunity is to complement that advocacy with an increasingly sophisticated body of clinical evidence, reimbursement support and health economic data.

This is why investment in evidence generation remains central to our strategy. Strong clinical data supports adoption, reimbursement and regulatory pathways, providing the foundation to compound growth and expand access to NovoSorb® over time.

Accelerating innovation

Innovation is the foundation of PolyNovo and fundamental to its future, but to scale successfully, it must be accompanied by commercial discipline.

To strengthen our innovation capability and accelerate the development pipeline, we have appointed a highly accomplished, world-class Chief Scientific Officer, as committed to in February. Marthe D'Ombrain will lead our research and development strategy, helping to increase the pace of innovation while maintaining a clear focus on commercial outcomes. Supported by an enhanced framework considering market opportunity, capital requirements, reimbursement potential, clinician workflow and expected return, this approach will ensure we focus our investment on the opportunities most likely to create shareholder value. This also means that not every program demonstrating promising pre-clinical results will necessarily progress immediately to commercial development.

My commitment is simple. Where the clinical need is compelling and the commercial case is attractive, PolyNovo will pursue those opportunities quickly, with determination. Equally, where the evidence suggests that our capital can generate greater returns elsewhere, we will be willing to make disciplined decisions.

Our commitment to innovation remains unchanged. The focus is ensuring innovation is directed towards opportunities with the greatest potential to improve patient outcomes and create long-term value.

Preparing our next chapter

FY26 also represented an important step in PolyNovo's evolution as a global medical technology company.

The expansion of our manufacturing capability in Port Melbourne and the progress of our Premarket Approval (PMA) submission in the United States represent significant milestones in the maturity of the business, strengthening our ability to serve customers, support clinical and regulatory progress, and position PolyNovo for its next step-change in growth.

The year also saw the evolution of PolyNovo's leadership team. We now have a strengthened executive team with deep experience across global healthcare, science, regulatory affairs, governance and commercial execution. Importantly, the team is aligned around a clear set of priorities and the capabilities required to deliver them.

Rapid growth has increased the scale and complexity of PolyNovo's operations. During FY26 we continued to strengthen the systems, processes and accountability required of an increasingly global organisation, with greater alignment across our people, capital allocation and strategic priorities.

Outlook

As we enter FY27, our priorities are clear.

Our growth opportunity is multi-dimensional: increasing penetration in existing markets, expanding the use of NovoSorb® across additional clinical settings, building our presence across key geographic markets, and selectively progressing new applications of the platform. Our priority is not growth at any cost. It is to build a business capable of accelerating sustainable growth while generating attractive returns on the capital we deploy.

I recognise that confidence is earned through execution. That applies to the confidence clinicians place in our products, the confidence our people place in our leadership, and the confidence shareholders place in our strategy and stewardship of capital. Our responsibility is to earn that trust through consistent delivery.

PolyNovo today is a substantially larger, more capable and globally established business than it was only a few years ago. We have a global presence, annual revenue of $150m, a positive cash position, and a strong operational foundation from which to pursue larger opportunities and build a more influential global regenerative medicine platform.

My mission is to ensure we fulfil PolyNovo's vision of redefining healing while creating lasting value for patients, clinicians, employees, and shareholders.

The opportunity ahead is substantial. PolyNovo is entering its next chapter with momentum, stronger capability and a differentiated platform with expanding global relevance. Our focus now is to convert that potential into sustained growth, broader clinical adoption and lasting shareholder value.

On behalf of the leadership team, thank you to our employees for their dedication and commitment throughout FY26, and to our shareholders for your ongoing support and confidence in PolyNovo's future.

Bruce Peatey
Chief Executive Officer

OUR STRATEGY AND FY27 PRIORITIES

SCALE THE CORE

- Advance leadership in burn care in key markets
- Expand access with PMA leverage
- Grow procedural share in complex wounds

LEVERAGE THE PLATFORM

- Shape the next generation of NovoSorb® innovation
- Progress strategic business development
- Build, partner and prioritise for growth

BUILD A GLOBAL ENTERPRISE

- Augment manufacturing footprint
- Drive accountability through aligned focus
- Scale globally while protecting culture and values

NovoSorb® BTM	Secure PMA approval and evidence-based expansion
NovoSorb® SynPath®	Launch NovoSorb® SynPath® for the U.S. outpatient market
NovoSorb® MTX	Accelerate NovoSorb® MTX adoption
NovoSorb®	Increase innovation velocity and build business development capability
PolyNovo® Healing. Redefined.	Deliver greater operating leverage and profitability as the business scales

CASE CONVERSATIONS: SAM'S STORY

In October 2025, 14-year-old Sam sustained a severe shark bite while swimming near Thursday Island in the Torres Strait. The injury resulted in extensive soft tissue loss across his abdomen and flank, creating a significant and complex reconstructive challenge.

Meet the Surgeon

Dr Brendan O'Connor is a Consultant Paediatric Surgeon and Lead for Paediatric Trauma at Townsville University Hospital. He is a Fellow of the Royal College of Surgeons in Ireland and the Royal Australasian College of Surgeons. Following paediatric surgical training in Ireland, he completed fellowships at the Royal Children's Hospital, Melbourne, and Sheffield Children's Hospital in the UK.

An exceptionally rare case from Thursday Island, QLD

Sam's case was a first for Dr Brendan O'Connor and the multidisciplinary team at Townsville University Hospital, presenting an exceptionally rare reconstructive challenge unlike anything the hospital had managed in 40 years.

This complex case required an innovative and highly individualised reconstructive pathway, drawing on multidisciplinary expertise and Dr Brendan's previous experience with NovoSorb® BTM, while also marking his first use of NovoSorb® MTX, following its launch in Australia in 2025.

What were the biggest reconstructive challenges presented by Sam's injury?

"The initial challenges were trying to figure out how we were going to reconstruct such a major injury after making sure there was no catastrophic bleeding, significant infection, or any unhealthy tissue that wouldn't allow us to adequately reconstruct things for him.

The next step was to figure out how we were going to fill in this massive defect. Because it's not a common injury and not something that I or my colleagues at Townsville Hospital had experience in, it was important to reach out to other specialties and get that multidisciplinary involvement early on."

How did the reconstructive plan come to be?

"The plastic surgeons initially discussed whether we needed to use a free muscle flap – taking muscle from another part of the body to fill in this defect.

Because I'm a paediatric surgeon, a general and burn surgeon, and because we have a lot of experience in using dermal substitutes, particularly (NovoSorb®) BTM, I thought outside the box a little bit and said, "Well, hang on, maybe we can use (NovoSorb®) BTM to get coverage here."

Why was avoiding a free muscle flap important for Sam?

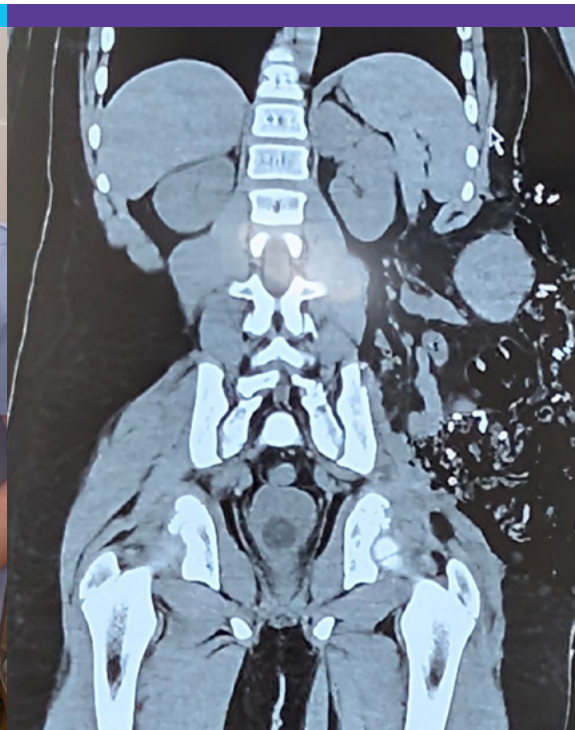
"Sam was a 14-year-old boy at the time and has a few years of growing ahead of him, which makes the reconstruction more complex. An important consideration was how the initial treatments affect him both in his rehabilitation, and the options available for future reconstruction once he is finished growing.

When we were getting him up and about, the occupational therapists and physiotherapists had noted he was really using the muscles on the unaffected side of his chest to support himself. They strongly felt that if we had sacrificed those muscles, it would have made a big impact to his rehabilitation."

For those who aren't familiar with the ins and outs of receiving treatment in regional Australia, why was it important for Sam to be treated in Townsville?

"It was really important to me that if we were to keep Sam here in Townsville, that he received absolutely the best care possible. We discussed with our plastic surgery, orthopaedic surgery and abdominal wall reconstruction surgery colleagues both locally and in Brisbane to make sure that we could provide all of the care that he needed here in Townsville.

It's important to people in North Queensland to keep care close to home. And for Sam, as a Torres Strait Islander, I know that makes a big difference to him and his recovery and in his interactions with health care, to be as close to home as possible."



Looking back, what have you learnt from Sam's case, and has it changed how you might approach future complex injuries?

"What I've learned from Sam's case is really just reinforcing what I already knew about the importance of multidisciplinary care and considering all of the potential options that are available when a complex problem presents itself. Ultimately, it's about asking what's the best option for this individual patient.

Sam's case has also given me more confidence in the way that (NovoSorb®) BTM can integrate onto tissue surfaces, even very poorly vascularised surfaces such as exposed bone, after proper wound bed preparation. It was my first time personally putting (NovoSorb®) BTM over exposed bone, but I'd seen such great results in other soft tissue work that we do here that I thought it was worth a try.

It has increased my confidence in (NovoSorb®) BTM and given me my initial experience in using (NovoSorb®) MTX and layering (NovoSorb®) MTX with (NovoSorb®) BTM. Both integrated really well.

I hope I don't have to treat any patients with injuries as extensive as Sam's in the future, but it makes me more reassured that we have that tool in our armamentarium and that our multidisciplinary team here is capable of managing really extensive injuries."

What would you want other clinicians to take away from this case?

"I think what I would want other clinicians to take away is that concept of taking a step back and considering: what are your own abilities? What can we do here for this patient? Are we able to give the best possible care to this patient, or do we need to reach out to other people for that?

And if you are confident that you can provide the best care, then consider all of your options before you rush into any one treatment pathway, because a significant injury like this is going to take time to reconstruct, no matter how you do it. I think it's important to make sure that you've considered all of the possibilities and then decide as best as you can, which is the correct way to go for that individual patient."

This interview has been edited for length and clarity.

Sam | Australia

Received PolyNovo treatment for a traumatic injury

Scan the code to learn more.

Images supplied by Townsville University Hospital.

Dr Brendan O'Connor

MULTIPLE GROWTH LEVERS ACROSS A GLOBAL FOOTPRINT

Ed Graubart

President, North America

North America

The U.S. team delivered an exceptionally strong June, including record sales. What factors contributed to this performance?

We had a record number of orders in June, which is a strong indication of our growth in the trauma, reconstruction, and limb salvage space. We continue to focus on the predictable and sustainable part of our business, knowing burns will always be controlled by specific events and seasonalities that are hard to predict. The field team is supported by specialised functions across Medical and Clinical Affairs, Sales Training, Product Marketing and Events, who continue to support evidence generation and engagement with clinicians at scale throughout the year.

How does NovoSorb® MTX fit into PolyNovo's broader growth strategy in North America?

NovoSorb® MTX offers a different clinical pathway for smaller wounds that may not require a sealing membrane, while also complementing NovoSorb® BTM in more complex reconstructions. It is an important addition to our portfolio and will continue to contribute in a meaningful way. Together with NovoSorb® BTM and NovoSorb® SynPath®, our expanding portfolio allows us to leverage our established customer relationships and highly-skilled Commercial and Medical Affairs teams across North America to serve more clinical settings. This approach strengthens our abilities to support clinicians, drive adoption across existing accounts, and deliver a more diversified and scalable growth strategy.

Beyond regulatory approval, what opportunities could a PMA for full-thickness burns unlock?

PolyNovo is expected to generate the most comprehensive Level 1 clinical evidence for a dermal substitute in the U.S. market, which will give us the ability to actively market for full-thickness burns. We will also have the ability to train and educate our team, our surgeons, and our hospital accounts on how NovoSorb® BTM enhances their clinical algorithms. We will focus on expanding our reach with smaller Total Body Surface Area (TBSA) patients and converting surgeons still using allograft. With approval, we will explore additional reimbursement opportunities, enhancing the economic benefit our products already offer.

CMS reimbursement changes have been a major area of focus. How would you describe the current reimbursement environment?

There are still a lot of unknowns, and we expect more changes to come. We are focusing on procedures in the outpatient space where the pathway is clear and allows us to work with our current customer base. Surgeons using NovoSorb® in the inpatient setting will now be able to use our products in the outpatient setting for their most common procedures.

How important is the outpatient setting to PolyNovo's future growth in North America, and what actions are being taken to accelerate adoption?

Our focus will remain on the inpatient setting, while the outpatient setting remains important in providing another predictable revenue stream. We have found there are unmet clinical needs in the outpatient setting and this is what the team is focusing on.

We have a dedicated internal team actively working exclusively on the outpatient space. Market development, marketing, market access and reimbursement expertise is now available in this team, and they are dedicated to paving the pathway for an effective launch of NovoSorb® SynPath® in FY27.

In an increasingly competitive wound care and reconstruction market, what differentiates PolyNovo?

Over the past 10 years, PolyNovo has distinguished itself as a company who has delivered on both the clinical and economic benefits of using NovoSorb® Technology. We have strived to partner with clinicians and hospitals and have developed a reputation we are proud to uphold. Our people are committed to better patient outcomes and it shows in their work. New products may emerge, and clinicians may explore different approaches, but we remain focused on delivering the best outcomes for patients. Ultimately, that commitment drives customers back to NovoSorb® BTM.

Valerie Young

Vice President, Sales (APAC)

APAC

How is clinician adoption evolving across APAC, particularly in trauma, reconstruction, and complex wounds?

Today, NovoSorb® BTM is the gold standard for full-thickness burns where cosmesis and functional outcomes matter, and as a result, it is now used on smaller burns too. It has been adopted well beyond burns into the management of chronic wounds, trauma, necrotising soft tissue infection, reconstruction, and skin cancers to name a few. These cases can be managed by plastic surgeons, orthopaedic surgeons, vascular surgeons, general surgeons, and in select cases, even dermatologists.

In parallel, we have expanded from large tertiary hospitals to have a presence across smaller hospitals. Making our products available in these care settings is important for patients, because it may avoid referrals to larger, metropolitan centres, keeping a patient closer to home and their family throughout treatment.

NovoSorb® MTX was launched in Australia 12 months ago. What early learnings have emerged, and where are you seeing the strongest uptake?

NovoSorb® MTX is a pure dermal scaffold and broadens the addressable market for NovoSorb® Technology by offering clinicians a versatile solution for a wider range of complex wounds, including deep wounds, irregular wound geometries, and highly exudative wounds. The product can be used independently or together with NovoSorb® BTM, providing clinicians with greater flexibility. We have seen uptake across the chronic wound space, especially with deep wounds and clinicians outside theatre, a new setting for the product, which is much more economical for the broader healthcare system.

Which APAC markets are currently performing above expectations, and what is driving that success?

Australia, Hong Kong, Taiwan and Malaysia all finished FY26 strongly. Hong Kong grew 49% and added 10 new hospital accounts. Taiwan, managed by a distributor, was our fastest-growing market across APAC for the year, and Malaysia delivered its first full year well ahead of plan with a single representative. The common thread driving success across a region defined by very different health systems, macroeconomics and challenges is a clear strategy, and the right people on the ground.

Which clinical indications present the greatest growth opportunity across the region?

Full-thickness burns remain our heartland. We have excellent coverage across Australia, New Zealand and Hong Kong burn units. Our growth is in complex wound applications, including trauma and necrotising soft tissue infections. These indications can produce large wounds and long inpatient stays, with some patients resembling burns patients, making it the closest adjacency to what our teams already do well. The second is surgical oncology reconstruction, which matters disproportionately in Australia given its high skin cancer burden. Another key area is limb salvage, where vascular and orthopaedic surgeons work to preserve limbs that may otherwise require amputation due to complex or chronic wounds, given its high prevalence and impact on patients and the broader healthcare system.

What are the key priorities and milestones your team is focused on over the next 12 months?

We earned standard-of-care status in our mature markets, Australia, New Zealand, and more recently, Hong Kong. Significant opportunities remain within these markets, particularly with the continued expansion of complex wound applications, an important driver of our growth. We also expect to accelerate adoption of NovoSorb® MTX as we expand our footprint across new specialties and procedures that drive clinical and revenue impact. Our strategy is focused on strengthening our presence in existing markets, established commercial infrastructure, experienced local teams, and strong clinician relationships. By helping clinicians publish and share their experience, we strengthen the NovoSorb® evidence base in one market to support education and uptake in others, creating a scalable model for growth across APAC and other regions.

Andy Eakins

Director, Marketing & Distributors, UK & EMEA

UK and Europe

Europe and the UK represent a diverse healthcare landscape. Where are you seeing the strongest growth opportunities today?

In the UK, NovoSorb® BTM is already used in a wide and diverse range of wound care indications. In the market, we are not seen as a burns company, but rather a solution for many different instances of major dermal loss. Vascular disease, namely diabetic foot ulcers and venous leg ulcers, will be a growth driver of the future. Across Europe, each region has unique strengths based on local market dynamics. The DACH region (Germany, Austria, and Switzerland) is particularly well penetrated in burns and trauma, with a growing focus on oncology. Italy has a strong presence in vascular surgery, and is gaining share in burns. Turkey continues to be a growth engine for us, helped by reimbursement in burns, with other indications growing rapidly.

How do you see NovoSorb® MTX complementing the existing NovoSorb® BTM opportunity across the UK?

We are planning to receive EU Medical Device Regulatory clearance for NovoSorb® MTX in FY27. NovoSorb® MTX will complement the existing NovoSorb® BTM opportunity by extending our dermal matrix portfolio for an established UK customer base. We currently have more than 160 hospitals using NovoSorb® BTM regularly, and these clinicians will be well placed to benefit from a broader NovoSorb® offering, building on existing clinical confidence, relationships and experience while giving hospitals an additional option within the same technology platform.

What are the most significant challenges healthcare providers are facing today, and how can NovoSorb® Technology help address them?

The NHS is facing significant budget, capacity and staffing pressures while managing increasing numbers of complex wound patients and an ageing population with complex multi-morbidities. Europe faces many similar challenges, with a similarly ageing population and severe workforce shortages. NovoSorb® BTM addresses some of these pressures by reducing treatment complexity, lowering the risk of device loss from infection, and optimising hospital resource utilisation. In some instances, NovoSorb® BTM can reduce intensive care times, avoid complex free-flap surgeries, free up bed and theatre time, as a result can lower overall treatment complexity and cost.

Which opportunities are you most excited about for the region over the next 12 months?

The launch of NovoSorb® MTX in the UK will help support the penetration into new indications. We are also working on new marketing resources, focusing on the health-economic benefit of using NovoSorb® BTM over traditional surgical flaps. In Europe, the onboarding of new distributors, such as the distribution agreement with Arbor Vitae International covering eight Balkan markets, opens new territories and momentum. Our commercial footprint now extends across much of Europe, which we will leverage to further accelerate growth in the region.

CLAIRE'S STORY

"Now that I've had the surgery and that it wasn't as invasive as I was anticipating, the benefits for me are that ... I've not got scars on my face; I can move my cheek. It just feels immensely less invasive and less damaging."

Claire | United Kingdom
PolyNovo patient with a high-risk squamous cell carcinoma

Scan to view Claire's journey.

SCALING FOR TOMORROW: CLINICAL EVIDENCE

Clinical evidence remains a cornerstone of PolyNovo's growth strategy and a key differentiator of the NovoSorb® platform. During FY26, the body of published evidence supporting NovoSorb® Technology continued to expand, exceeding 500 published clinical articles and abstracts worldwide. This milestone reflects more than a decade of collaboration with surgeons, researchers and healthcare institutions globally and the growing confidence of the clinical community in the use of NovoSorb® Technology across a broad range of complex wound indications.

The published evidence base now spans burns, trauma, surgical reconstruction, oncology, chronic wounds, diabetic foot wounds, soft tissue infection and paediatric reconstruction. Importantly, much of this evidence has been generated independently of PolyNovo, providing clinicians and healthcare systems with real-world insights into outcomes across diverse patient populations and healthcare settings. Reviews conducted by the Company have found that approximately 94% of published studies are independent of PolyNovo, reinforcing the growing external validation of the technology.

The quality and depth of evidence has also increased substantially. The NovoSorb® clinical evidence library now includes multiple systematic reviews and meta-analyses examining the performance of NovoSorb® BTM across complex wound reconstruction. These analyses have consistently reported high rates of matrix integration and skin graft take, while highlighting the versatility of the technology in managing wounds involving exposed bone, tendon, and other challenging structures. Systematic reviews published in 2024 and 2025 have further strengthened the evidence supporting NovoSorb® BTM across numerous reconstructive applications.

Alongside peer-reviewed publications, PolyNovo continues to build higher levels of clinical evidence. The Company's BARDA-supported pivotal randomised controlled trial evaluating NovoSorb® BTM in full-thickness burn injuries reached an important milestone with publication of an abstract from the CP-003 study, representing the 500th clinical article or abstract featuring NovoSorb® Technology. This study forms a key component of the U.S. PMA strategy and represents one of the largest controlled evaluations in the burns space undertaken to date.

500+

published clinical articles and abstracts featuring NovoSorb® Technology

7 **published systematic reviews and meta-analysis**

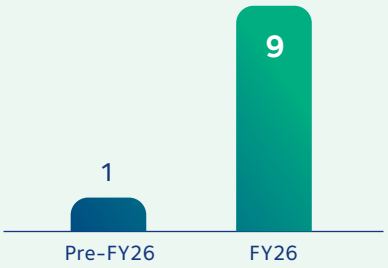
Extensive investigator-initiated research program

Investigator-sponsored and investigator-initiated research remains an important contributor to the growth of the evidence base. PolyNovo-supported and independent clinical studies are currently evaluating NovoSorb® Technology in areas including diabetic limb salvage, hidradenitis suppurativa reconstruction, burns, scar outcomes and broader wound reconstruction applications.

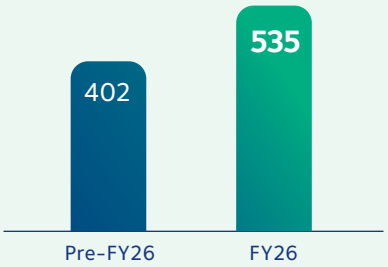
These studies are intended to generate additional clinical data, improve understanding of patient outcomes, and support future regulatory, reimbursement and market access activities.

Independent clinical validation remains one of the Company's strongest competitive advantages. More than 500 published articles and abstracts, several systematic reviews, investigator-sponsored research programs and real-world clinical experience continue to strengthen the understanding of NovoSorb® Technology and support its expanding role in the management of complex wounds worldwide.

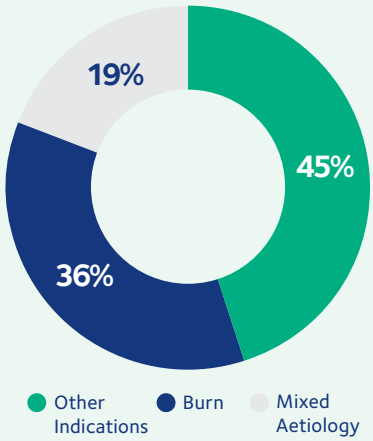
Academic text chapters



Articles and abstracts



Articles by indication



Burn publications include studies that are exclusively burn-related indications. Other indications include studies exclusively focused on non-burn applications, including oncology, chronic wounds and reconstruction, and others. Mixed aetiology publications include studies reporting outcomes across both burn and non-burn indications, or across multiple non-burn indication categories. The dataset is current as of February 2026 and excludes preclinical studies and publications relating to applications that have not received regulatory approval in any jurisdiction.

ESG STATEMENT AND CORPORATE GOVERNANCE

PolyNovo brings disruptive, innovative, and regenerative medical devices to market that redefine healing for patients requiring reconstruction.

Products like NovoSorb® BTM are designed to facilitate the formation of a reinforced, vascularised dermal bed that improves graft take while minimising scarring and contracture, helping clinicians achieve improved function and cosmesis[1,2]. By supporting recovery and enhancing quality of life for patients, NovoSorb® BTM delivers meaningful clinical impact while also providing health economic benefits to surgeons and healthcare systems through its scalable and versatile approach to reconstructive care.

1. Wagstaff MJD, Salna IM, Caplash Y, Greenwood JE. Burns Open. 2019; 3:12–30.
2. Damkat-Thomas et al. PRS Global Open. 2019; 40(S1):S143.

Approach to ESG

PolyNovo acknowledges the importance of an integrated and consistent approach to Environmental, Social and Governance (**ESG**) factors and has utilised internal and external expertise to deliver a holistic, integrated, and robust ESG framework.

Environment

PolyNovo recognises the important role it plays in protecting the environment and contributing to the transition to a low carbon economy.

As part of its commitment to reducing emissions, the Company continues to purchase renewable energy offsets equivalent to 100% of its energy consumption. During FY26, PolyNovo's two rooftop solar installations at its Port Melbourne facility generated approximately 45.5 MWh of renewable electricity, supporting the Company's broader sustainability strategy and emission reduction objectives. PolyNovo remains carbon-neutral certified for its Australian operations for the FY24-25 reporting period. In 2025, the Company expanded its greenhouse gas (**GHG**) inventory calculations to include its full global value chain and intends to maintain this approach in the future reporting periods.

The Company engages environmentally certified commercial waste management providers and generates minimal waste through its manufacturing process. It remains committed to reducing operational waste and water consumption, with recycling initiatives continuing to be strengthened through the ongoing transition to paperless systems across business support functions.

To support evolving climate-related reporting requirements, the Chief Financial Officer continues to oversee PolyNovo's approach to climate reporting and compliance, with Accounting Standard AASB S2 Climate-related Disclosures.

During the financial year, PolyNovo completed a climate reporting gap assessment, delivered internal training, and undertook full value chain GHG inventory calculations. The Company is now progressing initiatives to address identified gaps and establish a framework for managing climate-related risks and opportunities, supporting its ongoing pathway towards AASB S2 compliance.

Further information on PolyNovo's environmental commitments can be found in the Company's Environmental Policy, available on its website: **investors.polynovo.com/corporate-governance**.

Public Disclosure Statements can be found on the Climate Active website at **www.climateactive.org.au/buy-climate-active/certified-members/polynovo**.

Our People

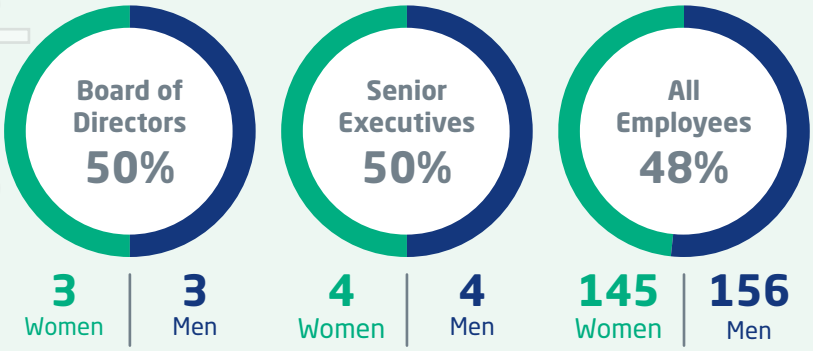
Our people are the drivers of our success and, through their work, create new opportunities for patients, customers, our communities, and shareholders.

The Company is committed to fostering an inclusive, diverse and high-performing workplace where employees are supported to develop and grow. Employees, and those in leadership roles, participate in a performance planning and development program designed to support ongoing growth, capability building and career development. Through these initiatives, PolyNovo seeks to attract, retain and develop talented people from diverse backgrounds and provide opportunities for employees to reach their full potential.

All employees have access to online learning platforms, many attend industry-leading conferences and professional development programs relevant to their roles, and the Company curates learning content for sales and professional education. We continue to invest in the development of our people as the organisation grows. Learning and development programs across the business support capability building, professional growth and knowledge sharing, complemented in FY26 by the launch of our Emerging Leaders Program to develop future leadership capability within PolyNovo.

Externally, PolyNovo continues to participate in medical technology, burns, plastics, and reconstructive surgery forums, conferences and industry events around the world. These opportunities enable our teams to exchange knowledge with clinicians and industry peers, contribute to conversations about the future of patient care and strengthen connections across the healthcare industry.

The following graphs and table highlight the gender diversity of the Board, Senior Executive positions and across the broader workforce as at 30 June 2026.



Level	Target % of workforce women	Women	Men	Total	Actual (30 June 2026)
Board of Directors	≥30%	3	3	6	50%
Senior Executives*	≥40%	4	4	8	50%
All Employees	≥40%	145	156	301	48%

* Senior Executives consist of the CEO and members of the Executive Leadership Team.

ESG STATEMENT AND CORPORATE GOVERNANCE continued

PolyNovo's Diversity Profile

PolyNovo respects and promotes diversity across its workforce, reflecting the core company value of nurturing diversity. An inclusive workplace, where differences are valued and respected, drives innovation, supports positive change and contributes to the long-term success of the business.

The Company maintains a company-wide Diversity Profile that is regularly monitored. Our Diversity Policy, refreshed in FY24, continues to guide our approach and includes measurable objectives relating to the representation of women across the organisation. By embracing diverse perspectives and experiences, PolyNovo continues to foster an engaging and innovative work environment that supports better decision-making and sustainable business growth.

Company Diversity Profile

Ages

PolyNovo's workforce is predominantly composed of Millennials (55%), with a further 29% from Generation X. Gen Z employees represent 14% of the workforce, while Baby Boomers comprise 2%.

	% of global workforce
Gen Z (1997–2012)	14%
Millennials (1981–1996)	55%
Gen X (1965–1980)	29%
Baby Boomers (1946–1964)	2%

Our locations

As at 30 June 2026, the Company has 301 employees globally, supporting its operations across Australia, the United States, the UK and other regions. The Company's geographically diverse workforce supports its manufacturing, R&D, medical affairs, commercial and corporate operations, providing local expertise and strengthening organisational capability across key markets.

Location	Head count
Australia	135
Hong Kong	1
India	18
Ireland	1
New Zealand	3
Singapore	1
United Kingdom	11
United States	131

Data as at 30 June 2026; this data includes fixed-term and ongoing employees only and does not include contractors or casual staff.

Health & Safety

Safety is fundamental to the responsible operation of PolyNovo's business, and protecting the health, safety and wellbeing of our employees and contractors is a key priority. Our Health and Safety Policy supports our commitment to preventing harm, empowering our people to perform their roles safely and responsibly, and continuously improving health and safety practices across the organisation.

During FY26, PolyNovo maintained a strong safety performance, recording zero (0) lost time injuries and zero (0) medical treatment injuries across its employee and contractor workforce. The Company's Total Recordable Injury Frequency Rate (TRIFR) remained zero (0) throughout the year.

Throughout FY26, we continued to embed a positive and proactive safety culture through employee engagement, regular safety communications, training, consultation and ongoing review of workplace health and safety risks. The PolyNovo Safety Essentials continue to provide a framework for expected safety behaviours, reinforcing individual responsibility and encouraging employees to identify, communicate and appropriately respond to potential risks.

Our approach recognises that workplace safety extends across the diverse environments in which our people operate, from manufacturing and corporate workplaces to employees working in the field. Safety initiatives and training during the year included workplace emergency preparedness, including fire safety and evacuation procedures, as well as ongoing awareness of road and travel safety for employees whose roles require regular travel.

As our operations become increasingly digitally connected, employee training also addresses risks associated with the safe and responsible use of information technology. IT security and awareness training supports employees in recognising and responding appropriately to potential digital threats and reinforces individual responsibility for protecting Company information, systems and data.

Regular safety updates, targeted training, internal reviews and workplace initiatives continue to support awareness and accountability across the organisation. PolyNovo remains committed to maintaining safe working environments, strengthening employee capability and continuously improving its approach to health, safety and wellbeing as the business grows.

PolyNovo's Health and Safety Policy can be found on its website: **investors.polynovo.com/corporate-governance**.

Our Community

As PolyNovo continues to grow globally, so does our opportunity to contribute positively to the communities in which we operate. Our approach extends from supporting humanitarian care and patient advocacy to investing in our people, participating in local community initiatives, and contributing to the broader medical device industry and outcomes of our patients around the world.

During FY26, PolyNovo supported several humanitarian and outreach initiatives, helping clinicians and healthcare organisations provide reconstructive care in communities where access to surgical treatment and innovative technology may be limited.

PolyNovo supported several surgeon-led humanitarian initiatives globally throughout the year, including the provision of NovoSorb® BTM through **Ms Sarah Alhimdani** in Jordan to provide surgical care for patients from Gaza, **Mr Geoff Chiu** for use on Mercy Ships, the world's largest charitable hospital ship service. This included supporting plastic and reconstructive surgeons, orthopaedic surgeon **Dr Adam Dann's** mission to Honduras with Global Health Outreach, trauma surgeon **Dr Herwig Drobetz's** work at the Red Cross Field Hospital, and burns and reconstructive care initiatives led by **Prof Naiem Moiemen** in Egypt and **Dr Demetrius Evriviades** in Dubai. The Company also donated NovoSorb® BTM across Bhutan, Cambodia, Malawi, Serbia, the UAE and other healthcare institutions.

In early 2026, PolyNovo also responded to emerging humanitarian needs. Following the Crans-Montana bar fire, the Company worked with PMI, Medival, and Woondz – our partners in Germany, Italy and France – to facilitate access to NovoSorb® Technology and support the urgent clinical response.

These initiatives demonstrate the important role of our global clinical relationships and distribution network in expanding access to NovoSorb® Technology. Many of these opportunities originate from the relationships our team have developed with healthcare professionals, who bring their expertise to these critical missions and identify patients and communities where our technology can make a meaningful difference.

Our connection with patients also remains central to our purpose. Throughout the year, we continued to share the healing journey of patients treated with NovoSorb® Technology, including Jared, Briah, and Claire, helping bring the patient perspective to our employees, healthcare professionals, shareholders and the broader community. We also reconnected with one of our earliest burns patients, John Weeks, to hear his perspective on over a decade after treatment – a testament to the long-term impact behind the work we do.

Our community contribution extends to our people and the communities around them. PolyNovo employees participated in initiatives including Earth Day and a team bike-building activity supporting deaf children in Bali during a recent APAC Sales Team Meeting. These initiatives provide opportunities for our people to contribute together while strengthening our connection with the communities in which we work.

Whether through humanitarian product support, sharing patient experiences, developing our people or participating in community and industry initiatives, our focus is on ensuring that PolyNovo's growth creates opportunities for positive impact both within and beyond our organisation.

Bioethics

The Company is committed to upholding best practice bioethics principles and conducts its operations in accordance with the highest standards of bioethics, including in the conduct of clinical trials.

PolyNovo only commissions animal testing where required for regulatory approval. Any necessary animal studies required are conducted externally through specialised providers and institutes, under ethics committee approval. Such studies meet audited Good Laboratory Practice standards and have the appropriate level of oversight in place from health regulators, including the U.S. FDA.

The Company's approach to animal testing and associated ethical considerations are included in the Code of Conduct, available on the Company website: **investors.polynovo.com/corporate-governance**.

Modern Slavery

PolyNovo respects ethical labour practices and takes a zero-tolerance approach to any form of human rights abuses, including modern slavery in our operations and supply chains. We expect that all our employees, suppliers, subcontractors, and agents will uphold these values.

PolyNovo has developed a Modern Slavery Statement that outlines our process for complying with local and international Modern Slavery laws. A staff training program has been implemented to educate all employees involved in supply chain and procurement activities, and is available to all employees on demand. PolyNovo surveys suppliers for compliance to this policy and only sources materials from accredited manufacturers.

The Company's FY25 Modern Slavery Statement can be found on its website: **investors.polynovo.com/corporate-governance**

Governance

PolyNovo recognises the importance of strong corporate governance and the role it plays in creating long-term value for shareholders and other stakeholders. Effective governance supports responsible decision-making, promotes accountability and transparency, and helps ensure the Company operates ethically, lawfully and in the best interests of all stakeholders.

The Board is committed to maintaining a governance framework that supports sustainable growth while safeguarding the integrity of the Company's operations, financial reporting and risk management practices. PolyNovo's governance approach is underpinned by a suite of policies, procedures and controls that guide the conduct of directors, employees and contractors. Together, these frameworks support the Company's commitment to operating responsibly and maintaining the trust and confidence of stakeholders.

The Board regularly reviews the effectiveness of the Company's governance arrangements to ensure they remain appropriate for PolyNovo's size, complexity and stage of growth. As the Company continues to expand internationally, governance practices continue to evolve to support greater organisational scale, regulatory compliance and stakeholder expectations.

PolyNovo reviews its governance practices against the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* (4th Edition). Details of PolyNovo's governance framework, policies and practices, are available in the Corporate Governance Statement on the Company's website. The key governance policies and practices that support each of the eight Principles of Good Corporate Governance are summarised below.

Principle	PolyNovo Policies
1 Lay solid foundations for management and oversight	PolyNovo Board Charter
2 Structure the board to be effective and add value	PolyNovo Board Charter
	Nominations Committee Charter
3 Instil a culture of acting lawfully, ethically, and responsibly	Code of Conduct
	Whistleblower Policy
	Diversity Policy
	Share Trading Policy
	Environment Policy
	Modern Slavery Statement
4 Safeguard the integrity of corporate reports	Audit and Risk Committee Charter
5 Make timely and balanced disclosure	Market Disclosure Policy
6 Respect the rights of security holders	Communications Policy
7 Recognise and manage risk	PolyNovo Risk Management Policy
	Health and Safety Policy
8 Remunerate fairly and responsibly	Remuneration Committee Charter
	Remuneration Policy

BOARD OF DIRECTORS SKILLS MATRIX

June 2026

The Board Skills Matrix outlines the mix of skills, experience and expertise represented on the Board across the capability areas considered most important to the execution of PolyNovo's strategy. It assists the Board in assessing capability coverage, informing succession planning and maintaining an appropriate balance of skills to support effective governance and long-term value creation.

Skill Area	Description	Competency Level
1. Strategy and Performance	Ability to contribute to, test and oversee strategy and long term direction. Includes capital allocation, prioritisation of growth opportunities, performance oversight, M&A and balancing investment across the core franchise and platform innovation.	
2. Industry Expertise	Experience in healthcare/medical device industries, with understanding of competitive dynamics and drivers of product adoption. Includes experience in heavily regulated sectors, and insight into broader healthcare stakeholder dynamics.	
3. Clinical, Medical and Regulatory	Understanding of clinical practice, patient pathways, and the role of clinical evidence. Insight into TGA and global regulatory pathways for both development and post marketing regulatory and surveillance obligations. Understanding of clinical trial execution and evidence generation, interpretation of clinical data, real-world evidence, clinician engagement and implications for product adoption, reimbursement and market positioning.	
4. Global/International Experience	Experience operating and scaling, or overseeing, businesses across international markets, including the United States. Includes understanding of cross-border growth, regional market dynamics and regulatory environments.	
5. Financial Acumen, Capital Markets and Stakeholder Engagement	Ability to interpret financial information and oversee financial performance and integrity. Includes assessment of capital allocation, investment decisions, financial risk, local and international funding pathways and communication with institutional and retail shareholders.	
6. Governance, Risk and Compliance	Experience overseeing governance frameworks, enterprise risk management, compliance systems and legal, regulatory and reputation risk. Includes oversight of current and emerging risks, health, safety, sustainability/ESG considerations, aligned with ASX governance expectations.	
7. Commercial and Market Execution	Understanding of drivers of commercial growth and value creation in the U.S./global markets. Includes oversight of pricing, reimbursement, customer dynamics, pathways to sustainable revenue growth, scaling sales force, distributor and direct sales models, market access understanding.	
8. Operations, Manufacturing and Quality	Experience overseeing operational delivery, including manufacturing, supply chain and product development, in highly regulated industries. Includes scaling operations, understanding Quality Management Systems, Good Manufacturing Practice, and regulatory inspections.	
9. Technology, Digital and Cyber	Experience in, or strong working knowledge of, technology, digital systems and data. Includes oversight of cybersecurity, data governance, and the use of digital and emerging technologies (including AI) to support scalable growth and decision-making.	
10. People and Culture	Experience overseeing organisational leadership, corporate and cross border culture, global talent and remuneration frameworks. Includes succession planning, leadership capability and alignment of incentives with performance.	
11. Innovation and Technology Leadership	Experience in R&D and overseeing platform lifecycle, pipeline innovation and prioritisation and indication strategies as well as IP strategy and commercialisation.	

Proficient: Demonstrates a general understanding of the skill area, with sufficient knowledge to contribute to Board discussions. Understands key concepts, risks and issues, and can interpret information and ask informed questions.

Practiced: Demonstrates a solid, applied level of experience in the skill area. Has applied the skill in relevant roles, contributes informed insight and challenge at Board level, and supports effective decision-making in this area.

Advanced: Demonstrates deep expertise and extensive experience in the skill area, with the ability to lead and guide Board discussions. Provides authoritative advice, strategic perspective, and is recognised as a key contributor in this domain.

The ratings represent the Board's overall level of competency in each area defined through a self-assessment process. Overall competency level is based on the combined and averaged expertise of all Directors.

DIRECTORS' REPORT

The Directors of PolyNovo Limited (**PolyNovo**, **Company** or **we**), present the Directors' Report, together with the Financial Report, of the Company and its controlled entities (the Group) for the year ended 30 June 2026 and the related Auditor's Report.

Board of Directors and Executives

The details of Directors and Senior Management during the year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Mr Leon Hoare

Non-Executive Chair

GradDipBus, AssocDipAppSc (Orth), FAICD

Mr Hoare was appointed a Director of PolyNovo on 27 January 2016 and became Chair on 28 October 2025.

He is an accomplished commercial leader with expertise across multiple life sciences sectors. Until December 2025, Mr Hoare served as Managing Director of Lohmann & Rauscher, Australia and New Zealand (ANZ), a privately held European medical device company, and led the establishment of its ANZ subsidiary. Previously, he was Managing Director of S&N (S&N) ANZ, one of S&N's largest global subsidiaries outside the United States. During his 24 years with S&N, Mr Hoare held multiple executive roles, including President of its Asia-Pacific Advanced Wound Management (AWM) businesses for five years. He was also one of three Regional Presidents on the AWM Global Executive Management team.

His career also includes a senior role at Bristol-Myers Squibb and as Vice Chair of the Medical Technology Association of Australia, Australia's peak medical device industry body. Mr Hoare is currently a Non-Executive Director of Medical Developments International Ltd (ASX: MVP), where he is Chair of the People & Culture Committee.

Mr Hoare is Chair of the Board and the Nominations Committee.

Mr Robert Douglas

Non-Executive Director

MBA, BEng Electrical Engineering, BSc

Mr Douglas was appointed a Director of PolyNovo on 14 October 2025. Mr Douglas has more than thirty-five years of experience in medical device technology, specialising in digital health. He also has a decade of experience in public company governance, including audit, risk management, and compliance oversight.

Mr Douglas had several strategy and operational roles before joining Resmed Inc. Australia (NYSE: RMD, ASX: RMD) in 2001. Since then, he has had various roles in the U.S. and Australia including Vice President Corporate Marketing, Vice President Operations and President and Chief Operating Officer from 2013 to 2023. Resmed is a global medical device and software applications company providing solutions to diagnose, treat and manage respiratory disorders and improve care in out-of-hospital settings. Mr Douglas is currently a member of the Board of Directors and Audit Committee for Globus Medical Inc. (NYSE: GMED), a global musculoskeletal medical technology company.

Mr Douglas is a member of the Audit and Risk Committee.

Dr Robyn Elliott

Non-Executive Director

BSc (Hons) Chemistry, PhD Inorganic Chemistry

Dr Elliott was appointed a Director of PolyNovo on 28 October 2019 and was appointed to the position of Acting Chief Executive Officer on 11 March 2025 until 1 December 2025. Following a transition period, Dr Elliott resumed her role as Non-Executive Director from 12 December 2025. Until recently, Dr Elliott was Global Head, Strategic Portfolio Management at CSL Behring, a role responsible for governance oversight and business value delivery from a multi-billion-dollar capital expansion portfolio. Dr Elliott previously held Strategic Expansion and Quality Senior Director roles within CSL, was the Managing Director at IDT Australia and commenced her career at DBL Faulding.

Dr Elliott is a member of the Remuneration Committee and the Audit and Risk Committee.

Ms Christine Emmanuel-Donnelly

Non-Executive Director

BSc (Hons) Chemistry, MSc Enterprise, Cert.Int.Prop.Law, MAICD

Ms Emmanuel-Donnelly was appointed a Director of PolyNovo on 13 May 2020. Ms Emmanuel-Donnelly is an accomplished IP and business development professional with more than 30 years of local and international experience. Ms Emmanuel-Donnelly has a Bachelor of Science with a major in Economics (Hons: Chem) from Monash University, Certificate in Intellectual Property Law from Queen Mary College, University of London, and Master of Enterprise from Melbourne University. She has been on the Board of the Institute of Patent and Trade Mark Attorneys of Australia for over a decade.

Ms Emmanuel-Donnelly is currently Chair of Impedimed Ltd (ASX: IPD) and on the Board of Medical Developments International Ltd (ASX: MVP). Previously, Ms Emmanuel-Donnelly was Executive Manager of Business Development and Commercial at the CSIRO, was in-house IP Counsel for Unilever in the United Kingdom, and practised as a patent and trade mark attorney for Wilson Gunn (UK), Davies Collison Cave and Griffith Hack.

Ms Emmanuel-Donnelly is Chair of the Remuneration Committee and a member of the Nominations Committee.

Dr Charmaine Gittleson

Non-Executive Director

BSc, MBBCh, GAICD

Dr Gittleson was appointed a Director of PolyNovo on 1 April 2026. Dr Gittleson brings extensive global experience across healthcare, life sciences and governance, with a background spanning clinical practice and research, medical leadership, regulatory strategy, product development and board oversight. She is the former Chief Medical Officer of CSL, where she held senior global leadership roles across clinical research and development, regulatory engagement and patient safety, including extended tenure in the United States.

Dr Gittleson is currently Chair of Percheron Therapeutics Ltd (ASX: PER), and a Non-Executive Director of Imugene Limited (ASX: IMU) and George Medicines Ltd. She previously served as Chair of Patrys Ltd (ASX: PAB). She is also a Graduate of the Australian Institute of Company Directors.

Dr Gittleson is a member of the Remuneration Committee and the Nominations Committee.

Mr Andrew Lumsden

Non-Executive Director

MA (Hons) in Accountancy & Finance, CA, AGIA ACG, MAICD

Mr Lumsden was appointed a Director of PolyNovo on 4 June 2021. He is an accomplished Chartered Accountant and finance executive with more than 25 years' experience locally and internationally. He holds a Master of Arts in Accountancy and Finance (First Class Hons) and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia. He is also a member of the Australian Institute of Company Directors.

Mr Lumsden previously served as Chief Executive Officer of Wellcom Worldwide Australasia having previously held the roles of Group Chief Financial Officer and Group Chief Operating Officer. Prior to joining Wellcom, Mr Lumsden was a Senior Manager within the Audit and Assurance practice of PricewaterhouseCoopers.

Mr Lumsden is the Chair of the Audit and Risk Committee and a member of the Nominations Committee.

Mr David Williams

Former Non-Executive Chair

Mr Williams was appointed as a Non-Executive Director on 28 February 2014, Chair on 13 March 2014 and resigned on 27 October 2025.

DIRECTORS' REPORT continued

Board of Directors and Executives continued

Mr Bruce Peatey
Chief Executive Officer
MBA, BAppSc

Mr Peatey joined PolyNovo in December 2025. He has extensive international experience across healthcare, medical devices, and biotechnology, and within the ASX-listed company environment, having worked in Australia, the U.S. and Singapore. Most recently, he led the U.S., Canadian and Latin American businesses for Dentsply Sirona, overseeing a US$1.3B operation and previously managed the Asia Pacific region. Mr Peatey brings deep expertise in commercial leadership, product launches, market expansion, and organisational development. His earlier career includes roles with Abbott Laboratories, Baxter Healthcare and Biosensors International. He holds qualifications in Applied Science and an MBA.

Mr Jan Gielen
Chief Financial Officer
CA, Bachelor Bus (Acc)

Mr Gielen joined PolyNovo in December 2018. Mr Gielen has extensive experience in CFO and Finance Director roles for fast growing PE and VC backed businesses and played an important part in expanding these businesses globally. Mr Gielen had a long involvement from inception with ICIX, a leading SaaS platform supporting global retailers and manufacturers where he served as Finance Director in Silicon Valley. Mr Gielen's most recent role was CFO of CardioScan for 6 years, Australia's largest cardiac reporting provider, which during his tenure expanded to Hong Kong, Singapore and North America. Mr Gielen holds a Bachelor of Business (Accounting) degree from Monash University, is a member of the Institute of Chartered Accountants, and commenced his career with Pitcher Partners.

Ms Amy Demediuk
General Counsel and Company Secretary
LLB (Hons), MIPL

Ms Demediuk joined PolyNovo in February 2026. She has extensive experience in senior legal and governance roles across ASX-listed healthcare and technology companies. Most recently, Ms Demediuk was General Counsel (Global R&D and Strategy) at CSL, where she spent more than 16 years in senior legal roles across Australia, Asia Pacific and the United States. She began her career at Arnold Bloch Leibler, holds a Bachelor of Law and Masters of Intellectual Property Law from the University of Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

Ms Kimberley Axon
Chief People Officer
BPsych (Hons)

Ms Axon joined PolyNovo in March 2025 and is an experienced global HR executive with a Bachelor of Psychology (Hons) and career experience across Africa, the U.S. and Australia. She has worked in multinational, ASX and NASDAQ listed environments, beginning at Weatherford supporting 66,000 employees in a global role before supporting Sage's workforce across the UK, Africa and the Middle East. She later joined private equity firm A1 Capital and, after relocating to Australia, held senior HR roles at I Med Radiology and served as Chief People Officer at Dubber (ASX: DUB). She brings deep expertise in people strategy, organisational development and global workforce leadership.

Dr Marthe D'Ombrain

Chief Scientific Officer

PhD GCALL GAICD

Dr D'Ombrain joined PolyNovo in June 2026 and is a highly-accomplished biotech, science and innovation leader with 20+ years' experience spanning R&D strategy, portfolio development, external innovation, global licensing and commercialisation. Most recently, she served as the Executive Director & Head, Global Research Innovation at CSL, where she contributed to enterprise-level scientific direction and long-term R&D portfolio strategy. Dr D'Ombrain is currently a Non-Executive Director of AusBiotech, is a former Non-Executive Director of Jumar BioIncubator, holds a PhD in Immunology and Microbiology from the Walter & Eliza Hall Institute of Medical Research and The University of Melbourne and is a graduate of the AICD.

Mr Ed Graubart

President, North America

BSci

Mr Graubart joined PolyNovo in 2019 as Senior Vice President, Sales & Marketing, Americas, and was promoted to his current role in March 2024. With more than 35 years of medical device experience, he has held senior commercial and leadership positions at EBI (Biomet), Depuy Spine (J&J), and NuVasive, where he contributed to its growth from US$38M to over US$800M. Prior to PolyNovo, Mr Graubart held executive roles at Ceterix Orthopedics and Titan Spine, both later acquired by major industry leaders. He brings deep expertise in commercial strategy, market development and high growth team leadership.

Ms Allison Myers

Chief Quality and Regulatory Affairs Officer

BSc (Pharmacology), BSc (Hons)

Ms Myers joined PolyNovo in October 2025 as the VP, Quality and was promoted to Chief Quality and Regulatory Officer in February 2026. After 28 years with GSK in both Australia and the UK, including 15 years in leadership positions within Site Quality and Manufacturing teams, including Site Director at the GSK Melbourne site, she brings extensive experience in quality management with a deep understanding of core manufacturing operations. Ms Myers blends strategic vision with hands-on execution, ensuring compliance, efficiency, and continuous improvement remain key to the overall business.

Mr Tyson Parker

Chief Manufacturing and Supply Chain Officer

BSci, MBA

Mr Parker joined PolyNovo in September 2026 and is an experienced pharmaceutical and biotechnology manufacturing leader with extensive expertise across operations, quality, compliance and supply chain management. Most recently, he held senior manufacturing leadership roles at CSL Seqirus, where he led large-scale operations supporting the production of critical healthcare products. Throughout his career, Mr Parker has driven manufacturing transformation initiatives, strengthened operational performance and developed high-performing teams in highly regulated environments. He has significant experience leading regulatory inspections, including FDA and TGA audits, and brings deep expertise in sterility assurance, operational excellence and scalable manufacturing systems. Mr Parker holds a Bachelor of Biological Science and an MBA.

Review of Operations

Corporate and Organisational Structure

PolyNovo Limited, the ultimate parent entity of the PolyNovo Group, is a public company listed on the Australian Securities Exchange (ASX).

As of 30 June 2026, PolyNovo had ten wholly owned subsidiaries:

1. PolyNovo Biomaterials Pty Limited
2. NovoSkin Pty Ltd
3. NovoWound Pty Ltd
4. PolyNovo NZ Ltd
5. PolyNovo UK Ltd
6. PolyNovo North America LLC (PNA LLC)
7. PolyNovo Singapore Private Ltd
8. PolyNovo Ireland Ltd
9. PolyNovo Biomaterials India Private Ltd
10. PolyNovo Hong Kong Ltd

The first three subsidiary companies listed above are Australian proprietary companies whilst the other entities are the trading and employment entities for those countries.

Principal Activities and Operations

PolyNovo's principal activity is the development of innovative medical devices for medical applications, utilising its proprietary bioabsorbable polymer technology NovoSorb®.

NovoSorb® is a family of medical grade polymers that can be used to manufacture medical devices designed to support tissue regeneration and repair.

NovoSorb® has significant advantages over competitor bioabsorbable polymers in terms of design flexibility, bioabsorption, and biocompatibility. The NovoSorb® polymer can be expressed in a variety of physical formats including foam, coatings, fibres, plastic structures, films, and biologic carriers.

NovoSorb® BTM

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

NovoSorb® BTM is sold directly by PolyNovo in Australia, Hong Kong, India, Malaysia, New Zealand, Singapore, United Kingdom, and the United States. The Company utilises distributors to support its sales footprint in other markets.

Independent clinical evidence supporting the use of NovoSorb® products continues to grow, with 500+ articles and abstracts published to date.

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

The U.S. pivotal randomised controlled trial, funded by BARDA, is designed to support an on-label indication for NovoSorb® BTM in full-thickness burns in the United States.

The Clinical Study Report (**CSR**) has now been finalised based on 12-month patient follow up data and supports proceeding with the Premarket Approval (**PMA**) submission. Following the appointment of Chief Quality and Regulatory Affairs Officer, Allison Myers, the Company has prioritised the completion, validation and documentation of key manufacturing and supplier processes and expects to submit its full PMA application before the end of calendar year 2026, incorporating the eighteen-month follow-up data into the final submission package.

Securing a PMA brings the U.S. market in line with many other markets where this indication is already cleared by regulators.

NovoSorb® MTX

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

NovoSorb® MTX received FDA 510(k) clearance with a 2 mm thickness in 2022 and is commercially available across 6 markets.

U.S. Outpatient

Changes to skin substitute pricing in the U.S. outpatient setting is expected to reinforce the market opportunity for NovoSorb® matrices. In anticipation of changing market dynamics, the NovoSorb® SynPath® brand was developed, which has an existing HCPCS code and offers the fastest pathway to market.

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.

The newly established outpatient rules offer a clinical and reimbursement pathway with Medicare and Federal accounts, and further opportunity within the private payor system is currently being reviewed to understand its potential and negotiate coverage.

In parallel, resources have been invested to optimise the business for a changing reimbursement environment. A dedicated team has been assembled to support the outpatient strategy, bringing experienced marketing, market access and reimbursement, and market development individuals who have a proven record of success at competitive companies.

Regulatory Update

EMEA:

- NovoSorb® MTX registration is currently underway in the UK
- NovoSorb® BTM has been registered in 7 new European countries:
  - Baltics: Latvia, Lithuania, Estonia
  - Balkans: Croatia, Slovenia, Albania, Serbia
  - Registrations are in progress for Bosnia and Herzegovina, North Macedonia, Montenegro, and Kosovo.

APAC:

- NovoSorb® MTX has been registered in Hong Kong (previously supplied under voluntary provisions) and registration process in Taiwan is ongoing.
- Plans to enter Japan are progressing with PolyNovo's Japanese distributor and regulatory plans are advancing in consultation with the Japanese PMDA.

Americas:

- NovoSorb® BTM has been registered in Brazil with NovoSorb® MTX registration progressing.
- New registrations for NovoSorb® BTM and NovoSorb® MTX are in progress in Mexico.

Research and Development activities

The Company has completed a strategic review of new product development to optimise value creation, leverage resources and respond to an evolving macro environment. The Company has appointed a Chief Scientific Officer and is in the process of implementing a formal New Product Development (**NPD**) and Portfolio Prioritisation framework to support disciplined innovation, prioritise investment decisions and align product development activities with strategic growth opportunities. This process is designed to evaluate, prioritise and sequence product, indication and platform opportunities, supported by cross-functional governance and clear decision-making criteria.

Hernia Repair and Plastics and Reconstructive Devices

The Company has completed significant technical development work and generated encouraging pre-clinical data with current hernia device prototypes. However, industry dynamics have evolved significantly since the program commenced. PolyNovo is currently assessing potential commercialisation options and capital allocation priorities within its broader strategic plan for the NovoSorb® platform.

PolyNovo has a broader platform opportunity across NovoSorb® BTM, NovoSorb® MTX and implantable devices. All programs, existing and future, are assessed against market size, regulatory complexity, competitive landscape, time to commercialisation, capital intensity, and expected returns.

Manufacturing Capability

PolyNovo continues to invest in advanced manufacturing capability to support growth. During FY26, the Company further expanded its production footprint in Port Melbourne, completing construction of its new manufacturing facility, subject to regulatory approval, quality and safety assessments.

The Company's manufacturing footprint supports a growing portfolio of products including NovoSorb® BTM, NovoSorb® MTX and NovoSorb® SynPath®. Its manufacturing model provides oversight of quality and performance while supporting the Company's strategy to grow share and impact across existing and future markets.

Financial Position

As at 30 June 2026, the Group maintained a strong financial position. Cash and cash equivalents were $35,424,000 and the Group had total borrowings of $3,632,000 comprising the equipment finance facility ($2,218,000) and the insurance premium funding facility ($1,414,000). Capital expenditure during FY26 was directed principally towards completion of the new Port Melbourne manufacturing facility. The Directors consider the Group's liquidity and capital resources to be sufficient to fund its operations and strategic objectives.

Status of Markets

The Company achieved 16.7% in global commercial sales growth for FY26. Strong NovoSorb® sales growth was recorded in many markets, notably in the U.S. up 15.6% in AUD (21.1% in constant currency) and ROW up 20.0% in AUD (21.9% in constant currency). The ROW increase includes strong performances in ANZ (up 26.0%), UK (up 12.9%), India (up 35.4%), and Hong Kong (up 43.0%).

Inflation has increased some costs in all markets including wages. The Company maximises interest earned on cash deposits via high interest term deposits while managing the cash requirements for capital expenditure and operational requirements. To manage the impact of higher inflation and interest costs, cash flow forecasts are maintained and the Group has a level of discretion in managing cash outflows in response to rising costs.

Significant Changes in the State of Affairs

Other than as set out in this report, the Directors are unaware of any significant change in the state of affairs of the Group during the year ended 30 June 2026.

Strategic Overview and Likely Developments

The Company's strategic focus over the next 12 months, and the likely developments in its operations, include:

- progressing the U.S. PMA submission for NovoSorb® BTM in full-thickness burns;
- executing the U.S. outpatient and reimbursement strategy;
- continuing global commercial expansion of NovoSorb® BTM and NovoSorb® MTX through direct markets and distributor arrangements;
- embedding the NPD and portfolio prioritisation framework to guide disciplined investment in the NovoSorb® platform; and
- scaling manufacturing capacity at the expanded Port Melbourne facility.

Significant Events After the Balance Date

The Directors are not aware of any other matters or circumstances since the end of the financial year other than those announced to the ASX, 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.

Financial Results

PolyNovo Limited reported total revenue (including interest and other income) for the year ended 30 June 2026 of $149,984,000, an increase of 16.1% (20.3% in constant currency) from the prior year's $129,186,000. The net profit after tax (NPAT) of $7,341,000 for FY26 was a decrease of 44.5% from the prior year's net profit of $13,214,000. The prior year NPAT included an income tax benefit of $5,695,000 whereas for FY26 an income tax expense of $477,000 was reported. Earnings before interest, tax, depreciation, and amortisation (EBITDA)[1] of $12,060,000, an increase of 8.1% from prior year's EBITDA of $11,244,000. Several factors contributed to the result including:

- Revenue from the sale of commercial products for FY26 increased by 16.7% to $138,440,000 from the prior year's $118,634,000.
- Revenue from BARDA for FY26 decreased by 38.8% to $5,266,000 from the prior year's $8,609,000.
- Other Income includes an insurance claim related to the R&D Innovation Centre of $6,016,000, interest income of $135,000 and $126,000 from Victorian State Government supporting the development, manufacture and commercialisation of new products.
- Employee related expenses increased by 5.7% to $78,806,000.
- Research and development expenses (which include clinical expenses) decreased by 36.9% to $5,340,000. This decline is in line with expectations and is largely attributable to the decrease in expenses associated with the BARDA trial, as patient recruitment is complete and the CSR has been finalised.
- Depreciation and amortisation increased by 3.8% to $3,456,000 while loss on write-off of assets amounts to $4,717,000 primarily due to assets write-off resulting from the R&D Innovation Centre fire incident.
- Corporate, administrative, and overhead expenses increased by 15.2% to $34,471,000. This increase was primarily attributable to foreign exchange movements, with the Group recognising an unrealised foreign exchange loss of $2,678,000 in FY26 compared to an unrealised foreign exchange gain of $2,220,000 in FY25. Excluding this non-cash foreign exchange impact, underlying corporate, administrative and overhead expenses were slightly lower than the prior year despite continued growth in business activity.

1. EBITDA is a non-IFRS financial measure that has not been audited. It is presented to assist users to understand the underlying performance of the Group and is reconciled to statutory net profit after tax in the Financial Report.

R&D Tax Incentives

During FY26, the Company received a non-refundable tax offset of $2,437,000 (non-cash) in relation to the FY25 R&D tax incentive scheme. As the Company has exceeded the $20.0 million R&D cash tax threshold being the maximum revenue allowable for the claiming of a cash refund, a deduction is recognised against taxable income.

Dividends

No amounts were paid or recommended to be paid by the Directors by way of dividend in FY26.

Indemnification and Insurance of Directors and Officers

During the year ended 30 June 2026, the Company indemnified its Directors, Company Secretary and Executive Officers in respect of any acts or omissions giving rise to a liability to another person (other than the Company or a related party) unless the liability arose out of conduct involving a lack of good faith. In addition, the Company indemnified the Directors and the Company Secretary against any liability incurred by them in their capacity as Directors or Company Secretary in successfully defending civil or criminal proceedings in relation to the Company. No monetary restriction was placed on this indemnity.

The Company has insured its Directors, Company Secretary and Executive Officers for the period under review. Under the Company's Directors' and Officers' Liability Insurance Policy, the Company shall not release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium.

Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

DIRECTORS' REPORT continued

Board and Committee Meetings

Details of the number of meetings of the Board and its committees held during the year, together with attendance by Directors in their capacity as members of those bodies, are set out in the table below. Directors may attend committee meetings by invitation from time to time; such attendance is not reflected in the attendance statistics unless the Director was a member of the relevant committee.

		Full Board[8]		Audit and Risk Committee		Remuneration and Nomination Committee*		Remuneration Committee		Nominations Committee	
Total numbers of meetings held		**17**		**4**		**3**		**1**		**1**	
Director	**Role**	**Meetings attended**	**Meetings eligible to attend**	**Meetings attended**	**Meetings eligible to attend**	**Meetings attended**	**Meetings eligible to attend**	**Meetings attended**	**Meetings eligible to attend**	**Meetings attended**	**Meetings eligible to attend**
Mr Leon Hoare[1]	Non-Executive Chair	17	17	2	2	2	2			1	1
Mr Robert Douglas[2]	Non-Executive Director	11	11	3	3	2	2				
Dr Robyn Elliott[3]	Non-Executive Director	17	17	3	3	3	3	1	1		
Ms Christine Emmanuel-Donnelly[4]	Non-Executive Director	17	17	1	2	3	3	1	1	1	1
Dr Charmaine Gittleson[5]	Non-Executive Director	3	3					1	1	1	1
Mr Andrew Lumsden[6]	Non-Executive Director	15	17	4	4	1	1			1	1
Mr David Williams[7]	Non-Executive Director	7	8								

1. Mr Leon Hoare was appointed Chair of the Board on 28 October 2025 and Chair of the Nominations Committee when it was formed on 28 April 2026. Mr Hoare was appointed to the Audit and Risk Committee on 18 August 2025 and stepped down from the committee on 4 December 2025.
2. Mr Robert Douglas joined the Board, the Audit and Risk Committee and the former combined Remuneration & Nominations Committee on 14 October 2025. He retired from the Remuneration & Nominations Committee on 8 April 2026 and remains a member of the Audit and Risk Committee.
3. Dr Robyn Elliott temporarily ceased her role as a Non-Executive Director on 11 March 2025 upon her appointment as Acting Chief Executive Officer and Managing Director. During this period, she did not attend Audit and Risk Committee meetings and ceased membership of that Committee on 18 August 2025 and was reappointed on 4 December 2025. Dr Elliott resumed her role as a Non-Executive Director on 1 December 2025. She was a member of the former combined Remuneration & Nominations Committee and, following the establishment of separate committees on 28 April 2026, was appointed a member of the Remuneration Committee.
4. Ms Christine Emmanuel-Donnelly was appointed to the Audit and Risk Committee on 18 August 2025 and stepped down from the committee on 4 December 2025. She served as Chair of the former combined Remuneration & Nominations Committee and, following the establishment of separate Remuneration and Nomination Committees on 28 April 2026, was appointed Chair of the Remuneration Committee and a member of the Nomination Committee.
5. Dr Charmaine Gittleson joined the Board on 1 April 2026. Following the establishment of separate Remuneration and Nomination Committees on 28 April 2026, she was appointed a member of both committees.
6. Mr Andrew Lumsden is Chair of the Audit and Risk Committee. He was appointed to the former combined Remuneration & Nominations Committee on 18 August 2025 and retired from the Remuneration & Nominations Committee on 25 November 2025 and following the establishment of separate Remuneration and Nomination Committees on 28 April 2026, was appointed a member of the Nominations Committee.
7. Mr David Williams resigned from the Board on 27 October 2025.
8. The meeting count reflects a number of out-of-cycle Board meetings held during FY26 as circumstances required.

* Effective 28 April 2026, the Board established separate Remuneration and Nomination Committees, replacing the former combined Remuneration & Nomination Committee.

Business Risks

There are inherent risks associated with the development of pharmaceutical, medical products and medical devices to a marketable stage. The clinical trial process is designed to assess the safety and efficacy of a drug or medical device prior to commercialisation, and a significant proportion of drugs and medical devices fail one or both criteria.

The Company has a robust risk management framework, employing mitigation strategies appropriate to the Company size, in line with our commercial product development. A summary of key risks applicable to the Company and accompanying mitigation strategies are captured below.

Risk	Description	Mitigation
Concentration of manufacturing	The Company's manufacturing operations are currently concentrated at its Port Melbourne facility. Any significant disruption to manufacturing operations may adversely affect the Company's ability to supply products to customers. Additional manufacturing facilities would require regulatory approvals before products manufactured at those facilities can be supplied to customers, which may affect the timing of any expansion of manufacturing capacity.	The Company continues to invest in manufacturing capacity and operational resilience to support future growth and reduce concentration risk. Manufacturing continuity is supported through business continuity and disaster recovery planning. The Company maintains inventory across multiple warehousing locations in Australia and overseas and continues to assess opportunities to further diversify its manufacturing and supply chain footprint.
Product innovation	Increased competition exposes the Company to the risk of losing market share. This risk may be exacerbated by a failure to produce innovative products and services beyond the current core offering. The Company is also exposed to the risk that our products are superseded by medical advancements, resulting in alternative products or treatments being commercialised.	Product development priorities are assessed regularly having regard to market dynamics, customer needs, competitive developments and technological advancement. The Company has appointed a Chief Scientific Officer and is implementing a formal NPD and Portfolio Prioritisation framework to support disciplined innovation, prioritise investment decisions and align product development activities with strategic growth opportunities. This process is designed to evaluate, prioritise and sequence product, indication and platform opportunities, supported by cross-functional governance and clear decision-making criteria. The Company continues to invest in research and development activities to expand clinical applications for its technology platform and maintain its competitive position.
Intellectual Property	The Company relies on patents, trade marks, confidential information and proprietary know-how to maintain its competitive position. Intellectual property may be compromised through cyber security incidents, unauthorised disclosure, infringement by third parties or other failures to adequately protect proprietary information.	The Company maintains a portfolio of patents and trade marks, supported by internal governance processes, confidentiality obligations, access controls and specialist external intellectual property advisers.
Reliance on suppliers	The Company relies on third-party suppliers for key raw materials, components and services required for the manufacture and distribution of its products. Disruption to the supply, quality or availability of these inputs, or the loss of a critical supplier, may adversely affect the Company's operations, manufacturing capacity, customer service levels and financial performance.	The Company maintains close relationships with key suppliers and actively monitors supplier performance, capacity and continuity risks. Inventory levels for critical materials are managed to support continuity of supply, and the Company continues to evaluate opportunities to diversify and strengthen its supplier base where appropriate. Supply chain resilience is regularly reviewed as part of operational planning and risk management activities.
Product liability	As the developer, manufacturer and supplier of medical devices, the Company is exposed to product liability risks arising from product defects, quality failures, manufacturing issues, adverse clinical outcomes, or other circumstances that may result in patient harm, product recalls, litigation, regulatory action or reputational damage.	The Company maintains robust quality systems across product design, testing, manufacturing and post-market surveillance. These systems are intended to support product safety, quality and regulatory compliance. The Company also maintains product liability insurance.

Risk	Description	Mitigation
Legal and Regulatory	The Company is subject to a wide range of legal and regulatory requirements in relation to our products, their sale, health and safety, employment, and corporate regulation. Failure to comply with any legal and regulatory requirements could negatively impact the Company's operations, customers, employees, and shareholders.	Risk exposure is mitigated through governance frameworks, policies, procedures, training, monitoring and oversight mechanisms designed to support compliance with applicable legal and regulatory requirements. During FY26, the Company strengthened its governance and compliance capability through the appointment of a General Counsel & Company Secretary, who has led the development and implementation of enhanced governance and compliance frameworks. This has included the introduction and refresh of key policies, procedures and controls across areas including corporate governance, compliance, commercial interactions, continuous disclosure and legal operations. The Company's Regulatory Affairs, Medical Affairs and Legal functions support the business through the provision of advice, training, monitoring and ongoing assessment of legal, regulatory and policy developments.
Global Tariff Uncertainty	The Company operates in multiple jurisdictions and is exposed to changes in international trade policy, tariffs, sanctions, import and export controls, market access requirements, and supply chain regulations. Changes to these regimes may increase costs, disrupt supply chains, delay market access, impose additional compliance obligations, or adversely affect the Company's financial performance and operations.	The Company actively monitors developments in international trade policy, tariffs and market access conditions that may affect its operations and supply chains. During FY26, management engaged with relevant government stakeholders, including the Australian Department of Foreign Affairs and Trade (DFAT), to better understand the potential implications of developing tariff measures and broader trade policy developments for the Company's business. The Company continues to assess the impact of existing and proposed tariff arrangements on its operations, pricing and supply chain. Existing inventory holdings in the United States, together with the Company's manufacturing economics and supply chain arrangements, assist in mitigating the impact of current tariff settings. Management continues to evaluate opportunities to enhance supply chain resilience, preserve customer access and minimise any adverse financial impacts arising from future changes in trade policy or tariff regimes.
Climate and sustainability	The Company is exposed to climate-related and broader sustainability risks and to evolving climate-related financial disclosure obligations (including AASB S2).	The Company is progressing its sustainability and climate-related reporting, including greenhouse gas inventory and readiness for mandatory climate-related financial disclosure, and manages environmental matters under its Environment Policy.

Forward-looking Statements

This Directors' Report contains forward-looking statements regarding PolyNovo's business, operations, financial performance, growth prospects, strategy, market opportunities and the anticipated development and commercialisation of its products and technologies. Forward-looking statements can generally be identified by words such as "anticipate", "believe", "expect", "intend", "may", "plan", "predict", "project", "should", "target", "will" and similar expressions.

Forward-looking statements are based on information available to the Company as at the date of this Directors' Report and reflect the Company's current expectations, assumptions and beliefs. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, that may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

Except as required by law, PolyNovo does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.

Directors' Shareholdings and Declared Interests

As at 30 June 2026, the Directors of PolyNovo collectively hold 23,517,587 shares in the Company. As at the date of this report the interests of the Directors in the Company's shares are:

Directors	Shares held directly	Shares held indirectly
Mr Leon Hoare	-	1,146,009
Mr Robert Douglas		151,000
Dr Robyn Elliott	94,789	-
Ms Christine Emmanuel-Donnelly	-	270,789
Dr Charmaine Gittleson	-	-
Mr Andrew Lumsden	-	200,000
Mr David Williams (Ceased to be a director on 27 October 2025, holding as at date of cessation)	-	21,655,000
Total	**94,789**	**23,422,798**

As at 30 June 2026, no Director has an interest in any contract or proposed contract with PolyNovo other than disclosed below. Further details of the equity interests of Non-Executive Directors can be found in the Remuneration Report.

Auditor

Ernst & Young (EY) continues in office in accordance with section 327b (2) of the Corporations Act 2001. Non-audit Services During the year ended 30 June 2025, the amount received, or due and receivable for non-audit services provided by the Company's auditor EY are shown below. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Non-audit services	$
Taxation services and other services	298,337

The auditor has provided a written declaration that no professional engagement for the Group has been carried out during the financial year that would impair Ernst & Young's independence as auditor. The declaration is set out on page 33 and forms part of this Directors' Report.

Rounding and Non-IFRS Information

Amounts in this report have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183. EBITDA and other non-IFRS financial measures referred to in this report have not been audited and should be read together with the statutory results in the Financial Report.

REMUNERATION REPORT (AUDITED)

Remuneration Committee Chair Introduction

FY26 was a year of significant change for PolyNovo, with the appointment of a new Chief Executive Officer and executive leadership transition. Against this backdrop, the Remuneration Committee remained focused on ensuring that remuneration outcomes support the Company's strategy, drive accountability and align with the interests of shareholders.

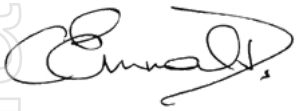
During the year, the Committee undertook a comprehensive review of the Company's remuneration framework. In doing so, we considered shareholder feedback, proxy adviser observations, evolving market practice and external benchmarking conducted with the support of external advisers. While the review confirmed that the FY26 framework appropriately supported business performance and executive retention during a period of leadership transition, it also identified opportunities to strengthen alignment with long-term shareholder value creation and enhance disclosure of the link between performance and reward.

During the year, the Board also separated the Remuneration & Nomination Committee into standalone Remuneration and Nomination Committees. The Board considers this an important step in the Company's governance evolution, enabling deeper focus on executive remuneration strategy, performance and reward alignment, while supporting a dedicated focus on Board composition, succession planning, talent development and Board renewal.

The Board believes executive remuneration should be transparent, appropriately performance-based and closely aligned to the creation of sustainable shareholder value. As a result, the Board has approved a revised remuneration framework that will be implemented from FY27, including the introduction of a long-term incentive plan and enhanced disclosure of performance outcomes.

We believe these changes will strengthen the alignment between executive reward, sustainable business performance and long-term shareholder returns, while helping PolyNovo continue to attract, motivate and retain high-calibre talent.

On behalf of the Remuneration Committee, I thank our shareholders for their ongoing engagement and feedback, which has informed the evolution of our remuneration framework.



Christine Emmanuel-Donnelly
Chair, Remuneration Committee

The Directors of PolyNovo present the audited Remuneration Report for PolyNovo Limited and its controlled entities (the **Group**) for the year ended 30 June 2026, prepared in accordance with section 300A of the *Corporations Act 2001*.

This report outlines the Company's remuneration framework and remuneration outcomes for the Chief Executive Officer, other Key Management Personnel (**KMP**) and Non-Executive Directors. PolyNovo's approach to remuneration is guided by the Company's strategy, growth ambitions and operating environment, and is intended to align executive reward with sustainable business performance, long-term shareholder returns and sound governance practices.

The Remuneration Policy established in FY24 continued to underpin our approach to both fixed and variable rewards in FY26.

The Board remains committed to ensuring that our remuneration practices support the attraction, motivation and retention of high-calibre talent and align executive remuneration with sustainable business performance and shareholder returns. During FY26, the Board undertook a review of the remuneration framework to ensure it remains fit-for-purpose in response to evolving market practice and shareholder expectations.

1. Key Management Personnel

Key Management Personnel (KMP) are those persons who are responsible for planning, directing and controlling the activities of the Group. For FY26, the KMP comprised of the Non-Executive Directors and the Executives whose details are set out below.

1.1 Non-Executive Directors

- Mr Leon Hoare – Non-Executive Director and appointed Non-Executive Chair 27 October 2025
- Mr Andrew Lumsden – Non-Executive Director and Chair of the Audit and Risk Committee
- Ms Christine Emmanuel-Donnelly – Non-Executive Director and Chair of the Remuneration Committee
- Mr Robert Douglas – Non-Executive Director appointed 14 October 2025
- Dr Robyn Elliott – Non-Executive Director from 12 December 2025
- Dr Charmaine Gittleson – Non-Executive Director appointed 1 April 2026
- Mr David Williams – Non-Executive Chair resignation effective 27 October 2025

1.2 Executive KMP

- Mr Bruce Peatey – Chief Executive Officer appointed 1 December 2025
- Mr Jan Gielen – Chief Financial Officer

Dr Robyn Elliott – Acting CEO/Managing Director from 11 March 2025 to 1 December 2025. Following a transition period, Dr Elliott resumed her role as Non-Executive Director from 12 December 2025.

2. Remuneration Strategy

Our remuneration strategy aims to align executive reward with Company performance and the creation of sustainable shareholder value, while attracting, motivating and retaining high-calibre talent.

The Company's remuneration strategy is implemented through its Remuneration Policy and executive remuneration framework and is underpinned by the key remuneration principles set out below.

In FY26, the executive remuneration framework comprised fixed remuneration and a short-term incentive (STI), with no broad-based long-term incentive (LTI) in place for executives. While the framework provided a link between performance and reward, the Board recognised that it offered limited leverage to differentiate outcomes based on sustained long-term performance.

No structural changes were made to the executive remuneration framework during FY26. This reflected the Board's focus on maintaining stability and continuity during a period of executive leadership transition, including the appointment of an Acting Chief Executive Officer and the subsequent recruitment of a permanent Chief Executive Officer.

Attract, motivate and retain talent	Support the execution of business strategy	Alignment with business performance and sustainable shareholder return	Fairness, equity and consistency
PolyNovo operates in global and local markets where it competes for a limited pool of talent. To attract, motivate and retain high-calibre talent, PolyNovo aims to provide a market-competitive reward opportunity which encourages retention and high performance.	Apply performance metrics that support PolyNovo's strategic objectives and business performance expectations. Apply performance metrics that are explicitly defined, valid, verifiable and relevant to the employee's role in the Company.	Create alignment between executive remuneration, sustainable business performance and shareholder returns, including through long-term equity-based incentive plans.	Structure remuneration arrangements to achieve equity for like positions. Implement a robust remuneration decision-making process and performance review system.

REMUNERATION REPORT (AUDITED) (continued)

2.1 FY26 Executive Remuneration Framework

Total Fixed Remuneration (TFR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
TFR consists of base salary and superannuation (Australian-based KMP) or 401k (USA-based KMP) and aims to attract, motivate and retain the best talent. TFR is set in relation to the external market and takes into account the size and complexity of the role along with individual responsibilities, experience and skills.	STI is an annual cash incentive designed to reward performance against annual financial and individual objectives, with measures aligned to the Company's strategic priorities. The STI framework provides appropriate differentiation on pay-for-performance principles and is linked to both business and individual performance outcomes. In FY26, the STI plan comprised financial objectives (EBITDA and Revenue) weighted at 80%, and individual objectives weighted at 20%. Refer to section 3.2 for FY26 STI outcomes. STI was the primary at-risk component of executive remuneration, with no equity deferral. The STI opportunities for each of the Executive KMP are: • CEO (50%) of annual gross base salary at target. • CFO (30%) of annual gross base salary at target.	The Company did not operate a broad-based long-term incentive framework for executives in FY26. The CEO was awarded a discretionary one-off equity grant in FY26 – refer to section 5.1. The Board recognises the importance of long-term incentives in aligning executive remuneration with sustained shareholder value. A new LTI framework will be implemented from FY27.

2.2 Executive Remuneration Framework Review

During FY26, the Board undertook a comprehensive review of the executive remuneration framework, informed by shareholder feedback, proxy adviser commentary, evolving market practice and increasing expectations regarding pay-for-performance alignment and disclosure.

In support of this review, the Board engaged external advisers to assess the effectiveness of the current framework and identify opportunities to strengthen alignment between executive reward, Company performance and long-term shareholder value creation.

The review confirmed that the Company's remuneration strategy remains appropriate; however, enhancements to the remuneration framework were identified to strengthen long-term alignment, increase remuneration at risk and improve transparency of remuneration outcomes.

Key areas identified for enhancement include:

- introduction of a formal long-term incentive framework;
- increased performance leverage through deferred and equity-based remuneration;
- stronger alignment between remuneration outcomes and sustainable financial performance; and
- improved transparency of remuneration disclosures.

The Board has approved a revised remuneration framework for FY27 comprising fixed remuneration, a redesigned STI plan and a formal long-term incentive plan. The framework is supported by a new Remuneration Policy, which will be implemented from FY27. The changes are intended to strengthen alignment with shareholder value creation, support the attraction and retention of executive talent, and address evolving market and shareholder expectations.

2.3 Group Performance

The table below outlines key five-year performance metrics. Our remuneration framework is designed to demonstrate the link between performance and reward.

Measure	FY2026	FY2025	FY2024	FY2023	FY2022
Share price at year end	0.92	1.20	2.45	1.55	1.35
Dividend paid	–	–	–	–	–
EBITDA ($'000)	12,060	11,244	2,432	(4,219)	(836)
Total revenue ($'000)	149,984	129,186	104,763	66,536	41,891
Earnings/(loss) per share	1.06 cents	1.91 cents	0.76 cents	(0.72) cents	(0.18) cents

3. FY26 Remuneration Outcomes

3.1 Total Fixed Remuneration

Executive KMP total fixed remuneration is based on the incumbent's qualifications, skills and experience, performance in their role, business criticality and market demand. TFR is reviewed annually or upon promotion. Fixed remuneration for Mr. Jan Gielen, CFO, increased by 3.5% in FY26, taking his gross annual base salary to $310,500.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is approved by shareholders. At the 2025 Annual General Meeting, shareholders approved an increase to this limit from $850,000 to $1,000,000. There were no changes to Directors' fees during FY26.

For a detailed breakdown please refer to section 7.1.

3.2 KMP performance Against FY26 STI Measures

The FY26 STI measures were designed to align executive remuneration with the achievement of the Company's financial and strategic objectives.

For FY26, 80% of the STI opportunity for KMP was linked to financial performance measures, comprising Global Gross Revenue (40% weighting) and Group EBITDA (40% weighting) targets established by the Board at the beginning of the financial year. The remaining 20% was linked to the achievement of individual strategic objectives.

Global Gross Revenue of $149.984 million represented 95% of target performance, this resulted in 50% vesting of the Revenue measure, equivalent to 20% of the total STI opportunity. The Group EBITDA target was not achieved and, accordingly, no STI was payable in respect of this measure.

The table below summarises the FY26 STI financial performance measures, targets and outcomes.

Measure	Weighting	Target	Outcome
Global Gross Revenue	40%	$157,874,000	$149,984,000
Group EBITDA	40%	$15,358,000	$12,060,000

Individual strategic objectives were assessed by the Board against predetermined performance measures aligned to the execution of the Company's strategic priorities. The Board determined the achievement of these objectives for the relevant executive KMP.

Following its assessment of the financial and non-financial performance measures, the Board approved overall FY26 STI outcomes of 34.5% of target for Mr Bruce Peatey and 40% of target for Mr Jan Gielen, as detailed in the table below.

KMP	STI Target % of base	STI Target $	STI Achievement %	STI Achievement $	Equity STI
Mr Bruce Peatey	50%	$173,425	34.5%	$59,832	NA in FY26
Mr Jan Gielen	30%	$93,150	40.0%	$37,260	NA in FY26
Dr Robyn Elliott	NA	NA	NA	NA	NA

Dr Robyn Elliott was not eligible to participate in the STI plan during FY26 in her capacity as Acting CEO/Managing Director.

3.3 Performance Against LTI Conditions

Not applicable during the 2025-26 financial year.

4. Service Contracts

Details of contractual arrangements for KMPs are set out in the table below. Non-Executive Directors enter into a service agreement with the Group in the form of a letter of appointment, which summarises the Board policies and terms, including fees.

Contract term	CEO	CFO	Former Acting CEO/Managing Director
Contract type	Ongoing	Ongoing	Ongoing
Notice period	3 months (by the Executive and Company)	3 months (by the Executive and Company)	1 month (by the Executive and Company)

REMUNERATION REPORT (AUDITED) (continued)

5. Long-Term Incentives

As PolyNovo did not operate a formal Long-Term Incentive (LTI) plan during FY26, equity-based awards granted during the year were made on a discretionary basis as part of the remuneration arrangements for the current Chief Executive Officer. The Company intends to introduce a formal LTI plan in FY27. Details of the discretionary award granted during FY26 are set out below.

5.1 CEO One-Off Equity Award

On 1 December 2025, PolyNovo granted the CEO, Mr Bruce Peatey Alignment Share Appreciation Rights (ASARs) under the Employee Option Plan. This was a one-off equity award provided on commencement and does not form part of an ongoing long-term incentive framework for executives.

The grant has a face value of $600,000, representing 100% of base salary, and was made at no cost to the CEO. A total of 920,691 ASARs were granted, determined using a Black-Scholes valuation methodology.

The vesting hurdle is service-based, requiring continued employment as CEO through to 1 December 2028, with a 5-year exercise period. The value received on exercise will reflect share price appreciation, calculated as the difference between the grant date share price and the exercise date share price.

The Board considers the CEO commencement award to be a one-off recruitment arrangement reflecting the competitive executive market and the need to attract a high-calibre CEO. The award does not form part of the Company's ongoing remuneration framework and is not intended to establish a precedent for future executive appointments.

5.2 Other KMP Incentives

No other Executive KMP participated in long-term incentive arrangements during FY26.

5.3 Former CEO Incentives

On 29 July 2022, PolyNovo granted 5 million Share options in five equal tranches to the former CEO.

None of the vesting hurdles were met before the former CEO ceased to be a KMP from 11 March 2025. All share options were forfeited upon the cessation of employment. The accumulated share options expense was fully reversed in FY25 and the net reversal amount is $1,497,000 AUD.

6. Remuneration Consultants

The Remuneration Committee has established protocols governing the engagement of remuneration consultants to ensure independence and appropriate Board oversight.

During FY26, the Committee engaged external advisers to provide advice in relation to the review of the Company's remuneration framework, market practice and executive benchmarking. No remuneration recommendations, as defined in the *Corporations Act 2001*, were provided during the year.

Where remuneration consultants are engaged, the Committee is responsible for approving the engagement, overseeing the scope of work and receiving advice directly from the consultant. These arrangements are designed to ensure the independence of any advice received and to minimise the potential for undue influence by management.

7. Key Management Personnel Statutory Remuneration Tables

The KMP remuneration disclosures set out below have been prepared in accordance with the *Corporations Act 2001* and relevant Australian Accounting Standards.

Amounts included in the share-based payments column represent the accounting fair value of equity awards recognised during the reporting period and do not represent cash remuneration received by the executive. The ultimate value, if any, realised by participants will depend on the satisfaction of applicable service and/or performance conditions and may differ materially from the amounts disclosed.

7.1 Key Management Personnel Remuneration 2026 and 2025

		Short-term				Long-term				
Table A Directors		**Cash salary & fees $**	**Cash bonus $**	**Equity bonus $**	**Super-annuation/ US pension plan 401(k) $**	**Leave allow-ances $**	**Share options & share awards[1] $**	**Termin-ation benefits $**	**Total $**	**Perform-ance based %**
Mr Leon Hoare[2] (Chair/Non-Executive Director)	**2026**	**160,380**	**–**	**–**	**–**	**–**	**–**	**–**	**160,380**	**–**
	2025	106,578	–	–	–	–	–	–	106,578	–
Mr Robert Douglas[3] (Non-Executive Director)	**2026**	**83,626**	**–**	**–**	**–**	**–**	**–**	**–**	**83,626**	**–**
	2025	–	–	–	–	–	–	–	–	–
Dr Robyn Elliott[4] (Non-Executive Director)	**2026**	**58,072**	**–**	**–**	**6,969**	**–**	**–**	**–**	**65,041**	**–**
	2025	70,733	–	–	8,134	–	–	–	78,867	–
Ms Christine Emmanuel – Donnelly (Non-Executive Director)	**2026**	**105,586**	**–**	**–**	**12,670**	**–**	**–**	**–**	**118,256**	**–**
	2025	103,086	–	–	11,855	–	–	–	114,940	–
Dr Charmaine Gittleson[5] (Non-Executive Director)	**2026**	**22,230**	**–**	**–**	**2,668**	**–**	**–**	**–**	**24,897**	**–**
	2025	–	–	–	–	–	–	–	–	–
Mr Andrew Lumsden (Non-Executive Director)	**2026**	**118,256**	**–**	**–**	**–**	**–**	**–**	**–**	**118,256**	**–**
	2025	117,728	–	–	–	–	–	–	117,728	–
Mr David Williams[6] (Former Chair/Non-Executive Director)	**2026**	**55,000**	**–**	**–**	**6,600**	**–**	**–**	**–**	**61,600**	**–**
	2025	165,000	–	–	18,975	–	–	–	183,975	–
Mr Bruce Rathie[7] (Former Non-Executive Director)	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2025	23,896	–	–	2,748	–	–	–	26,644	–
Sub total compensation for Directors	**2026**	**603,150**	**–**	**–**	**28,907**	**–**	**–**	**–**	**632,056**	**–**
	2025	587,021	–	–	41,712	–	–	–	628,733	–

REMUNERATION REPORT (AUDITED) (continued)

Table A KMP		Short-term				Long-term				
		Cash salary & fees $	Cash bonus $	Equity bonus $	Super-annuation/ US pension plan 401(k) $	Leave allow-ances $	Share options & share awards1 $	Termin-ation benefits $	Total $	Perform-ance based %
Mr Bruce Peatey[8]	2026	350,000	59,832	–	17,500	33,941	80,979[8]	–	542,252	26%
	2025	–	–	–	–	–	–	–	–	–
Mr Jan Gielen	2026	310,877	37,260	–	30,000	32,131	–	–	410,268	9%
	2025	300,000	60,000	–	29,932	(2,244)	–	–	387,688	15%
Dr Robyn Elliott[4]	2026	378,060	–	–	14,207	(17,969)	–	–	374,299	0%
	2025	212,443	–	–	24,431	20,528	–	–	257,402	0%
Mr Swami Raote[9]	2026	–	–	–	–	–	–	–	–	–
	2025	563,171	187,333[9]	187,333	41,540	(26,655)	(1,496,635)	577,1609	33,246	(3375%)
Sub total compensation for Other Key Management Personnel	2026	1,038,937	97,092	–	61,707	48,103	80,979	–	1,326,819	13%
	2025	1,075,614	247,333	187,333	95,903	(8,372)	(1,496,635)	577,160	678,336	(157%)
Total compensation for all Key Management Personnel	2026	1,642,087	97,092	–	90,614	48,103	80,979	–	1,958,876	9%
	2025	1,662,635	247,333	187,333	137,615	(8,372)	(1,496,635)	577,160	1,307,069	(81%)

1. The figures provided under the share options & shares awards column are based on accounting values and do not reflect actual payments received by KMP.
2. Mr Leon Hoare was appointed as Chair effective from 27 October 2025.
3. Mr Robert Douglas was appointed Non-Executive Director effective from 14 October 2025.
4. Dr Robyn Elliott temporarily held the position of Acting CEO/Managing Director from 11 March 2025 to 1 December 2025. Following a transition period, Dr Elliott resumed her role as Non-Executive Director from 12 December 2025, with Non-Executive Director remuneration recommencing from 15 December 2025.
5. Dr Charmaine Gittleson was appointed Non-Executive Director effective from 1 April 2026.
6. Mr David Williams resigned as Chair and Non-Executive Director effective from 27 October 2025.
7. Mr Bruce Rathie retired as Non-Executive Director effective from 30 September 2024.
8. Mr Bruce Peatey was appointed as Chief Executive Officer effective from 1 December 2025. On commencement, PolyNovo granted the CEO Alignment Share Appreciation Rights (ASARs) under the Employee Option Plan. This was a one-off equity award provided on commencement and does not form part of an ongoing long-term incentive framework for executives.
9. Mr Swami Raote ceased employment on 10 June 2025.

7.2 Share Options and Awards Granted or Exercised in FY26

During the year ended 30 June 2026, the Board approved discretionary Alignment Share Appreciation Rights (ASARs) for the Chief Executive Officer as part of his executive remuneration arrangements. No awards were granted under a formal Long-Term Incentive plan during the year. Details of awards granted during FY26 are set out below.

Table B KMP	Balance at 1 July 2025	Granted during the year	Exercised during the year	Forfeited during the year	Balance at 30 June 2026
Mr Bruce Peatey	–	920,691	–	–	920,691
Total	**–**	**920,691**	**–**	**–**	**920,691**

7.3 Movements in Shares of the Company

The movement during the reporting period in the number of shares in the Company held either directly or indirectly by each of the key management personnel, including their related parties, is set out in the table below:

Table C	Balance at 1 July 2025[1]	Granted as compensation	On exercise of options	Net change other[2]	Balance at date of resignation/ change of role[3,4]	Balance at 30 June 2026
Directors						
Mr Leon Hoare	1,096,009	–	–	50,000	n/a	1,146,009
Ms Christine Emmanuel-Donnelly	270,789	–	–	–	n/a	270,789
Mr Andrew Lumsden	100,000	–	–	100,000	n/a	200,000
Mr David Williams[3]	21,420,635	–	–	234,365	21,655,000	n/a
Dr Robyn Elliott[4]	74,789	–	–	20,000	n/a	94,789
Mr Robert Douglas[5]	–	–	–	151,000	n/a	151,000
Dr Charmaine Gittleson[6]	–	–	–	–	n/a	–
Other Key Management Personnel						
Mr Bruce Peatey[7]	–	–	–	55,555	n/a	55,555
Mr Jan Gielen	445,000	–	–	-145,000	n/a	300,000
Dr Robyn Elliott[4]	74,789	–	–	20,000	94,789	n/a

1. Opening balance excludes shares held by closely related parties where there is no control or significant influence by the KMP.
2. 'Net Change Other' reflects shares privately acquired or disposed during the year.
3. David Williams resigned effective 27 October 2025.
4. From 11 March 2025, Dr Robyn Elliott was appointed Acting CEO/Managing Director. Dr Elliott remained a member of the Board of Directors and performed a management role. Following a transition period, Dr Elliott resumed her role as Non-Executive Director from 12 December 2025.
5. Mr Robert Douglas was appointed as Non-Executive Director on 14 October 2025.
6. Dr Charmaine Gittleson was appointed as Non-Executive Director on 1 April 2026.
7. Mr Bruce Peatey was appointed CEO on 1 December 2025.

8. Loans to Key Management Personnel

No loans were made to, or outstanding in respect of, any Director or other Key Management Personnel, including their closely related parties, during the year ended 30 June 2026.

9. Other Key Management Personnel Transactions

Other than the remuneration arrangements, shareholdings and equity-based incentives disclosed elsewhere in this report, there were no other transactions with KMP or their closely related parties during the year ended 30 June 2026.

End of Remuneration Report – Audited.

This Directors' Report, incorporating the Remuneration Report, has been signed in accordance with a Resolution of the Directors made on 26 August 2026.

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 the 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.

This report is made in accordance with the resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Leon Hoare
Chair

AUDITOR'S INDEPENDENCE DECLARATION

Shape the future with confidence

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's independence declaration to the directors of PolyNovo Limited

As lead auditor for the audit of the financial report of PolyNovo Limited for the financial year ended 30 June 2026, 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Matt Biernat
Partner

26 August 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Revenue from contracts with customers	4	143,706	127,243
Interest and other income	5	6,278	1,943
		149,984	**129,186**
Expenses			
Changes in inventories of finished goods and work in progress		(15,225)	(5,195)
Employee-related expenses	6	(78,806)	(74,522)
Research and development expenses		(5,340)	(8,458)
Depreciation and amortisation expenses	7	(2,686)	(2,697)
Corporate, administrative and overhead expenses	7	(34,471)	(29,913)
Interest expense	7	(921)	(882)
Loss on derecognition/write-off of assets	8	(4,717)	–
Profit before income tax (expense)/benefit		7,818	**7,519**
Income tax (expense)/benefit	9	(477)	5,695
Profit after income tax (expense)/benefit for the year attributable to the owners of PolyNovo Limited		7,341	**13,214**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on translation of foreign operation		552	(704)
Other comprehensive income/(loss) for the year, net of tax		552	(704)
Total comprehensive income for the year attributable to the owners of PolyNovo Limited		7,893	**12,510**
		Cents	Cents
Earnings per share for profit attributable to the owners of PolyNovo Limited			
Basic earnings per share	10	1.06	1.91
Diluted earnings per share	10	1.05	1.89

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	11	35,424	33,535
Trade and other receivables	12	22,180	24,386
Contract cost assets		–	37
Insurance claim receivables	13	1,591	–
Inventories	14	9,836	14,492
Other financial assets	25	50	50
Other assets	15	4,802	4,599
Total current assets		73,883	77,099
Non-current assets			
Property, plant and equipment	16	32,084	26,425
Right-of-use assets	17	11,969	11,794
Intangibles	18	413	661
Deferred tax assets	9	13,107	10,768
Other assets	15	681	661
Total non-current assets		58,254	50,309
Total assets		132,137	127,408
Liabilities			
Current liabilities			
Trade and other payables	19	16,844	22,539
Interest-bearing loans and borrowings	20	2,072	1,495
Lease liabilities	21	1,021	912
Deferred income	22	120	283
Provisions	23	3,089	2,640
Income tax provision	9	1,544	13
Total current liabilities		24,690	27,882
Non-current liabilities			
Interest-bearing loans and borrowings	20	1,560	2,217
Lease liabilities	21	12,960	12,511
Deferred income	22	1,594	908
Provisions	23	636	628
Total non-current liabilities		16,750	16,264
Total liabilities		41,440	44,146
Net assets		90,697	83,262
Equity			
Issued capital	24	191,758	191,758
Reserves	24	(5,499)	(5,593)
Accumulated losses	24	(95,562)	(102,903)
Total equity		90,697	83,262

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

Consolidated	Contributed Equity $'000	Other Reserves $'000	Acquisition of Non-Controlling Interest Reserves $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2024	191,601	5,934	(9,294)	(116,117)	72,124
Profit after income tax benefit for the year	–	–	–	13,214	13,214
Other comprehensive income for the year, net of tax	–	(704)	–	–	(704)
Total comprehensive income for the year	–	(704)	–	13,214	12,510
Issue of share capital	157	–	–	–	157
Share-based payments (note 25)	–	(1,529)	–	–	(1,529)
Balance at 30 June 2025	191,758	3,701	(9,294)	(102,903)	83,262

Consolidated	Contributed Equity $'000	Other Reserves $'000	Acquisition of Non-Controlling Interest Reserves $'000	Accumulated Losses $'000	$'000 Total Equity
Balance at 1 July 2025	191,758	3,701	(9,294)	(102,903)	83,262
Profit after income tax expense for the year	–	–	–	7,341	7,341
Other comprehensive income for the year, net of tax	–	552	–	–	552
Total comprehensive income for the year	–	552	–	7,341	7,893
Issue of share capital	–	–	–	–	–
Share-based payments (note 26)	–	(458)	–	–	(458)
Balance at 30 June 2026	191,758	3,795	(9,294)	(95,562)	90,697

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	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Cash flows from operating activities			
Payment of interest on borrowings		(237)	(118)
Payment of interest on lease liabilities		(675)	(646)
Payments to suppliers and employees		(128,018)	(124,381)
Receipt from BARDA reimbursements and advances		6,153	9,486
Receipt from grant income		825	1,415
Receipt from insurance claim		3,497	–
Receipt from other income excluding insurance claim		540	825
Receipts from customers		142,023	117,061
Payment of income tax		(999)	(494)
Net cash from operating activities		23,109	3,148
Cash flows from investing activities			
Payments for property, plant and equipment		(13,797)	(13,931)
Interest received		137	715
Net cash used in investing activities		(13,660)	(13,216)
Cash flows from financing activities			
Proceeds from borrowings		–	2,441
Repayment of principal on borrowings		(3,688)	(3,918)
Repayment of principal on lease liabilities		(1,565)	(914)
Net cash used in financing activities		(5,253)	(2,391)
Net increase/(decrease) in cash and cash equivalents		4,196	(12,459)
Cash and cash equivalents at the beginning of the financial year		33,535	45,907
Effects of exchange rate changes on cash and cash equivalents		(2,307)	87
Cash and cash equivalents at the end of the financial year	11	35,424	**33,535**

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

Basis of Preparation

This section explains basis of preparation of our financial report and provides a summary of our key accounting estimates and judgements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis for Preparation

Note 1. Corporate Information

The Financial Report of PolyNovo Limited (the Company) and its controlled entities (the Group) for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on 26 August 2026.

PolyNovo Limited, a for-profit entity, is a company incorporated in Australia, whose shares are publicly traded on ASX Limited (ASX code: PNV). The Company operates predominantly in the medical device and healthcare industry and has operations in Australia, New Zealand, United States, United Kingdom, Ireland, Singapore, India and Hong Kong Special Administrative Region, China ("Hong Kong SAR").

Note 2. Summary of Material Accounting Policies

(a) Basis of preparation

The general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, International Financial Reporting Standards (IFRS) and the *Corporations Act 2001*.

The Financial Report has been prepared on a historical cost basis. The Financial Report is presented in Australian dollars.

The financial statements have been prepared in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and are rounded to the nearest thousand dollars, unless otherwise stated.

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) Going Concern

The financial statements of the Group have been prepared on a going concern basis. The Group's operations are subject to major risks due primarily to the nature of the research, development and commercialisation to be undertaken. These risks may materially impact the financial performance and position of the Group, including the value of recorded assets and the future value of its shares, options and performance rights. The financial statements take no account of the consequences, if any, of the effects of unsuccessful research, development and commercialisation of the Group's projects. The Directors considered its ability to meet its debts and obligations taking into account all available information about the future. The Group has a level of discretion in managing cash outflows in response to any changes or unexpected demands on working capital or operating conditions.

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(c) Statement of Compliance

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations that apply as of 1 July 2025. Those Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted.

AASB 2022-6 *Amendments to Australian Accounting Standards* – Classification of Liabilities as Current or Non-current

In December 2022, the AASB issued AASB 2022-6 which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

AASB 18 *Presentation and disclosure in financial statements*

AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information. The amendments are effective for annual reporting periods beginning 1 January 2027. The group is currently assessing the impact the amendments will have on the financial statements.

(d) Critical Accounting Policy, Judgements and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

In preparing the consolidated financial statements, the significant estimates, judgements and assumptions made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are disclosed in the respective notes.

Fire Incident in R&D Innovation Centre

On 4 November 2025, a fire occurred at PolyNovo's new standalone R&D Innovation Centre. 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 office area within the same building was unaffected and returned to normal use in April 2026 following completion of cleaning and restoration works.

Following the 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 $2,039,000 and construction in progress with a carrying amount of $2,678,000 were determined to be unrecoverable and were written off. Accordingly, the Group recognised a write-off of assets of $4,717,000 during the year ended 30 June 2026 (refer to note 8).

The cost of rebuilding and restoring the R&D Innovation Centre is covered under the Group's insurance policy. The Company's insurers have provided written notice of indemnity and accepted the underlying claim. Consequently, it is considered virtually certain that the Group will recover the insured losses.

During the year ended 30 June 2026, the Group recognised insurance claim income of $6,016,000 relating to the recovery of losses arising from the fire incident. As at 30 June 2026, the Group had received insurance proceeds of $3,497,000 in cash. A further $928,000 had been invoiced and recognised within trade and other receivables. The remaining $1,591,000 represents insurance claim receivable relating to claims submitted but not yet settled.

The insurance claim receivable has been measured based on management's best estimate of the amounts expected to be recovered under the insurance policy, taking into account the status of claims submitted, supporting documentation provided to the insurer and a probability-weighted assessment of anticipated claim outcomes (note 13).

Subsequent to the reporting date, the Group has continued to receive insurance claim proceeds. As at the date of this report, cumulative cash receipts relating to the insurance claim totalled $4,425,000.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2026. The Group controls an investee if and only if the Group has:

- power over the investee (that is, rights that give it the ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

(f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification and Measurement

Financial assets are initially recognised at fair value and are subsequently measured at either amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVPL). The classification is based on two criteria: The Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the SPPI criterion).

Financial Liabilities

Classification and Measurement

The Group's financial liabilities include loans and borrowings and payables that are classified at fair value through profit or loss as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

For the purposes of subsequent measurement, after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. For more information, refer to note 20.

(g) Foreign Currency Translation

The functional currency of each of the entities in the Group must reflect the primary economic environment in which the entity operates. Accordingly, the relevant functional currencies are Australian dollars for Australian entities and US dollars for the US entity, Canadian dollars for Canada entity, Singapore dollars for Singapore entity, New Zealand dollars for New Zealand entity, Rupees for India entity, Hong Kong dollars for Hong Kong entity, British pound sterling for UK entity and Euro for European entities. Foreign currency items are translated to Australian currency on the following basis.

- Transactions are converted at exchange rates approximating those in effect at the date of the transaction.
- On consolidation, the assets and liabilities of the foreign operation are translated into Australian dollars at the rate of exchange prevailing at the reporting date except for retained earnings which is translated at a historic rate of exchange pertaining to the relevant financial year. The Statement of Comprehensive Income is translated at an average exchange rate over the financial year.
- The exchange differences arising on translation for consolidation are recognised in the balance sheet as a foreign currency translation reserve. On disposal of a foreign operation, the reserve is reclassified to profit or loss.

Performance for the Year

This section explains our results and performance and includes our segment results, which are reported on the same basis as our internal management structure, and our earnings per share for the year. It also provides details of selected income and expense items, information about taxation and a reconciliation of our profit to net cash generated from operating activities.

Note 3. Segment Information

Operating Segment

PolyNovo has only one reporting segment being the development of 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). This measure is different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Net Profit After Tax	7,341	13,214
Interest income	(135)	(487)
Interest expense	921	882
Depreciation and amortisation	3,456	3,330
Income tax benefit	477	(5,695)
EBITDA	12,060	11,244

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Revenue from contracts with customers		
Geographical areas		
United States of America	107,393	96,985
Australia and New Zealand	10,015	7,950
Other countries	26,298	22,308
	143,706	127,243

During the year ended 30 June 2026, sales to BARDA in the United States of America, represented 4% (30 June 2025: 7%) of total sales revenue from contracts with customers.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-current assets		
Geographical areas		
United States of America	5,757	2,880
Australia and New Zealand	52,334	44,263
Other countries	163	3,138
Total	58,254	50,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Performance for the Year

Note 4. Revenue from Contracts with Customers

Revenue from Contracts with Customers

The Group is in the business of designing, manufacturing and selling biomedical devices. Revenue from contracts with customers is recognised when performance obligations pursuant to that contract are satisfied by the Group.

The Group has identified the following main categories of revenue:

Commercial Product Sales

The Group revenue primarily consists of the sale of its NovoSorb® BTM (Biodegradable Temporising Matrix) product. Revenue is recorded when the customer takes possession of the product. All contracts with customers are standardised and satisfy the criteria of transaction approval, identification of each party's rights, payment terms, commercial substance, and probable collection based on the customer's ability and intention to pay. Revenue is recognised at a point in time when control over the product transfers to the customer, which is assessed to be at the time of receipt of goods by the customer.

The Group also sells NovoSorb® BTM and derivative product in certain overseas territories via a distributor model. The sales are made direct to a distributor being the customer of PolyNovo Limited, with the distributor permitted to resell the NovoSorb® BTM product to an end user. The Group has assessed these arrangements to consider that control passes to the distributor at the point the distributor takes possession of the product. The Group consider themselves to be acting as principal in the sale of goods to distributors and recognise revenue on a gross basis.

All contracts with distributors are standardised, and satisfy the criteria of transaction approval, identification of each party's rights, payment terms, commercial substance, and probable collection based on the customer's ability and intention to pay. Revenue is recognised at a point in time when control over the product transfers to the distributor as the customer, which is assessed to be at the time of receipt of goods by the distributor.

Biomedical Advanced Research and Development Authority (BARDA) Revenue

PolyNovo and BARDA are parties to a cost-plus-fixed-fee contract for the development and commercialisation of NovoSorb® BTM for the treatment of severe thermal burns. Under the arrangement, PolyNovo is required to provide the research and development services, personnel, materials, equipment and facilities necessary to undertake specified activities and deliverables, including non-clinical, clinical, manufacturing and regulatory activities supporting product approval and commercialisation. Judgement has been applied to consider that the license of intellectual property and research and development activities are not distinct. Revenue is recognised over time based on input measures of specified costs, with the performance obligations are satisfied over time.

BARDA is considered a customer in accordance with AASB 15 as the nature of services performed by PolyNovo are considered part of the Group's licence of intellectual property and normal research and development operating activities and in exchange, consideration is to be paid as the Group progresses with its research and development of a mass scalable severe thermal burns product.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
BARDA revenue	5,266	8,609
Commercial product sales	138,440	118,634
	143,706	127,243

Note 5. Interest and other income

Interest Income

Interest income is recognised when the Group has the right to receive the interest payment using the effective interest rate method.

Other Income

Other income is recognised when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Grants related to depreciable assets are recognised as income over the periods in which the related depreciation on those assets is charged.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Interest income	135	487
Other income	6,143	1,456
	6,278	1,943

Other income comprised the following major components:

- Insurance claim income of $6,016,000 recognised in relation to the fire incident (refer to note 2); and
- Grant income of $126,000 recognised in relation to the research and development grant (refer to note 22).

Note 6. Employee-related Expenses

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date and pro-rata long service leave for employees with over seven years of service, are recognised in current liabilities. Wages, salaries, annual leave and long service leave are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for pro-rata long service leave for employees with less than seven years of service are recognised in non-current liabilities and are measured as the present value of the expected future payments to be made.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Wages and salaries (including sales commission)	65,553	63,199
Employer retirement contributions (including superannuation and U.S. pension)	3,392	2,940
Share-based payments expense	(458)	(1,451)
Other	10,319	9,834
	78,806	74,522

Share-based Payment Expense (refer to note 26)

The net share-based payment credit for the year ended 30 June 2026 was $458,000, comprising the recognition of share option expense of $279,000 and the reversal of previously recognised expense related to forfeited share options of $737,000.

The net share-based payment credit for the year ended 30 June 2025 was $1,451,000, comprising the recognition of share option expense of $1,532,000, the reversal of previously recognised expense related to forfeited share options of $3,061,000, the issuance of shares to the former CEO of $157,000, and other adjustments of $79,000.

Other Employee-related Expenses

Other employee-related expenses primarily comprise US statutory employer contributions of $3,092,000 (2025: $2,786,000), health insurance contributions of $3,052,000 (2025: $2,661,000), payroll tax of $975,000 (2025: $830,000), and directors' fees of $601,000 (2025: $587,000).

Note 7. Other Operating Expenses

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The ability to measure reliably the expenditure during development.

No development expenditure has been capitalised.

Depreciation and Amortisation Expenses

In addition to the depreciation and amortisation expenses listed below, depreciation relating to manufacturing of $770,000 ($522,000 for depreciation of fixed assets and $248,000 for depreciation of lease assets) is included in the cost of inventory.

Total depreciation and amortisation expenses amount in the year ended 30 June 2026 is $3,456,000 (2025: $3,330,000).

Refer to note 16 for property, plant and equipment reconciliation and note 17 for right-of-use assets reconciliation.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Depreciation – laboratory equipment	545	648
Depreciation – office equipment	573	539
Depreciation – leasehold improvements	254	271
Subtotal	1,372	1,458
Amortisation – right-of-use assets	1,066	991
Amortisation – intangible assets	248	248
Subtotal	1,314	1,239
Total	2,686	2,697

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Corporate, administrative and overhead expenses		
Insurances	3,339	3,073
Professional fees	820	928
Investor relations and share registry expenses	341	407
Consultants and contractors' expenses	5,447	6,917
Communication expenses	1,716	1,512
Travel expenses	6,707	6,999
Marketing expenses	4,931	4,447
Realised foreign exchange loss	610	246
Unrealised foreign exchange (gain)/loss	2,678	(2,220)
Other expenses	7,882	7,604
	34,471	29,913

Included in other expenses are third party logistic warehousing fees of $1,368,000 (2025: $1,283,000), dues and subscriptions of $1,195,000 (2025: $1,203,000) and IT software licences of $1,628,000 (2025: $1,328,000).

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Interest expenses		
Short-term loan	64	72
Equipment finance loan	173	46
Lease liability associated with right-of-use assets	675	646
Other	9	118
	921	882

The Group has secured equipment finance facilities and short-term loan, further details on loan facility are disclosed in note 20.

Note 8. Loss on Derecognition/Write-off of Assets

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 $2,039,000 and construction in progress with a carrying amount of $2,678,000 were determined to be unrecoverable and were written off. Accordingly, the Group recognised a write-off of assets of $4,717,000 during the year ended 30 June 2026 (refer to note 2).

Note 9. Income Tax (Expense)/Benefit

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and unused tax losses, except in certain specific circumstances. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for taxable temporary differences, except in certain specific circumstances.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Performance for the Year

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except in certain specific circumstances.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Cash Flow Statement on a gross basis (that is, including GST) and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed exclusive of the amount of GST recoverable from, or payable to, the taxation authority.

Significant Estimates and Assumptions – Deferred Taxes Arising From Unused Tax Losses

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which those losses can be utilised. Significant management judgement is required in determining the amount of deferred tax assets to recognise, including assessing the timing and level of future taxable profits and the availability of tax planning strategies.

Based on management's assessment of the recoverability of unused tax losses and forecast future taxable profits, the Group recognised deferred tax assets of $4,851,000 in respect of unused tax losses of the Australian tax consolidated group and $1,220,000 in respect of unused tax losses of PolyNovo UK during the year ended 30 June 2025. During the year ended 30 June 2026, the Group recognised an incremental net deferred tax asset of $222,000 in respect of unused tax losses of the Australian tax consolidated group.

The Group continues to review the quantum and recoupment of the tax losses for each entity in the Group at each reporting date.

(a) Income Tax (Expense)/Benefit

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current income tax (expense)/benefit	309	(1,319)
Deferred income tax benefit – origination and reversal of temporary differences	2,403	1,178
Deferred income tax (expense)/benefit – carried forward tax losses	(2,801)	6,855
Aggregate Income tax (expense)/benefit	(89)	6,714
Reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	7,818	7,519
Tax expense at the statutory tax rate of 30%	(2,345)	(2,256)
Tax effect of permanent differences:		
– Research and development credits	(1,553)	(1,412)
– Share-based payments	81	522
– Meals and entertainment	(365)	(341)
– Other	(34)	(398)
Subtotal	(4,216)	(3,885)
Deferred income tax (expense)/benefit comprises:		
Temporary differences	2,317	(1,729)
Prior year tax losses recognised during the year	222	6,071
Prior year tax losses and credits recouped	1,690	6,938
Effect of lower tax rate in other jurisdictions	(102)	(681)
Income tax (expense)/benefit	(89)	6,714

Reconciliation of Income Tax (Expense)/Benefit Recognised in Profit or Loss Statement

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Income tax (expense)/benefit per above table	(89)	6,714
Withholding tax expense	(388)	(1,019)
Total	(477)	5,695

Withholding Tax Expenses

The Group has an interest-bearing intercompany loan in place between its Australian and North American entities. The intercompany loan is eliminated at the consolidation level. During the year ended 30 June 2026, interest on the intercompany loan was fully settled, and withholding tax of $388,000 was withheld by the North American entities under the Australia-United States tax treaty. The withholding tax will be claimed as a foreign income tax offset in the Australian income tax return.

(b) Deferred Tax Assets and Liabilities

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Deferred tax assets	13,442	11,998
Deferred tax liabilities	(335)	(1,230)
Net deferred tax assets	13,107	10,768
Deferred tax balance reflects temporary differences attributable to:		
Deferred tax assets		
Carried forward tax losses	5,838	5,902
Share-based payments	249	306
Property, plant and equipment	196	117
Right-of-use assets and associated lease liabilities	597	483
Intercompany interest expense	2,157	2,473
Employee benefits	1,007	885
Deferred revenue	514	580
Other accruals and provisions	1,946	1,071
Other	938	181
Total deferred tax assets	13,442	11,998
Deferred tax liabilities		
Prepaid expenses	(156)	(223)
Trade and other receivables	(96)	(211)
Property, plant and equipment	–	(22)
Other	(83)	(774)
Total deferred tax liabilities	(335)	(1,230)

Deferred tax assets and liabilities by jurisdiction	Australia ($'000)	North America ($'000)	United Kingdom ($'000)	Total ($'000)
Deferred tax assets	8,888	3,790	764	13,442
Deferred tax liabilities	(96)	(239)	–	(335)
Net deferred tax assets by jurisdiction	8,792	3,551	764	13,107

(c) Deferred Tax Assets Not Brought to Account

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Unrecognised, unconfirmed tax losses for which no deferred tax asset has been recognised	50,504	62,411
Deductible temporary differences – no deferred tax asset has been recognised	208	154
Total	50,712	62,565

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Potential tax benefit – tax effect of the deferred tax assets disclosed above	15,214	18,552

(d) Current Income Tax Liability

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Income tax liability	1,544	13

Note 10. Earnings Per Share

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Profit after income tax attributable to the owners of PolyNovo Limited	7,341	13,214

	Number	Number
Weighted average number of ordinary shares used in calculating earnings per share	690,842,991	690,722,173
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	7,354,243	7,634,973
	698,197,234	698,357,146

	Cents	Cents
Basic earnings per share	1.06	1.91
Diluted earnings per share	1.05	1.89

Basic Earnings Per Share

Basic earnings per share as the net profit attributable to the shareholders of PolyNovo Limited, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Earnings Per Share

Diluted earnings per share is calculated as the net profit attributable to shareholders, adjusted for:

- the costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares. The resultant net profit is divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

At 30 June 2026 and at 30 June 2025, there existed share options that if vested, would result in the issue of additional ordinary shares over the period to FY2029. There were no further transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Between the reporting date and the issue date of the 26 August 2026 Financial Report, there have been no transactions involving ordinary shares or potential ordinary shares that would impact the calculation of EPS disclosed in the table above.

Note 11. Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Cash and cash equivalents are denominated in:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
AUD	5,275	13,333
USD	19,122	13,957
NZD	767	569
GBP	2,900	2,246
EUR	3,168	1,596
CAD	2,837	1,307
INR	237	30
HKD	1,118	497
Total	35,424	33,535

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Cash at bank	32,616	26,629
Short term deposits	2,808	6,906
	35,424	33,535

Cash at bank earns interest at floating rates based on daily bank deposit rates, except for the term deposit of $2,808,000 at the weighted average interest rate of 2.18%.

Reconciliation of Net Profit Before Income Tax to Net Cash Flow From Operating Activities

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Net profit before income tax	7,818	7,519
Adjustments for non-cash items:		
Depreciation and amortisation	3,456	3,330
Share-based payment benefit	(458)	(1,451)
Loss on inventory write-off	1,515	286
Loss on derecognition/write-off of assets	4,717	–
Unrealised foreign exchange rate differences	370	(2,132)
Doubtful debt expense	395	385
Interest received classified as investment activities	(137)	(715)
Income tax	(740)	(494)
Change in assets and liabilities during the financial year:		
(Increase)/decrease in trade receivables	2,206	(3,664)
Increase in prepayments	(223)	(1,386)
Decrease in contract assets	37	343
(Increase)/decrease in inventory	4,656	(5,520)
Decrease in Insurance contracts	4,425	–
Increase/(decrease) in payables	(5,696)	4,277
Increase in provisions	457	520
Increase in deferred income	523	1,191
Increase/(decrease) in insurance premium funding arrangement	(212)	659
Net cash inflows from operating activities	23,109	3,148

Core Assets and Working Capital

This section describes our core long-term tangible and intangible assets underpinning the Group's performance and provides a summary of our asset impairment assessment. This section also describes the Group's working capital position, including short-term assets and liabilities that support the day-to-day operations of the business.

Note 12. Trade and Other Receivables

Trade and other receivables and contract assets are initially recorded at fair value and subsequently measured at amortised cost.

Trade and other receivables and contract assets are written off against their carrying amounts and expensed in the income statement when all collection efforts have been exhausted and the asset is considered uncollectable. Factors indicating there is no reasonable expectation of recovery include insolvency and significant time period since the last invoice was issued.

Significant Estimates and Assumptions – Expected Credit Loss

The Group recognises an allowance for expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The method applied categorises trade receivables and BARDA income receivables into various customer segments, then to determine the ECL amount, an assessment of the correlation between historical observed default rates and forecast economic conditions is applied.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Generally, trade receivables are written off if past due for more than one year.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group has assessed forecast economic conditions in all regions. This assessment is reflected in the application of the provision matrix to calculate ECL's. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current assets		
Trade receivables (net of expected credit losses)	21,025	22,717
BARDA income receivables	320	702
GST receivables and other receivables	827	941
Subtotal	1,147	1,643
Interest receivable	8	26
Total trade and other receivables	22,180	24,386

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Financial assets and non-financial assets		
Trade receivables (net of expected credit losses)	21,025	22,717
BARDA Income receivables	320	702
GST receivables and other receivables	115	138
Interest receivable	8	26
Total financial assets	21,468	23,583
GST receivables and other receivables	712	803
Total non-financial assets	712	803
Total trade and other receivables	22,180	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.

The changes in the balance of trade receivables and the information about the credit exposure are disclosed in note 25.

BARDA Income Receivables

BARDA income receivables are initially recognised for revenue earned from the provision of research and development services as receipt of consideration is conditional on the acceptance by the customer. Upon completion of the milestone and acceptance by the customer, the amounts recognised as BARDA income receivables are reclassified to trade receivables. As at 30 June 2026, the Group has BARDA income receivables of $320,000 (30 June 2025: $702,000). Amounts are invoiced in the month following satisfaction of the performance obligation. There are no significant expected credit losses related to the BARDA income receivables, as the credit risk of US Federal Government Agency is low. The Group has an agreement with BARDA to provide research and development services until September 2027 for the Pivotal Trial. In the year ended 30 June 2024, BARDA had committed an additional funding of USD$10 million. This increased the total funding commitment from BARDA to USD$25 million for the Pivotal Trial.

Expected Credit Loss

Based on the business failure rates by class of customers and Dun & Bradstreet credit score the Expected Credit Losses relating to trade receivables and contract assets the Group has recognised $786,000 as at 30 June 2026 (30 June 2025: $417,000).

The Group uses a provision matrix to measure its expected credit loss. Set out below is information about the credit risk exposure on the Group's trade receivables and BARDA income receivables using a provision matrix as at 30 June 2026:

Trade and other receivables and BARDA income receivables	1-30 Days	30-60 Days	60-90 Days	90+ Days	Total
Gross carrying amount ($000)	18,489	1,255	324	2,063	**22,131**
Expected credit loss ($000)	(16)	(6)	(18)	(746)	**(786)**
Net balance ($000)	18,473	1,249	306	1,317	**21,345**

Note 13. Insurance Claim Receivables

The Group holds insurance coverage for losses arising from damage to the affected property, plant and equipment, leasehold improvements, and certain other costs incurred as a result of the fire at the R&D Innovation Centre (refer to note 2).

During the year ended 30 June 2026, the Group recognised insurance claim income of $6,016,000 relating to the recovery of losses arising from the fire incident. As at 30 June 2026, the Group had received insurance proceeds of $3,497,000 in cash. A further $928,000 had been invoiced and recognised within trade and other receivables. The remaining $1,591,000 represents insurance claim receivable relating to claims submitted but not yet settled.

The insurance claim receivable has been measured based on management's best estimate of the amounts expected to be recovered under the insurance policy, taking into account the status of claims submitted, supporting documentation provided to the insurer and a probability-weighted assessment of anticipated claim outcomes.

Note 14. Inventories

Inventory is measured at cost for raw materials and packaging materials. A standard cost has been derived for finished goods and semi-finished goods. The standard cost includes an allocation of materials, direct labour, freight expenses to third party logistics and manufacturing overheads. The value of finished goods and semi-finished goods may include an allocation of manufacturing variances incurred during the period if it is determined that the relevant production remains in inventory at balance date.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current assets		
Raw materials	871	1,089
Work in progress	2,315	2,122
Finished goods	7,709	11,568
Provision for finished goods	(1,059)	(287)
	6,650	11,281
Total	9,836	14,492

During the year, inventory-related costs of $6,357,000 were recognised within cost of goods sold (30 June 2025: $1,549,000), comprising inventory write-offs of $1,515,000 (30 June 2025: $286,000) and manufacturing overheads of $4,842,000 that were expensed due to production levels being below normal capacity (30 June 2025: $1,263,000).

Note 15. Other Assets

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current assets		
Accrued revenue	–	773
Prepayments	4,802	3,826
	4,802	4,599
Non-current assets		
Security deposits	681	661

The current prepayment includes the prepaid insurance of $1,978,000 (30 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, including the security deposit of $151,000 due to the leaseback of office premises at Unit 1/316-320 Lorimer Street, Port Melbourne.

The prior year accrued revenue balance related to sales to the German distributor, for which the goods had been collected by the customer's nominated courier by 30 June 2025, but had not yet been invoiced at year end.

Note 16. Property, Plant and Equipment

Construction in progress is stated at cost, net of accumulated impairment losses. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as follows:

Property	25 to 40 years
Office equipment	3 to 10 years
Laboratory plant and equipment	3 to 13.33 years
Leasehold improvements	3 to 20 years

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, when events or changes in circumstances indicate that the carrying value may be impaired. An asset is impaired when its carrying value exceeds its estimated recoverable amount. In this instance, the asset is written down to its recoverable amount and the impairment loss recognised in the Statement of Comprehensive Income.

For impairment testing purposes, the recoverable amount of an asset is estimated as the higher of its fair value less cost of disposal and its 'value-in-use'. Value-in-use is calculated by discounting, the estimated future cash flows derived from use of the asset, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

Plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in the Statement of Comprehensive Income.

Reconciliations of the carrying amount at the beginning and end of the current and previous financial year are set out below:

	Laboratory Plant & Equipment $'000	Office Equipment $'000	Leasehold Improvements $'000	Construction in Progress $'000	Total $'000
As at 30 June 2026					
Cost	6,051	3,798	7,929	24,037	41,815
Accumulated depreciation	(3,865)	(2,823)	(3,043)	–	(9,731)
Carrying amount at 30 June 2026	2,186	975	4,886	24,037	32,084
Carrying amount at 1 July 2025	3,785	1,104	5,080	16,456	26,425
Additions (at cost)	643	410	262	10,971	12,286
Transfer from CIP to FA (at cost)	161	132	419	(712)	–
Derecognition/write-off of assets	(1,559)	(83)	(397)	(2,678)	(4,717)
Depreciation expense	(844)	(573)	(478)	–	(1,895)
Foreign exchange difference	–	(15)	–	–	(15)
Carrying amount at 30 June 2026	2,186	975	4,886	24,037	32,084

	Laboratory Plant & Equipment $'000	Office Equipment $'000	Leasehold Improvements $'000	Construction in Progress $'000	Total $'000
As at 30 June 2025					
Cost	7,909	3,414	7,661	16,456	35,440
Accumulated depreciation	(4,124)	(2,310)	(2,581)	–	(9,015)
Carrying amount at 30 June 2025	3,785	1,104	5,080	16,456	26,425
Carrying amount at 1 July 2024	2,896	1,113	4,592	3,918	12,519
Additions (at cost)	397	445	54	14,908	15,804
Transfer from CIP to FA (at cost)	1,444	81	785	(2,310)	–
Depreciation expense	(952)	(539)	(351)	–	(1,842)
Disposals	–	–	–	(60)	(60)
Foreign exchange difference	–	4	–	–	4
Carrying amount at 30 June 2025	3,785	1,104	5,080	16,456	26,425

Note 17. Right-of-use Assets

The Group recognises right-of-use assets at the commencement of a lease. Right-of-use assets cost comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are reviewed for impairment under the same policy as our property, plant and equipment assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets as follows:

Property	4 to 20 years
Office equipment	4 to 5 years
Manufacturing equipment	3 years

Significant Estimates and Assumptions – Incremental Borrowing Rate for Property Lease

PolyNovo applies judgement to determine incremental borrowing rate for property lease because the interest rate implicit in lease is not readily determinable for the arrangement. The incremental borrowing rate is determined based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable. Further details on incremental borrowing rate are disclosed in note 21.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-current assets		
Right-of-use assets	16,639	15,625
Accum Depn – Right-of-use assets	(4,670)	(3,831)
	11,969	11,794

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 for its San Diego premises. The extended lease term expires on 28 February 2032 and includes a further three-year renewal option. In assessing the lease term under AASB 16 *Leases*, management concluded that it is reasonably certain the renewal option will be exercised and therefore included the additional three-year period in the measurement of the lease liability and right-of-use asset.

As a result of the lease extension, the Group recognised a lease liability of $1,623,000 and a corresponding right-of-use asset of $1,623,000. The right-of-use asset is depreciated on a straight-line basis over the assessed lease term.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

	Total $'000
Carrying amount as at 1 July 2024	11,647
Additions	1,379
Amortisation expense	(1,239)
Foreign currency exchange differences	7
Carrying amount as at 30 June 2025	11,794

	Total $'000
Carrying amount as at 1 July 2025	11,794
Additions	1,476
Amortisation expense	(1,314)
Foreign currency exchange difference	13
Carrying amount as at 30 June 2026	11,969

The following are the amounts recognised in profit or loss statement during the year.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Amortisation expense of right-of-use assets	1,314	1,239
Interest expense on lease liabilities	675	646
Total amount recognised in profit or loss	1,989	1,885

During the year, the Group had total cash outflows for leases of $2,240,000 (2025: $1,560,000).

Group as Lessor

The Group has not entered into any leases as lessor.

Note 18. Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. The intangible assets carried by the Group, being intellectual property assets had a definite useful life on acquisition.

Internally generated intangible assets are capitalised if the product is at development phase. Costs that are directly attributable to a product's development phase are recognised as intangible assets, provided all of the following recognition requirements are met:

- the product is technically and commercially feasible;
- the Group intends to and has sufficient resources to execute a commercial outcome from the product;
- the Group has the ability to derive income from the product and will generate probable future economic benefits from the product; and
- the development costs can be measured reliably.

Development costs not meeting these criteria for capitalisation are expensed as incurred. Directly attributable costs include employee costs incurred on development along with an appropriate portion of relevant overheads.

Expenditure on the research phase of projects is recognised as an expense as incurred and is recognised in the Statement of Comprehensive Income (profit or loss) in the year in which the expenditure is incurred.

Impairment of Intangible and Other Assets

Intangible assets that have an indefinite useful life are not subject to amortisation. They are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets including definite lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group conducts an annual impairment assessment review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated which is based on – higher of its fair value less cost of disposal and its 'value-in-use'. Value-in-use is calculated by discounting the estimated future cash flows derived from use of the asset, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Significant Estimates and Assumptions – Impairment of Tangibles

Impairment exists when the carrying value of an asset exceeds its recoverable amount. For the intangible assets that have finite economic lives, PolyNovo considers indicators of impairment and if an indicator exists, will determine the recoverable amount of the intangible asset. For the indefinite life intangibles and goodwill, the recoverable amount is determined every year. An estimate is provided on the useful life of the current intangible asset based on the existing patent period.

Intangible assets, comprising intellectual property, were acquired through the business combination with PolyNovo Biomaterials Pty Ltd on 17 December 2008. The acquired intangible assets were initially recognised at fair value.

Following the consistent commercial sales of NovoSorb® BTM, amortisation of intangible assets commenced in FY2018 over the remaining finite life through to March 2028 being the remaining patent life period over which economic benefits will be consumed. No indicators of impairment related to the NovoSorb® Technology have been identified as at 30 June 2026.

Core Assets and Working Capital

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-current assets		
Intangibles		
(i) Cost		
Opening balance	2,520	2,520
Additions	–	–
Closing balance	2,520	2,520
(ii) Accumulated amortisation		
Opening balance	(1,859)	(1,611)
Amortisation for the year	(248)	(248)
Closing balance	(2,107)	(1,859)
Net book value	413	661

Note 19. Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are normally settled on 30-day terms. Due to the short-term nature of these payables amortised cost approximates to fair value.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Trade payables	4,221	6,939
Other payables	12,623	15,600
Total trade and other payables	16,844	22,539

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Financial liabilities and non-financial liabilities		
Trade payables	4,221	6,939
Other payables	10,696	12,478
Total financial liabilities	14,917	19,417
Other payables	1,927	3,122
Total non-financial liabilities	1,927	3,122
Total trade and other payables	16,844	22,539

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Included in other payables are accrued commission of $5,044,000 (30 June 2025: $4,721,000), PO accruals of $1,023,000 (30 June 2025: $957,000) and other accrued liabilities of $2,693,000 (30 June 2025: $2,418,000).

Note 20. Interest-bearing Loans and Borrowings

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Equipment Finance – current	658	965
Short term loan – current	1,414	530
	2,072	1,495
Non-current liabilities		
Equipment Finance – non-current	1,560	2,217

Refer to note 25 for further information on financial risk management objectives and policies.

(a) Interest Bearing Facility Details

Financing Facilities	Facility Amount $'000	Maturity Date	Interest rate (weighted average) %	Interest expense $'000
Equipment finance	7,500	October 2025 – June 2030	6.42%	173
Short term loan	1,916	August 2026	7.33%	64

Equipment Finance Facility

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

As at 30 June 2026, the Group had a revolving equipment finance facility with a limit of $7,500,000. Amounts drawn under the facility are repayable over five years from the date of each drawdown and bear interest at rates ranging from 2.98% to 6.62% per annum. The outstanding balance as at 30 June 2026 was $2,218,000.

No additional covenant requirements, 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.

In June 2025, the Group entered into an additional equipment finance facility to support the purchase of R&D equipment for the new Innovation Centre. The facility was drawn down in June 2025 up to the limit, with repayments scheduled monthly over the 5-year term. Total drawn down amount is $2,441,000 and the interest rate is 6.62% per annum. The facility does not include any residual or balloon payment, and there were no deposits or trade-ins applied to the transaction.

Short-term Loans

Short-term loans relate to insurance premium funding for the Group.

Note 21. Lease liabilities

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Subsequent to initial recognition, lease liabilities are measured at amortised cost. Lease liabilities are remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are inclusive of extension options the Group is reasonably certain to exercise based upon our judgement as of the reporting date. Lease extension options that the Group is not reasonably certain to exercise as of the reporting date are appropriately excluded from the lease liabilities.

Refer to note 17 for details of changes to the Group's lease portfolio during the year.

Significant Estimates and Assumptions – Lease Term

PolyNovo applies judgement to determine a lease term for leases with extension, termination or purchase options. PolyNovo also considers lease modifications where we continue to use the same underlying asset for an extended term. Our lease terms are negotiated on an individual basis and contain a range of different terms and conditions, with fixed term period between 3 to 20 years. The lease term assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment and that is within our control as a lessee.

Significant Estimates and Assumptions – Incremental Borrowing Rate for Property Lease

Refer to note 17 for details of estimates and assumptions made in relation to incremental borrowing rate used in the valuation of right-of-use assets and their corresponding lease liabilities.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Lease liability – current	1,021	912
Non-current liabilities		
Lease liability – non-current	12,960	12,511

Note 22. Deferred Income

Deferred income represents amounts received in advance of the provision of goods or services and is recognised as a liability until the related performance obligations are satisfied. Revenue is subsequently recognised in the statement of comprehensive income.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Deferred income	120	283
Non-current liabilities		
Deferred income	1,594	908

The majority of the Group's deferred income balance relates to a government grant received under the Industry R&D Infrastructure Grant program.

During the year ended 30 June 2025, the Group was awarded an Industry R&D Infrastructure Grant of $2,000,000 by the Department of Jobs, Skills, Industry and Regions to support the purchase of research and development equipment and the construction of the new Innovation Centre. The grant proceeds were received in full during the year ended 30 June 2026. In accordance with the Group's accounting policy, grant income is recognised in profit or loss on a systematic basis over the periods in which the related costs are incurred. During the year ended 30 June 2026, $126,000 of the grant was recognised as other income. As at 30 June 2026, the cumulative amount recognised as other income was $222,000. Following the fire incident, construction of the Innovation Centre was suspended, and no further grant income was recognised. As at 30 June 2026, the remaining $1,778,000 of the grant was recognised as deferred income.

The remaining deferred income balance primarily relates to amounts associated with contract cost assets. These amounts are recognised in profit or loss over the relevant contract period, resulting in a corresponding reduction in deferred income during the year.

Note 23. Provisions

Provisions are recognised when all three of the following conditions are met:

- The Group has a present or constructive obligation arising from a past transaction or event;
- It is probable that an outflow of resources will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

Provisions recognised reflect our best estimate of the expenditure required to settle the present obligation at the reporting date.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current provisions		
Annual leave	2,671	2,345
Long service leave	418	295
Total current provisions	3,089	2,640
Non-current provisions		
Long service leave	404	396
Make good	232	232
Total non-current provisions	636	628

Capital and Risk Management

This section sets out the policies and procedures applied to manage our capital structure and the financial risks we are exposed to. We manage our capital structure in order to maximise shareholders' return, maintain optimal cost of capital and provide flexibility for strategic investments.

Note 24. Equity

(a) Movement in Contributed Equity

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Contributed equity at beginning of year	191,758	191,601
Issue of share capital	–	157
Contributed equity at end of year	191,758	191,758

Number of Shares Authorised and Fully Paid

	Consolidated	
	30 June 2026	30 June 2025
On issue at start of year	690,842	690,232
Exercise of options	–	546
Issue of share capital – short term incentives	–	64
On issue at end of year	690,842	690,842

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

During the year ended 30 June 2025, three employees exercised share options under the cashless exercise facility. Prior to exercise, the employees collectively held 1,150,000 share options. Under the facility, 603,782 options were forfeited in lieu of paying the exercise price in cash, and the remaining 546,218 options were exercised into ordinary shares. The value of options exercised was equivalent in value to the difference between the aggregate exercise price otherwise payable and the market value of the shares at the date of exercise. In addition, the Group issued 64,022 ordinary shares to the former CEO, with a value of $157,000, following the assessment of the achievement of the applicable key performance indicators.

During the year ended 30 June 2026, there was no movement in the number of ordinary shares on issue.

(b) Reserves

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Share-based payments reserve (i)	4,858	5,316
Foreign currency translation reserve (ii)	(1,063)	(1,615)
Acquisition of non-controlling interest reserve (iii)	(9,294)	(9,294)
Balance at end of period	(5,499)	(5,593)

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
(i) Share-based payments reserve		
Balance at beginning of period	5,316	6,845
Share-based payments movement*	(458)	(1,529)
Balance at end of period	4,858	5,316

* Details of share-based payment movement refer to note 6 Employee-related expenses.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
(ii) Foreign currency translation reserve		
Opening balance	(1,615)	(911)
Translation of foreign operations	552	(704)
Balance at end of period	(1,063)	(1,615)

This reserve represents on consolidation, the translation of the foreign operation into Australian dollars. The exchange difference is recognised in the balance sheet as a reserve.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
(iii) Acquisition of non-controlling interest reserve		
Opening balance	(9,294)	(9,294)
Transactions with non-controlling interest	–	–
Balance at end of year	(9,294)	(9,294)

This reserve represents the premium paid by PolyNovo Limited for the non-controlling interest in a previous period in subsidiary entities PolyNovo Biomaterials Pty Ltd, NovoSkin Pty Ltd and NovoWound Pty Ltd.

(c) Accumulated Losses

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Accumulated losses at beginning of year	(102,903)	(116,117)
Net profit attributable to members of the parent	7,341	13,214
Accumulated losses at end of financial year	(95,562)	(102,903)

Note 25. Financial Risk Management Objectives and Policies

(a) Financial instruments

The Group's financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and other financial liabilities.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Cash and cash equivalents *	35,424	33,535
Trade and other receivables	21,468	23,583
Other financial assets **	50	50
Total financial assets	56,942	57,168
Trade and other payables	14,917	19,417
Short term loan	1,414	530
Equipment finance facility	2,218	3,182
Lease liabilities	13,981	13,423
Total financial liabilities	32,530	36,552

* As at 30 June 2026, PolyNovo Limited holds a number of short-term term deposits of $2,808,000, at the weighted average interest rate of 2.18%.

** As at 30 June 2026, $50,000 is held in a term deposit maturing on 17 March 2027 at an interest rate of 5.10%.

(b) Risk Management Policy

The Group has a formal risk management policy and framework. The Group's approach to risk management involves identifying, assessing and managing risk, including consideration of identified risks, in the context of the Group's values, objectives and strategies. The Board is responsible for overseeing the implementation of the risk management system and reviews and assesses the effectiveness of the Group's implementation of that system.

The Group seeks to ensure that its exposure to risks that are likely to impact its financial performance, continued growth and survival are minimised in a cost-effective manner

(c) Material Accounting Policies

Details of the material accounting policies and methodologies adopted in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

(d) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain an optimal capital structure, the Group may issue new shares or reduce its capital, subject to the provisions of the Company's Constitution and any relevant regulatory requirements. The capital structure of the Group consists of debt and equity attributed to equity holders of the Group comprising contributed equity, reserves and accumulated losses as disclosed in note 24. The Board monitors the need to raise additional equity from the equity markets based on its ongoing review of PolyNovo's actual and forecast cash flows, which are provided by management.

(e) Financial Risk Management

The key financial risks the Group is exposed to through its operations are:

- interest rate risk;
- credit risk;
- liquidity risk; and
- foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Capital and Risk Management

Interest Rate Risk

Interest rate risk arises when the value of a financial instrument fluctuates as a result of changes in market interest rates.

The Group is exposed to interest rate risks in relation to its holdings in cash and cash equivalents. The objective of managing interest rate risk is to minimise the Group's exposure to fluctuations in interest rates. To manage this risk, the Group locks a portion of the Group's cash and cash equivalents into term deposits. The required maturity period of term deposits is determined based on the Group's cash flow forecast with particular focus on the timing of cash requirements. In addition, the Group considers the lower interest rate received on cash held in the Group's operating account compared to placing funds on term deposit. Account is also taken of the costs associated with early withdrawal of a term deposit should access to cash and cash equivalents be required.

The table below sets out the Group's exposure to interest rate risk at 30 June 2026 (and for the prior year), including the applicable interest rates at year-end for financial assets and liabilities.

			Fixed interest rate					
30 June 2026	Interest rate %	Floating interest rate $'000	0 to 90 days $'000	91 to 365 days $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets								
Cash and cash equivalents	2.18%	32,616	2,808	–	–	–	–	35,424
Other financial assets	5.10%	–	–	50	–	–	–	50
Trade and other receivables	–	–	–	–	–	–	21,468	21,468
Total financial assets		32,616	2,808	50	–	–	21,468	56,942
Financial liabilities								
Trade and other payables	–	–	–	–	–	–	14,917	14,917
Short term loan	7.33%	–	952	462	–	–	–	1,414
Equipment Finance Facility	6.42%	–	213	445	1,560	–	–	2,218
Lease liabilities	4.98%	–	602	1,706	2,852	8,821	–	13,981
Total financial liabilities		–	1,767	2,613	4,412	8,821	14,917	32,530

			Fixed interest rate					
30 June 2025	Interest rate %	Floating interest rate $'000	0 to 90 days $'000	91 to 365 days $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets								
Cash and cash equivalents	3.56%	26,629	6,906	–	–	–	–	33,535
Other financial assets	4.56%	–	–	50	–	–	–	50
Trade and other receivables	–	–	–	–	–	–	23,583	23,583
Total financial assets		26,629	6,906	50	–	–	23,583	57,168
Financial liabilities								
Trade and other payables		–	–	–	–	–	19,417	19,417
Short term loan	7.01%	–	530	–	–	–	–	530
Equipment Finance Facility	5.95%	–	283	682	2,217	–	–	3,182
Leases liabilities	4.82%	–	233	677	3,530	8,983	–	13,423
Total financial liabilities		–	1,046	1,359	5,747	8,983	19,417	36,552

As noted above, cash is invested in term deposits of varying maturity terms to maximise interest income as well as to meet the timing of operational cash flow requirements. All term deposits are with the NAB and U.S. Bank, to ensure market interest rates are achieved without compromising the security of funds on deposit.

The analysis below details the impact on the Group's profit after tax and equity if the interest rate associated with the closing balance of financial assets was to fluctuate by the margins below, assuming all other variables had remained constant:

	2026 Post tax profit increase/ (decrease) $'000	2025 Post tax profit increase/ (decrease) $'000
+ 1% (100 basis points)	326	335
- 1% (100 basis points)	(326)	(335)

The range of +1%/-1% as an assumption is based on current macro-market economic conditions in which the Group holds its cash and cash equivalent balances.

Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group.

The Group is exposed to credit risk via its cash and cash equivalents and receivables. To reduce risk exposure in relation to its holdings of cash and cash equivalents, they are placed on deposit with the Group's main bankers, the National Australia Bank (S&P Rating AA/A-1+, Moody's rating Aa1/P-1). A change to the Group's bankers requires Board approval. BARDA income receivables have low credit risk as it is a project with USA government.

While commercial product sales to hospitals and distributors continued to increase during the year, trade receivables decreased compared with the prior year, reflecting improved collections and working capital management. The Group continues to closely monitor customer credit risk and collection performance as sales volumes grow. The ageing analysis of trade and other receivables is set out below.

	0-30 days $'000	30-60 days $'000	60-90 days $'000	90+ days $'000	Total $'000
30 June 2025					
Trade and other receivables	17,676	1,204	842	3,861	23,583
30 June 2026					
Trade and other receivables	18,593	1,253	306	1,316	21,468

The Group considers the maximum credit risk from potential default of the counterparty to be equal to the carrying amount of the asset. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit loss is not significant.

Liquidity Risk

Liquidity risk arises if the Group encounters difficulty in raising funds to meet its financial liabilities.

The Group is exposed to liquidity risk via its trade and other payables and its trade finance and equipment finance facilities. Responsibility for managing liquidity risk rests with the Board, who regularly review liquidity risk by monitoring the undiscounted cash flow forecasts and actual cash flows provided to them by management. This process is undertaken to ensure that the Group continues to be able to meet its debts as and when they fall due. Contracts are not entered into unless the Board is satisfied that there is sufficient cash flow to fund the additional commitment. The Board determines when reviewing the undiscounted cash flow forecasts whether the Group needs to raise additional working capital from its existing shareholders, the equity capital markets or other available external sources. The Board may also review the timing of internal programs if necessary to moderate cash requirements.

A maturity analysis of financial liabilities is set out below.

30 June 2025 Undiscounted amount	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Trade and other payables	17,588	1,677	152	–	19,417
Interest-bearing loans and borrowings*	814	681	2,217	–	3,712
Lease Liabilities	393	1,144	5,527	11,811	18,875
Total	18,795	3,502	7,896	11,811	42,004

30 June 2026 Undiscounted amount	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Trade and other Payables	13,688	588	632	9	14,917
Interest-bearing loans and borrowings*	1,165	907	1,560	–	3,632
Lease Liabilities	422	1,264	6,044	11,695	19,425
Total	15,275	2,759	8,236	11,704	37,974

* Interest-bearing loans and borrowings include short term loan and equipment finance loan facility.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group operates internationally and is exposed to foreign currency risk arising from transactions and balances denominated in currencies other than the functional currency of the respective entities. The Group's principal foreign currency exposures arise from USD and GBP denominated transactions, reflecting the scale of its operations in the United States and the United Kingdom.

To mitigate foreign currency risk, the Group maintains cash and cash equivalents in a range of foreign currencies, including USD, GBP, EUR, NZD, HKD, INR and SGD, to support operational requirements in those jurisdictions.

Foreign currency-denominated trade and other payable balances expose the Group to some foreign currency risk. However, these balances are generally infrequent and of low value and, accordingly, are not considered to expose the Group to significant foreign currency risk.

The Group may also enter into foreign exchange forward contracts on an ad hoc basis to manage certain foreign currency transaction exposures. These contracts are not designated as cash flow hedges and are typically entered into for periods aligned with the underlying exposure, generally ranging from one to three months.

Sensitivity Analysis

The following table illustrates the sensitivity of the Group's profit before tax and equity to reasonably possible changes in foreign exchange rates, with all other variables held constant.

The analysis is also presented separately for USD and GBP, being the Group's most significant foreign currency exposures. The impact of all other foreign currencies is not individually material and is therefore included within the total foreign currency sensitivity presented below.

	Change in AUD rate %	Effect on profit before tax/ pre-tax equity $'000
Group		
30 June 2026	5.00%	(1,132)
	(5.00%)	1,132
30 June 2025	5.00%	(1,374)
	(5.00%)	1,374
USD		
30 June 2026	5.00%	(1,015)
	(5.00%)	1,015
30 June 2025	5.00%	(655)
	(5.00%)	655
GBP		
30 June 2026	5.00%	(97)
	(5.00%)	97
30 June 2025	5.00%	(226)
	(5.00%)	226

Remaining Contractual Maturities

Details about the financial guarantee contracts are provided in note 22. The amounts disclosed in the above tables are the maximum amounts allocated to the earliest period in which the guarantee could be called upon. The consolidated entity does not expect these payments to eventuate.

Our People

We are working to attract and retain employees with the skills and passion to best serve our markets. This section provides information about our employee benefits obligations. It also includes details of our employee share plans and compensation paid to key management personnel.

Note 26. Share-based Payments

Employee Share-based Payment Plans

The Group provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares.

The PolyNovo Employee Share Option Plan is in place. Information relating to this Plan is set out below and in the Remuneration Report section of the Directors' Report.

Significant Estimates and Assumptions – Share-based Payments

Estimating fair value for share-based payment transactions requires selection of the most appropriate valuation model, which in turn is dependent on the terms and conditions of the share-based payment granted. Determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, is also required. The models and related assumptions used for estimating the fair value of share-based payment transactions are disclosed below and in the Remuneration Report.

Share Options Movement

During the year ended 30 June 2026, no share options were granted or exercised by the Group. A total of 1,150,000 share options were forfeited following the resignation of employees.

The remaining share options were granted in prior periods and vest subject to the achievement of applicable performance conditions and continued employment with PolyNovo. The fair value of share options granted in prior periods was estimated at the grant date by an independent third party using a Black-Scholes methodology. The fair value is recognised as employee expense (with a corresponding increase in equity) over the vesting period.

The dilutive effect, if any, of outstanding share options is reflected in the computation of diluted earnings per share.

Alignment Share Appreciation Rights (ASARs) Movement

On 1 December 2025, the Group granted the Chief Executive Officer a one-off grant of Alignment Share Appreciation Rights (ASARs) with a fair value of $600,000, equivalent to one year's base salary. The grant comprises 920,691 ASARs.

The ASARs will vest subject to a three-year service period. Upon exercise of vested ASARs, the number of shares to be issued will be determined based on the increase in the market value of PolyNovo Limited shares from the grant date to the exercise date. The market value at exercise date is determined by reference to the 20-trading day volume weighted average price (VWAP) of PolyNovo Limited shares traded on the ASX.

The exercise period commences from the vesting date (being the third anniversary of the commencement of employment) and expires on the fifth anniversary of the grant date, being 1 December 2030.

The fair value of the ASARs was estimated at the grant date by an independent third party using an appropriate valuation methodology. The fair value is recognised as employee expenses (with a corresponding increase in equity) over the vesting period.

The dilutive effect, if any, of outstanding ASARs is reflected in the computation of diluted earnings per share.

Retention Rights Movement

On 5 June 2026, the Group granted 76,702 retention rights to an employee as part of the Group's retention grant program. The retention rights were granted for nil consideration and vest subject to the employee remaining employed by the Group until the vesting date.

The retention rights will vest on 5 June 2027, being 12 months from the grant date. Upon vesting, the rights will automatically be exercised and the employee will be allocated shares in the Group.

The fair value of the retention rights was estimated at the grant date and is recognised as employee expenses (with a corresponding increase in equity) over the vesting period.

The dilutive effect, if any, of outstanding retention rights is reflected in the computation of diluted earnings per share.

Employee share-based payment details are summarised in below table.

30 June 2026	Balance at 1 July 2025	Share options and awards granted	Share options and awards exercised	Share options and awards forfeited	Balance at 30 June 2026	Share-based payments expense recognised during the year ($)
Key management personnel						
Mr Bruce Peatey	–	920,691	–	–	920,691	80,979
Other employees	1,900,000	76,702	–	(1,150,000)	826,702	(538,684)
Total	1,900,000	997,393	–	(1,150,000)	1,747,393	(457,705)

Note 27. Key Management Personnel Disclosures

The key management personnel compensation disclosures required by the *Corporations Act 2001* are provided in the Remuneration Report in the Directors' Report.

(a) Details of Key Management Personnel

The key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year ended 30 June 2025 and 30 June 2026.

PolyNovo's key management personnel are its directors' and members of the Senior Management team. Details of each Director and Senior Executive, who are classified as key management personnel, are provided in the Remuneration Report.

(b) Compensation by Category: Key Management Personnel

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Short term	1,739	2,097
Post-employment – superannuation	91	138
Leave allowances	48	(8)
Share-based payments	81	(1,497)
Termination benefits	–	577
	1,959	1,307

(c) Interests Held by Key Management Personnel

As at 30 June 2026, the Chief Executive Officer, Bruce Peatey, held 920,691 Alignment Share Appreciation Rights (ASARs). Details refer to note 26.

(d) Loans to Key Management Personnel

No loans have been made to Directors of PolyNovo or to any other key management personnel, including their personally related entities.

(e) Other Transactions with Directors

There were no related party transactions during the year ended 30 June 2026.

Other Statutory Disclosures

This section provides other information and disclosures not included in the other sections, for example our external auditor's remuneration, commitments and contingencies and significant events occurring after the reporting date.

Note 28. Auditor's Remuneration

The auditor of PolyNovo Limited is Ernst & Young (Australia). The amounts received, or due and receivable, by Ernst & Young for audit and other services were as follows:

	Consolidated	
	30 June 2026 $	30 June 2025 $
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
1. Audit and review of the statutory financial reports of the Group and subsidiaries	415,412	379,525
2. Other non-audit services		
– Tax Compliance	32,180	27,910
– Other advice	104,500	82,450
Subtotal	552,092	489,885
Amounts received, or due and receivable, by overseas member firms of Ernst & Young (Australia) for:		
1. Audit of the financial report of any controlled entities	32,575	73,559
2. Other non-audit services		
– Tax Compliance	159,649	212,668
– Other advice	2,008	66,637
Subtotal	194,232	352,864
Total auditor's remuneration	746,324	842,749

The Directors are satisfied that the provision of non-audit services during the current period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor's independence was not compromised.

Note 29. Parent Entity Information

	Parent	
	30 June 2026 $'000	30 June 2025 $'000
Profit after income tax	7,727	709
Total comprehensive income	7,727	709

Statement of Financial Position

	Parent	
	30 June 2026 $'000	30 June 2025 $'000
Total current assets	117,539	109,357
Total assets	124,665	112,986
Total current liabilities	17,372	15,307
Total liabilities	18,781	16,215
Equity		
Issued capital	191,758	191,758
General reserve	(1,106)	(648)
Accumulated losses	(84,768)	(94,339)
Total equity	105,884	96,771

In accordance with the terms and conditions of the NAB facility arrangements disclosed in note 20, the parent entity, PolyNovo Limited, has provided a cross-guarantee in conjunction with wholly owned subsidiaries Novoskin Pty Ltd and Novowound Pty Ltd. The aggregate amount payable by the cross-guarantors is limited to $16,800,000 excluding interest and penalties.

Note 30. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2 'Summary of Material Accounting Policies':

		Ownership interest	
Name	Principal place of business/Country of incorporation	30 June 2026 %	30 June 2025 %
PolyNovo Limited	Australia	100%	100%
PolyNovo North America LLC	United States	100%	100%
PolyNovo Biomaterials Pty Ltd	Australia	100%	100%
NovoSkin Pty Ltd	Australia	100%	100%
NovoWound Pty Ltd	Australia	100%	100%
PolyNovo NZ Limited	New Zealand	100%	100%
PolyNovo Singapore Private Ltd	Singapore	100%	100%
PolyNovo UK Limited	United Kingdom	100%	100%
PolyNovo Ireland Ltd	Ireland	100%	100%
PolyNovo Hong Kong Limited	Hong Kong Special Administrative Region, China	100%	100%
PolyNovo Biomaterials India Private Limited	India	100%	100%

Note 31. Deed of Cross Guarantee

PolyNovo Limited and certain wholly owned Australian subsidiaries are parties to a Deed of Cross Guarantee under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The Deed provides relief to those wholly owned subsidiaries from the requirement to prepare, have audited and lodge individual financial reports under Chapter 2M of the *Corporations Act 2001* (Cth), provided the conditions of the Instrument continue to be satisfied.

Under the Deed of Cross Guarantee, each entity guarantees the debts of the other entities that are parties to the Deed. The Deed becomes enforceable in the circumstances set out in the *Corporations Act 2001* (Cth) and the terms of the Deed.

As at 30 June 2026, the parties to the Deed of Cross Guarantee and within the closed group comprised:

- PolyNovo Limited (ACN 083 866 862);
- PolyNovo Biomaterials Pty Ltd (ACN 108 176 049);
- NovoSkin Pty Ltd (ACN 142 999 880); and
- NovoWound Pty Ltd (ACN 143 000 908).

The consolidated financial information for the closed group is presented below.

Closed Group	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Consolidated statement of profit or loss		
Revenue from contracts with customers	42,564	56,096
Interest and other income	15,206	9,362
	57,770	65,458
Changes in inventories of finished goods and work in progress	(4,931)	(887)
Employee-related expenses	(24,992)	(21,805)
Research and development expenses	(5,066)	(8,189)
Depreciation and amortisation expenses	(3,068)	(2,945)
Corporate, administrative and overhead expenses	(19,197)	(14,238)
Interest expense	(841)	(827)
Loss on derecognition/write-off of assets	(4,717)	–
	(62,812)	(48,891)
(Loss)/Profit before income tax	(5,042)	16,567
Income tax benefit	2,038	4,797
(Loss)/Profit after income tax	(3,004)	21,364
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gain/(loss) on translation of foreign operation	–	–
Other comprehensive income for the year, net of tax	–	–
Total comprehensive (loss)/income	(3,004)	21,364

Closed Group	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the year	(81,550)	(102,914)
Profit for the year	(3,004)	21,364
Retained earnings at the end of the year	(84,554)	(81,550)

Closed Group	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Consolidated statement of financial position		
Current assets		
Cash and cash equivalents	15,807	18,409
Trade and other receivables	71,107	81,244
Contract cost assets	–	37
Insurance contracts issued that are assets	1,591	–
Inventories	5,370	7,721
Other financial assets	50	50
Investment	3,269	2,306
Total current assets	97,194	109,767
Non-current assets		
Property, plant and equipment	31,779	26,153
Right-of-use assets	10,531	11,603
Intangibles	413	661
Deferred tax assets	8,793	6,754
Other assets	8	26
Total non-current assets	51,524	45,197
Total Assets	148,718	154,964
Current liabilities		
Trade and other payables	11,122	13,912
Interest-bearing loans and borrowings	2,072	1,495
Lease liabilities	810	731
Deferred income	305	275
Provisions	2,033	1,746
Total current liabilities	16,342	18,159
Non-current liabilities		
Interest-bearing loans and borrowings	1,560	2,217
Lease liabilities	11,659	12,467
Deferred income	1,409	908
Provisions	395	396
Total non-current liabilities	15,023	15,988
Total Liabilities	31,365	34,147
Net Assets	117,353	120,817
Equity		
Issued capital	205,367	205,367
Other reserves	(3,460)	(3,000)
Accumulated losses	(84,554)	(81,550)
Total Equity	117,353	120,817

Note 32. Related Party Transactions

Related party transactions are disclosed under note 27 Key management personnel.

Note 33. Commitments and Contingencies

Following the fire incident, the reconstruction of the new Innovation Centre commenced during the year. As at 30 June 2026, the Group had entered into building construction contracts with total capital commitments of $1,250,000.

Note 34. Events After the Reporting Period

Other than disclosed in Note 2, no matter or circumstance has arisen since 30 June 2026 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.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2026

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest (%)	Tax residency
PolyNovo Limited	Body corporate	Australia		Australia
PolyNovo Biomaterials Pty Ltd	Body corporate	Australia	100.00%	Australia
NovoSkin Pty Ltd	Body corporate	Australia	100.00%	Australia
NovoWound Pty Ltd	Body corporate	Australia	100.00%	Australia
PolyNovo NZ Limited	Body corporate	New Zealand	100.00%	New Zealand
PolyNovo Singapore Private Ltd	Body corporate	Singapore	100.00%	Singapore
PolyNovo Hong Kong Limited	Body corporate	Hong Kong Special Administrative Region, China ("Hong Kong SAR")	100.00%	Hong Kong SAR
PolyNovo Biomaterials India Private Limited	Body corporate	India	100.00%	India
PolyNovo UK Limited	Body corporate	United Kingdom	100.00%	United Kingdom
PolyNovo Ireland Limited	Body corporate	Ireland	100.00%	Ireland
PolyNovo North America LLC	Body corporate	United States	100.00%	United States

None of the entities within the Group is considered to be a dual tax resident.

DIRECTORS' DECLARATION

30 June 2026

1. In the opinion of the Directors PolyNovo Limited (the 'Company'):

   a) The consolidated financial statements and notes that are set out on pages 43 to 87 and the Remuneration Report in sections 34 to 41 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      - giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and
      - complying with *Australian Accounting Standards and Corporations Regulations 2001*; and

   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 consolidated entity disclosure statement required by Section 295(3A) of the *Corporations Act 2001* is true and correct.

2. The directors have been given declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2026.

3. The directors draw attention to note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors

Mr Leon Hoare
Chair

26 August 2026

INDEPENDENT AUDITOR'S REPORT

To the members of PolyNovo Limited

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's report to the members of PolyNovo Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of PolyNovo Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Shape the future with confidence

Recognition of revenue

Why significant	How our audit addressed the key audit matter

The Group recognised revenue of $143.7 million from the sale of commercial products and revenue from services performed in respect of research and development activities, as disclosed in Note 4 of the financial statements.
 	
For sales of commercial products, revenue is recognised upon delivery of the product to the customer. The Group sells to customers in various geographical territories through a combination of direct sales channels and distribution arrangements. Services revenue is recognised as the services are delivered.
 	
Notes 2, 3 and 4 of the financial statements outline the Group's accounting policies with respect to revenue recognition and revenue disclosures.
 	
Revenue recognition was considered a key audit matter because:
 	
▪ Revenue is the Group's most significant financial statement balance and is a key performance measure used by investors and other users of the financial statements;
▪ The Group continues to expand across multiple geographical markets and distribution channels, resulting in a large volume of transactions requiring assessment of the timing of revenue recognition; and
▪ There is a risk that revenue may be recognised in the incorrect reporting period due to the volume of transactions occurring around year end, differing customer delivery arrangements and the use of manual processes and controls within the revenue cycle.
	Our audit procedures with respect to the Group's revenue recognition included:
	
	▪ Obtaining an understanding of the Group's revenue streams, including changes in customer, distributor and contractual arrangements, and assessing whether these changes impacted the timing and measurement of revenue recognition.
	▪ Obtaining an understanding of the Group's revenue recognition processes, evaluating the design and implementation of key controls within the revenue cycle, and testing the operating effectiveness of key revenue controls on a sample basis.
	▪ Using data analytic tools to assess the full population of commercial sales revenue transactions during the year including:
	  ▪ performing correlation analysis between revenue, receivables and cash;
	  ▪ targeted audit procedures over material items that did not correlate as expected; and
	  ▪ testing a sample of cash journals to determine that the cash recorded represents real cash received from third party customers in relation to revenue recognised.
	▪ Performing substantive testing of services revenue by vouching samples selected to supporting evidence and assessing the recognition of revenue based on contractual terms.
	▪ Assessing revenue cut off on a sample basis to determine whether revenue was recognised in the correct period with reference to supporting documentation including contracts, purchase orders, proof of delivery, cash receipts and credit notes.
	▪ Assessing the appropriateness the disclosures in relation to the Group's revenue recognition and disaggregation of revenue in accordance with AASB 15 *Revenues from Contracts with Customers* as outlined in Notes 2, 3 and 4 of the financial statements.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report other than the financial report and our auditor's report thereon. We obtained the Directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 on the other information obtained prior to the date of this auditor's report, 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:

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

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (continued)

To the members of PolyNovo Limited

Shape the future with confidence

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 34 to 41 of the Directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of PolyNovo 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.

Ernst & Young

Matt Biernat
Partner
Melbourne
26 August 2026

SHAREHOLDER INFORMATION

30 June 2026

Additional Information Required by ASX

For the year ended 30 June 2026

Ordinary Shares

As at 7 August 2026, there were 690,842,991 ordinary shares on issue held by 18,734 shareholders.
Each ordinary share carries one vote per share.

Top 20 Shareholders as at 7 August 2026

Shareholders	Number of shares	% Units
J P Morgan Nominees Australia Pty Limited	58,676,167	8.49
HSBC Custody Nominees (Australia) Limited	53,477,032	7.74
Citicorp Nominees Pty Limited	41,830,253	6.05
Moggs Creek Pty Ltd (Moggs Creek Super A/C)	19,394,477	2.81
BNP Paribas Noms Pty Ltd	18,508,538	2.68
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient)	13,476,413	1.95
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)	12,521,540	1.81
Lateral Innovations Pty Ltd	10,924,103	1.58
Jekl Super Pty Ltd (Kittel Fam SF A/C)	8,355,000	1.21
SCJ Pty Limited (Jermyn Family A/C)	5,000,000	0.72
Netwealth Investments Limited (Wrap Services A/C)	4,954,215	0.72
BNP Paribas Nominees Pty Ltd (Agency Lending A/C)	3,740,506	0.54
Dr George Bousounis Commonwealth	3,664,694	0.53
BNP Paribas Nominees Pty Ltd (Clearstream)	3,621,566	0.52
Mr Paul Gerard Brennan	3,569,796	0.52
Mr David Kenley	3,520,000	0.51
Mr Evan Philip Clucas + Ms Leanne Jane Weston (Kuranga Nursery Super A/C)	3,149,149	0.46
Mr David Kenley	3,139,855	0.45
Dr Marcus James Dermot Wagstaff + Mrs Lara Kate Wagstaff	3,072,166	0.44
Mr Christopher Mark Dawborn + Ms Leanne Nelms (Haskali Super Fund AC A/C)	2,900,000	0.42
Total	277,495,470	40.15

David Kenley is listed twice in the above table as he is registered separately under the same name on the share register.

Substantial Holders as at 7 August 2026

Substantial Holder	Number of Ordinary Shares	Voting Power
FIL Limited and its associates	59,701,782	8.64%
JPMorgan Chase & Co. and its affiliates	35,727,591	5.17%

The above information is based on the substantial holding notice lodged by each holder as at 7 August 2026. The number of shares and voting power shown for each holder is as disclosed in that notice and may differ from the holder's holding as at the date of this report.

SHAREHOLDER INFORMATION (continued)

30 June 2026

Unquoted Securities

Share Options and Awards Over Unissued Shares

As at 30 June 2026, a total of 1,747,393 share options and awards over ordinary shares are on issue held by four employees. Share options and awards do not carry a right to vote.

PolyNovo issued 997,393 share awards and forfeited 1,150,000 share options during the year ended 30 June 2026. Details of the share options issued are included in note 26.

The range of shareholders based on number of shares held as at 7 August 2026 is as follows:

Range of units as at 7 August 2026	Number of holders	Number of shares
1 to 1,000	5,225	2,832,923
1,001 to 5,000	6,059	16,756,661
5,001 to 10,000	2,479	19,255,755
10,001 to 100,000	4,254	133,296,365
100,001 and over	717	518,701,287
Total	18,734	690,842,991
Holding less than a marketable parcel	3,037	956,533

Voting Rights

Clauses 45 to 54 of the Company's Constitution stipulate the voting rights of members. In summary but without prejudice to the provisions of the Constitution, every member present in person or by representative, proxy or attorney shall have one vote on a show of hands and on a poll have one vote for each share held by the member.

Quotation of the Company's Shares

PolyNovo has been granted official quotation for its shares on the Australian Securities Exchange (ASX Code: PNV).

CORPORATE DIRECTORY

30 June 2026

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

GLOSSARY OF KEY TERMS

Technology and Products

NovoSorb®	PolyNovo's patented biodegradable polymer platform technology that can be engineered into different formats (e.g. scaffolds, meshes) and gradually resorbs in the body while supporting tissue regeneration.
NovoSorb® BTM (Biodegradable Temporising Matrix)	The first commercially available fully synthetic dermal scaffold, with an integrated sealing membrane, used to regenerate the dermis in patients with full-thickness skin loss due to burns, trauma or surgery.
NovoSorb® MTX (Monolayer Matrix)	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.
NovoSorb® SynPath®	Fully synthetic, biodegradable wound matrix for U.S. outpatient use with an assigned HCPCS reimbursement code.
Dermal Regeneration	The biological process of restoring the dermis (the middle layers of skin).

Clinical and Regulatory Terms

Clinical Trial	A structured study conducted to assess the safety, performance and effectiveness of a medical intervention in human subjects.
Randomised Controlled Trial (RCT)	A prospective, comparative clinical study where participants are randomly assigned to either an intervention arm or a control arm to measure and compare outcomes.
Premarket Approval (PMA)	The FDA process of scientific and regulatory review to evaluate the safety and effectiveness of Class III medical devices.
BARDA (Biomedical Advanced Research and Development Authority)	The Center for the Biomedical Advanced Research and Development Authority (BARDA) provides an integrated, systematic approach to the development of the necessary vaccines, drugs, therapies, and diagnostic tools for public health medical emergencies such as chemical, biological, radiological, and nuclear (CBRN) accidents, incidents and attacks; pandemic influenza (PI), and emerging infectious diseases (EID).

Reimbursement and Market Access

CMS (Centers for Medicare & Medicaid Services)	The U.S. government body responsible for Medicare and Medicaid reimbursement policies, critical to outpatient adoption of medical technologies.
Reimbursement	The process by which hospitals or clinicians are paid for using a medical device, particularly relevant to U.S. adoption and scale-up.
Outpatient Setting	Any medical care provided without overnight stay in a hospital.

PolyNovo®

Healing. Redefined.