

ASX Announcement

Operational Update & Appendix 4C Quarterly Cashflow Report

Quarter ended 30 September 2026

Xenitra Limited (ASX:XEN) (Xenitra or the Company) provides its operational update for the three months ended 30 September 2026 (Q1 FY27). Following the FY26 turnaround, the Company is now transitioning into two higher margin verticals - its Pharmaceuticals and Web3 Commerce businesses. With a leaner corporate structure and two scalable revenue streams, Xenitra has laid the foundations for sustained profitable growth.

Highlights

- **Pharmaceuticals division launches with A$864,000 in quarterly sales.** The division is operational and generating revenue, with licences, warehousing, logistics and DTC infrastructure established.
- **Major procurement agreements underpin the growth opportunity.** The three-year Kangsheng agreement provides for at least A$12 million of pharmaceutical and health product purchases. The separate Joy Charm framework targets A$5 million of FSMP procurement, with sales having commenced under both contracts.
- **Web3 XEN platform live and commercially validated.** Initial brand partnerships have supported more than A$2 million of sales since April and more than 500 Distribution Partners onboarded. With XenShop operational, OPAL tokens minted and the supporting distribution and rewards infrastructure established.
- **Group gross profit returns to positive territory.** September-quarter gross profit reached A$310,005, compared with a loss of A$42,931 a year earlier. Web3 Commerce achieved a 79.3% gross margin on net sales, demonstrating the attractive margin potential of the model as volumes grow.
- **Stronger cash resources support the next stage of growth.** Bank cash reached A$3.446 million at quarter end, increasing 9.2% from June and 143% year on year. A leaner corporate structure supports investment in the commercial opportunities that can drive future earnings and shareholder value.

Dr Anthony Noble, Non-Executive Chairman, commented: *"We have rebuilt Xenitra's corporate structure and are now investing in the businesses that can drive its next stage of growth. That investment has established pharmaceutical market access and commercial agreements, developed an exciting and now fully operational Web3 platform and assembled and trained a skilled team at the China market coalface to execute on our strategy. September's operating cash use broadly matched the cash generated in June, with the two quarters together close to neutral on our cash plus stablecoin measure, as Web3 commerce represents a growing share of our revenues. Our priority is to turn the strong initial results in the two key growth engines, pharmaceuticals and Web 3 commerce into growing, profitable and cash generating businesses, while preserving the discipline of a lean corporate cost base in China and a virtual head office in Australia. Xenitra is now growing fast in our next phase with the infrastructure, people and commercial relationships needed to pursue substantial growth fully developed. 2027, will be a full year over which the new strategy and shape of the business will be fully demonstrated."*

Strategic Update: established foundations, substantial growth opportunity

Xenitra is entering an exciting new phase. Following the restructuring of the Group, the Company has established two growth businesses with the infrastructure, commercial relationships and people required to pursue a substantially larger opportunity set. Pharmaceuticals and Web3 Commerce now provide complementary avenues for expansion, connecting international brands and products with Asian consumers through established distribution channels and new digital capabilities.

The September quarter advanced this transition from building capability to expanding commercial activity. Investment has established pharmaceutical market access, brought the Web3 commerce platform into operation and developed the teams responsible for growth. With these foundations in place, management's focus is on increasing sales through the infrastructure already created and converting that activity into growing gross profit and stronger cash generation.

The Pharmaceuticals division offers a compelling opportunity to participate in China's multibillion-dollar demand for trusted international medicines and healthcare products. Xenitra has assembled licences, warehousing, logistics and digital shopfronts to support its operations, connecting international sourcing through a Hong Kong operating hub with distribution into mainland China. The Company can participate at three levels of the value chain: supplying major digital pharmacy platforms, supplying third-party digital shopfronts and selling directly to consumers through its own stores. This breadth creates opportunities to expand customer reach and improve the product and channel mix in the business.

Commercial activity is already under way. Pharmaceuticals generated approximately A$864,000 in September-quarter sales, providing an initial revenue base from which to grow. The three-year Kangsheng agreement provides for pharmaceutical and health product purchases of at least A$12 million, while the separate Joy Charm framework targets A$5 million of Food for Special Medical Purposes procurement over three years. These relationships provide an encouraging foundation for repeat orders and further even larger commercial partnerships are in active development.

Web3 Commerce opens another substantial avenue for expansion. Xenitra has developed an integrated system connecting physical products with blockchain-enabled authentication, digital wallets, payments and OPAL rewards. XENShop is developed, piloted and live. OPAL tokens have been minted, supporting legal and regulatory frameworks and a token reserve fund have been established, and the sales and marketing system has undergone commercial testing.

Pilot brand partnerships with EZZ Life Sciences and Biomiq have supported more than A$2 million of sales since April, demonstrating commercial use of the model. The next opportunity is to expand distribution relationships and introduce additional brands and products. Over time, the underlying architecture also offers scope to support a broader range of real-world assets, extending the potential application of Xenitra's platform beyond its initial consumer product categories to deliver a highly scalable, fractionalized and globally accessible business.

The operating organisation has grown alongside these capabilities. Xenitra now has 52 full-time equivalent employees across the two divisions, following six months of recruitment, specialist training and integration of acquired businesses. Local leadership and dedicated commercial teams provide the capacity to pursue opportunities closer to customers and distribution partners.

Xenitra approaches this next stage with confidence and ambition. The priority is to put its established capabilities to work, deepen customer relationships and direct capital towards opportunities offering attractive margins and efficient cash conversion. Supported by a leaner corporate structure, the Company is positioned to pursue substantial growth while building a sustainable path to profitability and long-term shareholder value.

Three areas of investment in Q1

Pharmaceutical acquisitions and market access

Investment in acquired businesses and licences has provided a regulated operating base for the Pharmaceuticals division. The Fukang acquisition established the initial Hong Kong platform, including pharmaceutical wholesaling capability, online storefront assets and logistics arrangements. The broader licence and channel infrastructure supports the development of OTC and prescription pharmaceutical activities, subject to the requirements applying to each product and route to market.

The commercial model combines international sourcing with platform wholesale supply, supply to third-party digital shopfronts and sales through Xenitra-owned consumer stores. The Kangsheng and Joy Charm agreements provide opportunities to put that infrastructure to work through product procurement and delivery. Management's focus is to grow the contribution from specialist products and channels with stronger margin potential.

Web3 platform and distributor development

The second area of investment is the development of an integrated Web3 commerce and payment system. OPAL and XenShop connect physical product distribution with authentication, customer wallets, loyalty rewards and token utility. Development has included platform and tokens, distributor training, pre-marketing and pilot product sales, together with supporting legal and regulatory frameworks and a token reserve fund.

The first brand launches established commercial use of the system. The next task is to repeat that process across additional real-world assets and products and distribution relationships. The Company's Web3 strategy combines the operating infrastructure with distribution partnerships and applications that can serve a larger customer base as transaction volumes grow.

People and management capacity

The third area of investment is the operating team. Over the past six months, Xenitra has recruited and trained specialist OTC and marketing staff, integrated employees from acquired businesses and established management responsibilities for future expansion. Head of China, Tracy Zhang and China CEO Ming Ye lead the operating organisation, with Bin Chen as General Manager of OTC Medicines and Double Chen as General Manager of Web3 Commerce. The team has been significantly expanded, including the integration of team members from the recently acquired entities in the pharmaceuticals division, and is ready to support a larger commercial operation.

Operational Update

Pharmaceutical operating platform

The acquisition of Hong Kong Fukang Trading Co., announced on 15 April 2026, established the initial platform for Xenitra's pharmaceutical expansion. The transaction included Hong Kong pharmaceutical wholesale licence PW-2024-00189, premises arrangements, a JD.com storefront deposit, trademark rights, logistics service arrangements and inventory. During the September quarter, the focus shifted to commercial delivery and developing the division's product and customer base.

Fukang generated and fulfilled approximately A$450,000 of initial orders in July, as previously announced on a preliminary and unaudited basis. The September-quarter management accounts record Pharmaceuticals sales revenue of A$863,922 and gross profit of A$54,913, a 6.4% gross margin. This establishes a revenue contribution from the new division, while leaving substantial scope to develop its product and channel mix.

The operating infrastructure includes approved pharmaceutical wholesaling capability, acquired OTC retail and wholesale licences and prescription pharmaceutical licensing capability. Warehousing and distribution infrastructure, digital shopfronts and sales and marketing partnerships support execution.

Procurement agreements

On 27 July 2026, Xenitra announced a three-year pharmaceutical procurement agreement through Fukang with Kangsheng Hong Kong International Trading Limited. The agreement provides for purchases of not less than A$12 million of pharmaceutical and health products over the term, with fulfilment through individual purchase orders.

On 18 August 2026, Xenitra announced Fukang's three-year Framework Purchase Agreement with Joy Charm Limited, covering Food for Special Medical Purposes (FSMP). The framework targets aggregate procurement of A$5 million from 12 August 2026 to 12 August 2029.

These are the first agreements in the new division and provide initial validation of the commercial routes for the pharmaceutical platform.

Web3 commercial infrastructure and brand partnerships

OPAL and XenShop launched on 7 April 2026. The EZZ launch generated more than A$1.5 million of product sales and onboarded more than 500 distribution partners during the initial launch period, as reported in the June-quarter update. Those historical launch figures were followed up in the September quarter with Web3 sales revenue of A$148,531, of the pilot products only.

EZZ Life Sciences and Biomiq provide the initial brand partnerships for the platform. The Biomiq Greater China distribution agreement announced in June provides a second brand portfolio through which Xenitra can develop its commerce model. The platform is live, OPAL tokens have been minted, and the sales and marketing system has been piloted. September-quarter investment included approximately A$338,000 paid in stablecoins toward Web3 ecommerce platform and AI capabilities. The trained operating team and established infrastructure are now in place support the next stage of brand and distributor development and expansion of this platform to encompass virtually any real-world asset class is now possible in the future.

Financial Update

The cash flow reported uses the management cash plus stablecoin measure, with bank cash shown separately below. Stablecoins are separately classified assets and are not presented here as bank cash or statutory cash equivalents, however, represent a growing cash equivalent for the business' Web 3 division.

Operating cash flow

September-quarter operating outflow was A$700,687 on the cash plus stablecoin measure, compared with a June-quarter inflow of A$800,000 and a September 2025 outflow of A$281,000.

Customer receipts of A$5.597 million increased 4.9% from June and are increasingly focused on higher margin new business divisions coming online. Product manufacturing and operating payments of A$5.375 million increased 43.5% from June but were 19.9% below September 2025. Receipts less product and operating payments were A$221,436, compared with A$1.587 million in June. This management measure precedes overheads and is not gross profit or statutory operating cash flow.

Advertising and marketing payments increased to A$140,843 from A$44,000 in June and A$60,000 a year earlier. Staff payments rose to A$389,379 from A$353,000 and A$330,000 respectively, as operating capability expanded. Administration and corporate payments fell to A$382,958, 8.8% below June and 14.3% below the prior corresponding period.

Investment and working capital

Operating cash use included working capital for the growth businesses. Receivables rose A$325,221 and inventory A$293,976, predominantly in Web3. Higher trade and other payables of A$518,841 partly offset these movements. Expenditure includes preparations for growth and continuing trading costs.

Investing and financing

Net investing outflow was A$400,899, compared with A$136,000 in June and a net inflow of A$24,000 in September 2025. Intellectual property investment of A$341,394 included A$338,369 paid in stablecoins toward the Web3 ecommerce platform and AI capabilities and A$53,025 paid in bank cash.

The pharmaceutical acquisitions form part of the broader business establishment program now nearing completion. June's reported entity-acquisition payment was A$99,000.

Net financing inflow was A$1,163,536, compared with A$1.260 million in June.

Capital allocation

Future capital will be directed toward orders, products and channels that can generate the highest gross profit and cash return. The Company will preserve the lean corporate model while providing the trading businesses with the resources required for commercial delivery.

Financial Update

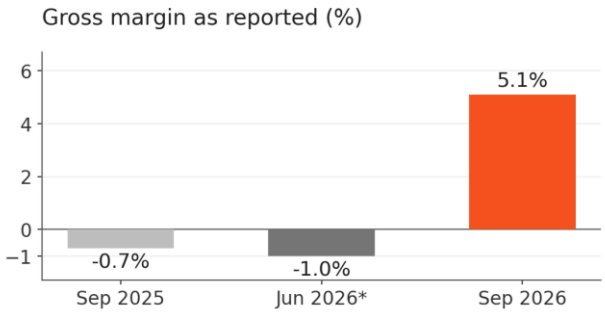
At 30 September 2026, the management schedule records A$3.446 million of bank cash and A$372,001 of stablecoins, a combined A$3.818 million. The combined balance increased by A$27,733 from A$3.790 million at 30 June, following A$61,950 of net operating, investing and financing movements and A$34,216 in negative foreign exchange movements. The June opening balance comprises A$3.156 million of cash and A$633,999 of stablecoins on the separated cash and stablecoin basis. Bank cash increased A$289,731 (9.2%) from that June opening and was A$2.028 million (143.0%) above the A$1.418 million cash reported in September 2025.

Net assets were A$731,077, compared with A$177,700 on 30 June. The quarter's equity financing strengthened the balance sheet while the new operations developed. The Company continues to assess capital and trade-financing to fund its commercial plans and working capital needs.

Group sales and gross profit

Sales revenue was A$6.133 million, down 5.5% from A$6.492 million in September 2025. Net sales were A$6.092 million, down 3.0%. Gross profit after rebates improved to A$310,005 from a loss of A$42,931 a year earlier. The resulting gross margin was 5.1% of net sales, compared with negative 0.7% in the prior corresponding period.





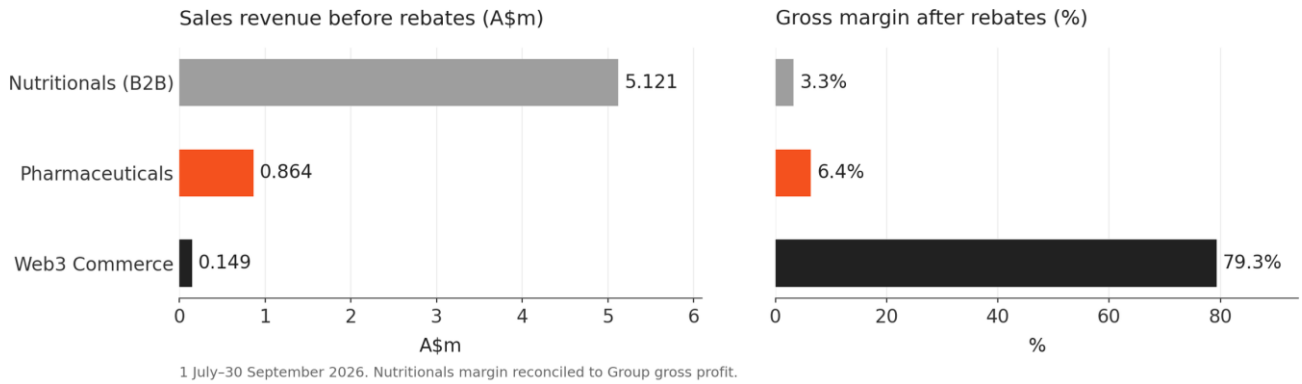
*June 2026 figures include audit adjustments that reduced sales value for marketing rebates paid to distributors and COGs for marketing rebates paid to Xenitra by suppliers.

Management accounts	Sep 26	Jun 26*	Sep 25
Sales revenue A$000	6,133	4,872	6,492
Gross profit as reported A$000	310	(39)	(43)
Gross margin as reported	5.1%	(1.0%)	(0.7%)

September quarter gross profit was higher than June's audited loss of A$39,306. June's loss was largely attributable to the accounting treatment of Marketing Rebates as contra revenue. These rebates were unusually high in the prior quarter and have now been replaced by activity based marketing fees in that will appear in Operational Expenditure and applied mostly to the nutritionals business unit. Nonetheless, Q1 has seen a material decrease in Marketing spend in Web 3 (A$17,048) as the segment continues to progress as by far the most profitable segment. The business priority is to expand the contribution of the higher-margin channels, allocating capital away from lower margin channels over the coming quarter while maintaining control of expenditure.

Segment sales and margins

The following analysis covers 1 July to 30 September 2026. Gross profit and gross margins are shown after distributor marketing and rebates, with margins calculated on net sales.



1 July–30 September 2026. Nutritionals margin reconciled to Group gross profit.

The new Pharmaceuticals business contributed A$863,922 of sales revenue and A$54,913 of gross profit in its first full financial quarter following the acquisition and integration period. Its 6.4% margin reflects the initial trading mix and will improve materially as this division matures and begins to operate in all three segments. Management is developing product sourcing and the retail and wholesale channels to improve the division's gross profit contribution as activity expands.

Web3 Commerce recorded A$148,531 of sales revenue before A$40,998 of distributor rebates. Net sales of A$107,533 generated A$85,267 of gross profit, equivalent to a 79.3% gross margin. That margin demonstrates the potential contribution of the channel, although sales remain at an early stage and scale is required to absorb the division's operating costs.

Together, Pharmaceuticals and Web3 Commerce generated A$140,180 of gross profit after rebates during the quarter. The strategy is to increase this contribution through the infrastructure and team already established.

Leaner corporate costs and investment sales driving operating expenses.

The restructuring is evident in the reported cost base. Other Operating Expenses fell from A$522,940 in the September 2025 quarter to A$336,934, a reduction of A$186,005 or 35.6%. Within the trading businesses, marketing, administration and travel expenses totaled A$259,249. These categories represented 74.4% of the comparable A$348,496 group subtotal and show where operating expenditure is concentrated. Trade marketing supported commercial activity and the development of the growth businesses. People Costs increased to A$635,180 from A$419,702 a year earlier, reflecting the expanded operating capability.

The business is now well positioned for profitable growth

Xenitra has established pharmaceutical market access, Web3 commerce systems and trained team required to pursue a substantially larger business. The next stage is to convert that capacity into repeat orders and growing gross profit, using the customer relationships and commercial agreements already in place.

The Company intends to concentrate future capital on Pharmaceuticals and Web3 Commerce, with the highest priority given to products and channels that offer stronger margins and efficient cash conversion. Continued portfolio simplification and disciplined capital allocation are intended to improve the quality of group earnings while preserving the lean head office structure. With the enabling investments substantially advanced, Xenitra is well positioned to pursue growth and build a sustainable path to profitability.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Xenitra Limited	
ABN	**Quarter ended ("current quarter")**
79 150 110 017	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	5,490	5,490
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(5,375)	(5,375)
	(c) advertising and marketing	(124)	(124)
	(d) staff costs	(389)	(389)
	(e) administration and corporate costs	(383)	(383)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(6)	(6)
1.6	Income taxes refunded	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other - mainly from GST refunds	(3)	(3)
1.9	**Net cash from / (used in) operating activities**	**(790)**	**(790)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(10)	(10)
	(d) investments	-	-
	(e) intellectual property	(53)	(53)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Reclassification of Term Deposit)	-	-
2.6	**Net cash from / (used in) investing activities**	**(63)**	**(63)**

	3. Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,246	1,246
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(82)	(82)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(8)	(8)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	7	7
3.10	**Net cash from / (used in) financing activities**	**1,164**	**1,164**

	4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,156	3,156
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(790)	(790)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(63)	(63)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,164	1,164
4.5	Effect of movement in exchange rates on cash held	(21)	(21)
4.6	**Cash and cash equivalents at end of period**	**3,446**	**3,446**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,446	3,156
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,446**	**3,156**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

The balance in 6.1 consists of $59,981 directors' fees and $4,587 legal fees paid to related parties of Xenitra Ltd, and their associates.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,000	1,000
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	**Total financing facilities**	1,000	1,000

7.5	**Unused financing facilities available at quarter end**	372

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 Loan facilities – loan from Zoomcoo (also shareholder) for working capital.

7.5 USDT Stablecoin Wallet – used for customer receipts and for day to day operational expenses in Web 3 business unit

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(790)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,446
8.3	Unused finance facilities available at quarter end (item 7.5)	372
8.4	Total available funding (item 8.2 + item 8.3)	**3,818**

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.84

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.