Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Appendix 4E

For the year ended 30 June 2026

Name of entity: Anatara Lifesciences Ltd

ABN: 41 145 239 872

Year ended: 30 June 2026

Previous period: 30 June 2025

Results for announcement to the market

		%		$
Net loss after tax (from ordinary activities) for the year attributable to members*	Down by	52%	to	(933,230)
Net loss after tax for the period attributable to members*	Down by	52%	to	(933,230)

*decrease in loss

Distributions

No dividends have been paid or declared by the Company for the current financial year. No dividends were paid for the previous financial year.

Explanation of results

Please refer to the review of operations and activities for explanation of the results.

Additional information supporting the Appendix 4E disclosure requirements can be found in the directors' report and financial statements for the year ended 30 June 2026.

Net tangible assets per security

	2026 Cents	2025 Cents
Net tangible asset backing (per share)	0.23	0.25

Changes in controlled entity

There have been no changes in controlled entities during the year ended 30 June 2026.

Other information required by Listing Rule 4.2A

a. Details of any individual and total dividends or distributions and dividend or distribution payments: N/A
b. Details of any dividend or distribution reinvestment plans: N/A
c. Details of associates and joint venture entities: N/A
d. Other information: N/A

Audit

The financial statements have been audited by the Group's independent auditor and an unqualified audit opinion inclusive of an emphasis of matter regarding going concern has been issued.

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Consolidated Financial Statements

For the year ended 30 June 2026

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

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For the year ended 30 June 2026

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Corporate directory

30 June 2026

Directors

- Dr David Brookes (*Executive Chairman*)
- Mr John Michailidis (*Non-Executive Director*)
- Mr Dirk Van Dissel *(Non-Executive Director)* (appointed 29 September 2025)
- Mr Jonathan Lindh *(Non-Executive Director)* (resigned 29 September 2025)

Secretary

- Mr Jonathan Lindh

Registered office and principal place of business

c/- Perks, Level 8, 81 Flinders Street, Adelaide SA 5000

Telephone: +61 (0)4 3802 7172

Share register

Computershare Investor Services Pty Ltd

Level 1, 200 Mary Street, Brisbane QLD 4000

Telephone: +61 (0)7 3237 2100

Auditor

Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street, Adelaide SA 5000

Telephone: +61 (0)8 8372 6666

Solicitors

Thomson Geer

Level 16, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000

Telephone: +61 (0)8 8236 1300

Bankers

Commonwealth Bank of Australia, Melbourne VIC 3000

Telephone: +61 (0)2 9378 2000

Stock exchange listing

Anatara Lifesciences Ltd shares are listed on the Australian Securities Exchange (ASX code: ANR).

Website

www.anataralifesciences.com

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Corporate Governance Statement

30 June 2026

The Company and the board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2026 corporate governance statement is dated as at 17 October 2025 and reflects the corporate governance practices in place throughout the 2026 financial year.

Copies of the Group's current corporate governance practices is set out on the Group's corporate governance statement which can be viewed at: https://anataralifesciences.com/investors/corporate-governance/.

Directors' report

30 June 2026

The directors present their report, together with the financial statements of the Group, being Anatara Lifesciences Ltd ("the Company") and its controlled entities ("the Group"), for the financial year ended 30 June 2026.

Directors

The following persons held office as directors of the Company during the whole of the financial year and up to the date of this report, except where otherwise stated:

Names	Position	Appointed/Resigned
Dr David Brookes	Executive Chair	
Mr John Michailidis	Non-Executive Director	
Mr Dirk Van Dissel	Non-Executive Director	Appointed 29 September 2025
Mr Jonathan Lindh	Non-Executive Director	Resigned 29 September 2025

Company secretary

The following person held office as company secretary of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Jonathan Lindh.

Principal activities and significant changes in nature of activities

The Group is an Australian listed entity that is developing and commercialising innovative, evidence-based products for gastrointestinal health where there is significant unmet need. Anatara is focused on building a pipeline of human health products and has had a particular focus on conditions that involve the complexity of the gastrointestinal tract.

There were no significant changes in the nature of Group's principal activities during the financial year.

Review of operations and financial review

Review of operations

Anti-Obesity Project

On the 17th of December 2025, the Company announced that the initial report on Anatara’s Anti-Obesity Project pre-clinical studies concluded that a candidate compound, referred to as “AOC”, had 2 independent measures suggesting activity of statistical significance in assisting the management of weight reduction. However, the completion of the Mechanism of Action (MOA) studies were delayed slightly due to an international unavailability of a specific testing kit. The limited assays, performed to that date, had proven to be a useful guide to the planned overall studies expected to be completed on stored specimens in mid-January 2026.

The Company announced on 20 November 2025 (ASX: 2025 AGM Presentation) the planned in-vivo pre-clinical experiments being conducted at the University of Newcastle that moved through a treatment challenge phase for one-arm of the intended project. This followed a period of preparing diet-induced obese mice for the study to observe weight loss control and maintenance in response to therapeutic inputs. A further part of the study focused on the mechanism of action (MOA) of selected compounds from the challenge phase. The study was an assessment of proprietary drug candidates and glucagon-like peptide-1 receptor (GLP-1R) agonists in a mouse model of diet-induced obesity.

Directors' report

30 June 2026

Review of operations (continued)

Anti-Obesity Project (continued)

The preliminary result of the initial studies were reported by the University as showing a tested compound, referred to by Anatara as compound AOC, having 2 independent measures that suggested activity in controlling weight gain/assisting weight loss. There was a significant reduction in the rate of weight regain/rebound after weight loss induced by injectable GLP-1 agonism. When comparing a “placebo vehicle”(vehicle) to AOC, there was a significant reduction in weight gain in the weeks after ceasing injectable semaglutide induced weight loss, with P score <0.019. This indicates that AOC significantly attenuates weight gain post cessation of semaglutide.

Similarly, compared to vehicle, AOC had a significant reduction in perigonadal fat weight ($n=12$, $p=0.024$). Perigonadal fat was taken at endpoint, as perigonadal fat is highly indicative of visceral fat deposits and the likelihood of metabolic conditions. Perigonadal fat weight was also made relative to body weight (BW) to account for individual values. Compared to vehicle, the mice receiving AOC had a significant reduction in perigonadal fat weight regardless of body weight, indicating that crucial visceral fat volumes are reduced with administration of AOC.

The Company announced on the 19th of February 2026, the MOA studies were completed after an unexpected delay in December 2025, which was due to the unavailability of one of the assay kits. The full data set results were inconclusive with respect to showing a direct effect on endogenous GLP-1 levels.

The Company is of the view that, if the Anti-Obesity Project is to be advanced, a pharmacokinetic evaluation of changes in GLP-1 levels in healthy human volunteers with a multidose Phase 1 study of AOC is the next step. This would be the most likely path to enhancing AOC as a product with commercial potential. Anatara designed the appropriate study and sought tenders to conduct the study in Australia and the EU. While the Company is confident of having the resources to oversee and fund such a specific study, Anatara placed this project on hold in the June Quarter as negotiations on other transactions were progressed.

Further steps to commercialise a potential product, including the need for any additional studies, are being determined on these scientific outcomes. The Anti-Obesity Project has been designed to develop an oral complementary medication to assist weight reduction and sustaining weight control in conjunction with other contemporary treatments and approaches. Specifically, the product is being developed with the target of assisting the maintenance of weight loss and limiting rebound weight gain following cessation of contemporary weight loss medications (e.g. GLP-1 agonists such as the semaglutides). While the Company needs to protect the project at this early stage, the mechanism of action involves the stimulation of endogenous GLP-1. The Company has been assessing several compounds of interest (that have been sourced/manufactured) in the pre-clinical studies to determine the best candidate/s going forward. The compound/s of most interest can be confirmed as being recognised as Generally Regarded As Safe (“GRAS”) and suitable for a complementary medicine or nutraceutical. The candidate compounds selected have been shown to target the same physiological mechanism that is the focus of the Proof-of-Concept (POC). The dosage regimes have been predicted from published pre-clinical and clinical studies. The Company spent more than $350,000 on the POC studies for the anti-obesity project.

Review of operations (continued)

GaRP Project & Phase II GaRP-IBS Trial

Commercialisation discussions were pursued for the GaRP product following the GaRP-IBS trial with headline results released 17 April 2025 and internal analyses on 16 May 2025. The trial was successful in achieving the primary endpoint of safety and secondary endpoints, including a statistically significant reduction in anxiety scores and the magnitude of improvement in the IBS-SSS (Irritable Bowel Syndrome-Symptom Severity Score). While the primary efficacy endpoint using the traditional, overall IBS-SSS did not meet statistical significance, internal analyses revealed statistically significant improvement in IBS symptoms of pain severity, pain frequency and abdominal distension in participants on the GaRP product compared to the placebo group.

The Company is still of the view that the product has the potential for broad indications, including in the management of a healthy gut-brain axis. Given the outcome of the results of the GaRP Stage 2 of Anatara's GaRPIBS (Irritable Bowel Syndrome) Phase II trial, the Company went through the processes of formally closing out the trial and maintained only essential roles around the retracted activities until the Company's direction is further defined.

The summation of the GaRP Project pre-clinical and clinical work for publication were progressed and further the understanding of the commercial possibilities for the GaRP product in gastrointestinal health. There remains commercial interest in the GaRP Project IP. The summation of the GaRP Project pre-clinical and clinical work to a standard for publication have both been completed and will enhance the understanding of the commercial possibilities for the GaRP Product in gastrointestinal health. Both the pre-clinical work and the GaRP-IBS trial papers have been submitted for review.

Corporate Activities & Future Direction

While the Company remains committed to advancing the Anti-Obesity Project through its Proof-of-Concept studies, it continues to evaluate additional opportunities and strategic directions within the junior healthcare sector. The Company continues to assess a range of potential transactions and the Board remains resolute in its focus on projects addressing areas of significant unmet medical need.

Corporate Activities & Board changes

Anatara completed a successful capital raising of A$1.2m in November 2025 after shareholder approval of Tranche 2 shares at the Company's 2025 AGM, reflecting strong support from existing institutional and sophisticated investors, with the issue price of $0.012 being a 22.8% discount to the 15-day VWAP as at close of trade the day before raise. Director participation in the Placement of $80,000 was also approved by shareholders at the 2025 AGM.

The Company announced on 29 September 2025 the appointment of Mr. Dirk van Dissel as a Non-Executive Director. With the appointment of Mr. van Dissel as a director, Mr. Jonathan Lindh stepped down from an interim role as a non-executive director while continuing as Company Secretary.

Summary of FY2026 cashflows

The Company's cash at the end of the year ended 30 June 2026 was $ 0.471 million (30 June 2025: $0.101 million). Net cash outflow from operating activities during the full year was $0.34 million, compared to a $2.27 million cash outflow from operating activities in the year ended 30 June 2025. On 01 October 2025 the Company announced a Share Placement with firm commitment to raise $1.2 million through 100,000,000 ordinary shares.

In Q1FY26, the application for the 2025 Research & Development Tax Rebate resulted in a refund of $0.969 million in July 2025.

Directors' report

30 June 2026

Other items

Significant changes in state of affairs

During the year, 100,000,000 shares were issued at $0.012 per share pursuant to a share placement offer announced on 01 October 2025 that raised $1.2m (before costs). Additionally, in August 2025 a total of 206,612 shares were issued following the conversion of performance rights by an employee and similarly in February 2026 a further 2,360,426 performance rights were converted into shares.

There were no other significant changes in the Group's state of affairs during the year.

Dividends paid or recommended

No dividends were declared or paid to members for the year ended 30 June 2026. The directors do not recommend that a dividend be paid in respect of the financial year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Other than the information disclosed in the review of operations and activities, there are no likely developments or details on the expected results of operations that the Group has not disclosed.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Directors' report

30 June 2026

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Dr David Brookes	**Executive Chair**
Experience	Dr. Brookes has extensive experience in the health and biotechnology industries, first becoming involved in the biotechnology sector in the late 1990's as an analyst. Dr. Brookes has since held Board positions in a number of ASX listed biotechnology companies, including as Chairman of genomics solutions company, RHS Ltd, which was acquired by Perkin Elmer Inc (NYSE:PKI) in June 2018. He has also Chaired the risk and audit committees in ASX listed companies. Dr Brookes is currently an Executive Director of TALI Digital (ASX:TD1). He was previously a Non-Executive Director of Island Pharmaceuticals (ASX:ILA) until his resignation in September 2024, and Non-Executive Chair of Dominion Minerals Limited (ASX:DLM) until his resignation in June 2025. Dr Brookes, MBBS (Adelaide), is a Fellow of the Australian College of Rural and Remote Medicine and a Fellow of the Australian Institute of Company Directors.
Special responsibilities	Executive chair Member of the audit and risk management committee Member of the remuneration and nominations committee
Other current directorships in listed entities	Tali Digital Ltd (ASX:TD1), since 29 June 2020.
Other directorships in listed entities held in the previous three years	Dominion Minerals Limited (ASX:DLM), previously known as Factor Therapeutics Limited (ASX:FTT), since 10 April 2019, resigned 16 June 2025. Island Pharmaceuticals Limited (ASX:ILA) since October 2020, resigned 19 September 2024.

Mr John Michailidis	**Non-Executive Director**
Experience	John is an accomplished CEO with over 30 years' experience in the healthcare, pharmaceutical and biotechnology industries both in Australia and internationally. He has a proven track record in business transformation, entrepreneurship, translation and commercialisation of science organisations; government engagement and influence; effectiveness in research translation; business development and organisational responsibility.
Special responsibilities	Chair of the audit and risk management committee (to Sep 2025)
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Directors' report

30 June 2026

Information on directors (continued)

Mr Dirk Van Dissel	**Non-Executive Director (appointed 29 September 2025)**
Experience	Mr Dirk Van Dissel has more than 20 years' experience in private equity, boutique investment banking and stockbroking. He has provided corporate advisory services and equity capital markets solutions to micro-cap and small-cap companies across the life sciences (biotechnology and healthcare), industrial technology, information and mobile technology, and resources sectors. Mr van Dissel has particular expertise in the identification and evaluation of early-stage healthcare projects, and has extensive experience in capital raising for both ASX-listed and unlisted companies. He has also advised on numerous buy-side and sell-side transactions.
Special responsibilities	Chair of the audit and risk management committee Member of the remuneration and nomination committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Mr Jonathan Lindh	**Non-Executive Director (resigned 29 September 2025)**
Experience	Jonathan Lindh is a lawyer with over 15 years' legal and company secretarial experience. He has worked in private practice for Australian and international law firms, and for a boutique corporate advisory business. Jonathan has experience advising listed and unlisted private and public companies on a broad range of matters including mergers & acquisitions, divestments, capital raisings, joint ventures, supply/offtake agreements, foreign investment, corporate governance and corporate law issues. Jonathan has also served as company secretary of a number of ASX listed companies and other private and public companies operating in various industries.
Special responsibilities	Company Secretary Member of the remuneration and nomination committee Member of the audit and risk management committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Director information

Company secretary

The current Company Secretary is Mr Jonathan Lindh. Refer to *Information on Directors* for details of Jonathan's experience and qualifications.

Directors' report

30 June 2026

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration and Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dr David Brookes	11	11	2	2	1	1
Mr John Michailidis	11	11	2	2	1	1
Mr Dirk Van Dissel (appointed 28 September 2025)	8	8	2	2	1	1
Mr Jonathan Lindh (resigned 28 September 2025)	3	3	1	1	-	-

Indemnification and insurance of officers and auditors

(a) Insurance of officers

During the financial year, the Group paid a premium of $29,982 to insure the directors and secretaries of the company and its Australian-based controlled entities.

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

(b) Indemnity of auditors

Anatara Lifesciences Ltd has agreed to indemnify their auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from Anatara Lifesciences Ltd’s breach of their agreement. The indemnity stipulates that Anatara Lifesciences Ltd will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the company

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

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

Directors' report

30 June 2026

Options

Unissued ordinary shares

At the date of this report, the unissued ordinary shares of Anatara Lifesciences Ltd under option and performance rights are as follows:

Options

Grant date	Date of expiry	Exercise price $	Number under option
07-05-2024	06-05-2027	0.1000	2,000,000
09-07-2024	08-07-2028	0.1000	3,500,000
23-12-2024	23-12-2027	0.0750	1,000,000
26-11-2025	26-11-2028	0.0250	4,000,000
Total			10,500,000

Performance rights

Grant date	Date of expiry	Number subject to performance conditions
09-08-2024	31-07-2027	137,062
18-11-2024	18-11-2027	359,640
Total		496,702

No option holder or performance rights holder has any right under the options or performance rights to participate in any other share issue of the company or any other entity.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

Options and performance rights exercised during the year

No ordinary shares of the Company were issued during the year ended 30 June 2026 from the exercise of issued options.

During the year ended 30 June 2026, 2,567,038 ordinary shares of the Company were issued from the exercise of performance rights.

Directors' report

30 June 2026

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Group are important. Details of the amounts paid or payable to the auditor (Grant Thornton Audit Pty Ltd) for audit and non-audit services provided during the year are set out below.

The directors are satisfied that the provision of non-audit services provided by the auditor, as set out below, did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* set by the Accounting Professional and Ethical Standards Board.

No fees were paid or payable to Grant Thornton Audit Pty Ltd for non-audit services provided during the year ended 30 June 2026.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2026 has been received and can be found on page 21 of the consolidated financial report.

Directors' report

30 June 2026

Remuneration report (audited)

The directors present the Group's 2026 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

a) Key management personnel (KMP) covered in this report

b) Remuneration policy and link to performance

c) Elements of remuneration

d) Link between remuneration and statutory performance indicators

e) Remuneration details for the year ended 30 June 2026

f) Contractual arrangements with executive KMPs

g) Non-executive director arrangements

h) Additional statutory information

(a) Key management personnel covered in this report

Dr David Brookes, Executive Chair
Mr John Michailidis, Non-Executive Director
Mr Jonathan Lindh, Non-Executive Director (resigned 28 September 2025)
Mr Dirk van Dissel, Non-Executive Director (appointed 28 September 2025)
Mr Simon Erskine, Chief Development Officer (resigned 13 May 2026)

(b) Remuneration policy and link to performance

The remuneration and nominations committee of the Company is mainly comprised of independent non-executive directors. The committee reviews and determines the Company's remuneration policy and structure annually to ensure it remains aligned to business needs, and meets Company remuneration principles. In particular, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

Assessing performance

The remuneration and nominations committee is responsible for assessing performance against KPIs and determining any short term and long term incentives to be paid. To assist in this assessment, the committee receives data from independently run surveys.

Performance is monitored on an informal basis throughout the year and a formal evaluation is performed annually.

Securities trading policy

The Company's securities trading policy applies to all directors and executives, see https://anataralifesciences.com/investors/corporate-governance.

Directors' report

30 June 2026

Remuneration report (audited) (continued)

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance and car allowances. Fixed remuneration is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(ii) Short-term incentives (STI)

All executives are entitled to participate in a short-term incentive scheme which provides for executive employees to receive a combination of short-term incentives (STI) as part of their total remuneration if they achieve certain performance indicators as set by the board. The short-term incentives can be paid either by cash, or a combination of cash and the issue of equity in the company, at the determination of the remuneration and nominations committee and board.

The Group's Chief Development Officer (CDO) is entitled to short-term incentives in the form of cash bonus up to 30% of fixed remuneration against agreed various key performance indicators (KPIs), including target EBITDA, appreciation in share price value, retention of key talent, and achievement of major project milestones. On an annual basis, KPIs are reviewed and agreed in advance of each financial year and include financial and non-financial company and individual performance goals that relate to:

- Operational management.
- Investor relations and shareholder value creation.
- R&D activities.

(iii) Long-term incentives (LTI)

Executives may also be provided with longer-term incentives through the Company's 'executive option plan' (EOP), that was approved by shareholders at the annual general meeting held on 26 November 2020. The aim of the EOP is to allow executives to participate in, and benefit from, the growth of the Company as a result of their efforts and to assist in motivating and retaining those key employees over the long-term. Continued service is the condition attached to the vesting of the options. The board at its discretion determines the total number of options granted to each executive.

Remuneration report (audited) (continued)

(d) Link between remuneration and Statutory performance indicators

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

	Loss for the year attributable to owners $	Basic loss per share cents	Share price at year-end $
2026	933,230	0.34	0.01
2025	1,954,702	0.95	0.05
2024	1,451,242	0.97	0.04
2023	2,023,188	2.07	0.03
2022	2,532,293	3.56	0.06

The Group's earnings have remained negative since inception due to the nature of the business. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company. The Group continues to focus on revenue growth with the objective of achieving key commercial milestones in order to add further shareholder value.

(e) Remuneration details for the year ended 30 June 2026

The following tables of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

		Post employment	Long term	Share based payments		
2026	**Short term**	**Superannuation**	**Long service leave**	**Options**	**Performance rights**	**Total**
	$	$	$	$	$	$
Non-executive directors						
Mr John Michailidis	60,000	7,200	-	-	-	67,200
Mr Jonathan Lindh (1)	7,500	900	-	-	-	8,400
Mr Dirk van Dissel (2)	50,400	-	-	-	-	50,400
Executive directors						
Dr David Brookes	150,000	18,000	-	-	-	168,000
KMP						
Mr Simon Erskine (3)	138,416	16,892	(4,893)	-	-	150,415
Total KMP compensation	406,316	42,992	(4,893)	-	-	444,415

Notes:

(1) Mr Jonathan Lindh resigned on 28 September 2025.

(2) Mr Dirk van Dissel was appointed as Non-Executive Director on 28 September 2025. Remuneration of $50,600 disclosed above was paid to a related entity of Mr Dirk van Dissel for services provided.

(3) Mr Simon Erskine resigned on 13 May 2026.

Remuneration report (audited) (continued)

(e) Remuneration details for the year ended 30 June 2026 (continued)

		Post employment	Long term	Share based payments (4)		
2025	**Short term**	**Superannuation**	**Long service leave**	**Options**	**Performance rights**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Non-executive directors						
Mr Nicholas Haslam (1)	40,385	4,644	-	17,000	-	62,029
Mr John Michailidis (2)	131,398	15,180	(167)	17,000	21,938	185,349
Mr Jonathan Lindh (3)	9,808	1,128	-	-	-	10,936
Executive directors						
Dr David Brookes	150,000	17,250	-	42,500	-	209,750
KMP						
Mr Simon Erskine (4)	162,380	20,877	2,737	960	29,970	216,924
Total KMP compensation	493,971	59,079	2,570	77,460	51,908	684,988

Notes:

(1) Mr Nicholas Haslam resigned on 28 February 2025.

(2) Mr John Michailidis transitioned from Executive Director to Non-Executive Director on 17 April 2025.

(3) Mr Jonathan Lindh was appointed as Non-Executive Director on 28 February 2025.

(4) The options and rights expense has been recognised in relation to the vesting criteria attached.

(f) Contractual arrangements with executive KMPs

Name:	Dr David Brookes
Position:	Executive Chair
Contract duration:	Unspecified
Notice period:	Unspecified
Fixed remuneration:	$150,000 per annum, plus 12% superannuation

Name:	Mr Simon Erskine (resigned 13 May 2026)
Position:	Chief Development Officer
Contract duration:	Unspecified
Notice period:	3 months by either party
Fixed remuneration:	$160,000 per annum, plus 12% superannuation

Remuneration report (audited) (continued)

(g) Non-executive director arrangements

Non-executive directors receive a board fee and fees for chairing but not participating on board committees. See table below. They do not receive performance-based pay or retirement allowances. The fees are exclusive of superannuation. The chair receives higher base fee than other non-executive directors, reflective of the additional demands and responsibilities of this role.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the board's independent remuneration adviser.

The maximum annual aggregate directors' fee pool limit is $500,000, adopted on initial public offering of the Company on 14 October 2014.

Base fees

Chair	$150,000
Other non-executive directors	$60,000

(h) Additional statutory information

(i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in (e) above.

	Fixed remuneration		At risk - STI		At risk - LTI	
	2026 %	2025 %	2026 %	2025 %	2026 %	2025 %
Non-executive directors						
Mr Nicholas Haslam (1)	-	73	-	-	-	27
Mr John Michailidis (2)	100	79	-	-	-	21
Mr Jonathan Lindh (3)	100	100	-	-	-	-
Mr Dirk van Dissel (4)	-	-	-	-	-	-
Executive directors						
Dr David Brookes	100	80	-	-	-	20
KMP						
Mr Simon Erskine (5)	100	86	-	-	-	14

Notes:

(1) Mr Nicholas Haslam resigned on 28 February 2025.

(2) Mr John Michailidis was appointed as Executive Director on 2 October 2023 and transitioned from Executive Director to Non-Executive Director on 17 April 2025.

(3) Mr Jonathan Lindh resigned on 28 September 2025.

(4) Mr Dirk van Dissel was appointed as Non-Executive Director on 28 September 2025.

(5) Mr Simon Erskine resigned on 13 May 2026.

Remuneration report (audited) (continued)

(h) Additional statutory information (continued)

(ii) Reconciliation of ordinary shares, performance rights and options held by KMP

Share Holdings

30 June 2026	Balance at the beginning of year (1) No.	Granted as remuneration No.	Exercised No.	Other changes (2) No.	Balance at the end of year (3) No.
Dr David Brookes	6,530,002	-	-	3,333,334	9,863,336
Mr Simon Erskine	-	-	-	-	-
Mr John Michailidis	1,299,999	-	-	-	1,299,999
Mr Jonathan Lindh (4)	-	-	-	-	-
Mr Dirk Van Dissel (5)	2,727,363	-	-	3,333,333	6,060,696
	10,557,364	-	-	6,666,667	17,224,031

Notes:

(1) Balance may include shares held prior to individuals becoming a KMP. For individuals who became a KMP during the year, the balance is at the date they became a KMP.

(2) Other changes incorporates changes from the acquisition of shares.

(3) For a former KMP, the balance is at the date they cease to be a KMP.

(4) Mr Jonathan Lindh resigned on 28 September 2025.

(5) Mr Dirk van Dissel was appointed as Non-Executive Director on 28 September 2025.

Option Holdings

30 June 2026	Balance at the beginning of year (1) No.	Granted as remuneration No.	Exercised No.	Other changes (2) No.	Balance at the end of year (3) No.	Vested and exercisable
Dr David Brookes	4,332,143	-	-	(1,832,143)	2,500,000	2,500,000
Mr Simon Erskine (4)	300,000	-	-	-	300,000	300,000
Mr John Michailidis	1,250,000	-	-	(250,000)	1,000,000	500,000
Mr Jonathan Lindh (5)	-	-	-	-	-	-
Mr Dirk Van Dissel (6)	-	-	-	-	-	-
	5,882,143	-	-	(2,082,143)	3,800,000	3,300,000

Notes:

(1) Balance may include options held prior to individuals becoming a KMP. For individuals who became a KMP during the year, the balance is at the date they became a KMP.

(2) Other changes incorporates changes from the acquisition of shares or options.

(3) For a former KMP, the balance is at the date they cease to be a KMP.

(4) Mr Simon Erskine resigned on 13 May 2026.

(5) Mr Jonathan Lindh resigned on 28 September 2025.

(6) Mr Dirk van Dissel was appointed as Non-Executive Director on 28 September 2025.

Directors' report

30 June 2026

Remuneration report (audited) (continued)

(h) Additional statutory information (continued)

(ii) Reconciliation of ordinary shares, performance rights and options held by KMP (continued)

Performance Rights

30 June 2026	Balance at the beginning of year No.	Granted as remuneration No.	Exercised No.	Other changes No.	Balance at the end of year No.
Mr Simon Erskine (1)	2,567,038	-	(2,567,038)	-	-
Mr John Michailidis	359,640	-	-	-	359,640
	2,926,678	-	(2,567,038)	-	359,640

Notes:

(1) On 4 August 2025, 206,612 ordinary shares were issued to Mr Simon Erskine on exercise of 206,612 performance rights. On 25 February 2026, a further 2,360,426 ordinary shares were issued on exercise of a further 2,360,426 performance rights. Mr Simon Erskine resigned on 13 May 2026.

(i) Other transactions with key management personnel

There are no other transactions with key management personnel of the Group.

(j) Voting of shareholders at last year's annual general meeting

The Company received 99 percent of favourable votes on its remuneration report for the 2025 financial year. The Company did not receive any specific feedback at the 2025 annual general meeting or throughout the year on its remuneration practices.

End of Audited Remuneration Report

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Dr David Brookes
Director

Dated this 18th day of August 2026

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Auditor's Independence Declaration

To the Directors of Anatara Lifesciences Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Anatara Lifesciences Ltd for the year ended 30 June 2026, I declare that, 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; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 18 August 2026

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 $	2025 $
Other income	6.a	318,402	969,456
General and administrative expenses	6.b	(973,003)	(1,322,683)
Research and development costs	6.b	(280,504)	(1,603,422)
Operating loss		(935,105)	(1,956,649)
Finance income		4,942	9,367
Finance expenses		(3,067)	(7,420)
Finance income - net		1,875	1,947
Loss before income tax		(933,230)	(1,954,702)
Income tax expense	7	-	-
Loss for the year		(933,230)	(1,954,702)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(933,230)	(1,954,702)
Total comprehensive loss attributable to:			
Owners of Anatara Lifesciences Ltd		(933,230)	(1,954,702)

Loss per share attributable to the ordinary equity holders of the Company	Note		
From continuing operations:			
Basic loss per share (cents)	23	(0.34)	(0.95)
Diluted loss per share (cents)	23	(0.34)	(0.95)

The accompanying notes form part of these financial statements.

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Consolidated statement of financial position

As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	8	470,917	101,356
Trade and other receivables	9	334,748	1,028,291
Other assets		14,730	18,661
Total current assets		820,395	1,148,308
Non-current assets			
Property, plant and equipment		-	84
Total non-current assets		-	84
Total assets		820,395	1,148,392
Liabilities			
Current liabilities			
Trade and other payables	10	99,883	180,589
Employee benefits	12	8,375	19,179
Borrowings	11	-	407,420
Total current liabilities		108,258	607,188
Non-current liabilities			
Employee benefits	12	599	5,236
Total non-current liabilities		599	5,236
Total liabilities		108,857	612,424
Net assets		711,538	535,968
Equity			
Issued capital	13	25,323,409	24,146,859
Reserves	14	171,921	416,881
Accumulated losses		(24,783,792)	(24,027,772)
Total equity		711,538	535,968

The accompanying notes form part of these financial statements.

Anatara Lifesciences Ltd and Controlled Entity

ABN: 41 145 239 872

Consolidated statement of changes in equity

As at 30 June 2026

2025	Note	Issued capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2024		23,176,613	278,030	(22,090,070)	1,364,573
Loss for the year		-	-	(1,954,702)	(1,954,702)
Transactions with owners in their capacity as owners					
Issue of shares	13	1,094,500	-	-	1,094,500
Less: capital raising costs	13	(124,254)	21,000	-	(103,254)
Share based payment expense - options	20.b	-	77,460	-	77,460
Options lapsed	14	-	(17,000)	17,000	-
Performance rights issued	20	-	57,391	-	57,391
Total transactions with owners in their capacity as owners		970,246	138,851	17,000	1,126,097
Balance at 30 June 2025		24,146,859	416,881	(24,027,772)	535,968

2026	Note	Issued capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2025		24,146,859	416,881	(24,027,772)	535,968
Loss for the year		-	-	(933,230)	(933,230)
Transactions with owners in their capacity as owners					
Issue of shares	13	1,200,000	-	-	1,200,000
Less: capital raising costs	13	(123,200)	32,000	-	(91,200)
Options lapsed	14	-	(177,210)	177,210	-
Performance rights exercised	20	99,750	(99,750)	-	-
Total transactions with owners in their capacity as owners		1,176,550	(244,960)	177,210	1,108,800
Balance at 30 June 2026		25,323,409	171,921	(24,783,792)	711,538

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities:			
Payments to suppliers and employees (inclusive of GST)		(1,305,322)	(2,905,998)
Interest received		4,942	9,367
Government grants and tax incentives		971,628	624,634
Interest paid		(10,487)	-
Net cash (used in) operating activities	15	(339,239)	(2,271,997)
Cash flows from financing activities:			
Proceeds from issue of shares and other equity securities	13	1,200,000	1,094,500
Share issue transaction costs	13	(91,200)	(103,254)
(Repayment of) / proceeds from borrowings		(400,000)	400,000
Net cash provided by financing activities		708,800	1,391,246
Net increase / (decrease) in cash and cash equivalents		369,561	(880,751)
Cash and cash equivalents at beginning of the year		101,356	982,107
Cash and cash equivalents at end of the year	8	470,917	101,356

The accompanying notes form part of these financial statements.

1) Introduction

The consolidated financial report covers Anatara Lifesciences Ltd ("the Company") and its controlled entity ("the Group"). Anatara Lifesciences Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Anatara Lifesciences Ltd, have not been presented within this financial report as permitted by the *Corporations Act 2001* and Australian Accounting Standards requirements.

The principal activities of the Group for the year ended 30 June 2026 were developing and commercialising innovative, evidence-based products for gastrointestinal health where there is significant unmet need.

The consolidated financial report was authorised for issue by the Directors on   August 2026.

Comparatives are consistent with prior years, unless otherwise stated.

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly, amounts in the consolidated financial statements and directors' report have been rounded to the nearest dollar.

2) Basis of preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with the Australian Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

a) Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) Reporting basis and conventions

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As disclosed in the financial statements, the Group incurred a loss of $933,230 (2025: $1,954,702) and had operating cash outflows of $339,239 (2025: $2,271,997) for the year ended 30 June 2026. As at 30 June 2026, the Group held cash and cash equivalents and short-term deposits of $470,917 (2025: $101,356). In the process of approving the Group’s internal forecast and business plan for upcoming financial years, the board has considered the cash position of the Group within the next 12 months from the date of this report. The Group’s internal forecast and business plan for the upcoming financial year includes capital raising.

2) Basis of preparation (continued)

c) Going concern (continued)

The directors have assessed that the Group could raise additional capital to meet the Group’s contractual commitments and working capital requirements. Notwithstanding the uncertainty over either of these events occurring, based on the above considerations the board has assessed the resources and opportunities available to the Group, and consequently believe that the Group will be able to repay its debts as and when they fall due and are of the opinion that the financial statements have been appropriately prepared on a going concern basis.

In the event that these measures are unsuccessful, there would be a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments related to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

d) New and amended standards adopted by the Group

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3) Material accounting policy information

a) Basis for consolidation

A list of controlled entities is contained in note 18 to the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Foreign currency transactions and balances

i) Functional and presentation currency

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

3) Material accounting policy information (continued)

b) Foreign currency transactions and balances (continued)

ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

c) Revenue and other income

i) Research and Development Tax Incentive

In relation to Research and Development Tax Incentive, as the estimate is able to be reliably measured, the Research and Development Tax Incentive is measured on an accruals basis.

d) Income tax

The income tax expense or credit for the year is the tax payable or receivable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3) Material accounting policy information (continued)

e) Impairment of non-financial assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

f) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See Note 9 for further information about the Group's accounting for trade receivables and Note 16.b for a description of the Group's impairment policies.

h) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

i) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

3) Material accounting policy information (continued)

h) Financial instruments (continued)

i) Financial assets (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the year in which it arises.

3) Material accounting policy information (continued)

h) Financial instruments (continued)

i) Financial assets (continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii) Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise bank and other loans.

i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Employee benefits

i) Share-based payments

Share-based compensation benefits are provided to employees via the "Employee Option Plan" ("EOP"). Information relating to these schemes is set out in note 20.

ii) Employee options

The fair value of options granted under the EOP is recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the Company’s share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the Company over a specified time year); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific year of time).

The total expense is recognised over the vesting year, which is the year over which all of the specified vesting conditions are to be satisfied. At the end of each year, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

3) Material accounting policy information (continued)

j) Employee benefits (continued)

iii) Performance rights

Performance pay for selected employees of the Group may be paid in performance rights rather than cash, subject to board approval. Performance rights to be issued to employees are long-term incentives under the Executive Option Plan.

k) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

l) Loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

Diluted loss per share adjusts the basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

m) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

4) Critical Accounting Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Key estimates - estimation of R&D tax incentive income accrual - Note 6(a)(i)

Management has used judgements to assess the Group's eligible research and development (R&D) activities and eligible expenditure under the incentive scheme. The determination of the eligible R&D activities and eligible expenditure would affect the expected amounts recognised for R&D tax incentive. The R&D tax incentive refund provides an important source of funding and enables the Group to progress the development and commercialisation of our GaRP product.

Key estimates - share based payments - Note 20

Management has used judgements to assess the Group's share-based payments by determining the choice of option pricing model. The choice of model would result in option valuation that requires various underlying assumptions to determine the fair value of options and performance rights at grant date.

Management used the Black-Scholes option pricing model that takes into account the exercise price, term of the option or performance right, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions as all these inputs would affect the share-based payments valuation. The share-based payments are long-term incentives which allow executives to participate in, and benefit from, the growth of the Group as a result of their efforts and to assist in motivating and retaining those key employees over the long-term.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

5) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chair of the Company.

The Group has identified one reportable segment; that is, the research, development of oral solutions for gastrointestinal diseases and the commercialisation of the Detach® diarrhoea treatment for piglets. The segment details are therefore fully reflected in the body of the consolidated financial statements.

6) Other income and expense items

a) Other income

Other income	Note	2026 $	2025 $
Research and development tax incentive	(i)	318,402	969,456
Total other income		318,402	969,456

i) R&D tax incentive

The Group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured.

For the year ended 30 June 2026, the Group has recognised a receivable of $316,996 (2025: $970,222).

b) Breakdown of expenses by nature

General and administrative expenses	Note	2026 $	2025 $
Accounting and audit fees		169,118	166,819
Consulting fees		66,508	48,871
Depreciation		84	710
Employee benefits		551,701	660,198
Insurance		37,224	52,428
Investor relations		12,080	137,150
Legal expenses		4,952	3,526
Listing and share registry		47,540	56,887
Share-based payment expense	20	-	85,013
Superannuation		53,757	71,701
Travel and entertainment		2,148	8,687
Other expenses		27,891	30,693
Total general and administrative expenses		973,003	1,322,683

Research expenses	2026 $	2025 $
Project research expenses	280,504	1,603,422
Total research expenses	280,504	1,603,422

7) Income tax expense

a) Reconciliation of income tax to accounting profit:

	2026 $	2025 $
Loss from continuing operations before income tax expense	(933,230)	(1,954,702)
Tax at the Australian tax rate of 25% (2025: 25%)	(233,308)	(488,676)
Add tax effect of:		
Accounting expenditure subject to R&D tax incentive	182,990	557,159
Share-based payments	-	21,253
Other items	(49,853)	(61,933)
Less tax effect of:		
R&D tax incentive	(79,600)	(242,364)
Income tax attributable to parent entity	(179,771)	(214,561)
Tax losses and other timing differences for which no deferred tax asset is recognised	179,771	214,561
Income tax expense	-	-

b) Tax losses:

Deferred tax assets have not been recognised in the following:

	2026 $	2025 $
Unused tax losses for which no deferred tax asset has been recognised	14,186,030	13,466,946
Potential tax benefit @ 25% (2025: 25%)	3,546,508	3,366,737

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein. Unused tax losses can be carried forward indefinitely subject to continuity of ownership and business continuity test.

Notes to the consolidated financial statements

For the year ended 30 June 2026

8) Cash and cash equivalents

	2026 $	2025 $
Cash at bank	470,917	101,356
Total cash and cash equivalents	470,917	101,356

a) Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

	2026 $	2025 $
Cash and cash equivalents	470,917	101,356
Balance as per statement of cash flows	470,917	101,356

b) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See Note 3.f for the Group's other accounting policies on cash and cash equivalents.

c) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 16. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

9) Trade and other receivables

Current	2026 $	2025 $
Research and development tax incentive receivable	316,996	970,222
Other receivables	17,752	58,069
Total current trade and other receivables	334,748	1,028,291

a) Fair value of trade and other receivables

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2026

10) Trade and other payables

Current	2026 $	2025 $
Trade and other payables	92,417	168,679
Other payables	7,466	11,910
Total current trade and other payables	99,883	180,589

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11) Borrowings

	2026 $	2025 $
Current		
Loan - RTL Investment Group	-	407,420
Total current borrowings	-	407,420
Total borrowings	-	407,420

a) Summary of borrowings

On 30 April 2025, the Company received a loan of $400,000 from RTL Investment Group. The loan was secured by a first-ranking security interest over the R&D tax incentive lodged through the 2025 tax return and matured on 4 August 2025. Interest was payable at 11% per annum, calculated daily and payable in full on the maturity date. Early repayment was permitted without penalty.

The loan was fully repaid during the 2026 financial year.

Notes to the consolidated financial statements

For the year ended 30 June 2026

12) Employee benefits

	2026 $	2025 $
Current		
Provision for annual leave	8,375	19,179
Total current employee benefits	8,375	19,179
Non-current		
Provision for long service leave	599	5,236
Total non-current employee benefits	599	5,236
Total employee benefits	8,974	24,415

a) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required year of service and also for those employees that are entitled to pro-rata payments in certain circumstances.

The majority of leave provision is presented as current, being $8,375 (2025: $19,179), since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Notes to the consolidated financial statements

For the year ended 30 June 2026

13) Issued capital

	2026 $	2025 $
315,950,765 Ordinary Shares (30 June 2025: 213,383,727)	26,915,127	25,615,377
Share issue costs	(1,591,718)	(1,468,518)
Total issued capital	25,323,409	24,146,859

a) Movements in ordinary shares

	No. of shares	Total $
Balance at 1 July 2024	191,143,727	23,176,613
Issue at $0.040 pursuant to Placement (09-07-2024)	1,750,000	70,000
Issue at $0.050 pursuant to Placement (22-11-2024)	15,000,000	750,000
Issue at $0.050 pursuant to Placement (23-12-2024)	5,490,000	274,500
Less: Transaction costs arising on share issues	-	(124,254)
Balance at 30 June 2025	213,383,727	24,146,859
Exercise of Performance Rights with nil cash consideration (04-08-2025)	206,612	-
Transfer from reserves on exercise of Performance Rights (04-08-2025)	-	15,000
Issue at $0.012 pursuant to Placement (08-10-2025)	33,647,583	403,771
Issue at $0.012 pursuant to Placement (08-10-2025)	66,352,417	796,229
Exercise of Performance Rights with nil cash consideration (25-02-2026)	2,360,426	84,750
Less: Transaction costs arising on share issues	-	(123,200)
Balance at 30 June 2026	315,950,765	25,323,409

b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

c) Options and performance rights

Information relating to options and performance rights, including details of those issued, exercised, and lapsed during the financial year, and the outstanding balance as at the end of the reporting year is set out in Note 14.

Notes to the consolidated financial statements

For the year ended 30 June 2026

14) Reserves

a) Share-based payments reserve

The consolidated statement of financial position line item "other reserves" comprises the "share-based payments reserve". The share-based payment reserve records items recognised as expenses on valuation of share options and performance rights issued to key management personnel, other employees and eligible contractors.

b) Movement in options and performance rights

	Note	Number of options (iv)	Number of performance rights	Total $
Balance at 1 July 2024		7,170,000	1,817,788	278,030
Options issued during the year		4,500,000	-	76,500
Options issued as part of Lead Manager Fees		1,000,000	-	21,000
Options forfeited/lapsed during the year		(1,000,000)	-	(17,000)
Share based payment expenses of options issued in prior years		-	-	960
Issue of performance rights (09-08-2024)	(i)	-	886,312	35,452
Issue of performance rights (18-11-2024)	(ii)	-	359,640	21,939
Balance at 30 June 2025		11,670,000	3,063,740	416,881
Options expired/lapsed during the year		(5,170,000)	-	(177,210)
Options issued as consideration for capital raising services (26-11-2025)	(iii)	4,000,000	-	32,000
Performance rights exercised during the year		-	(2,567,038)	(99,750)
Balance at 30 June 2026		10,500,000	496,702	171,921

(i) On 9 August 2024, 886,312 performance rights were issued to employees as part of their performance bonus of $35,452 recognised as an expense in the 2024 financial year.

(ii) The issue of 359,640 performance rights to an employee was approved by shareholders at the annual general meeting held in November 2024 and was partially recognised as an expense in the 2024 financial year.

(iii) The issue of 4,000,000 to external consultants was approved by shareholders at the annual general meeting held in November 2025.

(iv) This number of options balance does not include options issued during the year that are not in relation to share based payments.

Unlisted options:

For every 2 shares subscribed for in the placement on 28 November 2022, 15 December 2022 and 21 February 2023, one listed option was issued with an exercise price of 7c per option, expiring on 11 December 2025. The total number of unlisted options at 30 June 2025 was 24,249,784. All unlisted options expired on 11 December 2025 and were not exercised.

14) Reserves (continued)

b) Movement in options and performance rights (continued)

Fair value of options granted:

See note 20.a.ii for details of fair value measurement of options issued during the year. The model inputs for options granted during the year ended 30 June 2026 included:

2026 Grant date	Expiry date	Exercise price $	No. of options	Share price at grant date $	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option $
26 November 2025	26 November 2028	0.025	4,000,000	0.012	129.81 %	- %	3.88 %	0.008

15) Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	Note	2026 $	2025 $
Loss for the year		(933,230)	(1,954,702)
Add / (less) non-cash items:			
depreciation and amortisation	6.b	84	710
share-based payments		-	85,013
finance costs		(10,487)	-
interest accrued		3,067	7,420
Changes in assets and liabilities:			
decrease/(increase) in trade and other receivables		693,543	(357,199)
decrease/(increase) in other assets		3,931	(1,232)
(decrease) in trade and other payables		(80,706)	(39,264)
(increase) in other liabilities		(15,441)	(12,743)
Cash flows (used in) operations		(339,239)	(2,271,997)

a) Non-cash financing and investing activities

Non-cash investing and financing activities disclosed in other notes are:

- Options/performance rights issued for no cash consideration - Note 20.

16) Financial risk management

This note explains the Group’s exposure to financial risks and how these risks could affect the Group’s future financial performance. The Group’s risk management is predominantly controlled by the board. The board monitors the Group’s financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

a) Market risk

i) Foreign exchange risk

The majority of the Group’s operations are denominated in Australian dollars, with the few exceptions on services acquired from overseas suppliers but at a marginally insignificant amount and frequency. Therefore, management has concluded that market risk from foreign exchange fluctuation is not material.

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents and other financial assets at amortised cost (deposits at call) held, which expose the Group to cash flow interest rate risk. During 2026 and 2025, the Group’s cash and cash equivalents and deposits at call at variable rates were denominated in Australian dollars.

The Group's exposure to interest rate risk at the end of the reporting year, expressed in Australian dollars, was as follows:

	Note	2026 $	2025 $
Financial instruments with cash flow risk			
Cash and cash equivalents	8	470,917	101,356
Term deposits		-	-
Total financial instruments with cash flow risk		470,917	101,356

Sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/-8.14% (2025: +/-6.14%), with effect from the beginning of the year. The use of 8.14% was determined based on analysis of the Reserve Bank of Australia cash rate change, on an absolute value basis, at 30 June 2026 and the previous four balance dates. The average cash rate at these balance dates was 3.50% (2025: 2.65%).

16) Financial risk management (continued)

a) Market risk (continued)

ii) Cash flow and fair value interest rate risk (continued)

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	+/-8.14% 2026 $	+/-6.41% 2025 $
Impact on loss for the period	38,335	9,713
Impact on other components of equity	-	-

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

i) Risk management

The Group manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank and deposits at call are held with reputable organisations.

ii) Impairment of financial assets

While cash and cash equivalents and term deposits are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

16) Financial risk management (continued)

c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets) / liabilities
	$	$	$	$	$	$	$
At 30 June 2026							
Payables	99,883	-	-	-	-	99,883	99,883
Total	99,883	-	-	-	-	99,883	99,883
At 30 June 2025							
Payables	180,589	-	-	-	-	180,589	180,589
Borrowings	407,420	-	-	-	-	407,420	407,420
Total	588,009	-	-	-	-	588,009	588,009

17) Capital management

a) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or reduce its capital, subject to the provisions of the Group's constitution. The capital structure of the Group consists of equity attributed to equity holders of the Group, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the Group's management, the board monitors the need to raise additional equity from the equity markets.

As at 30 June 2026, the Group held cash and equivalents of $470,917 (2025: $101,356). The Group has put in place measures to reduce all non-critical expenditure.

b) Dividends

No dividends were declared or paid to members for the year ended 30 June 2026 (2025: nil). The Group's franking account balance was nil at 30 June 2026 (2025: nil).

18) Interests in subsidiaries

The Group's principal subsidiaries at 30 June 2026 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Subsidiaries	Principle place of business/ country of incorporation	Percentage owned* 2026 %	Percentage owned* 2025 %
Sarantis Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

19) Related parties

a) The Group's main related parties are as follows:

Interests in subsidiaries are set out in note 18.

Key management personnel - refer to note 19.b.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

b) Key management personnel compensation

Key management personnel remuneration included within employee expenses for the year is shown below:

	2026 $	2025 $
Short-term employee benefits	406,316	493,971
Post-employment benefits	42,992	59,079
Long-term benefits	(4,893)	2,570
Share-based payments	-	129,368
Total key management personnel remuneration	444,415	684,988

c) Transactions with related parties

No transactions with related parties occurred in 2025 or 2026.

20) Share-based payments

a) Executive option plan

The establishment of the ‘executive option plan’ (EOP) was approved by shareholders at the 2020 annual general meeting. The plan is designed to provide long-term incentives for executives (including directors) to deliver long-term shareholder returns. Participation in the plan is at the board’s discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Set out below are summaries of options granted under the plan:

	2026		2025	
	Average exercise price of option $	Number of options No.	Average exercise price of option $	Number of options No.
As at 1 July	0.23	5,170,000	0.23	1,670,000
Granted during the year	-	-	0.10	4,500,000
Forfeited/lapsed during the year	0.22	(1,670,000)	0.10	(1,000,000)
As at 30 June	0.10	3,500,000	0.14	5,170,000
Vested and exercisable at 30 June	0.10	1,750,000	0.22	1,670,000

The forfeited/lapsed options were fully vested before they forfeited/lapsed.

Notes to the consolidated financial statements

For the year ended 30 June 2026

20) Share-based payments (continued)

a) Executive option plan (continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Number	Grant Date	Vesting date	Expiry date	Exercise Price $
Options	1,750,000	09-07-2024	09-07-2025	08-07-2028	0.1000
Options	1,750,000	09-07-2024	09-07-2026	08-07-2028	0.1000
Total	3,500,000				

	2026	2025
Weighted average remaining contractual life of options outstanding at end of year	2.02	2.17

i) Vesting conditions

Vesting condition apply to options granted under the executive option plan (EOP). Shares are not issued unless the vesting condition is met. The vesting condition generally depends on service periods of the employees or directors. If the vesting condition is not met on the relevant vesting date, the options lapse and the option holders are not issued any shares. The vesting condition that apply to the options offered are set out in the options offer letter and the EOP.

ii) Fair value of options granted

The value attributed to options issued is an estimate calculated using an appropriate mathematical formula based on an option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares.

Management has assessed the fair value of options determined at grant date, using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

Refer to note 14.b for details of model inputs used for options granted during the year ended 30 June 2026.

Notes to the consolidated financial statements

For the year ended 30 June 2026

20) Share-based payments (continued)

b) Share-based payment arrangements

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

	Note	2026 $	2025 $
Options issued under EOP	14.b	-	77,460
Performance rights issued	14.b	-	7,553
Options issued to external brokers	14.b	32,000	-
Options issued as part of lead manager fees	14.b	-	21,000
Total share based payment expense		32,000	106,013

21) Events occurring after the reporting date

The consolidated financial report was authorised for issue on August 2026 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

22) Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

a) Grant Thornton Audit Pty Ltd

	2026 $	2025 $
Audit and other assurance services		
- auditing or reviewing the financial statements	70,918	71,986
Total auditor's remuneration	70,918	71,986

23) Loss per share

a) Basic (loss) per share

	2026	2025
Basic (loss) per share	(0.34)	(0.95)

b) Diluted (loss) per share

	2026	2025
Basic (loss) per share	(0.34)	(0.95)

c) Reconciliation of loss used in calculating basic and diluted loss per share

(Loss) attributable to the ordinary equity holders of the company used in calculating loss per share:	2026 $	2025 $
(Loss) for the year	(933,230)	(1,954,702)

d) Weighted average number of shares used as denominator

	2026 $	2025 $
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	277,897,297	204,697,306

On the basis of the Group's losses, the outstanding options as at 30 June 2026 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

Notes to the consolidated financial statements

For the year ended 30 June 2026

24) Parent entity

The following information has been extracted from the books and records of the parent, Anatara Lifesciences Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent is the same as the consolidated financial statements as the Company's subsidiary, Sarantis Pty Ltd, is a dormant entity.

a) Guarantees

The parent entity has entered into any guarantees in relation to debts of its subsidiaries in the year ended 30 June 2026 (2025: nil).

b) Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2026 or 30 June 2025.

c) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any commitments for the acquisition of property, plant and equipment in the year ended 30 June 2026 or 30 June 2025.

d) Determining parent entity financial information

i) Tax consolidation legislation

Anatara Lifesciences Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Anatara Lifesciences Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Anatara Lifesciences Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Anatara Lifesciences Ltd for any current tax payable assumed and are compensated by Anatara Lifesciences Ltd for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Anatara Lifesciences Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities’ financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Notes to the consolidated financial statements

For the year ended 30 June 2026

25) Contingencies

In the opinion of the directors, the Group did not have any contingencies at 30 June 2026 (2025: None).

26) Statutory information

The registered office and principal place of business of the Group is:

Anatara Lifesciences Ltd
c/- Perks
Level 8, 81 Flinders Street
Adelaide SA Australia
5000

Consolidated entity disclosure statement

For the year ended 30 June 2026

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statement*s (AASB 10).

Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 *Income tax: central management and control test of residency*.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

				Tax residency	
Entity name	**Country of incorporation**	**Percentage owned (%)**	**Type of entity**	**Australian or Foreign?**	**If foreign list each jurisdiction of tax residency**
Anatara Lifesciences Ltd	Australia	N/A	Body Corporate	Australian	N/A
Sarantis Pty Ltd	Australia	100	Body Corporate	Australian	N/A

Directors' declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes, as set out on pages 21 to 51, are in accordance with the *Corporations Act 2001*, including:
    - complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    - giving a true and fair view of the consolidated group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. in the directors' opinion, the attached consolidated entity disclosure statement required by the *Corporations Act 2001* is true and correct as at 30 June 2026.

Note 2.a confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Dr David Brookes
Director

Dated this 18th day of August 2026

Grant Thornton Audit Pty Ltd
Grant Thornton House
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Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

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Independent Auditor's Report

To the Members of Anatara Lifesciences Ltd

Report on the audit of the financial report

Opinion

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

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

a giving a true and fair view of the Group's financial position as at 30 June 2026 and of its 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.

Material uncertainty related to going concern

We draw attention to Note 2 (c) in the financial statements, which indicates that the Group incurred a net loss of $933,230 during the year ended 30 June 2026, and had operating cash outflows of $339,239 for the year ended 30 June 2026. As at 30 June 2026, the Group has cash and cash equivalents of $470,917. These events or conditions, along with other matters as set forth in Note 2 (c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition of research and development tax incentive – Notes 4, 6(a)(i) and 9	
At 30 June 2026, the Group recognised a receivable of $316,996 being an estimate of the refundable tax offset due for eligible expenditure under the Australian Research and Development Tax Incentive (R&DTI). An R&D plan is filed with AusIndustry and based on this filing, the Group expects to receive the incentive in cash. Management analyses the Group's total research and development expenditure to determine the estimated claim under the R&DTI. The amount recognised depends on management's judgement in interpreting the R&DTI legislation and determining which activities and expenditure are eligible. The Group recognises the R&DTI on an accrual basis, resulting in a receivable being recorded at the balance date based on the estimated amount expected to be received from the Australian Taxation Office for the year 1 July 2025 to 30 June 2026. This area is a key audit matter due to the auditor effort required to assess management's determination of the eligibility of the relevant expenditure under the R&DTI and the significance of the resulting receivable to the Group's funding.	Our procedures included, amongst others: • Obtaining management's R&D incentive calculations that have been prepared by management's expert and: – Assessing the management's expert's competence, capability and objectivity in preparing the R&D incentive calculation; – Comparing the nature of the R&D expenditure included in the current year estimate to the prior year approved claim and evaluating whether there are changes to the nature of expenditure to those claimed in the previous periods; – Inquiring of management as to whether prior claims were later amended, reduced or subject to an ATO/AusIndustry review or finding which was corroborated through reviewing Board Minutes and ASX Announcements; – For a sample of expenses, evaluating the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme; and • Assessing the appropriateness of the relevant disclosures in the financial report against the requirements of Australian Accounting Standards.

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 annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

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

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

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

i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2026.

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

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 18 August 2026