2025 Reports

Announcement of Full-Year Results

Appendix 4E

Chairman and CEO Letter

Directors' Report

Financial Statements

PolyNovo Limited
ABN 96 083 866 862
25 August 2025

NovoSorb®
BTM

PolyNovo

PolyNovo Limited
ABN 96 083 866 862

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25 August 2025

ASX Announcement

FY25 Results (Audited)

PolyNovo Limited **(PolyNovo or the Company)** is pleased to provide the audited trading results for FY25.

Financial Highlights:

- FY25 group sales of **A$118.6m** up **28.9%** on STLY of **A$92.0m.**
- Strong growth in U.S. sales of **A$88.4m** up **28.7%** on STLY of **A$68.7m.**
- Rest of World sales of **A$30.3m,** up **29.6%** on STLY of **A$23.4m,** including very strong performances in several markets.
- The Group recorded a Net Profit after Tax of **A$13.2m** up **151.2%** on STLY of **A$5.3m**
- Cash and cash equivalents **A$33.5m**

During the Period, the other key initiatives and achievements include:

- Strong NovoSorb MTX sales growth following successful U.S. launch in Q4 2024 with sales of A$6.7 in FY25.
- First NovoSorb BTM sales and recurring orders in the Czech Republic, Macau, Malta, Malaysia, Portugal and Peru.
- Registered NovoSorb BTM and MTX up to 6 mm thickness in the U.S.
- Registered NovoSorb MTX 2 mm in Australia, Canada and India.
- Registered NovoSorb MTX 4 mm and 6 mm in Australia.
- Prototypes for hernia repair and plastic and reconstructive mesh products completed initial pre-clinical stage.

Healing. Redefined.

- The 3-month data review of all trial participants in the BARDA Pivotal trial is complete and the optimal PMA submission strategy, which requires submission after the 12-month data follow up of all trial participants, has been confirmed with the FDA.

- Completed fitting out the new R&D Innovation Centre in Port Melbourne, now occupied by the R&D team.

- Progressed construction of the new manufacturing facility in Port Melbourne which remains on budget and is intended to be practically complete by December 2025.

- Strengthened the U.S. from 107 to 130 (June 2025)

Investor Webcast:

The Company's FY25 results presentation will be live streamed on 25 August at 2.00 pm AEST.

To access the webcast, shareholders will need to register at the following website prior to commencement of the presentation:

https://event.choruscall.com/mediaframe/webcast.html?webcastid=Xiq2GRJe

Acting Chief Executive Officer, Dr Robyn Elliott said: "*FY25 has been a successful year with significant growth in all major indicators: patients treated, units sold, revenue, profit and regulatory approvals. I thank our staff for their dedication and look forward to FY26, as we drive the commercial roll out of MTX and deliver increased value and positive outcomes for all our stakeholders*."

Chairman, David Williams said*: "While I am still focused on revenue growth, shareholders will find it refreshing in FY26 to see major capital expenditure coming to an end and increased cash from operations dropping to the bottom line."*

This announcement has been authorised by the PolyNovo Board of Directors.

About PolyNovo®

PolyNovo is a disruptive medical technology company, based in Melbourne, Australia. Its products simplify management of acute complex wounds, redefining healing with meaningfully differentiated patient outcomes across multiple wound etiologies. After treating 70,000+ patients across 46 countries, the company is investing for growth with new products, indications, and markets. For more information see polynovo.com.

PolyNovo Limited
Contents
30 June 2025

1. Company details

Name of entity:	PolyNovo Limited
ABN:	96 083 866 862
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	23.3%	to	129,186
Profit from ordinary activities after tax attributable to the owners of PolyNovo Limited	up	151.2%	to	13,214
Profit for the year attributable to the owners of PolyNovo Limited	up	151.2%	to	13,214

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

Comments
The profit for the consolidated entity after providing for income tax amounted to $13,214,000 (30 June 2024: $5,261,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	10.63	10.50

Net tangible assets are defined as the net assets of the Group less intangible assets, deferred tax assets, right-of-use assets and lease liabilities.

4. Dividends

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

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

5. Audit qualification or review

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

The financial statements have been audited and an unmodified opinion has been issued.

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6. Attachments

Details of attachments (if any):

The Financial Report of PolyNovo Limited for the year ended 30 June 2025 is attached.

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7. Signed

Signed

Date: 25 August 2025

Jan Gielen
Company Secretary

Chairman and CEO Letter

Mr David Williams
Chairman

Dr Robyn Elliott
Acting Chief Executive Officer,
Managing Director

Dear Shareholders,

FY25 marked another year of significant growth, highlighted by the successful U.S. launch of NovoSorb MTX, expanded clinical indications for NovoSorb BTM, and deeper engagement with existing hospital accounts and the addition of new ones. Expansion of our U.S. footprint has been supported by strategic hiring in high-potential regions. Internationally we have gone from supplying 41 countries to 46 countries.

NovoSorb BTM and MTX are reshaping surgical practice, with over 400 published articles and abstracts reinforcing their clinical value across a range of indications. Clinicians continue to identify new patient applications for our technology in areas outside the burns market. This is reflected in the more than 40% increase in units sold in FY25 compared to FY24.

Group Performance

Sales in direct markets grew across the world in FY25. Record monthly commercial sales were recorded in November - A$10.1m, March - A$11.9m, and June - A$12.8m. Revenue and sales can still be lumpy but the broader rollout of NovoSorb MTX across multiple regions and increasing demand from plastic and reconstructive procedures are expected to temper that lumpiness going forward.

Global commercial sales in FY25 were $118.6m, up 28.9% on the prior year of $92.0m. Growth was consistent across regions, with the U.S. up 28.7% in AUD and the Rest of World (ROW) rising 29.6% YOY. Total revenue of $129.2m was up 23.3% on the prior year of $104.8m, including revenue from the BARDA pivotal trial of $8.6m. Net profit after tax of $13.2m, grew 151.2% on the prior year profit of $5.3m.

Continued investment in growth-driving resources led to an increase in employee numbers from 254 to 301. The new R&D Innovation Centre is open providing a well-equipped, “state of the art” laboratory and office space supporting expanded development activities. Construction of the third manufacturing facility which began in August 2024, remains on schedule for practical completion by the end of CY25.

Cash:

Cash and cash equivalents were $33.5m at 30 June 2025. This is after paying down debt ($4.8m) and capital expenditure for the new manufacturing facility ($13.9m). In FY26, the new manufacturing plant will cost $8.5m to finish. The Company expects cash to be increased from operations and from a significant improvement in debtor days.

Outlook

Development of the NovoSorb BTM and MTX product portfolios continues as we look to drive growth through the generation of non-clinical and clinical evidence to support new applications and indications. New registrations obtained during the year will enhance our commercial offering.

Regulatory body	*Product*	*Product thickness*	*Date*
FDA (U.S.)	NovoSorb MTX	Up to 6 mm	March 2025
	NovoSorb BTM	Up to 6 mm	June 2025
TGA (Australia)	NovoSorb MTX	2 mm	March 2025
	NovoSorb MTX	4 mm and 6 mm	May 2025
CDSCO (India)	NovoSorb MTX	2 mm	March 2025
Health Canada	NovoSorb MTX	2 mm	April 2025

We expect to see continued sales growth in direct markets, especially the U.S., Australia, New Zealand, Canada, and India where multiple products have received relevant regulatory clearance. As the clear market share leader across several European markets, we expect that trends seen elsewhere, including the expansion of indications, will continue to drive growth.

As the category leader in full thickness burn procedures across multiple regions, a proven track record is being leveraged to drive adoption in additional surgical areas such as trauma, limb salvage, and plastic and reconstructive procedures.

Further expansion in Asia remains a key focus of the company with first sales achieved in Macau and growth of commercial sales in Hong Kong and India. Potential partners have been identified in mainland China, including a local agent for the Greater Bay Area, while the appointment of a Japanese distributor partner is a key milestone for market entry in Japan. We are proud to have started supplying NovoSorb BTM in the Czech Republic, Macau, Malta, Malaysia, Portugal and Peru, and in each of these markets we have also had second orders.

Clinical completion of the BARDA pivotal trial for an on-label claim supporting the use of NovoSorb BTM in full thickness burns is on track with the three-month data review of all patients occurring as planned. Recent communication with the U.S. Food and Drug Administration (FDA) has enabled refinement of the premarket approval application submission strategy, confirming that the optimal approach is to submit with the 12-month data. Therefore, a hard data lock and full statistical analysis of the data generated will occur following the 12-month follow-up for all trial participants and will be provided in the PMA submission, planned for late CY25. The clinical trial is designed with an 18-month data follow up on all patients which must be reviewed by the FDA prior to the PMA being granted.

We completed an initial preclinical animal study of our hernia device comparing it to the best-in-class synthetic hernia device on market, and the results were excellent. The next steps are to complete a comprehensive preclinical animal study for which the data can be used for applying for 510k clearance with the FDA, and finalise the commercial pathway.

In May, Beta Cell Technologies' proof-of-concept study was released, demonstrating the survival and function of human pancreatic islets transplanted into a neovascularised skin site using NovoSorb BTM. This points to the exciting potential to use NovoSorb BTM as a delivery platform in cell therapy delivery.

FY25 was an exceptional year, with great sales growth and profits, cash enhancement and geographic expansion, all delivered while paying down debt and expanding manufacturing capability.

Thank you to our shareholders for your ongoing support, and to our dedicated team around the globe for delivering exceptional results and a platform for more.

David Williams, Chairman

Dr Robyn Elliott, Acting CEO, Managing Director

Directors' Report

The Directors of PolyNovo Limited (PolyNovo, we, the Company) present the Directors' Report, together with the Financial Report, of the Company and its controlled entities (the Group) for the year ended 30 June 2025 and the related Auditor's Report.

Board of Directors and Key Management Personnel

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 David Williams

Non-executive Chairman

B.Ec (Hons), M.Ec, FAICD

Mr Williams was appointed as a Non-Executive Director on 28 February 2014 and Chairman on 13 March 2014. Mr Williams is an experienced Director and investment banker with a track record in business development, mergers and acquisitions, and capital raising. He has experience advising ASX-listed companies in the food, medical device, and pharmaceutical sectors. Mr Williams is currently Chairman of RMA Global Ltd (ASX: RMY), Chairman of INOVIQ (ASX: IIQ) and is Chairman of corporate advisory firm Kidder Williams. Mr Williams was Chair of the Remuneration and Nomination Committee until 30 September 2024.

Dr Robyn Elliott

Acting Chief Executive/ Managing Director (temporarily ceased as Non-executive Director from 11 March 2025)

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 recently, Dr Elliott was Global Head, Strategic Portfolio Management at CSL Behring, a role that is 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 has a proven track record in product development, clinical trials, regulatory affairs, audits, quality management, project management and operational strategy. Her worldwide experience in new facility delivery, production scale up, strategy, regulatory affairs and audit will be invaluable to PolyNovo as the company scales its operations globally. Dr Elliott was a member of the Audit and Risk and Remuneration and Nomination committee prior to commencing in the role of Acting CEO.

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 Chairwoman 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 U.K., and practised as a patent and trade mark attorney for Wilson Gunn (U.K.), Davies Collison Cave and Griffith Hack. Ms Emmanuel-Donnelly is Chair of the PolyNovo Remuneration and Nomination Committee and member of the Audit and Risk Committee.

Mr Leon Hoare

Non-executive Director

GradDipBus, AssocDipAppSc (Orth), FAICD

Mr Hoare was appointed a Director of PolyNovo on 27 January 2016. He is an accomplished commercial leader with expertise across multiple Life Sciences sectors. He is currently the Managing Director of Lohmann & Rauscher, Australia & New Zealand (ANZ), a private EU based medical device company. Previously he was Managing Director of Smith & Nephew (S&N) ANZ, one of S&N's largest global subsidiaries outside the USA. He served as President of S&N's Asia-Pacific Advanced Wound Management (AWM) businesses for 5 years and was a member of the Global Executive Management (as one of three Regional Presidents). In his 24 years with Smith & Nephew, he held roles in marketing, divisional and general management. His career also included a senior role at Bristol-Myers Squibb, and as Vice Chair of the Board of Australia's peak medical device industry body, Medical Technology Association of Australia. He is currently a Non-Executive Director of Medical Developments International Ltd (ASX: MVP). Mr Hoare is a member of the PolyNovo Remuneration and Nomination Committee and Audit and Risk 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 20 years' experience locally and internationally. He holds a Master of Arts in Accountancy and Finance (First Class Hons), is an Associate of The Chartered Governance Institute and a member of the Australian Institute of Company Directors. Mr Lumsden is currently 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 member of the Remuneration and Nomination Committee.

Mr Bruce Rathie

Non-executive Director (retired 30 September 2024)

Mr Rathie was appointed a Director of PolyNovo on 18 February 2010 and retired from his position effective 30 September 2024.

Mr Jan Gielen

Chief Financial Officer, Company Secretary (re-appointed 15 April 2025)

CA, Bachelor Bus (Acc)

Mr Gielen joined PolyNovo on 12 December 2018. 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. Since then, Mr Gielen has held senior finance roles for various businesses across a range of industries such as retail, ICT, logistics (3PL) and medical, locally, and internationally. 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 Swami Raote

Former Chief Executive Officer

Mr Raote was appointed Chief Executive Officer of PolyNovo Limited on 29 July 2022 and ceased employment on 10 June 2025.

Review of Operations:

Corporate and Organisational Structure

PolyNovo Limited (**PolyNovo**, **Company** or **we**), the ultimate parent entity of the PolyNovo Group, is a public company listed on the Australian Securities Exchange. As of 30 June 2025, PolyNovo had ten wholly owned subsidiaries: PolyNovo Biomaterials Pty Limited, NovoSkin Pty Ltd, NovoWound Pty Ltd, PolyNovo NZ Ltd, PolyNovo UK Ltd, PolyNovo North America LLC (PNA LLC), PolyNovo Singapore Private Ltd, PolyNovo Ireland Ltd, PolyNovo Biomaterials India Private Ltd, and 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 the patented bioabsorbable polymer technology NovoSorb. NovoSorb is a family of proprietary medical grade polymers that can be utilised to manufacture novel medical devices designed to support tissue repair.

NovoSorb has significant advantages over competitor bioabsorbable polymers in terms of design flexibility, bioabsorption, and biocompatibility. NovoSorb polymer devices can be expressed in a variety of physical formats including foam, coatings, fibres, plastic structures, films, and biologic carriers. NovoSorb is currently covered by several patents in the field of biodegradable polymers, all fully owned by PolyNovo.

Below is a summary of the Company's products updates and research and development activities.

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 is closed through secondary intention or with the application of a skin graft.

NovoSorb BTM is sold directly by PolyNovo in Australia, Hong Kong, India, New Zealand, Singapore, United Kingdom, and the United States. The Company utilises distributors for sales in Canada, Europe, Ireland, Taiwan, and South Africa. First sales were recorded in Macau, Malaysia, Czech Republic, Malta, Portugal and Peru and recurring orders have been received in each market. Regulatory approvals for other markets are in progress to continue to expand our geographical footprint.

Independent clinical evidence supporting the use of NovoSorb products continue to grow, with 400+ articles and abstracts published to date.

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

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

In September 2024, it was announced that all 120 patients had been enrolled in the complex randomised controlled trial comparing NovoSorb BTM to standard of care for full thickness burns and deep partial thickness burns. Patients were recruited through 27 sites (24 U.S. burn centres, 3 sites in India).

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

The Company has progressed communications with the U.S. Food and Drug Administration (FDA) in terms of the requirements for the premarket approval (PMA) filing for an on-label indication supporting the use of NovoSorb BTM in full thickness burns. Granting of a PMA approval by the FDA would bring the U.S. market in line with other markets where this indication is already approved by regulators.

Chronic Wound Study

This randomised controlled study compares the use of NovoSorb BTM combined with negative pressure wound therapy (NPWT) to the usual standard of care in neuroischemic diabetic foot wounds. The study will assess rates and time to complete wound healing and rates of post-surgical infection, perioperative complications, and proximal lower limb amputations. In addition, the impact of NovoSorb BTM will be explored on a range of factors including cellular proliferation and neo-angiogenesis that are known to affect wound healing, as well as quality of life and health economics.

The focus of this study is patients with moderate to high risk of amputation. A total 64 patients (32 in each group) have been recruited. Data analysis and the study outcomes are being finalised. Data from the trial will provide additional clinical evidence for its broader use in patients with diabetic foot wounds complicated by vascular insufficiency.

NovoSorb MTX

NovoSorb MTX potentially has broad applicability for single stage grafting in burns, chronic, and surgical wounds, providing increased treatment pathways and better outcomes. NovoSorb MTX and 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 limited U.S. market release commenced in April 2023. A full market launch campaign was initiated in late FY24. The total addressable U.S. market comprising in and out-patient settings is estimated at A$500 million.

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

NovoSorb MTX with a 2 mm thickness was included in the Australian Register of Therapeutic Goods (ARTG) (March 2025) and commercially launched in late FY25 at the Plastic Surgery Congress in Sydney. Licensing was also received in Canada (April 2025).

Regulatory update

- NovoSorb MTX registration (2 mm) obtained in Canada, India and in Australia (2, 4 and 6 mm)
- NovoSorb MTX U.S. clearance was expanded to include models up to 6 mm thick and additional indications of tunnelling and undermining.
- NovoSorb BTM U.S. clearance was expanded to include models up to 6 mm thick.
- NovoSorb BTM has been registered in Egypt and supply has been extended to several new markets including the Czech Republic, Malta, Macau, Peru, Portugal, and Slovakia.
- New registrations for NovoSorb BTM and NovoSorb MTX are in progress in Brazil and Mexico
- NovoSorb MTX registration is currently underway in UK, Taiwan, and Hong Kong.
- Plans to enter Japan and China have progressed with the appointment of a Japanese partner and furtherance of Regulatory plans.

Beta Cell Implant

The Company continues to supply NovoSorb BTM to Beta Cell Technologies (BCT) for clinical trial purposes following positive results of the First in Man proof of concept study, as announced in May 2025. PolyNovo and Beta Cell are in collaboration discussions to accelerate research and development pathways to ensure PolyNovo's technology can play a major role in the cell therapy market.

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

Hernia Repair

The approach to hernia repair has been refined to focus on targeted solutions for ventral hernia and complex abdominal wall reconstruction. These products, branded under the NovoSorb SynTrel umbrella, comprise a novel NovoSorb-based textile that will expand the clinical application of our patented technology. A late-stage prototype of the hernia mesh is in development and continues to progress on the back of positive laboratory and preclinical results.

Plastics and Reconstructive Device Products

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

Status of Markets

The Company achieved 28.9% in global commercial sales growth for FY25 including record sales months in November - $10.1m, March - $11.9m and June - $12.8m.

The Company recorded strong NovoSorb BTM sales growth in all markets, notably in the U.S. up 28.7% in AUD and ROW up 29.6% ($AUD). The ROW increase includes strong performances in ANZ (up 21.2%), U.K. (up 51.9%), India (up 80.8%), and Hong Kong (up 17.0%).

Inflation has increased some costs in all markets including wages and salaries and the introduction of tariffs in the U.S. has increased the cost of importing finished goods to the U.S. The Company debt level remains low with an equipment finance facility owing $3,182,000 and a short-term loan facility for insurance premiums owing $530,000 as at 30 June 2025. 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 updated to include the impact of changes in costs. The Group has a level of discretion in managing cash outflows in response to changes in the impact of rising costs.

Significant Changes in the State of Affairs

Other than the above and except as otherwise set out in this report, the Directors are unaware of any significant changes in the principal activities of the Company during the year ended 30 June 2025.

Strategic Overview and Likely Developments

The Company's focus over the next 12 months will be:

- Appointment of a new CEO.
- Expansion of the NovoSorb BTM portfolio and markets.
- Expansion of the NovoSorb MTX portfolio and markets.
- Submission of a PMA with the US FDA for NovoSorb BTM
- Further development for simple hernia and soft tissue reinforcement devices and maturing of commercial plans and partnering opportunities.
- Board replenishment and succession planning.

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 described above, nor otherwise dealt with in this report, which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Announcements released by the company after 30 June 2025 include:

- 13/08/2025 FY25 Results Webcast Link
- 29/07/2025 FY25 Trading Result (unaudited)
- 15/07/2025 Recording - Special briefing with Prof. Toby Coates
- 14/07/2025 Special briefing with Professor Toby Coates

Financial Results

PolyNovo Limited reported revenue for the year ended 30 June 2025 of $129,186,000, an increase of 23.3% from the prior year's $104,763,000. The net profit after tax (NPAT) of $13,214,000 for FY25 was an increase of $151.2% from the prior year's net profit of $5,261,000. Earnings before interest, tax, depreciation, and amortisation (EBITDA) of $11,244,000 was an increase of 209.3% from prior years EBITDA of $3,635,000. Several factors contributed to the result as follows:

- Revenue from the sale of commercial products for FY25 increased by 28.9% to $118,634,000 from the prior year's $92,042,000.
- Revenue from BARDA for FY25 decreased by 22.8% to $8,609,000 from the prior year's $11,150,000.

- Other Income includes government COVID-19 assistance (U.S.) of $1,361,000, interest income of $487,000 and $95,000 from Victorian State Government supporting our manufacturing development and commercialisation of new products.
- Employee related expenses increased by 25.4% to $74,522,000. This increase is due to headcount increase to drive and support growth primarily within sales, marketing, production, research and development, and quality.
- Research and development expenses decreased by 22.6% to $8,458,000 primarily due to the completion of participant recruitment for the BARDA pivotal trial.
- Depreciation and amortisation increased by 21.6% to $3,330,000 attributable to property, plant and equipment acquired for the manufacturing facility and research and development.
- Corporate, administrative, and overhead expenses increased by 23.1% to $29,913,000 reflecting the increased growth and activity in the business.
- Share-based payment reversal of $1,451,000 due to share options forfeiture as employees have left the business.

R&D Tax Incentives

During the 2025 financial year, the Company received a non-refundable tax offset of $1,927,000 (non-cash) in relation to the FY24 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.

Closing Share Price

Date	$
30 June 2019	1.54
30 June 2020	2.54
30 June 2021	2.82
30 June 2022	1.35
30 June 2023	1.55
30 June 2024	2.45
30 June 2025	1.20

Profit Per Share

In Australian dollars	$
Basic earnings per share - cents	1.91
Diluted earnings per share	1.89

As at 30 June 2025, there are 1,900,000 unvested share options issued and nil performance rights.

Dividends

No amounts have been recommended by the Directors to be paid by way of dividend during the current financial year. No cash dividends have been paid or declared by PolyNovo since the beginning of the financial year.

Indemnification and Insurance of Directors and Officers

During the year ended 30 June 2025, 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.

Board and Committee Meetings

Details of the number of meetings of the Board of Directors and Board committees, and Directors' attendance at those meetings, during the year under review are set out in the table below.

		Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
Directors	**Role**	**Meetings attended**	**Meetings eligible to attend**	**Meetings attended**	**Meetings eligible to attend**	**Meetings attended**	**Meetings eligible to attend**
Total numbers of meetings held		12		3		5	
Mr David Williams[4]	Non-Executive Director	12	12	-	-	2	2
Dr Robyn Elliott[3]	Non-Executive Director	12	12	3	3	-	-
Ms Christine Emmanuel-Donnelly[1]	Non-Executive Director	12	12	-	-	5	5
Mr Leon Hoare[5]	Non-Executive Director	12	12	-	-	5	5
Mr Andrew Lumsden[2]	Non-Executive Director	12	12	3	3	-	-

[1] Ms Christine Emmanuel-Donnelly is Chair of the Remuneration and Nomination Committee and was appointed to the Audit and Risk Committee on 18 of August 2025

[2] Mr Andrew Lumsden is Chair of the Audit and Risk Committee and was appointed to the Remuneration and Nomination Committee on 18 of August 2025.

[3] Dr Robyn Elliott ceased temporarily as Non-executive Director from 11 of March 2025 to take on the role of Acting Chief Executive Officer/Managing Director. Dr Robyn did not attend Audit Committee meetings since she had ceased as Non-executive Director and stepped down from the Audit Committee on 18 of August 2025.

[4] Mr David Williams ceased being a member of the Remuneration and Nomination Committee on 30 September 2024.

[5] Mr Leon Hoare was appointed to the Audit and Risk Committee on 18 of August 2025.

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	Products are currently manufactured on one site, and supply of the products may be significantly disrupted (or may cease altogether) by that site becoming inoperative. Any new manufacturing facilities require regulatory approval for products to be saleable, and such approval may take significant time to obtain.	Construction of a third manufacturing facility next door to the existing facilities commenced in August 2024 and is expected to be operational by end of calendar year 2025 A business continuity plan has been implemented for manufacturing and the Company maintains business interruption insurance. Additional manufacturing sites in different jurisdictions may be considered over the coming years. Finished products are maintained in multiple offsite warehouses, both in Australia and overseas.
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 plans are reviewed strategically considering market dynamics, the competitive landscape, and technological advancements. The product roadmap is evolving, supported by a dedicated Research and Development team committed to fostering new and innovative uses for our products and technology.
Intellectual Property	Proprietary know-how may be compromised through the hacking of systems, or by employees who may acquire (and subsequently disclose) our confidential information through illegal means. Proprietary know-how is also at risk of being accessed by competitors who may use this information to create competitive products.	Confidentiality agreements are in place with staff and third parties with access to our know-how. Access to key systems is limited by business need, and access by individuals is monitored. The Company has an increasing and evolving patent and trade mark portfolio and has access to external legal counsel to advise on how best to manage litigation should it arise.

Risk	**Description**	**Mitigation**
Reliance on suppliers	Reliance on suppliers for key materials and services carries inherent risk of delay and disruption. Having to source alternative materials or sources may be costly, time-consuming, or commercially unviable.	The Company works closely with suppliers to mitigate potential interruption or delay to supplies. In addition, purchase quantities of inventory are managed to avoid short-term impacts. The Company is seeking to further diversify our range of product suppliers.
Product liability	As the developer, manufacturer, marketer and distributor, any failure in product quality might lead to injury, litigation, liability, recall and reputational harm.	A focus on quality throughout the design, testing, manufacture and post-market monitoring of our products ensures high standards of product safety and efficacy. Effective collaboration with clinicians aligns clinical processes and technology with evidence-based practices. We also maintain product liability insurance.
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 our operations, customers, employees, and shareholders.	Risk exposure is mitigated via internal systems, processes, and monitoring. The Company has dedicated teams across Quality Assurance, Regulatory Affairs, Medical Liaison and Legal & Compliance which support the business in the provision of advice on, and monitoring of, legal, regulatory and policy changes. Company compliance frameworks are evolving to support the changing nature and complexity of our compliance obligations.
Global Tariff Uncertainty	The Company is currently subject to a 10% tariff applied to the transfer price of finished goods imported into the U.S.	Current inventory levels in the U.S. will assist in minimising the impact of the 10% tariff imposed during FY26. The low cost to manufacture goods assists in absorbing the 10% tariff with minimal impact to gross margin. Our product is used for burns and other trauma cases and is not a discretionary spend for hospitals, our customers. We continue to supply and service our customers to ensure patients' needs are met, where demand is driven through emergency trauma cases.

Forward-looking Statements

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

Directors' Shareholdings and Declared Interests

As at 30 June 2025, the Directors of PolyNovo collectively hold 22,946,433 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 David Williams	-	21,420,635
Mr Leon Hoare	-	1,080,220
Dr Robyn Elliott	74,789	-
Ms Christine Emmanuel-Donnelly	-	270,789
Mr Andrew Lumsden	-	100,000
Total	**74,789**	**22,871,644**

As at 30 June 2025 and as at the date of this report, no Director has an interest in any contract or proposed contract with PolyNovo other than disclosed below. Dr Robyn Elliott ceased temporarily as Non-executive Director from 11 March 2025 to take on the role of Acting Chief Executive Officer/Managing Director. Further details of the equity interests of 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	389,665

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 29.

Remuneration Report - Audited

The Directors of PolyNovo present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* for the Company and its controlled entities (the Group) for the year ended 30 June 2025. This Remuneration Report is audited and outlines remuneration arrangements for the CEO and KMP and fees paid to the Board of Directors. Our approach to remuneration is framed by the strategic direction and operational demands of the business, the international context in which we operate, sustainable shareholder returns, the regulatory environment and high standards of governance.

As per the Remuneration report of FY24, the Remuneration Policy was created. This policy continues to underpin our approach to both fixed and variable rewards.

In FY25, all key roles were benchmarked against industry specific market data to support remuneration decisions. Plan Terms and KPIs for the FY25 Short-Term Incentive (STI) plan were refreshed in line with this policy.

Board fees were also benchmarked against relevant peer data.

The Board remains committed to ensuring that our remuneration practices support the motivation and retention of top talent and continue to align Executive remuneration with sustainable business performance and shareholder returns.

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 FY25, the KMP comprised of the Non-Executive Directors and the Executives whose details are set out below.

1.1 Directors

Mr David Williams – Non-Executive Chair and Chair of the Remuneration and Nomination Committee up to 30 September 2024
Mr Andrew Lumsden – Non-Executive Director and Chair of the Audit and Risk Committee
Dr Robyn Elliott – temporarily ceased as Non-executive Director from 11 March 2025 to take on the role of Acting CEO/Managing Director
Ms Christine Emmanuel-Donnelly – Non-Executive Director and appointed Chair of the Remuneration and Nomination Committee from 1 October 2024
Mr Leon Hoare – Non-Executive Director
Mr Bruce Rathie – Non-Executive Director (retired on 30 September 2024)

1.2 Executives - KMP

Mr Swami Raote - Chief Executive Officer (ceased as KMP from 11 March 2025, and ceased employment on 10 June 2025)
Dr Robyn Elliott – Acting CEO/Managing Director from 11 March 2025
Mr Jan Gielen – Chief Financial Officer
Dr David McQuillan - Chief Scientific Officer (ceased as a KMP from 1 March 2024)
Mr Philip Scorgie – Chief Information Officer (ceased as a KMP from 1 March 2024)

2. Remuneration Strategy

Our remuneration strategy operates by linking achievement of strategic priorities with market-based reward. The link between performance and reward aims to deliver long-term value to shareholders while attracting, motivating and retaining talented people. Our remuneration strategy and resulting remuneration policy is underpinned by key remuneration principles.

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 people 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.

2.1 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 size and complexity of the role along with individual responsibilities, experience and skills.	Annual cash payment which aims to reward current year performance. For the CEO, 50% of STI is awarded as equity which is deferred for one year. STI provides appropriate differentiation of pay for performance and is based on business and individual performance outcomes. STI is measured via performance against financial objectives (EBITDA and Revenue) (80%) and personal objectives (20%). Refer to section 3.2 for STI outcomes. The CEO can receive up to 50% of annual gross base salary as STI, for other KMP the STI potential ranges from 15% to 20%.	The current Plan consists of a grant of options upon appointment with certain performance and tenure-based conditions attached (refer to section 5 for more details). 60% of the shares issued as a consequence of the exercise of vested options are held in escrow for 12 months. If a participant ceases employment, any unexercised options are forfeited and shares subject to escrow may be released at the discretion of the Board.

2.2 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	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
Share price at year end	1.20	2.45	1.55	1.35	2.82	2.54
Dividend paid	-	-	-	-	-	-
EBIT ($'000)	11,244	2,432	(4,219)	(836)	(4,229)	(4,028)
Total revenue ($'000)	129,186	104,763	66,536	41,891	29,339	22,229
Earnings/(loss) per share	1.91 cents	0.76 cents	(0.72) cents	(0.18) cents	(0.69) cents	(0.63) cents

3. FY25 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 and positioning is benchmarked based on the 50th percentile of a market comparator group, made up of broadly comparable companies.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is approved by shareholders. This limit has been set at $850,000.

For a detailed breakdown please refer to section 7.1.

3.2 KMP performance against FY25 STI Measures
FY25 Company Financial KPIs for KMP comprise 80% of the total award that can be achieved and Personal KPIs comprise 20%. Non-Executive Directors are not entitled to STI.

FY25 KMP STI achievement is detailed in the table below.

KMP	% STI Potential achieved	Cash STI	Equity STI
Mr Swami Raote	100%	$187,333 AUD	$187,333 AUD
Mr Jan Gielen	100%	$60,000 AUD	Not applicable
Dr Robyn Elliott	Not applicable	Not applicable	Not applicable

64,022 escrowed shares were granted to Swami Raote on 4 Oct 2024 as FY24 deferred STI. These escrowed shares held for him will be released from escrow and become freely transferable on or around 30 September 2025, following the cessation of his employment on 10 June 2025. Mr. Swami Raote's FY25 STI bonus is determined after the annual audited financial report has been signed and is subject to change following Board approval.

3.3 Performance against LTI conditions
No options of KMP were exercised during the 2024-25 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	Former CEO	CFO	Acting CEO/ Managing Director
Contract Type	Ongoing	Ongoing	Ongoing
Notice Period	90 days (by the Executive and Company)	3 months (by the Executive and Company)	1 month (by the Executive and Company)

5. Long term incentives

5.1 Former CEO Incentives

On 29 July 2022, PolyNovo granted 5 million shares options in five equal tranches to the former CEO. Details of the five tranches are set out below.

The vesting hurdle for the options were linked to the CEO's length of employment and the PolyNovo volume weighted average market price. The vesting hurdles applied to all 5 tranches are as follows and options only vest when both exercise conditions have been satisfied:

Details of the vesting hurdle for the five tranches are as follows:

- Tranche 1: – One Million (1,000,000) Options cannot vest or be exercised until after the one (1) year anniversary of the commencement of employment and until such time as shares in PolyNovo have been trading 30 continuous days at 50% greater than the exercise price or above; This Tranche of options must vest before the three (3) year anniversary of the CEO's employment start date otherwise they expire at that date.
- Tranche 2: One Million (1,000,000) Options cannot vest or be exercised until after the two (2) year anniversary of the commencement of employment and until such time as shares in PolyNovo have been trading 30 continuous days at 75% greater than the exercise price or above. This Tranche of options must vest before the four (4) year anniversary of the CEO's employment start date otherwise they expire at that date.
- Tranche 3: One Million (1,000,000) Options cannot vest or be exercised until after the three (3) year anniversary of the commencement of employment and until such time as shares in PolyNovo have been trading 30 continuous days at 100% greater than the exercise price or above; This Tranche of options must vest before the five (5) year anniversary of the CEO's employment start date otherwise they expire at that date.
- Tranche 4: One Million (1,000,000) Options cannot vest or be exercised until after the four (4) year anniversary of the commencement of employment and until such time as shares in PolyNovo have been trading 30 continuous days at 150% greater than the exercise price or above. This Tranche of options must vest before the six (6) year anniversary of the CEO's employment start date otherwise they expire at that date.; and
- Tranche 5: One Million (1,000,000) Options cannot vest or be exercised until after the five (5) year anniversary of the commencement of employment and until such time as shares in PolyNovo have been trading 30 continuous days at 200% greater than the exercise price or above. This Tranche of options must vest before the seven (7) year anniversary of the CEO's employment start date otherwise they expire at that date.

The exercise price is $1.64 per option tranche.

Sixty percent (60%) of the shares issued on the exercise of options will be restricted shares subject to rule 9 of the Employee Option Plan until the first anniversary of the date of issue of the shares. Shares issued will be in escrow for twelve months and until that time will be unable to be dealt with.

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.

5.2 CFO Incentives
On 6 March 2019, PolyNovo issued an options package comprising three tranches totaling 1,000,000 options to the CFO at an exercise price of $0.60 per option for each tranche. The last tranche was exercised on 16 February 2023.

No further option packages have been issued since 2019, and no LTI arrangements are in place for the CFO for the year ending 30 June 2025.

5.3 Acting CEO/Managing Director Incentives
As this is a temporary, acting role, no incentives were issued upon appointment.

5.4 CSO Incentives
On 2 September 2022, PolyNovo issued an options package comprising three tranches totalling 1,200,000 options to the CSO. Details of the three tranches are set out below.

The vesting hurdle for the options is linked to CSO's length of employment and the PolyNovo volume weighted average market price. The vesting hurdles are as follows:

- First hurdle – 6 months of employment with the Company; and
- Second hurdle – shares in PolyNovo have been trading at all times at or above 150% of the exercise price for a continuous three months period.

Once vested, the options can be exercised in three tranches as follows:

- Tranche 1: 400,000 options – not to be exercised until 6 months of employment and not later than 30 May 2025;
- Tranche 2: 400,000 options – not to be exercised until 18 months of employment which is the applicable service period and not later than 30 May 2025; and
- Tranche 3: 400,000 options – not to be exercised until 24 months of employment which is the applicable service period and not later than 30 May 2026.

The exercise price is $1.81 per option tranche.

Sixty percent (60%) of the shares issued on the exercise of options will be restricted shares subject to rule 9 of the Employee Option Plan until the first anniversary of the date of issue of the shares. Shares issued will be in escrow for twelve months and until that time will be unable to be dealt with.

None of the vesting hurdles were met before CSO ceased to be a KMP on 1 March 2024.

5.5 CIO Incentives

On 22 May 2023, PolyNovo issued an options package comprising three tranches totaling 500,000 options to the CIO. Details of the three tranches are set out below.

The vesting hurdle for the options is linked to CIO's length of employment and the PolyNovo volume weighted average market price. The vesting hurdles are as follows:

- First hurdle – 12 months of employment with the Company; and
- Second hurdle – shares in PolyNovo have been trading at all times at or above 150% of the exercise price for a continuous three months period.

Once vested, the options can be exercised in three tranches as follows:

- Tranche 1: 150,000 options – not to be exercised until 12 months of employment and not later than 31 May 2028;
- Tranche 2: 150,000 options – not to be exercised until 24 months of employment which is the applicable service period and not later than 31 May 2028;
- Tranche 3: 200,000 options – not to be exercised until 36 months of employment which is the applicable service period and not later than 31 May 2028;

The exercise price of Tranche 1 is $1.37 per option tranche. The exercise price of Tranches 2 and 3 is the share closing price on the second and third anniversaries of employment respectively.

Sixty percent (60%) of the shares issued on the exercise of options will be restricted shares subject to rule 9 of the Employee Option Plan until the first anniversary of the date of issue of the shares. Shares issued will be in escrow for twelve months and until that time will be unable to be dealt with.

None of the vesting hurdles were met before CIO ceased to be a KMP on 1 March 2024.

6. Remuneration Consultants

In accordance with section 206K of the *Corporations Act 2001*, the Committee has a process for engaging remuneration consultants. The Committee, on behalf of the Board, commissions and receives information, advice and recommendations directly from remuneration consultants, ensuring any remuneration recommendations are free of undue influence by management. In consultation with external remuneration consultants, the Group aims to provide a market competitive remuneration framework that is complementary to the Group's reward strategy.

No remuneration recommendations were made in FY25.

7. Key Management Personnel Statutory Remuneration Tables

Details of the nature and amount of each element of the remuneration of each KMP are shown in the table below and has been prepared in accordance with the requirement of the *Corporations Act* and relevant Australian Accounting Standards and as such the amounts included under the share-based payments columns, are based on accounting values and do not reflect actual payments received. As continuing employment conditions and/or performance conditions apply, not all share-based payments may vest.

7.1 Key Management Personnel Remuneration 2025 and 2024

		Short-term				Long-term				
Table A Directors		**Cash salary & fees $**	**Cash bonus $**	**Equity bonus $**	**Super-annuation / US pension plan 401(k) $**	**Leave allowances $**	**Share options & share awards[1] $**	**Termination benefits $**	**Total $**	**Performance based %**
Mr David Williams (Chairman/Non-Executive Director)	**2025**	**165,000**	-	-	**18,975**	-	-	-	**183,975**	**-**
	2024	126,126	-	-	13,303	-	-	-	140,000	-
Mr Bruce Rathie[2] (Non-Executive Director)	**2025**	**23,896**	-	-	**2,748**	-	-	-	**26,644**	**-**
	2024	85,586	-	-	9,414	-	-	-	95,000	
Mr Leon Hoare (Non-Executive Director)	**2025**	**106,578**	-	-	**-**	-	-	-	**106,578**	**-**
	2024	92,646	-	-	2,375	-	-	-	95,201	-
Dr Robyn Elliott[6]	**2025**	**70,733**	-	-	**8,134**	-	-	-	**78,867**	**-**
	2024	85,586	-	-	9,414	-	-	-	95,000	-
Ms Christine Emmanuel – Donnelly (Non-Executive Director)	**2025**	**103,085**	-	-	**11,854**	-	-	-	**114,939**	**-**
	2024	85,586	-	-	9,414	-	-	-	95,000	-
Mr Andrew Lumsden (Non-Executive Director)	**2025**	**117,727**	-	-	-	-	-	-	**117,727**	**-**
	2024	95,000	-	-	-	-	-	-	95,000	-
Sub total compensation for Directors	**2025**	**587,019**	-	-	**41,711**	-	-	-	**628,730**	**-**
	2024	570,530	-	-	43,920	-	-	-	614,450	-

Table A KMP		Short-term				Long-term				
		Cash salary & fees $	**Cash bonus $**	**Equity bonus $**	**Super-annuation / US pension plan 401(k) $**	**Leave allowances $**	**Share options & share awards[1] $**	**Termination benefits $**	**Total $**	**Performance based %**
Mr Swami Raote[3]	**2025**	**563,171**	**187,333[4]**	**187,333[4]**	**41,540**	**(26,655)**	**-1,496,635**	**577,160**	**33,246**	**-3375%**
	2024	706,791	5,295[5]	5,295[5]	25,041	36,861	780,297	-	1,559,581	51%
Mr Jan Gielen	**2025**	**300,000**	**60,000**	**-**	**29,932**	**-2,244**	**-**	**-**	**387,688**	**15%**
	2024	257,420	63,884	-	29,680	20,970	-	-	371,954	17%
Dr Robyn Elliott[6]	**2025**	**212,443**			**24,431**	**20,528**			**257,402**	**0%**
	2024	-	-	-	-	-	-	-	-	0%
Dr David McQuillan[7]	**2025**	**-**	**-**	-	**-**	-	-	-	-	0%
	2024	229,372	33,113[5]	-	2,703	12,722	146,247	-	424,157	**42%**
Mr Philip Scorgie[7]	**2025**	**-**	**-**	-	**-**	-	-	-	-	0%
	2024	150,816	20,360	-	16,590	12,409	53,439	-	253,614	**29%**
Sub total compensation for Other Key Management Personnel	**2025**	**1,075,614**	**247,333**	**187,333**	**95,903**	**-8,372**	**-1,496,635**	**577,160**	**678,336**	**-157%**
	2024	1,344,399	122,652	5,295	74,014	82,962	979,983	-	2,609,306	42%
Total compensation for all Key Management Personnel	**2025**	**1,662,635**	**247,333**	**187,333**	**137,615**	**-8,372**	**-1,496,635**	**577,160**	**1,307,069**	**-81%**
	2024	1,914,929	122,652	5,295	117,934	82,962	979,983	-	3,223,756	34%

[1]The figures provided under the share options & shares awards column are based on accounting values and do not reflect actual payments received by Senior Executives.
[2]Mr Bruce Rathie retired as Non-Executive Director effective from 30 September 2024.
[3]Mr Swami Raote ceased performing the duties of the CEO role from 11 March 2025 and ceased employment on 10 June 2025. As a result, his share options reflect the forfeiture of options. His salary and fees received during this 3-month period have been disclosed as termination benefit. Termination benefits have also been accrued in line with contractual entitlements that require the executive to sign a deed of release. If this does not occur, the amounts will not be due.
[4]The bonus is determined after the annual audited financial report has been signed and is subject to change following Board approval.
[5]Included adjustment of short-term incentive for the year ended 30 June 2023.
[6]Effective from 11 March 2025, Dr Robyn Elliott temporarily ceased as Non-executive Director to take on the role of Acting CEO/Managing Director. She remained a member of the Board of Directors, and the total compensation reflected in Table A KMP compensates all duties including Board and Committee responsibilities.
[7]Ceased to be KMP effective 1 March 2024.

7.2 Share options and awards granted or exercised in FY2025

During the year ended 30 June 2025, nil share options (2024: nil) were granted to or exercised by key management personnel. The options exercised are pursuant to the PolyNovo Employee Share Option Plan.

7.3 Share options and awards vested or forfeited in 2025

The share options and awards of key management personnel for the year ended 30 June 2025 are set out in the following table:

Table B

KMP	Balance at 1 July 2024	Options granted during year	Options exercised during year	Options forfeited during year	Total vested at end of year	Total exercisable at end of year	Total not exercisable at end of year	Balance at 30 June 2025
Mr Swami Raote	5,000,000	-	-	5,000,000	-	-	-	-
Total	**5,000,000**	-	-	5,000,000	-	-	**-**	**-**

No share options and awards were exercised for KMP in FY25. All share options for the former CEO were forfeited due to the cessation of employment on 10 June 2025.

7.4 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

Directors	Balance at 1 July 2024[1]	Granted as compensation	On exercise of options	Net change other[2]	Balance at 30 June 2025	Balance at end of year – directly held	Balance at end of year – indirectly held
Mr David Williams	21,421,385	-	-	(750)	21,420,635	-	21,420,635
Mr Bruce Rathie[3]	3,250,000	-	-	(750,000)	2,500,000[3]	-	2,500,000
Mr Leon Hoare	1,180,220	-	-	(100,000)	1,080,220	-	1,080,220
Dr Robyn Elliott[4]	74,789	-	-	0	74,789	74,789	-
Ms Christine Emmanuel-Donnelly	270,789	-	-	0	270,789	-	270,789
Mr Andrew Lumsden	150,000	-	-	(50,000)	100,000	-	100,000
Other key Management personnel							
Mr Jan Gielen	645,000	-	-	(200,000)	445,000	145,000	300,000
Mr Swami Raote[3]	0	-	-	64,022	64,022[3]	64,022	-
Dr Robyn Elliott[4]	74,789	-	-	0	74,789	74,789	-

[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] Amount is as at the date they ceased to be KMP. Mr Bruce Rathie retired on 30 September 2024. Mr Swami Raote ceased to be a KMP from 11 March 2025.
[4] Since 11 March 2025, Dr Robyn Elliott was appointed Acting CEO/Managing Director. She remained a member of the Board of Directors and is performing a management role.

8. 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.

9. Other Key Management Personnel Transactions

There were no other transactions with key management personnel during the year ended 30 June 2025.

End of Remuneration Report - Audited.

This Directors' Report, incorporating the Corporate Governance Statement and Remuneration Report, has been signed in accordance with a Resolution of the Directors made on 25 August 2025.

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 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

David Williams
Chairman

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Shape the future
with confidence

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 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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

Ernst & Young

Ashley Butler
Partner
25 August 2025

PolyNovo Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Revenue			
Revenue from contracts with customers	4	127,243	103,192
Interest and other income	5	1,943	1,571
		129,186	104,763
Expenses			
Changes in inventories of finished goods and work in progress		(5,195)	(5,479)
Employee-related expenses	24	(74,522)	(59,433)
Research and development expenses		(8,458)	(10,929)
Depreciation and amortisation expenses	6	(2,697)	(2,195)
Corporate, administrative and overhead expenses	6	(29,913)	(24,295)
Interest expense	6	(882)	(721)
Profit before income tax benefit		7,519	1,711
Income tax benefit	8	5,695	3,550
Profit after income tax benefit for the year attributable to the owners of PolyNovo Limited		13,214	5,261
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on translation of foreign operation		(704)	105
Other comprehensive income for the year, net of tax		(704)	105
Total comprehensive income for the year attributable to the owners of PolyNovo Limited		12,510	5,366
		Cents	Cents
Earnings per share for profit attributable to the owners of PolyNovo Limited			
Basic earnings per share	9	1.91	0.76
Diluted earnings per share	9	1.89	0.75

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

PolyNovo Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Assets			
Current assets			
Cash and cash equivalents	7	33,535	45,907
Trade and other receivables	10	24,386	20,722
Contract cost assets	11	37	343
Inventories	12	14,492	8,972
Other financial assets	23	50	50
Other assets	13	4,599	3,301
Total current assets		77,099	79,295
Non-current assets			
Contract cost assets	11	-	37
Property, plant and equipment	14	26,425	12,519
Right-of-use assets	15	11,794	11,647
Intangibles	16	661	909
Deferred tax assets	8	10,768	3,740
Other assets	13	661	573
Total non-current assets		50,309	29,425
Total assets		127,408	108,720
Liabilities			
Current liabilities			
Trade and other payables	17	22,539	18,262
Interest-bearing loans and borrowings	18	1,495	1,888
Lease liabilities	19	912	647
Deferred income	20	283	-
Provisions	21	2,640	2,244
Income tax provision	8	13	206
Total current liabilities		27,882	23,247
Non-current liabilities			
Interest-bearing loans and borrowings	18	2,217	742
Lease liabilities	19	12,511	12,103
Deferred income	20	908	-
Provisions	21	628	504
Total non-current liabilities		16,264	13,349
Total liabilities		44,146	36,596
Net assets		83,262	72,124
Equity			
Issued capital	22	191,758	191,601
Reserves	22	(5,593)	(3,360)
Accumulated losses	22	(102,903)	(116,117)
Total equity		83,262	72,124

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

PolyNovo Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025

Consolidated	Contributed Equity $'000	Other Reserves $'000	Acquisition of Non-Controlling Interest Reserves $'000	Accumulated Losses $'000	Total equity $'000
Balance at 1 July 2023	191,591	4,464	(9,294)	(121,378)	65,383
Profit after income tax benefit for the year	-	-	-	5,261	5,261
Other comprehensive income for the year, net of tax	-	105	-	-	105
Total comprehensive income for the year	-	105	-	5,261	5,366
Capital raising costs	10	-	-	-	10
Share-based payments (note 25)	-	1,365	-	-	1,365
Balance at 30 June 2024	191,601	5,934	(9,294)	(116,117)	72,124

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

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

	Note	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Cash flows from operating activities			
Receipts from customers		117,061	86,279
Receipt from BARDA reimbursements and advances		9,486	10,159
Receipt from grant income		1,415	-
Receipt from other revenue		825	-
Payment of interest on borrowings		(118)	(141)
Payment of interest on lease liabilities		(646)	(580)
Payments to suppliers and employees		(124,381)	(92,066)
Income tax refunded/ (paid)		(494)	32
Net cash from operating activities		3,148	3,683
Cash flows from investing activities			
Payments for property, plant and equipment		(13,931)	(2,897)
Interest received		715	1,407
Net cash used in investing activities		(13,216)	(1,490)
Cash flows from financing activities			
Proceeds from borrowings		2,441	-
Repayment of principal on borrowings		(3,918)	(2,655)
Repayment of principal on lease liabilities		(914)	(515)
Net cash used in financing activities		(2,391)	(3,170)
Net decrease in cash and cash equivalents		(12,459)	(977)
Cash and cash equivalents at the beginning of the financial year		45,907	46,847
Effects of exchange rate changes on cash and cash equivalents		87	37
Cash and cash equivalents at the end of the financial year	7	33,535	45,907

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

Note 1. Corporate Information

The Financial Report of PolyNovo Limited (the Company) and its controlled entities (the Group) for the year ended30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 25 August 2025.

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 compliance with Legislative Instrument 2016/191 'ASIC Corporations (Rounding in Financial/Directors' Reports)' and rounded to the nearest thousand dollar.

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 a 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 2024. 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. When these amendments are first adopted for the year ending 30 June 2025, there will be no material impact on the financial statements. The amendments are effective for annual reporting periods beginning 1 January 2024. The amendments did not have a material impact on the Group.

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) Changes in accounting policy, disclosures, standards and interpretations

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.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2025. 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
Except for certain trade receivables, the group initially measures a financial asset at its fair value. Financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). 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.

Note 2. Summary of Material Accounting Policies (continued)

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 18.

(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 difference 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.

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 commericalisation 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 2025 $'000	30 June 2024 $'000
Net Profit After Tax	13,214	5,261
Interest income	(487)	(1,535)
Interest expense	882	721
Depreciation and amortisation	3,330	2,738
Income tax benefit	(5,695)	(3,550)
EBITDA	11,244	3,635

Note 3. Segment Information (continued)

	Consolidated	
	30 June 2025	30 June 2024
Revenue from contracts with customers		
Geographical areas		
United States of America	96,985	79,836
Australia and New Zealand	7,950	6,560
Other countries	22,308	16,796
	127,243	103,192

During the year ended 30 June 2025, sales to BARDA in the United States of America, represented 7% (2024: 11%) of total sales revenue from contracts with customers.

	Consolidated	
	30 June 2025	30 June 2024
Non-current assets		
Geographical areas		
United States of America	2,880	2,536
Australia and New Zealand	44,263	27,214
Other countries	3,138	122
Total	50,281	29,872

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 biodegradable temporal matrix (BTM) 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 its 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 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
The BARDA arrangement requires the group to provide to BARDA a solution for severe thermal burns, with the performance obligation as defined in the terms of the arrangement being to perform research and development for specific clinical and trial tasks to support the product development of BTM for severe thermal burns. 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 being achieved through delivery to BARDA of the contracted clinical studies and trial tasks to support the development of the BTM product for severe thermal burns.

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 2025 $'000	30 June 2024 $'000
BARDA revenue	8,609	11,150
Commercial product sales	118,634	92,042
	127,243	103,192

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 2025	30 June 2024
Interest income	487	1,535
Other income	1,456	36
	1,943	1,571

Other income for the year ended 30 June 2025 includes:

(a) Employee Retention Credit (ERC) payment of $1,361,000 received from the United States Government. The ERC is a refundable tax credit from the Internal Revenue Service (IRS) for certain eligible businesses that had employees and were affected during the COVID-19 pandemic in the United States. In the year ended 30 June 2023, PolyNovo engaged Earnst & Young to assist with the filing of the ERC claims. By 30 June 2025, all claims have been received and recorded as other income.

(b) Victorian Government grant income of $95,000 relating to a new grant received in the year ended 30 June 2025. This new grant is an Industry R&D Infrastructure grant from the Department of Jobs, Skills, Industry and Regions, to support the purchase of R&D equipment as well as the construction of the new innovation centre. The total grant amount is $2,000,000. In the year ended 30 June 2025, the Group received $1,250,000 in cash and expect to receive the remaining $750,000 after the year end. Of the total received grant of $1,250,000, $95,000 was recognised as other income during the year, with the remaining $1,155,000 recognised as deferred income. The grant income is recognised on a systematic basis over the expected 5.4-year lease term of the new innovation centre, which is consistent with the recognition of depreciation expenses on the related assets.

Note 6. Significant 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.

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Depreciation and amortisation expenses		
Depreciation - laboratory equipment	648	445
Depreciation - office equipment	539	512
Depreciation - leasehold improvements	271	240
Subtotal	1,458	1,197
Amortisation - right of use assets	991	750
Amortisation - intangible assets	248	248
Subtotal	1,239	998
Total	2,697	2,195

In addition to the depreciation and amortisation expenses listed above, depreciation relating to manufacturing of $633,000 ($385,000 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 2025 is $3,330,000 (2024: $2,738,000).

Refer to note 14 for property, plant and equipment reconciliation and note 15 for right-of-use assets reconciliation.

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Corporate, administrative and overhead expenses		
Insurances	3,073	2,488
Professional fees	928	742
Investor relations and share registry expenses	407	421
Consultants and contractors expenses	6,917	4,135
Communication expenses	1,512	1,117
Travel expenses	6,999	6,561
Marketing expenses	4,447	3,290
Realised foreign exchange loss	246	209
Unrealised foreign exchange (gain)/ loss	(2,220)	93
Other expenses	7,604	5,239
	29,913	24,295

Included in other administrative expenses are third party logistic warehousing fees of $1,283,000 (2024: $937,000), dues and subscriptions of $1,203,000 (2024: $819,000) and IT software licences of $1,328,000 (2024: $758,000).

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Interest expenses		
Interest expense	118	26
Interest expense - short term loan	72	39
Interest expense - equipment finance loan	46	76
Interest expense - lease liability associated with right-of-use assets	646	580
	882	721

The Group has secured equipment finance facilities and short term loan, further details on loan facility are disclosed in note 18.

Note 7. 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 2025	30 June 2024
	$'000	$'000
AUD	13,333	19,892
USD	13,957	17,892
NZD	569	1,092
GBP	2,246	3,679
EUR	1,596	2,851
CAD	1,307	281
INR	30	17
HKD	497	203
Total	33,535	45,907

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Cash at bank	26,629	21,669
Short term deposits	6,906	24,238
	33,535	45,907

Cash at bank earns interest at floating rates based on daily bank deposit rates, except for the term deposit of $6,906,000 at the weighted average interest rate of 3.56%.

Reconciliation of net profit before income tax to net cash flow from operating activities

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Net profit before income tax	7,519	1,711
Adjustments for non-cash items:		
Depreciation and amortisation	3,330	2,738
Share-based payment (benefit)/ expense	(1,451)	1,540
Loss on inventory write-off	286	50
Unrealised foreign exchange rate differences	(2,132)	93
Doubtful debt expense	385	-
Interest received classified as investment activities	(715)	(1,535)
Income tax (paid)/ refunded	(494)	32
Change in assets and liabilities during the financial year:		
Increase in trade receivables	(3,664)	(6,900)
Increase in prepayments	(1,386)	(1,398)
Decrease in contract assets	343	110
Increase in inventory	(5,520)	(4,493)
Increase in other assets	-	(14)
Increase in payables	4,277	8,962
Increase in provisions	520	689
Increase in deferred income	1,191	-
Increase in insurance premium funding arrangement	659	2,098
Net cash inflows from operating activities	3,148	3,683

Note 8. 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.

Note 8. Income tax expense/(benefit) (continued)

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.

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

Based on the assessment, in the year ended 30 June 2025, the Group has recognised approximately a total of $6m deferred tax assets arising from unused tax losses, for Australian tax consolidated group ($4.8m) and for the United Kingdom subsidiary ($1.2m). The Group will continue to review the quantum and recoupment of the tax losses for each entity in the Group at each reporting date.

Note 8. Income tax expense/(benefit) (continued)

(a) Income tax expense/ (benefit)

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Current income tax charge/ (benefit)	1,319	(2,322)
Relating to origination and reversal of temporary differences	(1,178)	(3,688)
Deferred income tax	(6,855)	2,460
Aggregate income tax benefit	(6,714)	(3,550)
Reconciliation of income tax expense to prima facie tax payable		
Profit before income tax benefit	7,519	1,711
Tax at the statutory tax rate of 30%	2,256	513
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Initial recognition of research and development concessional credits	1,412	1,175
Share-based payments	(522)	385
Meals and entertainment	341	340
Other	398	45
	3,885	2,458
Deferred income tax consist of:		
Other payables, provisions and accruals	(718)	1,659
Previously unrecognised tax losses brought to account (a.1)	(6,071)	52
Adjustments to prior year deferred income tax (a.2)	(7,501)	(10,007)
Other	3,691	2,288
Income tax benefit	(6,714)	(3,550)

(a.1) Previously unrecognised tax losses brought to account includes the recognition of previously unrecognised tax losses of $4.8m in Australia and $1.2m in United Kingdom..

(a.2) Adjustments to prior year deferred income tax primarily includes the utilisation of prior year tax losses of $6.9m, recognition of temporary differences of $1.2m and the effect of different tax rates in other jurisdictions of -$0.6m.

Income tax reconciliation	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Income tax per above table	(6,714)	(3,550)
Withholding tax expense (a.3)	1,019	-
Total	(5,695)	(3,550)

(a.3) 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 2025, interest on the intercompany loan was fully settled, and withholding tax of $1,019,000 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 FY2025 Australian income tax return.

Note 8. Income tax expense/(benefit) (continued)

(b) Deferred tax assets and liabilities

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Deferred tax assets	11,998	4,187
Deferred tax liabilities	(1,230)	(447)
Net deferred tax assets	10,768	3,740
Deferred tax balance reflects temporary differences attributable to:		
Deferred tax assets		
Carried forward tax losses	5,902	52
Share-based payments	306	245
Property, plant and equipment	117	76
Right-of-use assets and associated lease liabilities	483	326
Intercompany interest expense	2,473	1,242
Employee benefits	885	690
Deferred revenue	580	149
Other accruals and provisions	1,071	827
Other	181	580
Total deferred tax assets	11,998	4,187
Deferred tax liabilities		
Prepaid expenses	(223)	(136)
Trade and other receivables	(211)	(260)
Property, plant and equipment	(22)	(51)
Other	(774)	-
Total deferred tax liabilities	(1,230)	(447)

Deferred tax assets and liabilities by jurisdiction	Australia ($000)	North America ($000)	United Kingdom ($000)	Total ('000)
Deferred tax assets	7,739	3,209	1,050	11,998
Deferred tax liabilities	(985)	(245)	-	(1,230)
Net deferred tax assets by jurisdiction	6,754	2,964	1,050	10,768

Note 8. Income tax expense/(benefit) (continued)

(c) Deferred tax assets not brought to account

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'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	62,411	81,965
Deductible temporary differences - no deferred tax asset has been recognised	154	121
Total	62,565	82,086

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Potential tax benefit - tax effected amount of the deferred tax assets disclosed above	18,552	24,317

(d) Current income tax liability

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Income tax liability	13	206

Note 9. Earnings per share

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Profit after income tax attributable to the owners of PolyNovo Limited	13,214	5,261
	Number	Number
Weighted average number of ordinary shares used in calculating profit per share	690,722,173	690,232,751
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,900,000	10,150,000
	692,622,173	700,382,751
	Cents	Cents
Basic earnings per share	1.91	0.76
Diluted earnings per share	1.89	0.75

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.

Note 9. Earnings per share (continued)

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 2025 and at 30 June 2024, 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 25 August 2025 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 10. 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.

Note 10. Trade and other receivables (continued)

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Current assets		
Trade receivables (net of provision of doubtful debt)	22,717	19,060
BARDA income receivables	702	865
GST receivables and other receivables	941	479
	1,643	1,344
Interest receivable	26	318
Total trade and other receivables	24,386	20,722

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Financial assets and non-financial assets		
Trade receivables (net of provision for doubtful debt)	22,717	19,060
BARDA Income Receivables	702	865
GST receivables and other receivables	138	479
Interest receivable	26	318
Total financial assets	23,583	20,722
GST receivables and other receivables	803	-
Total non-financial assets	803	-
Total trade and other receivables	24,386	20,722

Trade receivables relates 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 23.

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 2025, the Group has BARDA income receivables of $702,000 (30 June 2024: $865,000). 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 August 2025 for the Pivotal Trial. In 2024, BARDA has committed an additional funding of USD$10 million. This increased the total funding commitment from BARDA to USD$25 million for the Pivotal Trial.

Note 10. Trade and other receivables (continued)

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 $417,000 as at 30 June 2025 (2024: $44,000). $Nil trade and other receivables were written off during the year.

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 2025:

Trade and other receivables and BARDA income receivables	1-30 Days	30-60 Days	60-90 Days	90+ Days	Total
Gross carrying amount ($000)	17,819	1,208	861	3,948	23,836
Expected credit loss ($000)	(306)	(4)	(20)	(87)	(417)
Net balance ($000)	17,513	1,204	841	3,861	23,419

Note 11. Contract cost assets

Costs to fulfil a contract include set-up costs and prepaid costs of a service provider related to goods and services which will be transferred in the future reporting periods.

The Group capitalise costs to fulfil a contract if:
• the costs relate directly to a contract or a specifically identified anticipated contract
• the cost generate or enhance resources that we control and will use when transferring further goods and services
• the Group expect to recover the costs

The Group amortise contract cost assets over the term that reflects the expected period of benefit of the expense.

Significant estimates and assumptions - contract cost assets
Estimating the utilisation of contract cost assets requires selection of an appropriate amortisation method. The Group adopted straight line method to amortise contract cost assets over the period of BARDA study, consistently with the transfer of the services to which the asset relates.

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Contract cost assets (Current)	37	343

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

Note 12. 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.

Note 12. Inventories (continued)

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Current assets		
Raw materials	1,089	696
Work in progress	2,122	3,167
Finished goods	11,568	5,214
Provision for finished goods	(287)	(105)
	11,281	5,109
	14,492	8,972

The total of inventory is held at lower of cost or net realisable value (NRV). During the year ended 30 June 2025, the loss on inventory write off was $286,000 (2024: $51,000). In addition, overheads of $1,263,000 have been expensed as they were not fully allocated to production as a result of low output.

Note 13. Other assets

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Current assets		
Accrued revenue	773	-
Prepayments	3,826	3,301
	4,599	3,301
Non-current assets		
Security deposits	661	573

The accrued revenue of $733,000 relates to sales to the German distributor, which were picked up by customer’s own courier by 30 June 2025 but had not yet been invoiced.

The current prepayment includes the prepaid insurance of $1,303,000 (2024: $1,373,000) 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.

Note 14. 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:

Note 14. Property, plant and equipment (continued)

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.

Disposal
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 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	397	445	54	14,908	15,804
Transfer to/ (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 14. Property, plant and equipment (continued)

	Laboratory Plant & Equipment $'000	Office Equipment $'000	Leasehold Improvements $'000	Construction in Progress $'000	Total $'000
As at 30 June 2024					
Cost	6,068	2,876	6,822	3,918	19,684
Accumulated depreciation	(3,172)	(1,763)	(2,230)	-	(7,165)
Carrying amount at 30 June 2024	2,896	1,113	4,592	3,918	12,519
Carrying amount at 1 July 2023	3,170	1,145	4,704	2,096	11,115
Additions (at cost)	317	458	111	2,011	2,897
Transfer from CIP to FA (at cost)	93	23	73	(189)	-
Depreciation expense	(684)	(512)	(296)	-	(1,492)
Foreign exchange difference	-	(1)	-	-	(1)
Carrying amount at 30 June 2024	2,896	1,113	4,592	3,918	12,519

Note 15. 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 19.

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Non-current assets		
Right-of-use assets	15,625	14,241
Accum Depn - Right of use assets	(3,831)	(2,594)
	11,794	11,647

Note 15. Right-of-use assets (continued)

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

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

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

	Property $'000	Manufacturing Equipment $'000	Total $'000
Carrying amount as at 1 July 2023	12,252	1	12,253
Amortisation expense	(997)	(1)	(998)
Remeasurement	409	-	409
Foreign currency exchange difference	(17)	-	(17)
Carrying amount as at 30 June 2024	11,647	-	11,647

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

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Depreciation expense of right-of-use assets	1,239	998
Interest expense on lease liabilities	646	580
Total amount recognised in profit or loss	1,885	1,578

The Group had total cash outflows for leases of $1,560,000 in 2025 (2024: $1,095,000).

Group as lessor

The Group has not entered into any leases as lessor.

Note 16. 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 2025.

Note 16. Intangibles (continued)

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'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	(1,611)	(1,363)
Amortisation for the year	(248)	(248)
Closing balance	(1,859)	(1,611)
Net book value	661	909

Note 17. 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 equates to fair value.

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Current liabilities		
Trade payables	6,939	6,392
Other payables	15,600	11,870
Total trade and other payables	22,539	18,262

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Financial liabilities and non-financial liabilities		
Trade payables	6,939	6,392
Other payables	12,478	8,902
Total financial liabilities	19,417	15,294
Other payables	3,122	2,968
Total non-financial liabilities	3,122	2,968
Total trade and other payables	22,539	18,262

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

Included in other financial payables are BARDA sundry accruals of $987,000 (2024: $498,000), accrued commission of $4,721,000 (2024: $3,426,000), accrued other liabilities of $2,418,000 (2024: $2,136,000). BARDA contract liability is recognised over the period of the contract.

Note 18. Interest-bearing loans and borrowings

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Current liabilities		
Equipment Finance - current	965	1,073
Short term loan - current	530	815
	1,495	1,888
Non-current liabilities		
Equipment Finance - non current	2,217	742

Refer to note 23 for further information on financial risk management objectives and policies.

(a) Interest bearing facility details

Financing Facilities	Facility Amount $'000	Maturity Date	Interest rate %	Interest expense $'000
Equipment finance	3,800	October 2025 - June 2030	5.95%	45
Short term loan	530	August 2025	7.01%	72

Equipment finance facility

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

The original facility is a $3,800,000 revolving equipment finance facility with repayments over 5 years on each tranche drawn at an interest rate between 2.56% to 6.62%. A total of $741,000 was drawn down as at 30 June 2025. Interest is calculated daily and payable on the last business day of each month. The current limit as at 30 June 2025 is $3,800,000.

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 annual. 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 19. 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.

On 1 September 2024, the Group entered a contract to lease an innovation centre in Port Melbourne, Australia. The lease term is 5 years and 5 months, plus 2 further renewal options of 5 years each. Further details please refer to note 15.

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 15 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 2025 $'000	30 June 2024 $'000
Current liabilities		
Lease liability – current	912	647
Non-current liabilities		
Lease liability - non current	12,511	12,103

Note 20. 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.

Note 20. Deferred income (continued)

	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Current liabilities		
Deferred income	283	-
Non-current liabilities		
Deferred income	908	-

The majority of the deferred income is generated from the deferred grant income. During the year ended 30 June 2025, the Group received a new grant, which is an Industry R&D Infrastructure grant from the Department of Jobs, Skills, Industry and Regions, to support the purchase of R&D equipment as well as the construction of the new innovation centre. The total grant amount is $2,000,000. In the year ended 30 June 2025, the Group received $1,250,000 in cash and expect to receive the remaining $750,000 after the year end. Of the total received grant of $1,250,000, $95,000 was recognised as other income during the year, with the remaining $1,155,000 recognised as deferred income. Details please refer to note 5 'Interest and other income'.

Note 21. 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
• 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 2025 $'000	Consolidated 30 June 2024 $'000
Current provisions		
Annual leave	2,345	2,015
Long service leave	295	229
Total current provisions	2,640	2,244
Non-current provisions		
Long service leave	396	272
Make good	232	232
Total non-current provisions	628	504

Note 22. Equity

(a) Movement in contributed equity

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Contributed equity at beginning of year	191,601	191,591
Issue of share capital	157	-
Capital raising costs	-	10
Contributed equity at end of year	191,758	191,601

Number of shares authorized and fully paid

	Consolidated	
	30 June 2025 '000	30 June 2024 '000
On issue at start of year	690,232	690,232
Exercise of options	546	-
Issue of share capital - short term incentives	64	-
On issue at end of year	690,842	690,232

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, these 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. The value of options exercised was equivalent in value to the difference between the total exercise price otherwise payable and the market value of the shares at the date of exercise.

In addition, the Group issued 64,022 shares at the value of $157,000 to the former CEO following an assessment of the achievement of the targeted KPIs.

Note 22. Equity (continued)

(b) Reserves

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Share-based payments reserve (i)	5,316	6,845
Foreign currency translation reserve (ii)	(1,615)	(911)
Acquisition of non-controlling interest reserve (iii)	(9,294)	(9,294)
Balance at end of period	(5,593)	(3,360)

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
(i) Share-based payments reserve		
Balance at beginning of period	6,845	5,480
Share-based payments movement *	(1,529)	1,365
Balance at end of period	5,316	6,845

* Details of share-based payment movement refer to note 24 Employee-related expenses.

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
(ii) Foreign currency translation reserve		
Opening balance	(911)	(1,016)
Translation of foreign operations	(704)	105
Balance at end of period	(1,615)	(911)

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 2025 $'000	30 June 2024 $'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 2025	30 June 2024
	$'000	$'000
Accumulated losses at beginning of year	(116,117)	(121,378)
Net profit attributable to members of the parent	13,214	5,261
Accumulated losses at end of financial year	(102,903)	(116,117)

Note 23. 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 2025	30 June 2024
	$'000	$'000
Cash and cash equivalents *	33,535	45,907
Trade and other receivables	23,583	20,722
Other financial assets **	50	50
Total financial assets	57,168	66,679
Trade and other payables	19,417	15,294
Short term loan	530	815
Equipment finance facility	3,182	1,815
Lease liabilities	13,423	12,750
Total financial liabilities	36,552	30,674

* As at 30 June 2025, PolyNovo Limited holds a number of short-term term deposits of $6,906,000, at the weighted average interest rate of 3.56%.

** As at 30 June 2025, $50,000 is held in a term deposit maturing on 17 March 2026 at an interest rate of 4.56%

Note 23. Financial Risk Management Objectives and Policies (continued)

(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 22. 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

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 and equipment finance facilities. 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 2025 (and for the prior year), including the applicable interest rates at year-end for financial assets and liabilities measured at fair value.

Note 23. Financial Risk Management Objectives and Policies (continued)

30 June 2025	Interest rate	Floating interest rate $	Fixed interest rate 0 to 90 days $	Fixed interest rate 91 to 365 days $	Fixed interest rate 1 to 5 years $	Fixed interest rate over 5 years $	Non-interest bearing $	Total
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

Note 23. Financial Risk Management Objectives and Policies (continued)

30 June 2024	Interest rate	Floating interest rate	Fixed interest rate				Non-interest bearing	Total
			0 to 90 days	91 to 365 days	1 to 5 years	over 5 years		
	%	$	$	$	$	$	$	$
Financial assets								
Cash and cash equivalents	4.64%	229	24,238	-	-	-	21,440	45,907
Other financial assets	5.05%	-	-	50	-	-	-	50
Trade and other receivables	-	-	-	-	-	-	20,722	20,722
Total financial assets		229	24,238	50	-	-	42,162	66,679
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	15,294	15,294
Short term loan	2.37%	-	554	261	-	-	-	815
Equipment Finance Facility	3.45%	-	296	788	731	-	-	1,815
Lease liabilities	4.80%	-	156	491	2,460	9,643	-	12,750
Total financial liabilities		-	1,006	1,540	3,191	9,643	15,294	30,674

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:

	2025 Post tax profit increase/(decrease) $	2024 Post tax profit increase/(decrease) $
+ 1% (100 basis points)	335	245
- 1% (100 basis points)	(335)	(245)

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.

Note 23. Financial Risk Management Objectives and Policies (continued)

In the year ended 30 June 2025, trade receivables has grown and this is expected to continue as commercial product sales to hospitals and distributors increase. The ageing analysis of trade and other receivables is as follows.

	0 - 30 days $	30 - 60 days $	60 - 90 days $	90+ days $	Total $
30 June 2025					
Trade and other receivables	17,676	1,204	842	3,861	23,583
30 June 2024					
Trade and other receivables	11,768	3,132	4,045	1,777	20,722

The Group considers the maximum credit risk from potential default of the counter party 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 trade and other payables is set out below:

30 June 2025	Less than 3 months $	3 to 12 months $	1 to 5 years $	Over 5 years $	Total $
Trade and other payables	17,588	1,677	152	-	19,417
Interest-bearing loans and borrowings*	814	681	2,217	-	3,712
Lease Liabilities	233	677	3,530	8,983	13,423
Total	18,635	3,035	5,899	8,983	36,552

30 June 2024	Less than 3 months	3 to 12 months $	1 to 5 years $	Over 5 years $	Total
Trade and other Payables	14,684	610	-	-	15,294
Interest-bearing loans and borrowings*	875	1,086	752	-	2,713
Lease Liabilities	302	917	4,501	13,172	18,892
Total	15,861	2,613	5,253	13,172	36,899

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

Note 23. Financial Risk Management Objectives and Policies (continued)

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 incurs foreign currency expenses predominantly in USD, GBP, EUR and NZD. To reduce foreign currency risk exposure, the Group maintains an amount of cash and cash equivalents in USD, NZD, GBP, EUR, CAD, INR and HKD. SGD denominated payable balances carry some foreign currency risk, however these payable balances are typically infrequent and low in value and are therefore considered to expose the Group to minimal risk. The Group also uses foreign exchange forward contracts on an ad hoc basis to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to three months.

The following table demonstrate the sensitivity to a reasonably possible change in USD, GBP, EUR and NZD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes of all other currencies is not material.

	Change in AUD rate %	Effect on profit before tax $'000	Effect on pre-tax equity $'000
30 June 2025	5.00%	(1,374)	(1,374)
	(5.00%)	1,374	1,374
30 June 2024	5.00%	(1,251)	(1,251)
	(5.00%)	1,251	1,251

Remaining contractual maturities
Details about the financial guarantee contracts are provided in note 20. 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.

Note 24. 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 2025 $'000	Consolidated 30 June 2024 $'000
Wages and salaries (including sales commission)	63,199	47,913
Employer retirement contributions (including superannuation and U.S. pension)	2,940	2,326
Share-based payments expense	(1,451)	1,540
Other	9,834	7,654
	74,522	59,433

Note 24: Employee-related expenses (continued)

Included in other employee-related expenses are mainly US government required employer contribution of $2,786,000 (2024: $2,293,000), health insurance contribution of $2,661,000 (2024: $1,717,000), payroll tax of $830,000 (2024: $718,000) and Director fees of $587,000 (2024: $570,000).

The share-based payments expense of -$1,451,000 for the year ended 30 June 2025 includes the recognition of share options of $1,532,000, the reversal of forfeited share options of -$3,061,000, the issuance of shares to the former CEO of $157,000 and the other adjustment of -$79,000.

Note 25. 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 2025, share options were issued to senior level employees. The exercise price of the share options is equal to the closing share price as at grant date of PolyNovo Limited shares traded on the ASX.

The share options vest based on PolyNovo Limited achieving a commercial target and continued employment with PolyNovo. The fair value of the share options is estimated at the grant date. Participants are allocated a maximum number of options using a fair value allocation methodology determined by an independent third party using a Black-Scholes methodology. A Monte Carlo simulation-based model simulates the path of the share price according to a probability distribution assumption. After a large number of simulations, the arithmetic average of the outcomes, discounted to the valuation date, is calculated to represent the option value. This model can accommodate complex exercise conditions when the number of options exercised depends on some function of the whole path followed by the share price. The fair value is recognised as employee expense (with a corresponding increase in equity) over the vesting period.

The performance period is three years after commencement date of employment or the date employment ceases (whichever is sooner). The end of the exercise period is the expiry date for the options.

The former CEO's 5,000,000 share options were forfeited following the termination of the employment. For other employees, three employees exercised share options under the cashless exercise facility, resulting in 546,218 options exercised and 603,782 options forfeited (refer to note 22 for details), In addition, a further 2,200,000 options were forfeited due to employment termination.

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

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

Note 25. Share-based payments (continued)

30 June 2025	Balance at 1 July 2024	Options granted	Options exercised	Options forfeited	Balance at 30 June 2025	Total vested at end of year	Share-based payments expense ($)
Key management personnel							
Mr Swami Raote	5,000,000	-	-	(5,000,000)	-	-	(1,496,635)
Other employees	5,150,000	100,000	(546,218)	(2,803,782)	1,900,000	-	45,866
Total	10,150,000	100,000	(546,218)	(7,803,782)	1,900,000	-	(1,450,769)

Details of share options granted during the year ended 30 June 2025 are summarised in below table.

Grant date	Number of options	Exercise price $	Risk-free interest rate %	Volatility %	Expiry date	Weighted average fair value per option
07/10/2024	100,000	$1.685	3.66%	50.99%	02/01/2027	$1.135

Note 25. Share-based payments (continued)

Key valuation assumptions for the Employee Share Options:

Parameters	Assumptions
Valuation date	Grant Date
Share price	Closing share price as at the valuation Date
Expected life	Assumed that the share appreciation rights will be exercised at the average exercise date which is the average midpoint between vesting date and option expiry date.
Risk-free interest rate	The risk free interest rates are derived from the Australian Government Bonds as at Valuation Date. The terms to maturity have been selected to align with the expected life of the options.
Dividend yield	The dividend yield is the rate of dividend expressed as a continually compounded percentage of the share price. In determining an appropriate dividend yield, forecasted dividend information provided by the management of PolyNovo Limited has been relied upon.
Expected volatility	A share's volatility measure captures the characteristics of fluctuations in the share's price. The value of options is extremely sensitive to the volatility measure and as a result great care should be taken in determining the appropriate volatility percentage. To accurately value options, a volatility measure should be selected that is most likely to represent the future volatility of the shares during the life of the options: the implied volatility. Accordingly, in determining the expected volatility, the historical market price volatility has been taken into account.
Other	Other assumptions that have not been incorporated into our valuation model include: (i) any change of control events and reorganisation of capital during the relevant performance periods or service periods. (ii) any dilution effect from the issue of options noting that they will not likely have a material impact on the PolyNovo Limited security price

Note 26. 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 2024 and 2025 financial years.

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.

Note 26. Key management personnel disclosures (continued)

(b) Compensation by category: key management personnel

	Consolidated	
	30 June 2025	30 June 2024
	$'000	$'000
Short term	2,097	2,007
Post-employment – superannuation	138	119
Leave allowances	(8)	83
Share-based payments	(1,497)	980
Termination benefits	577	-
	1,307	3,189

(c) Interests held by key management personnel
No share options are held by key management personnel as at 30 June 2025.

(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
Kidder Williams Ltd, an entity associated with David Williams, received payment in the amount of $110,000 (June 2024: nil), GST inclusive. The payment was made at standard commercial terms and conditions in respect to consulting service provided to PolyNovo Limited, which was completed in December 2024.

Other than the above, there were no related party transactions during the year ended 30 June 2025.

Note 27. 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 2025	30 June 2024
Amounts received, or due and receivable, by Ernst and Young (Australia) for:		
1. Audit and review of the statutory financial reports of the Group and subsidiaries	379,525	347,261
2. Other non-audit services		
- Tax Compliance	27,910	23,067
- Other advice	82,450	-
Subtotal	489,885	370,328
Amounts received, or due and receivable, by overseas member firms of Ernst and Young (Australia) for:		
1. Audit of the financial report of any controlled entities	73,559	57,114
2. Other non-audit services		
- Tax Compliance	212,668	184,101
- Other advice	66,637	86,959
Subtotal	352,864	328,174
Total auditor's remuneration	842,749	698,502

Note 27. Auditor's Remuneration (continued)

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 28. Parent entity information

	Parent	
	30 June 2025	30 June 2024
	$'000	$'000
Profit/(loss) after income tax	709	(2,329)
Total comprehensive income	709	(2,329)

Statement of financial position

	Parent	
	30 June 2025	30 June 2024
	$'000	$'000
Total current assets	109,357	110,068
Total assets	112,986	110,068
Total current liabilities	15,307	12,634
Total liabilities	16,215	12,634
Equity		
Issued capital	191,758	191,601
General reserve	(648)	881
Accumulated losses	(94,339)	(95,048)
Total equity	96,771	97,434

In accordance with the terms and conditions of the NAB facility arrangements disclosed in note 18, 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 $15,300,000 excluding interest and penalties.

Note 29. 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':

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2025 %	Ownership interest 30 June 2024 %
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 30. Commitments and Contingencies

The construction of the new manufacturing facility and new innovation centre have commenced and the Group has entered into building contracts for both facilities. The aggregate amount of capital commitments relating to these two facilities is $8,500,000 as at 30 June 2025.

Note 31. Related party transactions

Related party transactions are disclosed under note 26 Key management personnel.

Note 32. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 entity within the Group is considered to be a dual tax resident.

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

a) The consolidated financial statements and notes that are set out on pages 30 to 72 and the Remuneration Report in sections 18 to 28 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 2025 and of its performance for the year ended on that date; and

- complying with Australian Accounting Standards and *Corporations Regulations 2001*; and

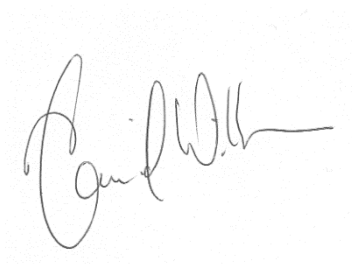
b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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 2025.

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 David Williams
Chairman

25 August 2025

Ernst & Young
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Melbourne VIC 3000 Australia
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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 2025, 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 Company is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its 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 Company 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

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Recognition of Revenue

Why significant	How our audit addressed the key audit matter

The Group has recognised $127.2m of revenue 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. Commercial product sales have significantly increased this financial year. Services revenue is recognised as the services are delivered.
 	
Notes 2, 3 and 4 of the financial statements outline the Company's accounting policies with respect to revenue recognition and revenue disclosures.
 	
Revenue recognition was considered a key audit matter due to the increasing sales volumes and geographically diverse customer arrangements entered into by the Group.
	Our audit procedures with respect to the Group's revenue recognition included:
	
	▪ Assessed new contracts with customers for terms and conditions that could impact the timing of recognition and measurement of revenue.
	▪ Assessed the operating effectiveness of the Group's revenue controls by testing a sample of controls with respect to the initiation and recording of commercial sales transactions.
	▪ Assessed on a sample basis for cut off, whether revenue was correctly recognised based on the products delivered close to and on 30 June 2025 with reference to supporting documentation including contracts, purchase orders, proof of delivery, cash receipts and credit notes.
	▪ Assessed the Group's performance obligations under the services contracts to check that revenue is recognised only for services provided during the year and at the contracted rate.
	▪ Using data analytic tools to test the full population of revenue transactions including performing:
	  ▪ correlation analysis between revenue, receivables and cash;
	  ▪ targeted audit procedures over material items that did not correlate as expected; and
	  ▪ testing to verify that the cash recorded represents real cash from third party customer.
	▪ Assessed 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.

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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 2025 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:

a. 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

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (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

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company 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.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Company'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 Company'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 Company 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.

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.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 28 of the directors' report for the year ended 30 June 2025

In our opinion, the Remuneration Report of PolyNovo Limited for the year ended 30 June 2025, 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

Ashley Butler
Partner
Melbourne
25 August 2025

Additional Information Required by ASX
For the year ended 30 June 2025

Ordinary Shares
As at 8 August 2025 there were 690,842,991 ordinary shares on issue held by 19,061 shareholders.
Each ordinary share carries one vote per share.

Top 20 Shareholders as at 8 August 2025

Shareholders	Number of shares	% Units
HSBC Custody Nominees (Australia) Limited	80,100,709	11.59
J P Morgan Nominees Australia Pty Limited	69,902,090	10.12
Citicorp Nominees Pty Limited	39,896,232	5.78
Moggs Creek Pty Ltd (Moggs Creek Super A/C)	19,010,112	2.75
BNP Paribas Nominees Pty Ltd	11,572,645	1.68
Lateral Innovations Pty Ltd (Trust A/C	10,924,103	1.58
Mr Anthony Shane Kittel + Mrs Michele Therese Kittel (Kittel Family Super A/C)	8,050,000	1.17
National Nominees Limited	7,622,217	1.10
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient)	6,471,366	0.94
Netwealth Investments Limited (Wrap Services A/C)	4,478,745	0.65
Mrs Li-Hsien Tsai	4,305,424	0.62
Commonwealth Scientific And Industrial Research Organisation	4,081,250	0.59
BNP Paribas Nominees Pty Ltd (Clearstream)	3,664,587	0.53
Mr Paul Gerard Brennan	3,569,796	0.52
Mr David Kenley	3,360,000	0.49
Dr George Bousounis	3,320,000	0.48
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	292,590,446	42.36

Unquoted Securities
Share options over unissued shares
As at 30 June 2025, a total of 1,900,000 share options over ordinary shares are on issue held by four employees. Share options do not carry a right to vote.

PolyNovo issued 100,000 share options during the year ended 30 June 2025. Details of the share options issued are included in note 25.

Share awards over unissued shares
As at 30 June 2025, nil share awards over ordinary shares are on issue. Share awards do not carry a right to vote.

The range of shareholders based on number of shares held as at 8 August 2025 is as follows:

Range of units as at 8 August 2025	Number of holders	Number of shares
1 to 1,000	5,453	2,937,770
1,001 to 5,000	6,328	17,501,797
5,001 to 10,000	2,533	19,668,062
10,001 to 100,000	4,059	126,022,755
100,001 and over	688	524,712,607
Total	19,061	690,842,991
Holding less than a marketable parcel	2,332	572,670

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).

Non-executive Chairman	Mr David Williams
Non-executive Directors	Ms Christine Emmanuel-Donnelly Mr Leon Hoare Mr Andrew Lumsden
Acting Chief Executive Officer	Dr Robyn Elliott
Company secretary	Mr Jan Gielen
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 St Melbourne Victoria 3000
Stock exchange listing	PolyNovo Limited shares are listed on the Australian Securities Exchange (ASX code: PNV)
Website	www.polynovo.com