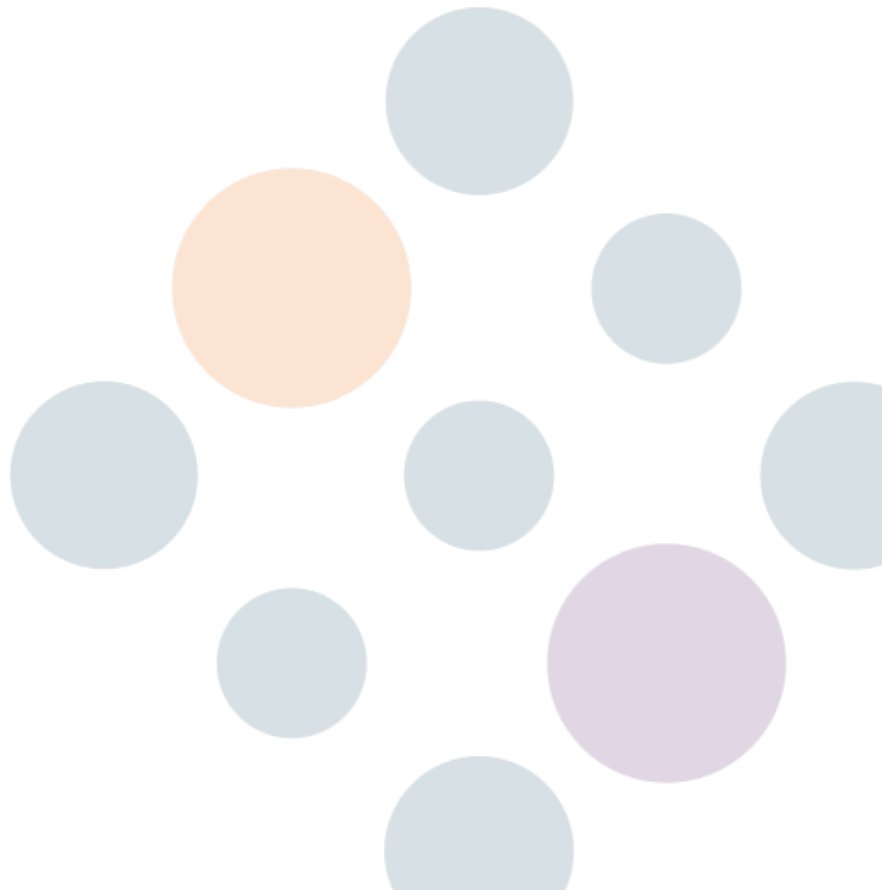


ACN: 009 109 755

Appendix 4E
&
ANNUAL REPORT
for the year ended 30 June 2025
Comparative year: 30 June 2024



Botanix Pharmaceuticals Limited

ABN: 26 636 569 634

Appendix 4E

Results for announcement to the market

For the year ended 30 June 2025

Comparative year: 30 June 2024

Key Information	2025 \$	2024 \$	Change \$	Up / down	%
Revenues from customer sales	5,757,266	601,821	5,155,446	Up	857%
Loss from ordinary activities after tax attributable to members	(86,396,186)	(32,029,834)	(54,366,352)	Down	170%
Net loss for the period attributable to members	(86,396,186)	(32,029,834)	(54,366,352)	Down	170%

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	Nil	- ¢
Final dividend	Nil	- ¢
Previous corresponding period	Nil	- ¢

Record date for determining entitlements to the dividend N/A

Net Tangible Assets per share	30 June 2025	30 June 2024
Net tangible asset per ordinary security (cents per share)	2.71	4.38

Brief explanation

Revenues include sales of *Sofdra*™ and net royalties received from the Japanese sublicensee of the Sofpironium Bromide product. Botanix increased its operating costs during the period by \$78,047,304. The increased costs primarily resulted from manufacturing *Sofdra* inventory, expanding company infrastructure, establishing the Botanix Fulfilment Platform, building out the sales organisation and ramping up marketing activity to support the launch and full commercialisation of *Sofdra*.

Further review of operations is included in the Directors' Report.

Status of audit

The accounts are audited.



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ANNUAL REPORT

for the year ended 30 June 2025



BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

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This financial report covers Botanix Pharmaceuticals Limited ("Botanix" or the "Company") and its subsidiaries. The financial report is presented in Australian dollars.

BOTANIX PHARMACEUTICALS LIMITED
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CORPORATE INFORMATION

Directors

Mr Vincent Ippolito
Executive Chairman

Dr William Bosch
Non-executive Director

Dr Stewart Washer
Non-executive Director

Mr Danny Sharp
Non-executive Director

Dr Patricia Walker
Non-executive Director

Company Secretary
Ms Susan Park

Chief Financial Officers

Mr Graeme Morissey
Mr Chris Lesovitz

Home Securities Exchange:

Australian Securities Exchange Limited
Level 40, Central Park
152 – 158 St George's Terrace
PERTH WA 6000

ASX Code: BOT

Share Registry

Automic Registry Services
Level 2
267 St Georges Terrace,
PERTH WA 6000
Telephone: (08) 9324 2099

Registered Office

Suite 3
41 – 47 Colin Street
West Perth Western Australia 6005
Australia
Telephone: (08) 6555 2945
Facsimile: (08) 6210 1153

Email: info@botanixpharma.com
Website: www.botanixpharma.com

Solicitors

Gilbert + Tobin
Level 16, Brookfield Place
Tower 2
123 St Georges Terrace
PERTH WA 6000

Auditor

BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Bankers

NAB
100 St Georges Terrace
PERTH WA 6000

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT

Your Directors are pleased to submit their report together with the financial statements of the Group consisting of Botanix Pharmaceuticals Limited and the entities it controlled during the period for the financial year ended 30 June 2025, in order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Mr Vincent Ippolito	Executive Chairman
Dr William Bosch	Non-executive Director
Dr Stewart Washer	Non-executive Director
Mr Danny Sharp	Non-executive Director
Dr Patricia Walker	Non-executive Director (appointed 25 August 2025)
Mr Matthew Callahan	Executive Director (resigned 23 May 2025)

DIRECTORS

The names and details of Directors in office at the date of this report are:

Mr Vincent Ippolito

Executive Chairman – (appointed 18 July 2019)

EXPERIENCE AND EXPERTISE

Mr Ippolito has 40 years of experience in the pharmaceuticals industry, including over 30 years of experience in dermatology. He most recently served as President and Chief Operating Officer of Dermavant Sciences, a specialty biopharmaceutical company that is commercialising products which treat inflammatory skin diseases and medical dermatologic conditions.

Prior to his role at Dermavant Sciences, Mr Ippolito served as the Chief Commercial Officer and Executive Vice President of Anacor Pharmaceuticals, a dermatology-based biopharmaceutical company. During his time at Anacor he was responsible for building the marketing and sales functions, and developing the company's product portfolio, as well as playing a key role in the US\$5.2bn sale to Pfizer.

Earlier in his career, Mr Ippolito launched multiple new dermatology products during his tenure at Medicis Pharmaceutical Corporation, an industry-leading dermatology company. Mr. Ippolito served in key executive roles, including Chief Commercial Officer, General Manager of Dermatology products, Senior Vice President of North American Sales and Executive Vice President, Sales and Marketing. Mr Ippolito played a key role in the sale of Medicis to Valeant for US\$2.6bn in 2012, and he went on to serve as Senior Vice President, General Manager, Aesthetics.

Mr Ippolito started his career at Novartis Pharmaceuticals where he served 17 years. His last role was Vice President Dermatology, Pediatric and Respiratory products.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

Dr William Bosch

Non-executive Director – (appointed executive director 1 July 2016, non-executive from 1 July 2023)

Member of Remuneration Committee – (appointed 11 June 2024)

Member of Audit and Risk Committee – (appointed 11 June 2024)

EXPERIENCE AND EXPERTISE

Dr Bill Bosch is an accomplished pharmaceutical executive with more than 30 years of experience and industry leadership in pharmaceutical R&D. Dr. Bosch served as CSO of iCeutica where he was the principal architect of SoluMatrix™ drug delivery technology, used in four FDA-approved prescription drug products. Earlier in his career, Dr Bosch was a pioneer in the application of nanotechnology to pharmaceutical product development. He served as a co-founder of NanoSystems LLC in 1995 and co-inventor of NanoCrystal® Technology, leading to the successful development and FDA approval of seven prescription drug products for a variety of indications and routes of administration.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

Dr Stewart Washer

Non-executive Director – (appointed 21 February 2019)

Chair of Remuneration Committee – (appointed 11 June 2024)

Member of Audit and Risk Committee – (appointed 11 June 2024)

EXPERIENCE AND EXPERTISE

Dr Washer has CEO and board experience in medical biotech and device companies. He has founded a number of ASX listed and private companies and was recently executive chairman of Emyria Limited (ASX: EMD), chairman of Orthocell Limited (ASX: OCC), and founding chairman and director of Cynata Therapeutics Limited (ASX: CYP).

Dr Washer chaired Hatchtech Pty Ltd that was sold in 2015 for AUD\$279m and was a director of iCeutica that was sold to US private equity investors in 2010. He has been a Senator with Murdoch University and a director of AusBiotech Ltd.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Cynata Therapeutics Limited (appointed 28 February 2017, resigned 1 July 2023)

Orthocell Limited (appointed 7 April 2014 resigned 22 December 2023)

Emyria Limited (appointed 19 March 2018 resigned 21 November 2023)

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

Mr Danny Sharp

Non-executive Director – (appointed 22 March 2022)

Chair of Audit and Risk Committee – (appointed 11 June 2024)

Member of Remuneration Committee – (appointed 11 June 2024)

Mr Sharp is an investment banker with more than 30 years of experience in capital markets globally, advising the boards of technology and healthcare-based organisations. He also has significant experience in sourcing and servicing institutional and private wealth investors globally. Mr Sharp was a Corporate Finance Executive Director of Canaccord Genuity for 8 years and previously spearheaded the Corporate Finance departments at Shaw and Partners and Lodge Partners.

He is currently a non-executive Director of health informatics company Alcidion Group Ltd (ASX: ALC) and on the Investment Committee of the Baker Heart and Diabetes Institute Foundation. He holds a Bachelor of Economics and Law and is a CFA Charter Holder.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Alcidion Group Ltd (appointed 1 September 2021)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

ImpediMed Ltd (appointed 1 July 2023, ceased 28 September 2023)

Race Oncology Ltd (appointed 5 December 2022, resigned 29 June 2023)

Dr Patricia Walker

Non-executive Director – (appointed 25 August 2025)

Patricia Walker, MD, PhD, is a practising dermatologist specialising in medical and aesthetic dermatology. She has served in key leadership roles, including President and head of R&D for Brickell Biotech; Chief Medical Officer for Kythera Biopharmaceuticals, Inc.; Executive Vice President and Chief Scientific Officer for Allergan Medical Aesthetics; and Vice President and Dermatology Therapeutic Area Head at Allergan. She was Chief Medical Advisor for Botanix and is a consultant for prominent dermatology pharmaceutical companies.

Dr Walker received her medical degree and served her dermatology residency at the University of Iowa College of Medicine. She then completed a research fellowship at the National Institute of Health's Dermatology Branch. Dr Walker has over 60 publications in medical and scientific journals and has earned more than two dozen academic and professional honours.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

Mr Matthew Callahan

Executive Director – (appointed 1 July 2016, resigned 23 August 2019, re-appointed 10 February 2020, and resigned 23 May 2025)

EXPERIENCE AND EXPERTISE

Mr Callahan is an experienced life sciences executive based in Philadelphia and a founder of Botanix. He has been the founding CEO or Executive Director of a number of ASX listed and private pharmaceutical and health tech companies, including iCeutica Inc, Churchill Pharmaceuticals LLC, Dimerix Biosciences Ltd, Orthocell Ltd, Respiration Pharmaceuticals Pty Ltd, Rumin8 Pty Ltd and Emyria Ltd.

Mr Callahan has led the development and commercialization of several products that have received FDA and other global regulatory approvals, he has more than 25 years of industry, IP and legal experience. Mr Callahan has also worked as an investment director for two venture capital firms investing in life sciences, technology and other sectors, and was responsible for the licensing programs that generated more than \$120 million in revenue with QPSX/Nearmap.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Emyria Limited (appointed 19 March 2018, resigned 21 August 2023)

Orthocell Limited (appointed 30 May 2006, resigned 23 October 2019. Re-appointed 10 February 2020, resigned 15 January 2024)

OTHER KEY MANAGEMENT PERSONNEL

The names and details of other key management personnel at the date of this report are:

CHIEF EXECUTIVE OFFICER

Dr Howie McKibbin

Chief Executive Officer (appointed 24 August 2023)

Dr McKibbin has more than 20 years of leadership experience in the pharmaceutical industry, including working as Senior Vice President, Sales and Marketing at Anacor Pharmaceuticals; Senior Vice President, Worldwide Commercial Operations at Dermavant Science; and Vice President, Dermatology and Immunology at Medicis Pharmaceuticals. Dr. McKibbin has launched 15 products, including 11 in dermatology, and managed over 30 dermatology products. He also played a significant role in two of the world's largest dermatology acquisitions with combined valuations of \$7.8 billion. He holds a B.A. in History from the University of South Florida, an MBA from Mercer University's Stetson School of Business and Economics and a Doctor of Pharmacy from Mercer University's Southern School of Pharmacy.

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

COMPANY SECRETARY

Ms Susan Park

Company Secretary (appointed 17 April 2023)

Ms Park is a governance professional with over 25 years' experience in the corporate finance industry and extensive experience in Company Secretary and Non-Executive Director roles in ASX, AIM and TSX listed companies. Ms Park holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors. She is also a Fellow of the Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia. She is currently Company Secretary of several ASX listed companies.

CHIEF FINANCIAL OFFICER – AUSTRALIA

Mr Graeme Morissey

Chief Financial Officer (appointed 26 March 2024)

Mr Morissey has over 17 years' experience with senior roles at international accounting firms including Grant Thornton in Canada and Australia as well as KPMG Australia and EY Australia. Throughout his career, Mr Morissey has worked with more than 40 ASX-listed companies supporting audit and other financial functions. More recently, Mr Morissey has occupied CFO positions at a number of ASX listed companies. Mr Morissey is a member of the Chartered Accountants Australia & New Zealand.

CHIEF FINANCIAL OFFICER – UNITED STATES OF AMERICA

Mr Chris Lesovitz

Chief Financial Officer (appointed 4 August 2024)

Mr Lesovitz has had a distinguished career spanning over two decades as a leader in the financial sector of the healthcare and technology industries. He brings a wealth of expertise in financial strategy, operational management, and corporate growth to his role.

Before joining Botanix Pharmaceuticals, Mr Lesovitz served as the Chief Financial Officer at Strata Skin Sciences. He was instrumental in steering financial operations and strategic planning for various high-profile companies, where he demonstrated exceptional skill in financial budgets, risk management, and capital allocation.

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

PRINCIPAL ACTIVITIES

Botanix Pharmaceuticals Limited (ASX:BOT) is a rapidly growing commercial dermatology company based in Philadelphia and Phoenix (US). In February 2025, the Company successfully launched its lead product *Sofdra*[™] (sofipironium) topical gel, 12.45% a prescription anticholinergic medicine used on the skin (topical), to treat excessive underarm sweating (primary axillary hyperhidrosis) in adults and children 9 years of age and older.

***Sofdra* is the first and only new chemical entity** approved by the US FDA to treat primary axillary hyperhidrosis (“hyperhidrosis”) and presents a novel, safe and effective solution for patients who have lacked treatment options for this socially challenging medical condition.

Hyperhidrosis is a condition characterised by abnormally increased sweating, beyond what is necessary to regulate body temperature.¹ This disproportionate sweat production results in a disabling medical condition with profound effects on the patient’s quality of life. Hyperhidrosis affects work productivity, daily routine activities, emotional well-being and personal relationships.²

The market for *Sofdra* is large and underserved. Hyperhidrosis is the third largest dermatologic condition (after acne and atopic dermatitis), with approximately 10 million patients in the US who have primary axillary hyperhidrosis. Of those subjects, approximately 3.7 million patients are actively seeking treatment. Yet, prior to *Sofdra*’s launch, clinicians ranked hyperhidrosis last in their ability to successfully manage with available treatments.³

Positive launch trends are impressive. Total prescriptions (TRx) for *Sofdra* have grown month over month and experienced 323.5% growth in Q4 versus Q3, driven by new patient acquisition and refill compliance. Gross-to-net yield has also improved each month and was 23% at the end of June, due in part to the Botanix Fulfilment Platform, which continues to improve prior authorisation (PA) approval rates and the number of fully reimbursed prescriptions.

The Botanix Fulfilment Platform is innovative and scalable. The Company’s platform increases patient compliance and improves gross-to-net (GTN) yield. It provides seamless fulfilment through a single pharmacy network that supports both dermatology practices and patients. The pharmacy’s dedicated support team assists dermatologists in the completion of prior authorisations (PA), which increases the number of reimbursed prescriptions. Personal follow-up with patients effectively drives adherence and refill rates that exceed the industry standard. Product consignment directly to the pharmacy eliminates the wholesaler and generates supply chain cost savings. Botanix has high visibility into pharmacy operations through the receipt of real-time data, which enables rapid insights and the ability to make decisions quickly.

¹ Oshima Y, Tamada Y. Classification of systemic and localized sweating disorders. In: Yokozeki H, Murota H, Katayama I, editors. Perspiration research. Current problems in dermatology, vol 51. Basel: Karger; 2016. p. 7–10

² Hamm H, Naumann MK, Kowalski JW, Kutt S, Kozma C, Teale C. Primary focal hyperhidrosis: disease characteristics and functional impairment. *Dermatology*. 2006;212(4):343–353. doi: 10.1159/000092285

³ Adapted from Cowen and Company analysis dated February 27, 2019; survey executed by ExpertConnect.

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DIRECTORS' REPORT (CONTINUED)

Highly experienced board and management team. Having developed, secured approval for and successfully launched more than 30 dermatology products between them, Botanix's team has an unrivalled track record in commercialising products and exiting dermatology companies to larger partners.

Botanix has a clear path to profitability. As of 30 June 2025, Botanix had a strong capital position with \$64,966,581 in cash and ~\$15,300,000 in undrawn debt⁴. The Company's operating costs are consistent and stable with no inventory purchases anticipated in 1H FY2026. Revenue is expected to increase rapidly quarter on quarter due to growth and expansion. GTN yield improved month-over-month during the second half of financial year 2025. In time, the Company expects improvement in the GTN towards a target range of 30% – 40%

Sofdra remains poised for continued growth.

RESULTS AND FINANCIAL POSITION

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the normal course of business.

Botanix Pharmaceuticals Limited and its subsidiaries (the "Group") has generated a comprehensive loss after tax for the year ended 30 June 2025 of \$86,396,186 (30 June 2024: \$13,869,709). The net loss is attributable primarily to the expenditure in relation to advancing commercial production for *Sofdra* (sofpironium) topical gel, 12.45%. The Group had a net working capital surplus of \$74,665,232 at 30 June 2025 (30 June 2024: \$79,169,230) and experienced net cash outflows from operating activities for the year of \$78,584,745 (30 June 2024: \$8,127,282).

At 30 June 2025, the Group had a cash balance of \$64,966,581 (30 June 2024: \$79,308,130). The Directors believe that there are sufficient funds to meet the Group's working capital requirements. The Directors consider the going concern basis of preparation to be appropriate as with underlying operating costs are stable (excluding inventory purchases, which are not expected in 1H FY26) and revenues are expected to rise quarter on quarter, the Company believes it is currently well funded to achieve profitability utilising its current cash reserves

DIVIDENDS

There were no dividends paid or declared during the year (30 June 2024: Nil).

⁴ Contingent upon achieving specific milestones. ASX Release 10 June 2025 Botanix Signs Debt Facility with Kreos Capital.

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW AND FUTURE PROSPECTS

OPERATIONAL REVIEW

Overview

FDA approved Botanix's New Drug Application for *Sofdra* (sofpironium) topical gel, 12.45% on 18 June 2024. During FY2025, Botanix successfully commenced commercialization of its lead asset *Sofdra* and set it on a growth trajectory. Botanix had gross sales of ~\$25,279,000 from January 2025 to fiscal year-end where ~\$20,447,000 occurred in the final quarter. During that six-month period, 16,869 prescriptions were filled, and the prescriber base expanded to 2,316 unique prescribers in June.

Immediately post-approval, Botanix acted quickly and decisively to bolster its infrastructure in support of the launch and full commercialisation of *Sofdra*. At the time of *Sofdra* approval, Botanix had fewer than 10 employees and contractors. In December, the Botanix team had grown to 25 and stood at 33 on 30 June 2025 (not including 27 sales professionals who joined us in early January or the six who joined us in late June). Having drawn talent from leading dermatology and specialty pharmaceutical companies in the USA with an average of over 20 years' experience, the Botanix team was ready to accelerate prescriptions and revenue.

Botanix's innovative fulfilment platform was fully developed and tested in the months leading up to launch. An early patient experience program was rolled out in December to engage highly qualified patients with hyperhidrosis and allow them early access to *Sofdra*. These patients were guided through the telemedicine and payer reimbursement process as the first commercial users of the product. Botanix conducted surveys with the initial users, which were completed before system optimisation, and the results demonstrated significant overall satisfaction with the Botanix platform's overall ease of use. At-home delivery of *Sofdra* was preferred by 93% of participants compared to the usual prescription collection at a local pharmacy.^{5,6}

The Company has a strong balance sheet with cash at 30 June 2025 of \$64,966,681 and undrawn debt of ~\$15,300,000 (which may be drawn upon achieving certain milestones)⁷. With underlying operating costs stable (excluding inventory purchases, which are not expected in 1H FY26) and revenues expected to rise quarter on quarter, the Company believes it is currently well funded to achieve profitability utilising its current cash reserves.

Structuring the commercial organisation began immediately. In Q1, Botanix staffed a number of key positions in sales, marketing, operations and data. The Company rapidly began building the sales organisation by employing a vice president of sales and district managers to help hire and lead teams of sales professionals, who were planned to be engaged in January 2025 to support the launch to dermatologists.

⁵ Data on file, Botanix Pharmaceuticals. Patient Experience Program participant survey

⁶ ASX Release 31 January 2025 Botanix Pharmaceuticals Quarterly Activity Report and 4C Quarterly Cash Report

⁷ ASX Release 10 June 2025 Botanix Signs Debt Facility with Kreos Capital

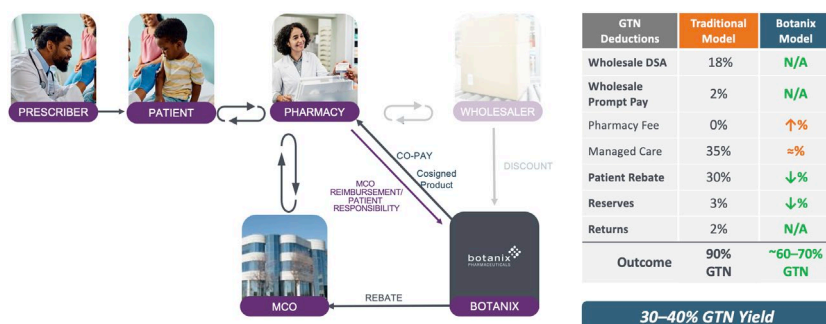
BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

Finalising *Sofdra* launch preparation during Q2 FY2025. Botanix's preparations for launch and first sales reached substantial completion as the *Sofdra* Patient Experience Program was readied for commencement. In collaboration with the International Hyperhidrosis Society, highly qualified patients were educated about *Sofdra* and allowed early access to the product. These initial commercial users of *Sofdra* provided first revenue and valuable survey feedback on the telemedicine and fulfilment processes, resulting in useful refinements. The Patient Experience Program was highly rated by participants.

Successful launch of Botanix Fulfilment Program. The prescriptions issued for *Sofdra* as part of the Patient Experience Program resulted in first refills following the end of the quarter. All patients in the Patient Experience Program who received prescriptions utilised the telehealth platform and received their initial prescriptions and refills directly to their residences. Successful clearance of relevant payer requirements and frictionless buy down of the patients' monthly co-pay (or gap payment) also meant that 100% of patients received their refills in January, proving up the telehealth and closed fulfilment system in advance of full commercial launch.

The Botanix Fulfilment Platform removes the wholesaler, improving GTN yield and expediting fulfilment.



Completion of contractual arrangements with payers. During the quarter, Botanix successfully concluded its first contractual arrangements with payers, which reflected the target financial and patient access restrictions previously discussed with them and as communicated to shareholders. The restrictions require a simple confirmation of diagnosis for primary axillary hyperhidrosis as per the label, and that the patient has tried aluminum chloride as a prior therapy. Some payers only require the confirmation of diagnosis.

The December quarter provided confirmation that prescriptions representing targeted payers were handled in accordance with the negotiated terms, meaning that no additional requirements were imposed for insurance approval, and where proof of diagnosis (or having tried Drysol or its equivalent) was required – this information was seamlessly provided to the payer and cleared relevant approvals.

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DIRECTORS' REPORT (CONTINUED)

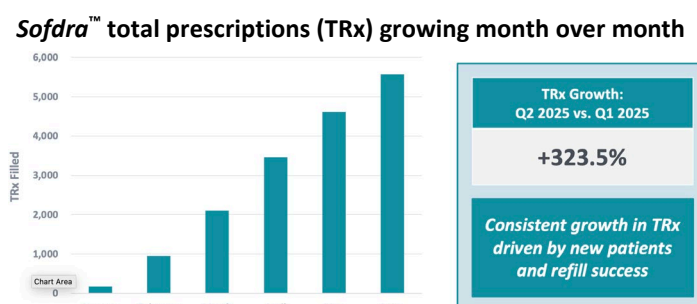
Full commercial launch of Sofdra – Q3 FY 2025 quarter. In January 2025, Botanix engaged 27 sales professionals, including some of the most credentialed individuals in the dermatology industry, with 79 'President Club' wins (awarded to the top 10% of sales professionals annually) between them. Extensive online instruction was followed by in-person training and certification completed at our offices in Phoenix, Arizona. At the beginning of February, sales professionals began calling on targeted high decile prescribers of therapeutics for hyperhidrosis across the USA. Physicians have been highly responsive to *Sofdra* messaging delivered by Botanix sales professionals, with 1,075 unique physicians writing prescriptions for *Sofdra* during the initial launch quarter, when sales professionals were in the field for only 9 weeks.



Gaining momentum in Q4 FY2025. In the first full quarter of sales operations, the commercial launch of *Sofdra* demonstrated accelerated growth across key metrics. Unique prescribers were 1,075 at Q3 exit and 2,316 at Q4 exit, representing a 115% increase. Total prescriptions (TRX) shipped for the quarter grew by 323.5% from 3,222 in Q3 to 13,647 in Q4, driven by higher new patient arrivals (7,053 in Q4 vs 2,975 in Q3) and expectedly high refill rates.

A refill rate exceeding the industry average contributed strongly to TRx growth.⁸ Patients starting *Sofdra* in February had already received 3.4 fills on average, compared to the industry average of 2 fills per year.^{6,9,10} Patients enrolled in the auto-refill program had a 95% adherence rate, a measure of how consistently patients obtain refills for their prescribed medications¹¹. The adherence rate was 79% amongst all patients.⁹

The Company believes that the growing number of physicians prescribing *Sofdra*, the increase in prescription numbers and the strong refill rate are all demonstrative of rapid acceptance of the benefits of *Sofdra* by both physicians and patients.



***Sofdra*™ GTN yield has improved every month since launch with a target range of 30 – 40%**

⁸ Industry average for topicals based on refills in 12-month period following first Rx (<https://pmc.ncbi.nlm.nih.gov/articles/PMC9056466/>)

⁹ SendRx pharmacy data between 2025-2-1 and 2025-6-30.

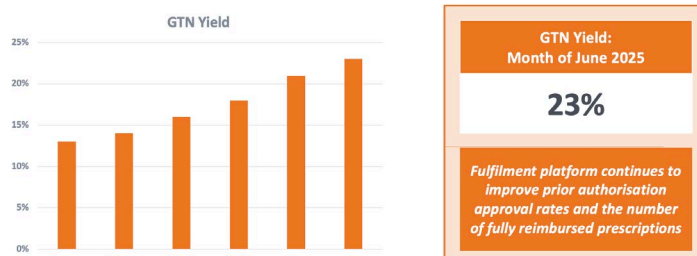
¹⁰ Data source: SendRx shipments as of 2025-6-30, for patients with the first fill on or after 2025-2-1.

¹¹ Botanix data on file.

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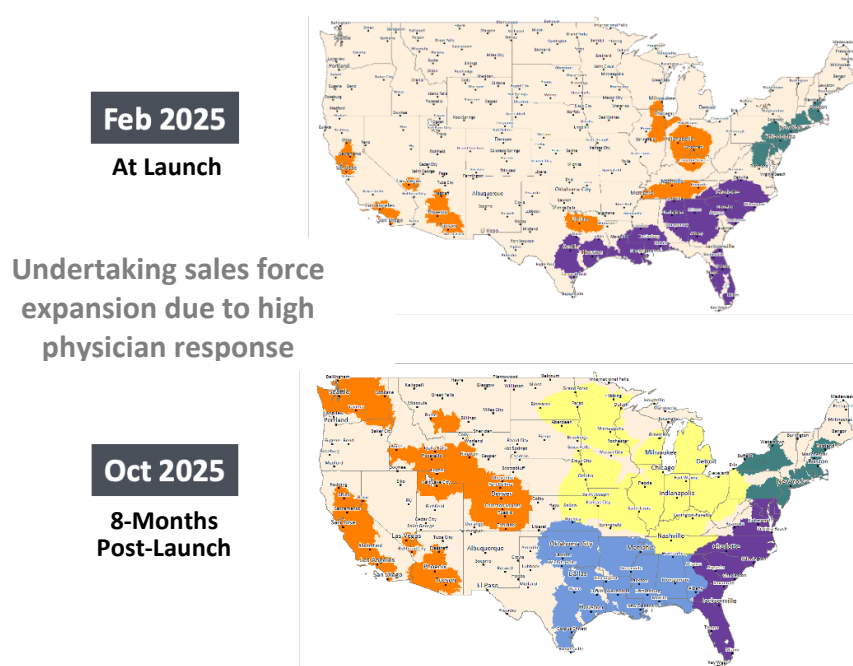
DIRECTORS' REPORT (CONTINUED)

Sofdra's gross to net (GTN) indicators have tracked positively with month-over-month increases, leading to a 23% GTN yield by June exit.¹² Over time, the Company aims to achieve an average GTN in the range of 30% – 40% as is typically seen in successful US dermatology pharmaceutical companies.



Botanix is making strategic investments to further accelerate *Sofdra's* growth.

Field force expansion into new geographies for Sofdra. Given the outstanding promotional responsiveness of the physicians to direct promotion from our sales professionals, the Company believes there is a significant upside to the product's commercialisation potential by expanding the sales force sooner than originally planned. The sales force was increased from 27 to 33, and the additional six fully trained and certified sales professionals began calling on dermatologists at the beginning of Q1 FY2026. An additional 17 sales professionals will be fully trained and certified during Q1 FY2026 and deployed in October to new US territories where the Company believes strong markets for *Sofdra* can be quickly developed or enhanced. The addition of the sales representatives is not anticipated to result in a material increase in cost base, as the Company is primarily reallocating its existing sales and marketing budget to its most immediately productive and highest performing sales channel.



¹² Source: SendRx shipments between 2025-2-1 and 2025-6-30. Unaudited numbers.

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DIRECTORS' REPORT (CONTINUED)

Botanix makes an ongoing investment in tools and programs to support sales. Materials continue to be created and introduced for display in dermatologists' offices to encourage sufferers of primary axillary hyperhidrosis to ask about their medical condition and learn about *Sofdra*. Wall posters, easel-backed cards, and a video are available for use in both waiting areas and exam rooms, and have been welcomed by dermatology offices. Development has begun on versions of these materials for the roughly 41 million people in the US who speak Spanish at home.¹³

The Botanix speaker program combines peer influence, scientific rigour and clinical relevance to educate healthcare professionals about *Sofdra*. Dermatologists also learn about the science of *Sofdra* through medical education. Botanix was pleased to announce the publication of phase 3 data from *Sofdra's* robust clinical trials in the prestigious Journal of the American Academy of Dermatology.¹⁴ Other scientific data for *Sofdra* was selected for inclusion in poster exhibitions during prominent medical congresses: the Fall Clinical Dermatology Conference for PAs and NPs in May and the American Academy of Dermatology Innovation Academy in July.

A special event series named "Summer of Sweat" concluded in August. It provided a forum for Botanix corporate executives to meet with healthcare providers to introduce the Company and *Sofdra* in major cities across the US. These well-attended events provided valuable dialogues with dermatologists to understand their experiences with *Sofdra*.

The science of *Sofdra*[™] (sofpironium) topical gel, 12.45%

Botanix's lead product is *Sofdra*, a topically applied gel for the treatment of primary axillary hyperhidrosis (a medical condition that causes excessive underarm sweating), which affects 10 million individuals in the US. Phase 3 clinical studies were completed successfully, and primary and secondary efficacy endpoints were achieved with a high degree of statistical significance, which paved the way for FDA approval on 18 June 2024.

Sofdra regulates sweating at the site of application, by binding to the primary sweat receptor and thereby blocking the signal to sweat. The gel is spread on the underarms using a patented applicator, which allows the patient to avoid direct drug contact with their hands. The drug is designed to be rapidly metabolized by the body as it passes through into the blood stream, (rather than traveling around the body and affecting other organs), and this is associated with reduced incidence, severity, and duration of side effects of the drug.

Two pivotal Phase 3 'CARDIGAN' studies evaluated the efficacy and safety of *Sofdra* versus vehicle in patients with primary axillary hyperhidrosis. In the studies, treatment with *Sofdra* successfully met all primary and secondary endpoints with clinically and statistically meaningful changes from baseline to day 43 in Gravimetric Sweat Production (GSP), an objective

¹³ Census.gov Language Use in the United States: 2019.

¹⁴ Journal of the American Academy of Dermatology, vol 93, July 2025.

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DIRECTORS' REPORT (CONTINUED)

measurement, and the Hyperhidrosis Disease Severity Measure-Axillary, 7-item (HDSM-Ax-7) scale, a patient-reported sweat severity measurement tool.

More than 700 patients were enrolled in the two Phase 3 studies and approximately 300 patients participated in a separate 48-week safety study of *Sofdra*. The majority of adverse events were mild to moderate and transient in nature. Based on these studies, the Company believes that *Sofdra* has the potential to be the best-in-class treatment for axillary hyperhidrosis, as existing therapies are less than ideal, either because of the lack of efficacy, an unfavourable side effect profile, systemic drug exposure, or produce pain from invasive injection procedures or severing of the nerves through surgery.

Corporate

The company completed a capital raise during the period, totaling AUD\$40,000,000 (not including costs of the raise). Complementing the placement, Botanix Pharmaceuticals Ltd and its wholly owned subsidiary Botanix Pharmaceuticals, Inc., finalised an agreement with Kreos Capital VII (UK) Limited and its related entities for a loan facility of up to the euro equivalent of US\$30,000,000 ("Facility"). The Facility enhances Botanix's financial flexibility to support its growth and strategic initiatives.

Kreos Capital is a leading provider of growth and venture debt financing to companies in the technology and healthcare industries. In August 2023, Kreos Capital was acquired by BlackRock Inc.

The Facility provides for an initial tranche of ~AUD\$31,000,000 (the euro equivalent of US\$20,000,000) available upon closing ("Tranche A") and a further ~AUD\$15,500,000 (US\$10,000,000) ("Tranche B") available to be drawn down up to and including 1 October 2026 subject to draw down conditions. The Facility is subject to financial, corporate and operating covenants customary for these types of arrangements.

The Company drew down US\$20,000,000 on 10 June 2025. The draw down of loan amounts thus far under the Facility resulted in the issuance of 3,030,303 warrants to Kreos exercisable at AUD\$0.33 each and expiring on 10 June 2030.

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DIRECTORS' REPORT (CONTINUED)

***Sofdra* Important Safety Information & Indication**

Indication

Sofdra (sofpironium) topical gel, 12.45% is a prescription anticholinergic medicine used on the skin (topical) to treat excessive underarm sweating (primary axillary hyperhidrosis) in adults and children 9 years of age and older.

IMPORTANT SAFETY INFORMATION

***Sofdra* is for use on the skin in the underarm area only. Wash your hands right away after you apply *Sofdra*. Do not touch your underarms after applying *Sofdra*. *Sofdra* is flammable. Avoid heat and flame while applying *Sofdra*.**

Who should not use *Sofdra*?

Do not use *Sofdra* if you have certain medical conditions that can be made worse by taking an anticholinergic medicine such as glaucoma, severe ulcerative colitis (UC) or certain other serious bowel problems associated with severe UC, myasthenia gravis, and Sjogren's syndrome.

What should I tell my healthcare provider before using *Sofdra*?

- **Tell your healthcare provider about all of your medical conditions**, including bladder or kidney problems, problems passing urine, if you are pregnant or breastfeeding, or plan to become pregnant or breastfeed. It is not known if *Sofdra* will harm your unborn baby or pass into your breast milk.
- **Tell your healthcare provider about all the medicines you take**, including prescription and over-the-counter medicines, especially any anticholinergic medicines.

What are possible side effects of *Sofdra*?

Serious side effects may include:

- **Blurred vision.** Stop using *Sofdra*, call your healthcare provider right away, and do not drive or operate machinery or do hazardous work until your vision is clear.
- **New or worsened urinary retention.** Stop using *Sofdra* and call your healthcare provider right away if you experience difficulty urinating, urinating frequently, urination in a weak stream or drips, full bladder or difficulty emptying your bladder.

The most common side effects of *Sofdra* include dry mouth; blurred vision; pain, redness, swelling, itching, and irritation in the underarm area; dilation of the pupils of your eyes (mydriasis); and problems with urination. These are not all of the possible side effects of *Sofdra*. Call your doctor for medical advice about side effects.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch or call 1-800-FDA-1088. You may also report side effects to Botanix at 1-866-763-6337.

Keep *Sofdra* and all medicines out of the reach of children.

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DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as mentioned in the Review of Operations, specifically the capital raising and financing arrangements entered into by the Group, no significant changes in the state of affairs of the Group occurred during the financial year.

OPERATIONAL RISKS

There are material risks, inherent in the pharmaceutical industry that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Botanix and the value of its shares. Some of these risks may be mitigated by Botanix's internal controls and processes but some are outside the control of Botanix, its directors and management. The material risks identified by management are described below:

Regulatory risks

The Company carries a risk of non-compliance with legal or regulatory requirements relevant to the sale of its product. To mitigate these risks, the Company has employed or contracted experienced personnel in Quality, Production and Compliance. In addition, the Company maintains a robust control environment with relevant policies, procedures and monitoring.

Manufacturing risk

The Company's development stage and commercial product are manufactured by contract manufacturing organisations engaged by Botanix for that purpose. The Company relies on supply relationships with third-party organisations and partners for raw materials, packaging components and other consumables. An inability of these third-party organisations to continue to supply the Company in a timely, economical and/or consistent manner could adversely impact the progress of the Company's development programs and potentially on the financial performance of the Company.

Mitigation measures employed by the Company include performing rigorous due diligence on suppliers, engaging suppliers with strong track records and sufficient capability to meet the Company's foreseeable needs, and employing a senior manager responsible for managing and monitoring the performance of third parties including suppliers.

Market Risks

The Company is subject to a number of financial risks that arise as a result of its activities. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk – During the normal course of business, the Company enters into contracts with overseas customers or suppliers or consultants that are denominated in foreign currency. As a result of these transactions, there is exposure to fluctuations in foreign exchange rates. The principal currency risk faced by the business is the exchange rate between the Australian dollar and the US dollar. The Company holds cash denominated in US dollars and Australian dollars and may have material future expenditure in each of these currencies. Where possible, the Company matches foreign currency income and foreign currency expenditure as a natural hedge, holding foreign currency cash to facilitate this natural hedge. When foreign currency expenditure exceeds foreign currency revenue and foreign currency cash, the Company may consider purchasing foreign currency to meet anticipated requirements under spot and forward contracts.

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DIRECTORS' REPORT (CONTINUED)

Interest rate risk – The Company is exposed to changes in market interest rates as the Company holds cash and cash equivalents. The Company mitigates this risk through a series of term deposits structured to provide some certainty of financial returns.

Liquidity risk – The Company's financial liabilities, comprising trade and other payables and derivatives, are generally repayable within 1 – 3 months. The maturity and availability of financial assets, comprising cash and cash equivalents and trade and other receivables, are monitored and managed to ensure financial liabilities can be repaid when due.

Capital management – The Company monitors capital, including share capital, retained earnings and reserves and the cash and cash equivalents presented in the consolidated statement of financial position. The key objective of the Company when managing its capital is to safeguard its ability to continue as a going concern, so that the Company can sustain the commercialisation and the future development of the research and development activities being performed by the Company.

Changes in the United States trade policy, including the impact of baseline tariffs

In 2025, the U.S. government announced the intention to impose additional tariffs on certain goods imported from numerous countries. Multiple nations, including China, responded with reciprocal tariffs and other trade actions. The recent enactment of tariffs by the US government, along with the unpredictability of the rates and the potential for punitive actions and retaliatory tariffs by such countries, poses a risk to our business operations and may materially increase our costs and reduce profits. We are actively monitoring the impact of any tariffs that become effective, as well as potential retaliatory tariffs imposed by other countries. We are currently analysing strategies that can be taken to moderate or minimize the effects of these trade actions, however, there can be no assurance that any such strategies will be successful, or that they will offset the negative impact of the tariffs on our business.

Given the uncertainty regarding scope and duration of the current and potential tariffs, as well as the potential for additional trade actions by the U.S. or other countries, the specific impact to our business, results of operations, cash flows and financial condition is uncertain.

IT systems, privacy and cybersecurity

The Group is subject to a number of risks associated with I.T. system, privacy and cybersecurity including:

- non-compliance with privacy and data security laws, regulations and guidance;
- cyber security breaches, data theft, or data leakage; and
- significant disruption to our technology systems.

The Group mitigates these risks by the recruitment of experienced IT personnel and the implementation of protective measures such as firewalls, antivirus software, data encryption, routine back-ups, system monitoring, system audits and disaster recovery procedures (including the testing of these procedures).

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DIRECTORS' REPORT (CONTINUED)

Environmental and climate

The Group will rely on its governance and strategy to mitigate its climate-related risks and opportunities whilst engaging third party expert advice where appropriate.

DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interests of the Directors in ordinary shares, unlisted options and performance rights of the Company were:

Director	Shares		Options		Performance rights	
	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly
Mr Vincent Ippolito	15,001,644	-	-	-	16,000,000	-
Dr Patricia Walker	-	-	9,000,000	-	-	-
Dr William Bosch	18,836,702	-	-	-	3,000,000	-
Dr Stewart Washer	-	6,160,134	-	-	-	3,333,333
Mr Danny Sharp	5,242,458	-	-	-	3,333,333	-
Total	39,080,804	6,160,134	9,000,000	-	22,333,333	3,333,333

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors held during the year and the number of meetings attended by each Director are:

	Board Meetings		Audit and Risk Committee Meetings ³		Remuneration and Nomination Committee Meetings ⁴	
	Number held	Number attended	Number held	Number attended	Number held	Number attended
Board of Directors						
Mr Vincent Ippolito	5	5	-	-	-	-
Dr William Bosch	5	5	2	2	1	1
Dr Stewart Washer	5	5	2	2	1	1
Mr Danny Sharp	5	5	2	2	1	1
Ms Patricia Walker ²	-	-	-	-	-	-
Mr Matthew Callahan ¹	4	4	-	-	-	-

¹ Matthew Callahan, Executive Director, resigned on 23 May 2025.

² Dr Patricia Walker was appointed as a Non-executive Director on 25 August 2025, post the end of the financial year.

³ Members of the Audit and Risk Committee during the financial year were Danny Sharp (Chair), Dr Stewart Washer and William Bosch.

⁴ Members of the Remuneration and Nomination Committee during the financial year were Dr Stewart Washer (Chair), Danny Sharp and William Bosch.

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DIRECTORS' REPORT (CONTINUED)

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Dr Patricia Walker was appointed as Non-Executive Director on 25 August 2025.

On 27 July 2025, 6,000,000 options at an exercise price of \$0.18 expired.

On 22 August 2025, 4,000,000 options expiring on 22 August 2026 and exercisable at \$0.145 were issued to Dr Patricia Walker.

On 22 August 2025, 1,000,000 options expiring on 22 August 2028 and exercisable at \$0.19 were issued to Dr Patricia Walker.

Other than the matter above, no matters or circumstances have arisen since the end of the year that significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law. For the year ended 30 June 2025, the Directors have assessed that there are no current reporting requirements but have committed to develop an ESG framework in the future.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid premiums to insure the Directors and officers of the Company. 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 the Company, 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.

INDEMNITY AND INSURANCE OF AUDITORS

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2025. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes the following specified executives in the Company:

Key Management Personnel for the year ended 30 June 2025

Directors:

Mr Vincent Ippolito	Executive Chairman
Dr William Bosch	Non-executive Director
Dr Stewart Washer	Non-executive Director
Mr Danny Sharp	Non-executive Director
Mr Matthew Callahan ¹	Executive Director

Other Key Management Personnel:

Dr Howard McKibbin	Chief Executive Officer
Mr Graeme Morissey	Chief Financial Officer, Australia
Mr Chris Lesovitz	Chief Financial Officer, United States of America (appointed 4 August 2024)

¹ Resigned on 23 May 2025

Remuneration Policy

The Company recognises the importance of structuring the remuneration packages of its Directors and executives to attract and retain people with the qualifications, skills and experience to help the company achieve the required objectives. However, the Company understands that whilst it is still in its current phase, a prudent position must be observed in the total remuneration expense.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology. Performance rights are valued at the share price on the grant date (in the absence of market-based vesting hurdles).

Remuneration Governance

During the year remuneration issues were considered by the full Board. This included consideration of remuneration and incentive policies and practices and specific matters related to remuneration packages and other terms of employment for executive Directors, other senior executives and non-executive Directors.

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DIRECTORS' REPORT (CONTINUED)

Non-Executive Director Remuneration

Fees and payments to non-executive Directors reflect the demands made on them, and their responsibilities. Non-executive Directors' fees and payments are reviewed by the Board.

The total amount paid to non-executive Directors is determined by the board from time to time for presentation to and resolution by shareholders in the Annual General Meeting. The current approved maximum aggregate remuneration payable to non-executive Directors is \$450,000 per year.

The non-executive Directors are paid a set amount per year and receive reimbursement of expenses incurred on the company's behalf. Non-executive Directors may also receive consultancy fees, at normal commercial rates, where appropriate expertise and time commitment are required, such additional amounts being approved by the Board.

Long-term performance incentives comprise options and performance rights granted to align the objectives of non-executive Directors with shareholders and the Company. The issue of options and performance rights to non-executive Directors requires shareholder approval.

Executive Remuneration

Remuneration packages for the executive Directors and senior executives are designed by and approved by the Board. The remuneration policy, setting the terms and conditions for the executive Directors and other senior executives, was developed by and approved by the Board.

When employed, senior executives receive a fixed salary, bonus payments based on Board review of performance, options or performance rights.

Performance-Based Remuneration

Where appropriate, the Board may set key performance indicators for executive Directors and employees which provide for the payment of bonuses if partially or fully met. There is no direct correlation between the Company's performance and fixed remuneration paid to executive Directors and employees. Certain Directors are eligible to receive a bonus based on meeting objectives related to clinical studies advancement; registration; commercialisation; investor relations; business development activities; and corporate strategy and development. The outcome of these milestones and/or payment of bonuses is at the complete discretion of the Board.

When the Board deems it appropriate, equity-based remuneration may be granted to Directors, employees and consultants (subject to shareholder approval if appropriate).

Relationship between the remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives.

The Company operates an Employee Securities Incentive Plan ("ESIP") for eligible participants of the Group.

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DIRECTORS' REPORT (CONTINUED)

Under the ESIP, the Company may, at the discretion of the Directors, offer eligible participants securities on the terms and conditions stated in an offer letter. A security granted under the ESIP may be a plan share, option, performance right or other convertible security as defined in the ESIP. In considering grants under the ESIP the Board considers the person's seniority, position, length of service, potential contribution and any other matters which the Board considers relevant.

A participant in an equity-based remuneration plan operated by the Company must not enter into a transaction (whether through the use of derivatives or otherwise) that limits the economic risk of participating in the plan.

The Company aims to align our executive remuneration to its 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.

	2021	2022	2023	2024	2025
Revenues	-	-	\$102,934	\$601,820	\$5,757,266
(Loss) for the year attributable to owners	(\$3,405,015)	(\$12,982,549)	(\$8,917,281)	(\$13,709,868)	(\$86,396,186)
Basic loss per share (cents)	(0.034)	(1.35)	(0.79)	(0.92)	(4.68)
Share price	\$0.08	\$0.06	\$0.13	\$0.35	\$0.32
Dividends paid	-	-	-	-	-

Security based payment arrangements granted to date

Options

In accordance with the provisions of the ESIP, Directors, executives and employees have been granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when the options were issued or agreed to be issued.

Each share option converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

Options granted may vest on issue or progressively over the life of the options as decided by Directors when making an offer under the ESIP. Options granted under the ESIP usually expire within forty-eight months of issue. Unvested options expire immediately on the resignation of the eligible participant, unless otherwise determined by the Board.

Performance rights

In accordance with the provisions of the ESIP, Directors, executives and employees have been granted performance rights to purchase ordinary shares at nil cost as determined by the Board with regard to the market value of the shares when the performance rights were issued or agreed to be issued.

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DIRECTORS' REPORT (CONTINUED)

Each performance right converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the performance right. The performance rights carry neither rights to dividends nor voting rights. Performance rights may be exercised at any time from the date of vesting to the date of expiry.

Performance rights granted may vest on issue or progressively over the life of the performance rights as decided by Directors when making an offer under the ESIP. Performance rights granted under the ESIP usually expire within forty-eight months of issue. Unvested performance rights expire immediately on the resignation of the eligible participant, unless otherwise determined by the Board.

DIRECTORS' REPORT (CONTINUED)

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the Key Management Personnel (as defined in AASB 124 *Related Party Disclosures*) of the Group are set out in the following tables:

2025	Short Term Benefits				Post-Employment Benefits	Share Based Payments			
Key Management Personnel	Salary and Fees \$	Bonuses \$	Insurances \$	Leave Movements \$	Superannuation and 401K \$	Options \$	Performance Rights \$	Total \$	Performance Based %
Directors									
Mr V Ippolito	694,838	277,935	25,454	53,450	21,765	-	4,596,497	5,669,939	86.0
Mr M Callahan	371,321	-	-	-	-	-	552,729	924,050	59.8
Dr W Bosch	126,991 ¹	-	-	-	-	-	618,853	745,844	83.0
Dr S Washer	89,056	-	-	-	2,108	-	618,853	710,017	87.2
Mr D Sharp	88,333	-	-	-	-	11,889	618,853	719,075	87.7
Total – Directors	1,370,539	277,935	25,454	53,450	23,873	11,889	7,005,785	8,768,925	83.2
Executives									
Mr G Morissey	125,000	-	-	-	-	60,795	-	185,795	32.7
Dr H McKibbin	669,103	190,231	30,692	52,262	16,908	30,036	4,348,187	5,337,419	85.6
Mr C Lesovitz	404,270	128,268	33,897	22,805	11,120	874,532	307,733	1,782,625	73.5
Total – Executives	1,198,373	318,499	64,589	75,067	28,028	965,363	4,655,920	7,305,839	81.3
Grand Total	2,568,912	596,434	90,043	128,517	51,901	977,252	11,661,705	16,074,764	82.3

¹During the period, Dr W Bosch was paid \$163,552 which represented an overpayment of fees earned. The Company has ceased payments until the earned amounts have caught up. Earned amounts are presented in the table above.

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DIRECTORS' REPORT (CONTINUED)

2024	Short Term Benefits				Post-Employment Benefits	Share Based Payments			
Key Management Personnel	Salary and Fees \$	Bonuses \$	Insurances \$	Leave Movements \$	Superannuation \$	Options \$	Performance Rights \$	Total \$	Performance Based %
Directors									
Mr V Ippolito	320,226	330,388	21,597	(4,809)	13,141	-	(67,845)	612,698	42.9
Mr M Callahan	396,698	-	-	-	-	-	(39,576)	357,122	(11.1)
Dr W Bosch	244,122	-	-	-	-	-	(16,961)	227,161	(7.5)
Dr S Washer	55,000	-	-	-	6,050	11,831	(11,308)	61,573	(18.4)
Mr D Sharp	65,000	-	-	-	-	34,801	(11,308)	88,493	(12.8)
Total – Directors	1,081,046	330,388	21,597	(4,809)	19,191	46,632	(146,998)	1,347,047	13.6
Executives									
Mr G Morissey	27,146	-	-	-	-	84,203	-	111,349	75.6
Dr H McKibbon	602,171	406,632	9,291	(8,035)	15,898	52,148	2,845,708	3,923,813	82.4
Total – Executives	629,317	406,632	9,291	(8,035)	15,898	136,351	2,845,708	4,035,162	82.2
Grand Total	1,710,363	737,020	30,888	(12,844)	35,089	182,983	2,698,710	5,382,209	65

DIRECTORS' REPORT (CONTINUED)

Shareholdings of Key Management Personnel

The movement in the number of ordinary shares of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities, for the year ended 30 June 2025 is as follows:

	Held at 1 July 2024	Exercise of Options	Conversion of Performance Rights	Sale of shares on market	Held at 30 June 2025
Directors					
Mr V Ippolito	10,801,644	-	8,000,000 ²	(3,800,000) ²	15,001,644
Mr M Callahan	74,586,791	-	-	-	74,586,791 ¹
Dr W Bosch	18,836,702	-	-	-	18,836,702
Dr S Washer	2,170,035	3,990,099	-	-	6,160,134
Mr D Sharp	2,131,313	3,111,145	-	-	5,242,458
Mr G Morissey	-	-	-	-	-
Mr C Lesovitz	-	-	-	-	-
Dr H McKibbon	4,000,000	7,313,391	-	-	11,313,391
Total	112,526,485	14,414,635	8,000,000	(3,800,000)	131,141,120¹

¹ Mr M Callahan resigned on 23 May 2025 and, therefore, these holdings represent Mr Callahan's holdings on his date of resignation. The total holdings of 131,141,120 for key management personnel include this balance.

² As resolved by the Board during the 2025 financial year, when exercising performance rights or options, Board members and executives are permitted to sell shares to cover their US tax obligations related to the exercise whilst adhering to the share trading policies of the Company which includes restrictions during "black out" periods and the requirement to obtain Board approval.

DIRECTORS' REPORT (CONTINUED)

Option holdings of Key Management Personnel

The movement in the number of options of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities, for the year ended 30 June 2025 is as follows:

Name and Grant date	Held at 1 July 2024	Granted as Compensation	Options Exercised	Options Lapsed	Options Expired or Cancelled	Held upon Appointment	Held at 30 June 2025	Vested and Exercisable	Unvested
Mr V Ippolito	-	-	-	-	-	-	-	-	-
Mr M Callahan	-	-	-	-	-	-	-	-	-
Dr W Bosch	-	-	-	-	-	-	-	-	-
Dr S Washer									
21/3/2022	5,000,000	-	(3,990,099) ¹	-	(1,009,901)	-	-	-	-
Mr D Sharp									
21/3/2022	4,000,000	-	(3,111,145) ²	-	(888,855)	-	-	-	-
Dr H McKibbin									
7/10/2021	500,000	-	(384,805) ³	-	(115,195)	-	-	-	-
23/3/2022	9,333,333	-	(6,928,586) ⁴	(666,667)	(1,738,080)	-	-	-	-
Mr C Lesovitz									
10/06/2024	-	-	-	-	-	10,000,000	10,000,000	1,500,000	8,500,000
Mr G Morissey	-	-	-	-	-	-	-	-	-
20/6/2024	1,000,000	-	-	-	-	-	1,000,000	750,000	250,000
Total	19,833,333	-	(14,414,635)	(666,667)	(3,752,031)	10,000,000	11,000,000	2,250,000	8,750,000

1 Exercise date of 27 February 2025. \$Nil paid as this was a cashless exercise. Fair value of the instruments upon exercise was \$1,815,495.

2 Exercise date of 20 March 2025. \$Nil paid as this was a cashless exercise. Fair value of the instruments upon exercise was \$1,353,348.

3 Exercise date of 7 October 2024. \$Nil paid as this was a cashless exercise. Fair value of the instruments upon exercise was \$142,378.

4 Exercise date of 21 May 2025. \$Nil paid as this was a cashless exercise. Fair value of the instruments upon exercise was \$2,632,863.

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DIRECTORS' REPORT (CONTINUED)

Performance rights holdings of Key Management Personnel

The movement in the number of performance rights of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities, for the year ended 30 June 2025 is as follows:

Name and Grant date	Held at 1 July 2024	Granted as Compensation ²	Rights Exercised	Rights Lapsed	Held at 30 June 2025	Vested and Exercisable	Unvested
Mr V Ippolito							
4/11/2024	-	24,000,000	(8,000,000) ³	-	16,000,000	-	16,000,000
Mr M Callahan							
4/11/2024	-	3,000,000	-	-	3,000,000 ¹	1,000,000	2,000,000
Dr W Bosch							
4/11/2024	-	3,000,000	-	-	3,000,000	1,000,000	2,000,000
Dr S Washer							
23/11/2022	333,333	-	-	-	333,333	333,333	-
4/11/2024	-	3,000,000	-	-	3,000,000	1,000,000	2,000,000
Mr D Sharp							
23/11/2022	333,333	-	-	-	333,333	333,333	-
4/11/2024	-	3,000,000	-	-	3,000,000	1,000,000	2,000,000
Mr G Morissey	-	-	-	-	-	-	-
Mr C Lesovitz							
18/12/2024	-	3,000,000	-	-	3,000,000	-	3,000,000
Dr H McKibbon							
25/08/2023	56,000,000	-	-	-	56,000,000	9,333,334	46,666,666
Total	56,666,666	39,000,000	(8,000,000)	-	87,666,666	14,000,000	73,666,666

¹ Mr M Callahan resigned on 23 May 2025 and, therefore, these holdings represent Mr Callahan's holdings on his date of resignation. The total holdings of 87,666,666 for key management personnel includes this balance.

² All instruments granted were issued after approval by shareholders under Listing Rule 10.14.

³ Exercise date of 8 January 2025. \$Nil paid. Fair value of instruments upon exercise was \$3,680,000.

DIRECTORS' REPORT (CONTINUED)

Terms and conditions of the share-based payment arrangements

Options

The number of options over ordinary shares in the Company provided as remuneration to Key Management Personnel on issue at 30 June 2025 is shown above under the heading "Option holdings of Key Management Personnel". The options carry no dividend or voting rights. The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per option at grant date	% Vested
21/3/2022	4,000,000	Progressively over 3 years, 33.33% at each anniversary starting from 22/3/2022 based on continued service	22/3/25	\$0.094	\$0.037	100%
22/3/2022	10,000,000	2,640,000 12 months from date of issue, 2,680,000 24 months from date of issue, 2,680,000 36 months from date of issue, 666,666 on first launch of <i>Sofdra</i> 666,667 on achieving US\$50m of revenues 666,667 on closing the acquisition of a new FDA approved asset for launch by Botanix in late 2023 All based on continued service.	14/4/25	\$0.072	\$0.037	87% ¹
22/3/2022	5,000,000	1,000,000 on issue, 2,000,000 12 months from date of issue, 2,000,000 12-months from date of issue based on continued service	22/3/25	\$0.102	\$0.031	100%
20/6/2024	1,000,000	1/2 on FDA approval of <i>Sofdra</i> ; 1/4 12-months following FDA approval of <i>Sofdra</i> ; 1/4 24-months following FDA approval of <i>Sofdra</i> . All based on continued service.	12/07/27	\$0.364	\$0.174	75%

¹ 666,667 on closing the acquisition of a new FDA approved asset for launch by Botanix lapsed on 31 December 2023. 666,667 on achieving US\$50 million of revenues by 30 June 2024 lapsed on 30 June 2024. All remaining options have vested.

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DIRECTORS' REPORT (CONTINUED)

Options (Continued)

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per option at grant date	% Vested
10/6/2024	10,000,000	1,500,000 – 12 months following approval of <i>Sofdra</i>, provided that the approved label for <i>Sofdra</i> includes an efficacy and safety data set that supports promotion of the product in the US market 1,500,000 – later of 12 months after vesting date of Tranche 1, or 30 December 2025, provided that: - the Company has launched <i>Sofdra</i> for commercial sale in the US - the Company has established a distribution network which is effectively providing reimbursed prescriptions to patients. 1,500,000 – 12 months after the vesting date of Tranche 2, provided that: - the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis - the Company is generating revenue from prescriptions as a direct result from the utilisation of the telehealth platform 1,500,000 vest where US\$45M in revenue achieved for a financial year 1,500,000 vest where US\$100M in revenue achieved for a financial year 1,500,000 vest where US\$150M in revenue achieved for a financial year 1,000,000 vest where US\$250M in revenue achieved for a financial year	12/7/28	\$0.24	\$0.168	15%

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DIRECTORS' REPORT (CONTINUED)

Performance rights

The number of performance rights over ordinary shares in the Company provided as remuneration to Key Management Personnel on issue at 30 June 2025 is shown above. The performance rights carry no dividend or voting rights. The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are as follows:

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per right	% Vested
25/08/2023	56,000,000	Tranche 1 (9,333,334) – 12 months following FDA approval of <i>Sofdra</i>, provided that the FDA approved label for <i>Sofdra</i> includes efficacy and safety data that supports promotion in the US market; Tranche 2 (9,333,333) – the later of the date that is 12 months after the vesting date of Tranche 1 or 30 December 2025, provided that <i>Sofdra</i> has been launched commercially in the US and the Company has also established a distribution network that is effectively providing reimbursed prescriptions to patients; Tranche 3 (9,333,333) – 12 months after the vesting date of Tranche 2, provided that the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis and the Company is also generating revenue as a direct result from the utilization of the telehealth platform; Tranche 4 (7,000,000) – achieving US\$45 million of revenue from sales of <i>Sofdra</i> in a financial year; Tranche 5 (7,000,000) – achieving US\$100 million of revenue from sales of <i>Sofdra</i> in a financial year; • Tranche 6 (7,000,000) – achieving US\$150 million of revenue from sales of <i>Sofdra</i> in a financial year; and • Tranche 7 (7,000,000) – achieving US\$250 million of revenue from sales of products in a financial year. All tranches require continued service.	31/08/2028	Nil	\$0.185	16.67%

¹ 2,000,000 lapsed on 31 December 2023 as FDA approval was not obtained by that date. Remaining rights have vested.

² 4,333,335 lapsed on 31 December 2023 as FDA approval was not obtained by that date. Remaining rights have vested.

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DIRECTORS' REPORT (CONTINUED)

Performance rights (Continued)

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per right	% Vested
04/11/2024	24,000,000	4,000,000 – the date the Company has: - successfully established a distribution network which is effectively providing reimbursed prescriptions to patients; and - executed its first payer contract with a leading US payer for coverage of <i>Sofdra</i>TM 4,000,000 – the date that the Company: - has successfully deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis; and - is generating revenue from prescriptions as a direct result from utilization of the telehealth platform 2,000,000 – the date the Company has acquired an FDA approved product or products in the dermatology space which is accretive to annual revenue. 2,000,000 – the date the Company has acquired a late-stage development or commercial ready product in the dermatology space with a market potential of US\$200 million in aggregate sales or greater. 4,000,000 – achieving US\$100 million of revenue from the sales of products in a financial year. 4,000,000 – achieving US\$150 million of revenue from the sales of products in a financial year. 4,000,000 – achieving US\$250 million of revenue from the sales of products in a financial year.	2/12/2029	Nil	\$0.32	33%
04/11/2024	12,000,000	4,000,000 – the date the Company has launched <i>Sofdra</i> with the sales force and telemedicine. 4,000,000 – achieving US\$100 million of revenue from the sales of products in a financial year. 4,000,000 – achieving US\$150 million of revenue from the sales of products in a financial year.	2/12/2029	Nil	\$0.32	33%
18/12/2024	3,000,000	1/4 vests after 1 year of service. 1/4 vests after 2 years of service. 1/4 vests after 3 years of service. 1/4 vests after 4 years of service	8/01/2030	Nil	\$0.385	0%

DIRECTORS' REPORT (CONTINUED)

The following were the valuation inputs and results of the award for the grant of:

- 24,000,000 performance rights to Mr V Ippolito

Grant date	4 November 2024
Grant date share price	\$0.32
Total fair value	\$7,680,000

- 3,000,000 performance rights each to Mr W Bosch, Mr M Callahan, Mr D Sharp and Mr Washer

Grant date	4 November 2024
Grant date share price	\$0.32
Total fair value	\$960,000 each

- 3,000,000 performance rights to Mr C Lesovitz

Grant date	18 December 2024
Grant date share price	\$0.385
Total fair value	\$1,155,000

The fair value of the grant is estimated to be the closing share price on the grant date given that vesting conditions are non-market performance hurdles.

Key Management Personnel Service Contracts

Mr Vincent Ippolito

Mr Ippolito was appointed as Executive Chairman of Botanix on 18 July 2019.

The term of Mr Ippolito's employment was agreed to be for three years and will automatically renew for successive periods of one year unless either party gives the other party 60 days' written notice prior to the end of the initial (or renewal) period. Mr Ippolito's salary is contracted to be US\$450,000 (AUD\$693,532). Mr Ippolito is also eligible to receive an annual bonus of up to 50% of base salary dependent on certain objective performance goals and targets being attained as set by the Board.

Mr Ippolito's employment can be terminated by either himself or the Company, with good reason, immediately. Without good reason, Mr Ippolito and the Company must give 30 days' notice. In any circumstance, termination of Mr Ippolito's employment results in the payment of 12-months' base salary plus a pro-rata portion of his target bonus.

Dr Howard McKibbon

Dr McKibbon was appointed Chief Executive Officer (CEO) effective 24 August 2023. The term of Dr McKibbon's employment as the CEO was agreed to be for five years. During the financial year 2025 period, Dr McKibbon's base salary was US\$400,000 (AUD\$617,634) from 1 July 2024 – 31 August 2024 and increased to US\$440,000 (AUD\$679,397) from 1 September 2024 onward. The salary is subject to an annual review. Dr McKibbon is also eligible to receive a target short-term incentive of up to 35% of base salary dependent on certain specified annual performance objectives being attained as set by the Board.

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DIRECTORS' REPORT (CONTINUED)

Botanix may terminate Dr McKibbon's employment with cause at any time by written notice. Additionally, Dr McKibbon can terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 90 days' notice.

If Dr McKibbon's employment is terminated by the Company without cause or by Dr McKibbon with cause Dr McKibbon will be entitled to receive a payment equivalent to 12 months' base salary and a pro-rata portion of annual bonus unless agreed otherwise between the Company and Dr McKibbon.

Mr Graeme Morissey

Mr Morissey was appointed Chief Financial Officer (CFO) of Australia effective 26 March 2024. He is contracted with the Company as a sole proprietor with an annual fee of \$125,000. Either the Company or Mr Morissey may terminate the contract:

- (a) in the case of Mr Morissey, by giving the Company at least three (3) months' notice in writing.
- (b) in the case of the Company, by giving the Consultant at least two (2) months' notice in writing.

No termination amounts are payable under the contract.

Mr Chris Lesovitz

Mr Lesovitz was appointed Chief Financial Officer (CFO) of the United States of America subsidiaries effective 4 August 2024. The term of Mr Lesovitz's employment was agreed to be for 3 years. Mr Lesovitz's base salary is US\$288,000 (AUD\$444,696). Mr Lesovitz is also eligible to receive a target short-term incentive of up to 40% of base salary dependent on certain specified annual performance objectives being attained as set by the Board.

Botanix may terminate Mr Lesovitz's employment with cause at any time by written notice. Additionally, Mr Lesovitz can terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 90 days' notice. The initial term of the agreement shall automatically renew for successive periods of 1 year unless either party gives the other party written notice at least 60 days prior to the end of the then-existing term or at least 60 days prior to the end of any 1-year renewal period that the term of the agreement shall not be further extended.

If Mr Lesovitz's employment is terminated by the Company without cause or by Mr Lesovitz with cause, Mr Lesovitz will be entitled to receive a payment equivalent to 9 months' base salary and a pro-rata portion of annual bonus unless agreed otherwise between the Company and Mr Lesovitz.

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DIRECTORS' REPORT (CONTINUED)

Dr William Bosch

Dr Bosch is engaged as a consultant of the Company pursuant to a consultancy agreement between the Company and Dr Bosch. The contract is currently automatically renewing for 1-year periods at each 30 June anniversary date unless terminated in writing by the Company or Mr Bosch within 30 days of expiry.

Under the terms of the contract:

- The total consultancy fee payable to Dr Bosch in respect of 30 hours of consultancy services per month (Minimum Time Commitment), is a salary of US\$160,000 (AUD\$244,122) per annum (GST exclusive).
- The consideration payable to Dr Bosch for any consultancy services performed in excess of the Minimum Time Commitment is an additional consultancy fee of US\$150 (AUD\$229) per hour (GST exclusive).
- Termination by the Company or Dr Bosch has notice period of 6 months.

Dr Bosch became a non-executive director effective 1 July 2023 but earns no additional salary or fees above the US\$160,000 disclosed above. This arrangement continued until October 2024. From that point onward, Mr Bosch receives a base fee of \$90,000 inclusive of superannuation as a non-executive Director, member of the Audit and Risk Committee and as a member of the Remuneration and Nomination Committee.

Mr Stewart Washer

Mr Washer received a base fee of AUD\$55,000 plus statutory superannuation per annum as a non-executive Director for the period 1 July 2024 through 30 September 2024. Subsequently, Mr Washer receives a base fee of \$100,000 inclusive of superannuation as a non-executive Director, chairman of the Remuneration and Nomination Committee and as a member of the Audit and Risk Committee.

Mr Danny Sharp

Mr Sharp received a base fee of AUD\$65,000 per annum inclusive of superannuation, as a non-executive Director for the period 1 July 2024 through 31 October 2024. Subsequently, Mr Sharp receives a base fee of \$100,000 inclusive of superannuation as a non-executive Director, chairman of the Audit and Risk Committee and as a member of the Remuneration and Nomination Committee.

No termination amounts are payable under the agreements, nor is there a required notice period.

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DIRECTORS' REPORT (CONTINUED)

Mr Matthew Callahan (Resigned, 23 May 2025)

The Company has a consultancy agreement with Thylacine Consulting Pty Ltd for providing consulting of a Key Employee (Mr Callahan). The contract is currently automatically renewing for periods of 1-year at each 30 June anniversary date unless terminated in writing by the Company or Mr Callahan within 30 days of expiry.

Under the terms of the present contract:

- The total consultancy fee payable to Thylacine Consulting in respect of 30 hours of consultancy services per month (Minimum Time Commitment), is a salary of US\$260,000 (AUD\$401,462) per annum (GST exclusive)
- The consideration payable to Thylacine Consulting for any consultancy services performed in excess of the Minimum Time Commitment is an additional consultancy fee of US\$150 (AUD\$229) per hour (GST exclusive)
- Termination by the Company or Thylacine Consulting has a notice period of 6 months.

On 23 May 2025, Mr Callahan resigned from his role as Executive Director of the Company to attend to a medical issue. On 10 July 2025, Mr Callahan was informed that his consulting contract had been placed on hold.

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DIRECTORS' REPORT (CONTINUED)

Short-term Incentives

Certain key management personnel are entitled to short-term cash incentives, calculated as a percentage of their base salary. For the financial year 30 June 2025, the following short-term incentives in the form of cash bonuses were awarded:

Key Management Personnel	Fixed Term Remuneration ("FTR")	Short-term incentive percentage of FTR	Total At-Risk Bonus (USD\$)	Total At-Risk Bonus (AUD\$)
Vincent Ippolito	US\$450,000	50%	US\$225,000	AUD\$347,419
Howie McKibbon	US\$440,000	35%	US\$154,000	AUD\$237,789
Chris Lesovitz	US\$288,000	40%	US\$103,838 ¹	AUD\$160,334

¹This amount is pro rata from the date of commencement of employment, 4 August 2024.

The short-term cash incentive as a percentage of each key management personnel's FTR is accrued based on distinct key performance indicators which are established by the Remuneration Committee, approved by the Board of Directors and then evaluated by the Remuneration Committee and recommended for payment to the Board of Directors at period end.

The key management personnel are paid in USD. The 'Total At-Risk Bonus (AUD\$)' column above represents the translated amount in AUD using the average USD:AUD exchange rate during the financial year.

The following key performance indicators were applied to each bonus for all key management personnel above:

DIRECTORS' REPORT (CONTINUED)

		\$ At Risk Amount (AUD)				\$ Earned (AUD)		
Key Performance Indicator	Weighting	Howie McKibbon	Chris Lesovitz	Vince Ippolito	Achieved	Howie McKibbon	Chris Lesovitz	Vince Ippolito
1. Prepare for & Execute <i>Sofdra</i> Launch	40%							
A. Create & Execute Commercialization Plan	20%	47,558	32,067	69,484	Yes	47,558	32,067	69,484
B. Create & Execute Supply Chain Plan	15%	35,668	24,050	52,113	Yes	35,668	24,050	52,113
C. Create & Execute PV/Medical Affairs Plan	5%	11,889	8,017	17,371	Yes	11,889	8,017	17,371
2. Maximize Revenue for <i>Sofdra</i>	30%							
A. Exceed Gross Sales Targets	10%	23,779	16,033	34,742	No	-	-	-
B. Exceed Net Sales Targets	10%	23,779	16,033	34,742	No	-	-	-
C. Establish distribution network providing reimbursed Rx's to patients	10%	23,779	16,033	34,742	Yes	23,779	16,033	34,742
3. Strengthen Botanix Organization	15%							
A. Establish Capabilities, Infrastructure, Policies & Procedures	5%	11,889	8,017	17,371	Yes	11,889	8,017	17,371
B. Foster a Compliant and Ethical Culture	5%	11,889	8,017	17,371	Yes	11,889	8,017	17,371
C. Secure Terms for 1 Additional Asset	5%	11,889	8,017	17,371	Yes	11,889	8,017	17,371

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DIRECTORS' REPORT (CONTINUED)

		\$ At Risk Amount (AUD)				\$ Earned (AUD)		
Key Performance Indicator	Weighting	Howie McKibbon	Chris Lesovitz	Vince Ippolito	Achieved	Howie McKibbon	Chris Lesovitz	Vince Ippolito
4. Optimize Finance, Legal, and Administrative Activity	15%							
A. Manage Operations within 10% of Budget	7%	16,645	11,223	24,319	Yes	16,645	11,223	24,319
B. Manage IP Estate to Maximize Commercial Opportunity	1%	2,378	1,603	3,474	Yes	2,378	1,603	3,474
C. Ensure Appropriate Funding for Ongoing Operations	7%	16,645	11,223	24,319	Yes	16,645	11,223	24,319
Totals		237,787	160,333	347,419		190,229	128,267	277,935

DIRECTORS' REPORT (CONTINUED)

Remuneration Consultants

The Board did not use the services of remuneration consultants during the year to determine compensation for Directors and executives.

Other transactions with Key Management Personnel

There were no other related party transactions in the year ended 30 June 2025.

Loans to Key Management Personnel

No loans have been made to or received from Key Management Personnel, including their personally related parties.

Voting and comments made at the Company's 2024 Annual General Meeting

The Company received 93.24% of "yes" votes on its remuneration report for the 2024 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

*******END OF AUDITED REMUNERATION REPORT*******

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DIRECTORS' REPORT (CONTINUED)

LIKELY DEVELOPMENTS & EXPECTED RESULTS OF OPERATIONS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Company that were not finalised at the date of this report.

AUDITOR

BDO Audit Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2025 has been received and can be found on page 44.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS AND PERFORMANCE RIGHTS

Shares under Option

At the date of this report, there are unissued shares under option outstanding.

Date Issued	Expiry Date	Exercise Price	Number of shares under option
14 March 2023	13 March 2026	\$0.078	8,500,000
12 September 2023	12 September 2026	\$0.105	1,700,000
1 December 2023	1 December 2025	\$0.195	2,000,000
12 July 2024	12 July 2027	\$0.364	2,000,000
12 July 2024	12 July 2027	\$0.28	4,000,000
12 July 2024	12 July 2028	\$0.24	10,000,000
8 January 2025	8 January 2030	\$0.34	26,250,000
8 January 2025	8 January 2028	\$0.28	2,000,000
6 March 2025	6 March 2030	\$0.475	7,250,000
1 April 2025	1 April 2030	\$0.41	5,000,000
22 August 2025	22 August 2026	\$0.145	1,000,000
22 August 2025	22 August 2028	\$0.19	4,000,000
Total			73,700,000

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

During financial year 2025, a total of 21,710,067 ordinary shares were issued as a result of the exercise of 21,710,067 options with a weighted average exercise price of \$0.094 (2024: 56,231,256 ordinary shares were issued as a result of the exercise of 56,231,256 share options). This included exercise of 17,710,067 options (2024: 2,666,666 options) utilising the cashless exercise facility available to employees and consultants of the Company where 6,123,266 were cancelled as a result of the exercise (2024: 1,249,517).

Performance Rights

At the date of this report, there are unissued shares under performance rights outstanding.

Date Issued	Expiry Date	Exercise Price	Number of shares under performance rights
3 January 2023	30 November 2026	nil	666,666
12 September 2023	31 August 2028	nil	56,000,000
12 July 2024	12 April 2029	nil	15,000,000
2 December 2024	2 December 2029	nil	28,000,000
8 January 2025	8 January 2028	nil	10,000,000
12 July 2024	30 September 2028	nil	8,000,000
6 March 2025	6 March 2030	nil	320,000
1 April 2025	1 April 2030	nil	5,000,000
Total			122,986,666

During the 30 June 2025 period, 8,000,000 shares were issued as a result of the exercise of performance rights (2024: nil shares).

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DIRECTORS' REPORT (CONTINUED)

Warrants

At the date of this report, there are unissued shares under warrants held by the Company's debt financier Kreos Capital VII (UK) Limited as follows:

Date Issued	Expiry Date	Exercise Price	Number of shares under warrants
10 June 2025	10 June 2030	\$0.33	3,030,303
			3,030,303

Signed in accordance with a resolution of the Directors.



Vincent Ippolito
Executive Chairman
29 August 2025

**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF BOTANIX
PHARMACEUTICALS LIMITED**

As lead auditor of Botanix Pharmaceuticals Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Botanix Pharmaceuticals Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit Pty Ltd
Perth
29 August 2025

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from continuing operation			
Sales revenue		5,757,266	601,820
Total revenue from continuing operations	3	5,757,266	601,820
Other income			
Interest income		1,876,845	75,721
Research and development incentive scheme		31,924	1,467,667
Total other income	3	1,908,769	1,543,388
Materials and related expenses		(3,438,584)	-
Product sales and marketing		(38,458,943)	-
Employee and related expenses		(12,513,205)	(2,696,989)
Finance, general and administrative		(1,714,485)	(691,722)
Corporate consulting		(3,029,648)	(2,597,991)
Legal fees, insurances and regulatory		(6,064,874)	(1,516,437)
Communications, branding and marketing		(370,517)	(440,451)
Research expenses		(143,950)	(1,812,938)
Depreciation and amortisation	8	(2,263,852)	(72,606)
Finance expenses		(256,155)	(10,659)
Foreign exchange gain/(loss)		8,537	57,208
Share based payments	13	(20,516,949)	(4,393,072)
Cost of issuing debt	10	(5,110,627)	-
Inventory provision expense	6	(188,969)	(1,839,260)
Total expenses		(94,062,221)	(16,014,917)
Loss before income tax expense		(86,396,186)	(13,869,709)
Income tax expense	4	-	-
Loss after income tax for the year		(86,396,186)	(13,869,709)
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation difference		522,292	159,841
Other comprehensive income for the period, net of tax		522,292	159,841
Total comprehensive loss for the year attributed to members of Botanix Pharmaceuticals Limited		(85,873,894)	(13,709,868)
Loss per share for the year attributable to members of Botanix Pharmaceuticals Limited			
Basic loss per share (cents)	16	(4.68)	(0.92)
Diluted loss per share (cents)	16	(4.68)	(0.92)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Financial Position
As at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	64,966,581	79,308,130
Inventory	6	28,075,635	1,209,374
Trade and other receivables	7	3,203,926	817,038
Research and development incentive scheme refundable	2	-	1,467,667
Prepayments		3,340,425	99,097
Total Current Assets		99,586,567	82,901,306
Non-Current Assets			
Plant and equipment		275,930	71,777
Intangible assets	8	28,124,554	29,491,543
Right-of-use assets		1,108,289	-
Total Non-Current Assets		29,508,773	29,563,320
Total Assets		129,095,340	112,464,626
LIABILITIES			
Current Liabilities			
Trade and other payables	9	15,290,538	3,624,623
Lease liabilities		408,211	-
Provisions		399,671	107,454
Financial liabilities at fair value through profit or loss	10	8,822,915	-
Total Current Liabilities		24,921,335	3,732,077
Non-Current Liabilities			
Lease liabilities		809,548	-
Financial liabilities at fair value through profit or loss	10	22,065,528	-
Total Non-Current Liabilities		22,875,076	3,732,077
Total Liabilities		47,796,411	3,732,077
Net Assets		81,298,929	108,732,549
EQUITY			
Contributed equity	11	226,301,989	188,320,331
Share based payments reserve	12	31,160,756	10,702,140
Foreign currency translation reserve	12	1,024,011	501,719
Accumulated losses		(177,187,827)	(90,791,641)
Total Equity		81,298,929	108,732,549

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

	Note	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2024		188,320,331	(90,791,641)	10,702,140	501,719	108,732,549
Total comprehensive loss for the year						
Loss for the year		-	(86,396,186)	-	-	(86,396,186)
Total other comprehensive income		-	-	-	522,292	522,292
Total comprehensive loss for the year		-	(86,396,186)	-	522,292	(85,873,894)
Transaction with equity holders:						
Ordinary shares issued net of costs	11	37,923,325	-	-	-	37,923,325
Share based payments	13	58,333	-	20,458,616	-	20,516,949
Balance at 30 June 2025		226,301,989	(177,187,827)	31,160,756	1,024,011	81,298,929

	Note	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2023		93,489,658	(76,921,932)	6,041,423	341,878	22,951,027
Total comprehensive loss for the year						
Loss for the year		-	(13,869,709)	-	-	(13,869,709)
Total other comprehensive income		-	-	-	159,841	159,841
Total comprehensive loss for the year		-	(13,869,709)	-	159,841	(13,709,868)
Transaction with equity holders:						
Ordinary shares issued net of costs	11	94,830,673	-	267,627	-	95,098,300
Share based payments	13	-	-	4,393,090	-	4,393,090
Balance at 30 June 2024		188,320,331	(90,791,641)	10,702,140	501,719	108,732,549

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Cash Flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Interest received		1,876,845	75,721
Receipts from customers		3,948,834	1,063,536
R&D tax concession received		1,500,000	-
Payments to suppliers and employees		(85,862,087)	(9,266,538)
Finance costs		(48,337)	-
Net cash used in operating activities	17	(78,584,745)	(8,127,281)
CASHFLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(286,430)	(112,700)
Payment for intangibles		(763,457)	(17,886,767)
Net cash used in investing activities		(1,049,887)	(17,999,467)
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(192,688)	-
Proceeds from issue of shares		40,462,000	100,854,964
Transaction costs paid from the issue of shares		(2,538,675)	(5,756,644)
Repayment of borrowings		-	-
Proceeds from convertible loan		28,395,975	-
Transaction costs from convertible loan		(769,597)	-
Net cash provided by financing activities		65,357,015	95,098,320
Net (decrease)/increase in cash held		(14,277,617)	68,971,572
Cash and cash equivalents at beginning of financial year		79,308,130	10,250,395
Foreign exchange adjustment		(63,932)	86,163
Cash and cash equivalents at end of financial year	5	64,966,581	79,308,130

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

BOTANIX PHARMACEUTICALS LIMITED
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Notes to the Consolidated Financial Statements

NOTE 1: REPORTING ENTITY

Botanix Pharmaceuticals Limited (the “Company”) is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprises the Company and its subsidiaries (collectively referred to as the “Group”).

A description of the nature of the Company’s operations and its principal activities is included in the Directors’ Report which does not form part of this financial report.

NOTE 2: BASIS OF PREPARATION

This General-Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the Corporations Act 2001.

The Financial Statements and Notes of the Company comply with Australian Accounting Standards, which include Australian equivalents to IFRS Accounting Standards. Compliance ensures that the Financial Statements and Notes comply with IFRS Accounting Standards.

Botanix Pharmaceuticals Limited is a company limited by shares. The financial report is presented in Australian currency. The financial report has been prepared on a historical cost basis.

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 that entity operates (“the functional currency”). The consolidated financial statements are presented in Australian dollars, which is Botanix Pharmaceuticals Limited’s functional and presentation currency.

Going Concern

The general-purpose financial report has been prepared on a going concern basis.

The Directors believe that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report based on:

- The budgeted cash flows indicate the Group is fully financed and its operations will result in positive cash reserves 12 months from the date of this report;
- Whilst the long-term financial performance of the Company and budget assumes the successful ramp up of the sale of its *Sofdra* product, the directors are satisfied the Group will have sufficient funding for the relevant period of the going concern assessment;
- The Group has the ability to discretionarily manage its raw material purchases and expenditure to mitigate a situation where the budgeted ramp up is not achieved; and
- The Group also has conditional access of Tranche B of its loan facility as disclosed in the Note 10 of the financial statements, which is additional financing of US\$10,000,000.

NOTE 2: BASIS OF PREPARATION (CONTINUED)

Critical Accounting Estimates and Significant Judgments

The Directors evaluate estimates and judgments incorporated in the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. Refer to critical accounting estimates and significant judgements shown below, or as specifically identified within the notes to the financial statements.

(i) Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. For options, the fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. For performance rights, the fair value has been estimated to be the share price on the grant date of the award. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(ii) Share based payments – vesting period

During the current year the Group granted rights to Key Management Personnel, as disclosed in Note 13. The Group has made an assessment on the timing and probability of the achievement of non-market based vesting hurdles in assessing the ongoing vesting of the value of the equity instruments granted.

(iii) Amortisation of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Intangible assets commence amortisation from the point they are considered ready for intended use, which also requires estimation and judgment. In the prior period, the Company's Sofpironium Bromide Licence was judged to be available for use upon the granting of approval by the US regulators, the FDA. The useful life of the intangible asset is estimated to be approximately 16 years based on a patent period. Management have estimated that the asset will be consumed evenly over the useful life and therefore adopted the straight-line method of amortisation.

(iv) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgment. The level of the provision is assessed by taking into account sales expectations, the ageing of inventories, expiry dates and other factors that affect inventory obsolescence.

(v) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. In its assessment of whether impairment indicator triggers exist, the Group judges the extent to which it can achieve sales and costs budgets and includes estimates such as prescription volumes and gross-to-net ratios. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

BOTANIX PHARMACEUTICALS LIMITED
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NOTE 2: BASIS OF PREPARATION (CONTINUED)

(vi) Capitalisation of internally developed project development

Distinguishing the research and development phases of a new project development and determining whether the recognition requirements for the capitalisation of development costs are met requires judgment. During the 30 June 2024 period and up to the date when its Sofpironium Bromide product received regulatory approval, the Directors considered the development phase of the Sofpironium Bromide project up to that point. The Directors assessed that the Company met the technical feasibility criteria. After capitalisation, management monitored whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

(vii) Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 15 for further information.

NOTE 3: SALES REVENUE AND OTHER INCOME

	2025	2024
	\$	\$
<i>Revenues from contracts with customers</i>		
Sales of <i>Sofdra</i>	5,094,216	-
Royalty fees received	1,388,608	1,034,558
Royalty fees paid	(725,558)	(432,738)
	5,757,266	601,820
<i>Other income</i>		
Interest income	1,876,845	75,721
Research and development incentive scheme	31,924	1,467,667
	1,908,769	1,543,388
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	5,727,266	601,820
Services transferred over time	-	-
	5,757,266	601,820

BOTANIX PHARMACEUTICALS LIMITED
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NOTE 3: SALES REVENUE AND OTHER INCOME (CONTINUED)

Accounting policy

The Group has adopted AASB 15 Revenue from Contracts with Customers (AASB 15).

Sales of Sofdra

The Group receives revenue for the supply of goods to patients against prescriptions received.

Product revenue is recognised when control of the goods is passed to the customer, which occurs at shipment (i.e., at a point in time).

Product revenue represents net sales value including variable consideration. The variable consideration is estimated at contract inception under the 'expected value method'. Variable consideration arises on the sale of goods as a result of discounts and allowances as well as accruals for estimated rebates, chargebacks and government health care deductions (described further below). The methodology and assumptions used to estimate these variable considerations are monitored and adjusted regularly considering contractual and legal obligations, historical trends, past experience and market conditions.

Variable consideration – critical accounting estimate

Consistent with pharmaceutical industry practices, Botanix's sales (and therefore revenue recognition) are subject to various deductions which are primarily composed of rebates and discounts to retail customers, government agencies, health insurance companies and managed healthcare organisations (collectively referred to as 'Gross to Net' adjustments within the industry). These deductions represent estimates of the related obligations, requiring use of judgment when estimating the effect of variable consideration for a reporting period. These adjustments are deducted to determine reported revenue.

The following summarises the nature of some of these deductions and how the deductions are estimated. After recording these, net sales represent the Group's best estimate of the cash that it expects to ultimately collect.

US specific healthcare plans and program rebates

The United States Medicaid Drug Rebate Program is a partnership between Centers for Medicare and Medicaid Services (CMS), State Medicaid Agencies, and participating drug manufacturers that helps to offset the Federal and State costs of most outpatient drugs dispensed to Medicaid patients. Calculating the rebates to be paid related to this program involves interpreting relevant regulations, which are subject to challenge or change in interpretative guidance by government authorities. Accruals for estimating Medicaid rebates are calculated using a combination of historical experience, product and population growth, product pricing and the mix of contracts and specific terms in the individual State agreements. The United States Federal Medicare Program aids Medicare eligible recipients by funding healthcare benefits to individuals aged 65 or older and those with certain disabilities, providing prescription drug benefits under Part D section of the program. This Part D benefit is provided and administered through private prescription drug plans. Accruals for estimating Medicare Part D rebates are calculated based on the terms of individual plan agreements, product sales and population growth, product pricing and the mix of contracts.

BOTANIX PHARMACEUTICALS LIMITED
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NOTE 3: SALES REVENUE AND OTHER INCOME (CONTINUED)

We offer rebates to key managed healthcare and private plans to sustain and increase sales of our products. These programs provide a rebate after the plans have demonstrated they have met all terms and conditions set forth in their contract with the Group. These rebates are estimated based on the terms of individual agreements, historical experience, product pricing, and projected product growth rates. These accruals are adjusted based on established processes and experiences from filing data with individual states and plans. There is often a time lag of several months between the Group recording the revenue deductions and the final accounting for them.

Non-healthcare plans and program charge-backs, rebates, returns and other deductions

Managed care rebates are offered to purchasing organisations, health insurance companies, managed healthcare organisations, and other direct and indirect customers to sustain and increase market share, and to ensure patient access to the Group's products. The provisions for managed care rebates are estimated using a combination of factors such as contractual terms, historical experience and patient demand. The provisions are recorded in the same period that the corresponding revenues are recognized and paid in a subsequent period.

Charge-backs occur where the Group has arrangements with indirect customers to sell products at prices that are lower than the price charged to wholesalers. A charge-back represents the difference between the invoice price to the wholesaler and the indirect customer's contract price. The Group accounts for vendor charge-backs by reducing revenue for the estimated charge-backs attributable to a sales transaction. Provisions for estimated charge-backs are calculated using a combination of factors such as historical experience, product growth rates, payments, product pricing, level of inventory in the distribution channel and the terms of individual agreements.

Royalty fees received

The Company receives royalty fees from a licensee in Japan and a portion of the royalty received is paid in accordance with the asset purchase agreement for its Sofpironium Bromide product. The Group is considered to represent an agent in this scenario and accordingly royalties received are presented net of royalties paid.

Research and development incentive scheme

Government grants are assistance by the government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Company other than the requirement to operate in certain regions or industry sectors. Government grants relating to income are recognised as income over the periods necessary to match them with the related costs and grants relating to assets are regarded as a reduction in asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised as income of the period in which it becomes receivable. In the circumstance of its research and development incentive scheme, other income, the Company recognises the income in the period only when the amount can reasonably be estimated.

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NOTE 4: INCOME TAX

	2025	2024
	\$	\$
(a) Income tax expense		
Current tax expense	-	-
Income tax expense	-	-
	-	-
 Tax benefit recognised via Equity	 -	 1,521,730
Movement in deferred tax asset not recognised via Equity	-	(1,521,730)
 (b) Reconciliation of tax expense to net profit before tax		
 Loss before tax	 (86,396,186)	 (13,869,709)
 Tax at the statutory rate of 25% (2024: 25%)	 (21,599,046)	 (3,467,427)
 Tax effect of:		
Difference between Australian and US tax rates	2,581,737	330,677
Non-deductible expenses	5,816,254	2,251,998
Deductible expenses	(4,594,583)	(1,176,584)
Income not assessable	(3,360)	(366,917)
Movement in deferred tax assets not recognised	17,798,998	2,428,253
Income tax benefit	-	-

BOTANIX PHARMACEUTICALS LIMITED
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NOTE 4: INCOME TAX (CONTINUED)

(c) The balance comprises temporary differences attributable to

	2025	2024
	\$	\$
Deferred tax assets:		
Accruals	1,075,170	162,356
Foreign exchange	-	-
Intangible assets	205,540	178,356
Blackhole	1,226,149	1,494,714
Depreciable assets	(1,214,050)	625,903
Inventory	311,818	382,389
Research and development credits	3,286,966	3,250,246
Tax losses	36,791,021	20,407,385
Borrowing costs	1,055,898	-
Lease liabilities	255,729	-
Other	1,846,998	-
Total deferred tax assets	44,840,240	26,501,349
Deferred tax liabilities:		
Right of use assets	232,741	-
Total deferred tax liabilities	232,741	-
Net unrecognised deferred tax assets	44,607,499	26,501,349
Net unrecognised deferred tax assets		
Opening	26,501,349	22,564,629
Current year movement	17,957,666	3,934,742
Unders/overs	(30,037)	(13,262)
Effect of foreign exchange on translation	178,521	15,240
Deferred tax not recognised	(44,607,499)	(26,501,349)
Closing balance	-	-

No deferred tax asset is recognised in the statements of financial position as it is not probable that the Group will derive tax profits in the future to allow utilisation of the income tax benefits represented by the deferred tax asset. If tax profits are derived in future years, the tax losses and other tax benefits will be able to be offset against this income subject to the Company continuing to meet the relevant statutory tests.

Botanix Pharmaceuticals Limited has not elected to consolidate the Group under the Tax Consolidation Regime, however, the Company may elect to do so in the future.

NOTE 5: CASH AND CASH EQUIVALENTS

	2025	2024
	\$	\$
Cash at bank	64,966,581	79,308,130
Total cash and cash equivalents ⁽¹⁾	64,966,581	79,308,130

⁽¹⁾ Cash and cash equivalents are subject to floating interest rates at an effective weighted average interest rate of 3.43% (30 June 2024: 1.1%) including non-interest-bearing accounts.

BOTANIX PHARMACEUTICALS LIMITED
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NOTE 6: INVENTORY

	2025	2024
	\$	\$
Finished goods	8,240,925	2,503,409
Work-in-progress	840,355	-
Raw materials	20,479,202	545,225
Total gross inventory	29,560,482	3,048,634
Provision for obsolescence ⁽¹⁾	(1,484,847)	(1,839,260)
Total inventory net of provision	28,075,635	1,209,374

- ⁽¹⁾ The Group has estimated a provision for obsolescence of \$1,484,847 (30 June 2024: \$1,839,260) which represents Sofpironium Bromide raw materials that is approaching its expiry date and may not be sold in the normal course of business. The change in the provision from the prior period resulted in a \$188,969 charge (excluding the impact of foreign exchange translations) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income (30 June 2024: \$1,839,260).

Accounting policy

Raw materials and finished goods are stated at the lower of cost and net realisable value and initially recorded using the first-in, first-out ("FIFO") method. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 7: TRADE AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Trade receivables	2,853,263	455,696
Other receivables ⁽¹⁾	350,663	361,342
Total trade and other receivables (net of GST)	3,203,926	817,038

- ⁽¹⁾ Other receivables are non-trade receivables; are non-interest bearing and have an average term of 3 months and generally receivable from the ATO for GST.

The above amounts do not bear interest and their carrying amount is equivalent to their fair value. No trade and other receivables were impaired during the current year.

Trade receivables are generally due for settlement within 30 – 60 days.

Trade receivables impairment – significant estimate

The Group assesses on a forward-looking basis the expected credit loss associated with its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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NOTE 8: INTANGIBLE ASSETS

	2025	2024
	\$	\$
At cost	30,075,050	29,552,507
Accumulated amortisation	(1,950,496)	(60,964)
	28,124,554	29,491,543

	2025	2024
	\$	\$
Sofpironium Bromide Licences		
Opening balance	29,491,543	10,729,375
Additions	-	18,831,887
Effects of foreign currency translation	585,258	(8,755)
Amortisation expense	(1,952,247)	(60,964)
Closing balance	28,124,554	29,491,543

	Acquisition costs \$	Development costs \$	Total \$
Balance at 1 July 2024	19,744,117	9,747,426	29,491,543
Additions	-	-	-
Additions from internal development	-	-	-
Effects of foreign currency translation	391,821	193,437	585,258
Amortisation expense	(1,306,998)	(645,249)	(1,952,247)
Balance at 30 June 2025	19,828,940	9,295,614	28,124,554

	Acquisition costs \$	Development costs \$	Total \$
Balance at 1 July 2023	6,855,255	3,874,120	10,729,375
Additions ¹	12,927,813	749,636	13,677,449
Additions from internal development	-	5,145,683	5,145,683
Amortisation expense	(38,951)	(22,013)	(60,964)
Balance at 30 June 2024	19,744,117	9,747,426	29,491,543

¹ The Group paid US\$8.25m to Fresh Tracks Therapeutics Inc (previously known as Brickell Biotech) in July 2023 to extinguish the contracted future milestone and royalty payments due to Fresh Tracks under its Agreement. Legal fees of AUD\$559K were also paid (and capitalised) during the period directly associated with this transaction. In addition, the Group incurred a US\$500k charge from a contractor as a milestone payment that arose upon FDA approval granted for its Sofpironium Bromide product on 18 June 2024.

Depreciation and amortisation as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income includes depreciation of right-of-use assets and property, plant and equipment of \$311,605.

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NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accounting policy

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Useful life

The Group amortises its Sofpironium Bromide licences straight-line over a useful life of approximately 16 years. Refer to Note 2(iii).

Recoverability – significant judgment

The Group tests whether carrying value of intangible assets not yet ready for use have suffered any impairment on an annual basis in accordance with AASB 136. For the 2024 period, the Group judged that the intangible asset was available for use on the date of FDA approval, 18 June 2024. Therefore, at balance date, the Group assessed whether impairment indicators existed that would require a test of recoverability. No impairment indicators were identified.

NOTE 9: TRADE AND OTHER PAYABLES

	2025	2024
	\$	\$
Trade payables ¹	8,869,227	2,728,365
Accrued bonuses	1,882,540	456,202
Sundry payables and other accrued expenses	2,877,185	440,056
Provision for rebates	1,661,586	-
	15,290,538	3,624,623

¹Trade payables are non-interest bearing and are normally settled on 30-day terms and are unsecured.

NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

The Group entered into a loan facility of up to the euro equivalent of US\$30 million (“Facility”) with Kreos Capital VII (UK) Limited (“Lender”). The total Facility includes an initial tranche of the euro equivalent of US\$20,000,000 available upon closing (“Tranche A”) and a further euro equivalent of US\$10,000,000 (“Tranche B”) available to be drawn down up to and including 1 October 2026 subject to the following drawdown conditions:

- (i) the Group has achieved gross revenues of USD \$40,000,000;
- (ii) the Group has completed equity raises between the dates of 1 April 2025 and before 1 October 2026 in aggregate of USD \$30,000,000;
- (iii) the drawdown shall not cause the aggregate outstanding principal amount of the Loan to exceed 12.5% of the market capitalisation of the Group at that time; and
- (iv) Tranche A has been fully drawn.

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NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") (CONTINUED)

Key terms of the Facility are as follows:

Security – assets of Botanix Pharmaceuticals Limited and the assets and shares of each of its subsidiaries.

Maturity dates and Terms – Tranche A: 1 October 2028 (interest only until 1 April 2026). Tranche B: 1 July 2029 (interest only until 1 January 2027). Each Tranche has an initial interest-only period followed by 30 monthly payments of principal and interest for each Tranche. The interest-only periods may be extended by between 6 and 12 months for Tranche A and 6 months for Tranche B, subject to the satisfaction of certain conditions.

Conversion feature – At any time, the Lender may elect to convert up to 20% of the total principal amount drawn down after deducting any principal amounts repaid or prepaid (and any principal amount already converted into Shares) (Available Conversion Amount) into Shares in the Company (Conversion Shares) at the Conversion Price. The Conversion right may only be exercised twice and is non-transferable. The Conversion Price will be the Euro Equivalent of 130% of AUD\$0.33. Any Conversion Shares will be issued from the Company's available placement capacity under ASX Listing Rule 7.1.

Interest – 9.95%

Prepayment features – The Company may (subject to certain restrictions and conditions) prepay the Facility, in whole or in part. Where the Company prepays the Facility, the Lender may elect to convert such amount of the Facility specified in the prepayment notice up to the lesser of

(A) 20% of the principal amount of the Facility to be prepaid and

(B) the Available Conversion Amount into Warrants (Prepayment Loan Warrants). The terms of any Prepayment Loan Warrants issued will be substantively in the form of the Warrants. Any Prepayment Loan Warrants will be issued from Botanix's available placement capacity under ASX Listing Rule 7.1

Warrants – exercisable at AUD\$0.33 per Warrant. The Warrants may be exercised up until the earlier of five years from the date of issue of the Warrants and 3 Business Days after the date on which a change of control takes place. The exercise period may be extended where the Lender seeks to exercise Warrants during the "Closed Periods" set under the Company's Securities Trading Policy or other periods where exercise cannot be affected. The Warrant holder may elect to exercise its Warrants by way of cashless exercise in accordance with a formula typical for such convertible securities.

Covenants – the facility is subject to financial, corporate and operating covenants customary for these types of arrangements, including a liquidity covenant to hold a minimum amount of USD \$5M cash.

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NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”) (CONTINUED)

As at 30 June 2025, the Company has drawn down US\$20,000,000 of the facility and has issued 3,030,303 warrants to the lender exercisable at AUD\$0.33 each and expiring on 10 June 2030.

The Company has accounted for the convertible loan and warrants as described in the accounting policies below.

The accounting treatment for the loans and warrants has therefore resulted in the following balances and transactions recorded in the Company’s Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	Fair Value 30 June 2024	Drawn / Issued (AUD)	Revaluation through Profit or Loss ¹	Fair Value 30 June 2025
Financial liabilities at FVTPL	-	\$30,888,443	-	\$30,888,443

¹ There has been no change in fair value since inception given the proximity of the drawn down to the reporting date.

<i>Financial liabilities at FVTPL – Presentation</i>	2025 \$	2024 \$
Current liabilities ¹	8,822,915	-
Non-Current liabilities	22,065,528	-
	30,888,443	-

¹Presentation of the financial liabilities at FVTPL as a current liability is determined based on the maximum amount that the Group are unable to contractually defer more than 12-months from balance date by payment of principal, conversion of debt and warrants into ordinary shares (as exercised at the option of the holder) or a combination of those methods. Under the terms of the loan facility, as at 30 June 2025, the loan holder has the ability to convert up to 20% of outstanding principal into ordinary shares at any time. This amount is USD\$3,850,090 (AUD\$5,878,001) as at 30 June 2025. In addition to this, principal cash payments due within 12-months of balance date under a scenario where the above conversion is exercised would be USD\$1,547,440 (AUD\$2,362,504). Finally, the lender has the ability to exercise warrants into ordinary shares at any time which carries a value included in the financial liabilities at FVTPL of USD\$381,479 (AUD\$582,411).

Accounting Policy

Financial liabilities at FVTPL

The Group’s financial liabilities at FVTPL are comprised of a convertible loan and issued warrants. Convertible loans issued to the Group are loans that can be converted to share capital at the option of the holder or at the option of the issuer in certain circumstances. The loan includes multiple embedded derivative liabilities, including a conversion feature to convert a variable amount of liability based on a variable conversion price, as well as the lender’s ability to convert a portion of facility prepayments made into additional warrants. Warrants are the right to acquire ordinary shares of the Parent Company at a predetermined strike price required to be exercised before an expiry date.

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NOTE 10: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") (CONTINUED)

The Group had elected upon initial recognition of the convertible loan (including its embedded derivatives and warrants) to recognise the whole instrument as a financial liability carried at fair value through profit or loss. On initial recognition, the fair value of the convertible loan will equate to the fair value of consideration paid, as no gain or loss on initial recognition can be recognised per the requirements of the accounting standards AASB 9. The warrant feature is recognised using a valuation model given its nature as an option to acquire ordinary shares in the Parent Company. The financial liability will subsequently be measured at fair value at each reporting period or until settlement and fair value movements will be recognised in the profit or loss as gain/loss on revaluation of financial liabilities.

The fair value of the financial liability (including warrants) is calculated as described in note 15.

Transactions costs totalling \$5,110,627 related to the facility were expensed when incurred.

NOTE 11: CONTRIBUTED EQUITY

(a) Issued and Paid-Up Capital

	2025 Number	2025 \$	2024 Number	2024 \$
Fully paid ordinary shares	1,961,126,643	226,301,989	1,810,037,788	188,320,331

(b) Movements in fully paid shares on issue

	Number	\$
Balance as at 1 July 2024	1,810,037,788	188,320,331
Placement at \$0.33	121,212,122	40,000,000
Exercise of performance rights	8,000,000	-
Exercise of options at \$0.099	2,000,000	198,000
Exercise of options at \$0.132	2,000,000	264,000
Cashless exercises of options by employees	17,710,067	-
Shares issued to consultants	166,666	58,333
Less: transaction costs	-	(2,538,675)
Balance as at 30 June 2025	1,961,126,643	226,301,989

Movements in fully paid shares on issue

	Number	\$
Balance as at 1 July 2023	1,312,460,376	93,489,658
Placement at \$0.12	104,166,667	12,500,000
Placement at \$0.13	103,846,154	13,500,000
Placement at \$0.30	233,333,333	70,000,000
Exercise of options at \$0.09	48,664,095	4,379,769
Exercise of options at \$0.079	6,000,000	475,200
Cashless exercise of options by employee at \$0.089	1,567,161	79,360
Less: transaction costs	-	(6,103,656)
Balance as at 30 June 2024	1,810,037,788	188,320,331

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NOTE 11: CONTRIBUTED EQUITY (CONTINUED)

(c) Issued Options

	Number
Unlisted Options	74,700,000

(d) Movements in options on issue

	2025 Number	2024 Number
Balance as at 1 July	46,533,333	111,111,761
Add: options issued ⁽¹⁾	59,500,000	10,450,000
Less: exercise of options	(21,710,067)	(57,480,773)
Less: forfeiture of options by employee	(2,000,000)	(2,083,334)
Less: expiry and cancellation of options ⁽²⁾	(7,623,226)	(15,464,321)
Balance as at 30 June	74,700,000	46,533,333

(1) Of the 59,500,000 options issued during the 30 June 2025 financial year, 19,000,000 of these were granted (for accounting purposes) during the 30 June 2024 financial year.

(2) Included in the 30 June 2024 number is 666,667 of options that lapsed but were not yet cancelled by 30 June 2024.

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Risk Management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern and to progress development of its technologies toward commercialisation, so as to provide returns to shareholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group monitors capital on the basis of available working capital.

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NOTE 12: RESERVES

	2025	2024
	\$	\$
Share based payments reserve		
Balance at beginning of year	10,702,140	6,041,423
Share based payments expense	20,458,616	4,393,090
Exercise of options by employee under the ESIP	-	(79,354)
Issue of options (cost of raising capital)	-	346,981
Balance at end of year	31,160,756	10,702,140
Foreign currency translation reserve		
Balance at beginning of year	501,719	341,878
Effect for foreign currency translation during the year	522,292	159,841
Balance at end of year	1,024,011	501,719

Share Based Payments Reserve

The share-based payments include the following:

- Items recognised as expenses on valuation of employee, consultant and director share options and rights.
- Options issued to non-related parties in exchange for cash or services but not yet exercised.

When options or performance rights are exercised by employees under the ESIP, any amounts accumulated in the share-based payments reserve for the issuance of those instruments is transferred out of the reserve and into contributed equity.

Foreign Currency Translation Reserve

The foreign currency translation reserve includes the effect of foreign currency translation of foreign subsidiaries at year end.

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NOTE 13: SHARE BASED PAYMENTS

Employee Securities Incentive Plan ("ESIP")

The ESIP was originally approved by shareholders on 14 June 2016 and re-approved on 19 November 2018 and 26 October 2021. In accordance with the provisions of the ESIP, Directors, employees and consultants may be granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may only be granted to eligible participants after the Board considers the person's seniority, position, length of service, potential contribution and any other matters which the Board considers relevant.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry. The Board determines the number of options granted.

Options on issue at 30 June 2025

Description	2025 Number	Weighted Average Exercise Price	2024 Number	Weighted Average Exercise Price
Options				
Opening balance	46,533,333	0.105	59,500,000	0.12
Issued during the period for remuneration	59,500,000	0.339	2,450,000	0.105
Issued during the period to consultants	-	-	-	-
Issued during the period as transaction costs from the issue of shares	-	-	8,000,000	0.184
Exercised during the period	(21,710,067)	0.094	(8,666,666)	0.082
Forfeited during the period	(2,000,000)	0.340	(2,083,334)	0.095
Expired and cancelled during the period	(7,623,266)	0.105	(12,666,667)	0.242
Balance at 30 June	74,700,000	0.288	46,533,333	0.105

The weighted average exercise period is 3.12 years (2024: 0.95 years).

Performance Rights on issue at 30 June 2025

Description	2025 Number	Weighted Average Exercise Price	2024 Number	Weighted Average Exercise Price
Performance Rights				
Opening balance	57,000,000	0.00	7,333,335	0.00
Issued during the period for remuneration ⁽¹⁾	76,320,000	0.00	56,000,000	0.00
Lapsed during the period	(2,000,000)	0.00	(6,333,335)	0.00
Exercised during the period	(8,000,000)	0.00	-	0.00
Balance at 30 June	123,320,000	0.00	57,000,000	0.00

(1) Of the 76,320,000 performance rights issued during the 30 June 2025 financial year, 23,000,000 of these were granted (for accounting purposes) during the 30 June 2024 financial year.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

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

	2025	2024
	\$	\$
Share options	4,206,479	1,320,570
Performance rights	16,252,137	3,072,502
Shares issued to consultants	58,333	-
Total Value of Share Based Payments	20,516,949	4,393,072

Options/performance rights granted in the year ended 30 June 2025

24 million performance rights (PRs) were granted to Executive Director Vince Ippolito on 4 November 2024 under the Company's ESIP. The performance rights have an expiry date of 2 December 2029 and a nil exercise price. The rights were valued by reference to the share price on grant date of \$0.32. The following vesting conditions pertain to Mr Ippolito's performance rights:

4,000,000 – the date the Company has:

- successfully established a distribution network which is effectively providing reimbursed prescriptions to patients; and
- executed its first payer contract with a leading US payer for coverage of *Sofdra*TM

4,000,000 – the date that the Company:

- has successfully deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis; and
- is generating revenue from prescriptions as a direct result from utilization of the telehealth platform

2,000,000 – the date the Company has acquired an FDA approved product or products in the dermatology space which is accretive to annual revenue.

2,000,000 – the date the Company has acquired a late-stage development or commercial ready product in the dermatology space with a market potential of US\$200 million in aggregate sales or greater.

4,000,000 – achieving US\$100 million of revenue from the sales of products in a financial year.

4,000,000 – achieving US\$150 million of revenue from the sales of products in a financial year.

4,000,000 – achieving US\$250 million of revenue from the sales of products in a financial year.

Tranches 1 and 2 above vested during the period and therefore the attaching accounting expense was recognised in full during the period. For the remaining hurdles, management have assumed a more than likely probability of achievement of all above hurdles. A total of \$4,596,497 has been recorded as an expense during the period for the issue of these performance rights. The fair value of the performance rights has been vested from grant date to either the date of vesting or, where not yet vested, expected achievement date in relation to each performance hurdle.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

During the period, the Group also granted 3,000,000 performance rights on 4 November 2025 to each key management personnel Matt Callahan, William Bosch, Danny Sharp and Stewart Washer under its ESIP. The performance rights have an expiry date of 2 December 2029 and a nil exercise price. The rights were valued by reference to the share price on grant date of \$0.32. The following vesting conditions pertain to these performance rights:

4,000,000 – the date the Company has launched *Sofdra*™ with the sales force and telemedicine.

4,000,000 – achieving US\$100 million of revenue from the sales of products in a financial year.

4,000,000 – achieving US\$150 million of revenue from the sales of products in a financial year.

Tranche 1 above vested during the period and therefore the attaching accounting expense was recognised in full during the period. For the remaining hurdles, management have assumed a more than likely probability of achievement of those hurdles. A total of \$2,475,414 has been recorded as an expense during the period for the issue of these performance rights. The fair value of the performance rights has been vested from grant date to either the date of vesting or, where not yet vested, expected achievement date in relation to each performance hurdle.

During the period, the Group also granted options and performance rights under its ESIP to employees and sales representatives as shown in the table below. For options, the Group used a Black-Scholes valuation model with the below assumptions. For performance rights, the fair value per instrument is the grant date share price. In all circumstances, under the ESIP, an employee or consultant must be continuously employed with or providing services to the Company on the date of vesting. As in-line with the accounting policy, the fair value of performance rights and options is expensed straight-line from grant date to the expected achievement date in relation to each performance hurdles.

Type	Options	Performance Rights	Options	Performance Rights	Options	Performance Rights
Grant date	Various ¹	Various ¹	2 Feb 2025	2 Feb 2025	26 Mar 2025	26 Mar 2025
Exercise price	\$0.34	\$0.00	\$0.475	\$0.00	\$0.41	\$0.00
Grant date share price	\$0.39	\$0.39	\$0.435	\$0.435	\$0.475	\$0.475
Fair value at grant date	\$0.259	\$0.39	\$0.270	\$0.435	\$0.316	\$0.475
Expected volatility	75%	N/A	75%	N/A	75%	N/A
Life	5 years	5 years	5 years	5 years	5 years	5 years
Dividend yield	-	N/A	-	N/A	-	N/A
Interest rate	4%	N/A	4%	N/A	4%	N/A
Tranche	Proportion of Options that will vest	Proportion of Rights that will vest	Proportion of Options that will vest	Proportion of Rights that will vest	Proportion of Options that will vest	Proportion of Rights that will vest
T1 – 25% vest after 1 year of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000
T2 – 25% vest after 2 years of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000
T3 – 25% vest after 3 years of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000
T4 – 25% vest after 4 years of service	7,062,500	3,000,000	1,812,500	80,000	1,250,000	1,250,000

¹ These options and performance rights were granted between 23 September 2024 and 19 December 2024.

\$4,111,471 has been recorded as an expense during the period for the issue of these options. The fair value of the options has been vested from grant date to expected achievement date in relation to each performance hurdle.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

4,000,000 performance rights were granted (but not yet issued) to employees on 30 June 2025 totalling to \$960,000 of fair value. The performance hurdles connecting to these performance rights are the same terms as those described in the table above. Given the proximity to period end, and that the total fair value of performance rights is expensed straight-line from grant date to the expected achievement date in relation to each performance hurdles, \$nil has been recorded as share based payments expense for these instruments.

Options/performance rights granted in the year ended 30 June 2024

2.45 million Retention Options were issued under the Company's Employee Incentive Plan on 12 September 2023, expiring on 12 September 2026. The exercise price is \$0.105 per option, valued at \$0.1109 per option. The options vest subject to achievement of hurdles linked to ongoing employment, with the fair value vested over the resulting service periods. \$14,268 (2024: \$174,219) has been recorded as an expense during the period for these options.

8 million options were issued to Zenix Nominees following the share placements in July 2023 and December 2023. 6 million options were issued on 27 July 2023, expiring on 27 July 2025. The exercise price is \$0.18 per option, and they are valued at \$0.0377 per option. 2 million options were issued on 1 December 2023, expiring on 1 December 2025. The exercise price is \$0.195 per option, and they are valued at \$0.0564 per option. The extended value of these options of \$346,981 was recorded as a reduction to Contributed Equity given the options represent a cost of issuing shares, as per note 11.

The Options were valued using a Black-Scholes model with the below assumptions:

	Unlisted options Employee Share Scheme¹	Unlisted options Broker Options	Unlisted options Broker Options
Number of options in series	2,450,000	6,000,000	2,000,000
Grant date share price	\$0.18	\$0.13	\$0.165
Exercise price	\$0.105	\$0.18	\$0.195
Expected volatility	67.83%	67.29%	72.41%
Option life	3 years	2 years	2 years
Dividend yield	0.00%	0.00%	0.00%
Interest rate	3.73%	3.92%	4.07%

¹The fair value of the options has been vested from grant date to expected achievement date in relation to each performance hurdle.

56 million performance rights (PRs) were granted to Dr Howard McKibbin on 24 August 2023 under the Company's ESIP. The performance rights have an expiry date of 31 August 2028 and a nil exercise price. The rights were valued by reference to the share price on grant date of \$0.185. The following vesting conditions pertain to Dr McKibbin's performance rights:

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Vesting Condition	Proportion of Rights that will vest
Tranche 1: The date that is 12 months following the FDA approval of Sofpironium Bromide, provided that: - the approved label for Sofpironium Bromide includes an efficacy and safety data set that supports promotion of the product in the US market; and - the CEO has had continuous employment with the Company up to and including that date.	9,333,334 Rights
Tranche 2: The date that is the later of 12 months after the later of the vesting date of Tranche 1, or 30 December 2025, provided that: - the Company has launched Sofpironium Bromide for commercial sale in the United States. - the Company has established a distribution network which is effectively providing reimbursed prescriptions to patients; and - the CEO has had continuous employment with the Company up to and including that date.	9,333,333 Rights
Tranche 3: 12 months after the vesting date of Tranche 2 provided that: - the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhydrosis; - the Company is generating revenue from prescriptions as a direct result from utilization of the telehealth platform; and - the CEO has had continuous employment with the Company up to and including that date.	9,333,333 Rights
Tranche 4: - Achieving US\$45 million of revenue from the sales of Sofpironium Bromide in a financial year - the CEO has had continuous employment with the Company up to and including that date.	7,000,000 Rights
Tranche 5: - Achieving US\$100 million of revenue from the sales of Sofpironium Bromide in a financial year. - the CEO has had continuous employment with the Company up to and including that date.	7,000,000 Rights
Tranche 6: - Achieving US\$150 million of revenue from the sales of Sofpironium Bromide in a financial year. - the CEO has had continuous employment with the Company up to and including that date.	7,000,000 Rights

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Tranche 7:

- | | |
|---|------------------|
| <ul style="list-style-type: none">• Achieving US\$250 million of revenue from the sale of products in a financial year.• the CEO has had continuous employment with the Company up to and including that date. | 7,000,000 Rights |
|---|------------------|

Management have assumed a more than likely probability of achievement of all above hurdles.

\$4,363,036 (2024: \$2,902,862) has been recorded as an expense during the period for these performance rights. The fair value of the performance rights has been vested from grant date to expected achievement date in relation to each performance hurdle.

During the period, the Group also granted options and performance rights under its ESIP to employees and consultants as shown in the table on the following page. For options, the Group used a Black-Scholes valuation model with the below assumptions. For performance rights, the fair value per instrument is the grant date share price. In all circumstances, under the ESIP, an employee or consultant must be continuously employed with or providing services to the Company on the date of vesting. As in-line with the accounting policy, the fair value of performance rights and options is expensed straight-line from grant date to either the date of vesting or, where not yet vested, expected achievement date in relation to each performance hurdle.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Issuance #1

Type	Options	Performance Rights	Performance Rights	Performance Rights
Grant date	10 June 2024	10 May 2024	15 May 2024	13 May 2024
Exercise price	\$0.24	\$0.00	\$0.00	\$0.00
Grant date share price	\$0.275	\$0.275	\$0.255	\$0.28
Fair value at grant date	\$0.168	\$0.275	\$0.255	\$0.28
Expected volatility	75%	N/A	N/A	N/A
Life	4 years	4 years	5 years	4 years
Dividend yield	-	N/A	N/A	N/A
Interest rate	3.9%	N/A	N/A	N/A
Tranche	Proportion of Options that will vest	Proportion of Rights that will vest	Proportion of Rights that will vest	Proportion of Rights that will vest
T1 – the date that is 12 months following FDA approval of Sofpironium Bromide, provided that: The approved label for Sofpironium Bromide includes an efficacy and safety data set that supports promotion of the produce in the US market	1,500,000	800,000	3,000,000	800,000
T2 – the date that is the later of 12 months after the vesting date of T1, or 30 December 2025, provided that: - The Company has launched Sofpironium Bromide for commercial sale in the United States; and - The Company has established a distribution network which is effectively providing reimbursed prescriptions to patients; and	1,500,000	800,000	3,000,000	800,000
T3 – 12 months after the vesting date of Tranche 2 provided that: - The Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhydrosis; and - The Company is generating revenue from prescriptions as a direct result from utilisation of the telehealth platform.	1,500,000	800,000	3,000,000	800,000
T4 – achieving US\$45m of revenue from the sales of Sofpironium Bromide in a financial year.	1,500,000	400,000	1,500,000	400,000
T5 – achieving US\$100m of revenue from the sales of Sofpironium Bromide in a financial year.	1,500,000	400,000	1,500,000	400,000
T6 – achieving US\$150m of revenue from the sales of Sofpironium Bromide in a financial year.	1,500,000	400,000	1,500,000	400,000
T7 – achieving US\$250m of revenue from the sales of Sofpironium Bromide in a financial year.	1,000,000	400,000	1,500,000	400,000

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Issuance #2

Type	Options	Options	Options
Grant date	20 June 2024	14 June 2024	13 June 2024
Exercise price	\$0.364	\$0.28	\$0.28
Grant date share price	\$0.335	\$0.33	\$0.31
Fair value at grant date	\$0.165	\$0.183	\$0.167
Expected volatility	75%	75%	75%
Life	3 years	3 years	3 years
Dividend yield	-	-	-
Interest rate	3.9%	3.9%	3.9%
Tranche	Proportion of Rights that will vest	Proportion of Rights that will vest	Proportion of Rights that will vest
T1 – on FDA approval of <i>Sofdra</i>	1,000,000	2,000,000	1,000,000
T2 – 12 months from FDA approval of <i>Sofdra</i>	500,000	1,000,000	500,000
T3 – 24 months from FDA approval of <i>Sofdra</i>	500,000	1,000,000	500,000

\$4,805,280 (2024: \$1,222,214) has been recorded as an expense during the period for these options (*Issuance #1* and *Issuance #2*). The fair value of the options has been vested from grant date to expected achievement date in relation to each performance hurdle.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Accounting Policy

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on the grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. Performance rights (in the absence of market-based vesting hurdles) are valued at the share price on the grant date.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date, less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, at a minimum, an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as a modification.

NOTE 14: RELATED PARTY TRANSACTIONS

(a) Parent Entities

The parent entity of the Group is Botanix Pharmaceuticals Limited. The ultimate Australian parent entity in the group is Botanix Pharmaceuticals Limited, which, at 30 June 2025, owned 100% of the issued ordinary shares of Botanix Pharmaceuticals Inc. (incorporated in Delaware, United States of America) and Botanix SB Inc. (incorporated in Delaware, United States of America).

(b) Subsidiaries

Interests in subsidiaries are set out in Note 21 Subsidiaries.

(c) Loans Due to Subsidiaries

Loans between entities in the wholly owned Group are not interest-bearing and are payable upon demand.

(d) Key Management Personnel Compensation

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	2025	2024
	\$	\$
Short term employee benefits	3,383,906	2,465,427
Post-employment benefits	51,901	35,089
Share based payments	12,638,957	2,881,693
	16,074,764	5,382,209

(e) Other transactions with Key Management Personnel

There were no other related party transactions in the year ended 30 June 2025 (30 June 2024: \$nil).

(f) Loans to Key Management Personnel

No loans have been made to Key Management Personnel, including their personally related parties, by the Group.

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NOTE 15: FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks: market risk (including interest rate risk, currency risk, credit risk and liquidity risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. Risk management is carried out by the Board of Directors.

Financial Risk

The main risks the Group is exposed to through financial instruments are market risk (including currency risk, interest rate risk, liquidity risk and credit risk).

The Group holds the following financial instruments:

	2025	2024
	\$	\$
Financial assets		
Cash and cash equivalents	64,966,581	79,308,130
Other receivables	3,203,926	817,038
Total financial assets	68,170,507	80,125,168
Financial liabilities		
Trade and other payables	15,290,538	3,624,623
Financial liabilities at FVTPL	30,888,443	-
Lease liabilities	1,217,758	-
Total financial liabilities	47,396,739	3,624,623

(a) Market Risk

(i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising mainly from its exposure to the United States dollar. The Group may also be exposed to one-off transactional flows which occur on an ad hoc basis in other foreign exchange currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency, and changes in value of convertible note liability and convertible note derivative. The risk is measured using sensitivity analysis and cash flow budgeting. From time to time, the Group will enter into forward foreign exchange contracts to lock in attractive rates for the US dollar for working capital purposes.

Foreign exchange risk is managed by the Board with an overall responsibility to minimising its effect on the expenditures of the Group.

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NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Group Sensitivity

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian dollars and United States dollars.

(ii) *Cash flow interest rate risk*

The Group's main interest rate risk arises from interest bearing cash deposits.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

		2025		2024	
		%	\$	%	\$
Financial assets					
Cash ¹	Floating rate	3.43	31,644,120	1.25	4,660,328

¹Excludes any non-interest-bearing accounts.

Group Sensitivity

If the weighted average interest rates had changed on the instruments in the above tables by plus/minus 75 basis points the effect to the Groups post-tax loss for the year would have been \$237,331 (2024: \$34,952) lower/higher.

The method used to arrive at the possible change of 75 basis points was conservatively based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards a decrease in interest rate ranging between 0 to 50 basis points. It is considered that 75 basis points is a 'reasonably possible' estimate as it more than accommodates for the maximum variations inherent in the interest rate movement over the past five years.

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as receivables for subsidiaries. The Board manages credit risk by ensuring that the banks and financial institutions where cash and deposits are held are independently rated parties with a minimum rating of 'A'.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 74. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default risk. All financial assets are with customers with no history of default and have been customers for greater than six months.

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NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk and Liquidity Risk Management

Prudent liquidity risk management implies maintaining sufficient cash to support the activities of the Company. The Group manages liquidity risk by continuously monitoring budgeted and actual cash flows.

The Board monitors rolling budgets of the Company's liquidity on the basis of expected cash flow.

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months \$	6 – 12 months \$	Greater than 12 months \$	Total contractual Cashflows \$	Carrying Amount \$
Group – at 30 June 2025					
Trade and other payables	15,290,538	-	-	15,290,538	15,290,538
Financial liabilities at FVTPL	2,224,830	6,426,008	47,356,675	56,007,513	30,888,443
Group – at 30 June 2024					
Trade and other payables	3,624,623	-	-	3,624,623	3,624,623

(d) Fair Value Measurement

Fair value hierarchy

The following tables detail the Group's liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the liability, either directly or indirectly

Level 3: Unobservable inputs for the liability

The Company has no assets measured at fair value.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated – 2025				
Liabilities				
Financial liabilities at FVTPL	-	30,888,443	-	30,888,443
Total liabilities	-	30,888,443	-	30,888,443

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Nil balances were held at fair value as at 30 June 2024.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 – critical estimate

Financial liabilities at FVTPL – valued based on estimated discounted cash flows and the value of share capital to be issued to the lender to dissolve the obligation, taking into account and weighting the probabilities of various scenarios that impact timing and extent of any cash flows or share capital to be issued. The fair value therefore considers the credit risk profile of the Company, market interest rates, share price of the Company, volatility of the Company's share price, probability of the conversion feature being exercised by the Lender and foreign exchange rates. Attaching warrants are valued using a Black-Scholes model with the following inputs:

Share price on valuation date: \$0.32

Exercise price: \$0.33

Expected term: 4.8 years

Volatility factor: 70%

Risk-free rate: 3.7%

Dividend yield: 0%

Accounting policies:

(i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each reporting date presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Profit or Loss, as part of the gain or loss on sale where applicable.

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NOTE 16: LOSS PER SHARE

	2025	2024
Continuing operations		
Basic loss per share – cents	(4.68)	(0.92)
Diluted loss per share – cents	(4.68)	(0.92)
Loss used in the calculation of basic and diluted loss per share	\$(86,396,186)	\$(13,869,709)

	2025 No	2024 No
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	1,844,974,041	1,501,563,514
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share	1,844,974,041	1,501,563,514

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are not considered dilutive.

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NOTE 17: OPERATING CASH FLOW INFORMATION

Reconciliation of loss for the year to net cash flows used in operations

	2025	2024
	\$	\$
Loss for the year	(86,396,186)	(13,869,709)
Adjustments for:		
Share based payments	20,516,949	4,393,072
Depreciation and amortisation	2,263,852	72,607
Cost of debt	5,110,627	-
Other	64,294	-
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(4,160,549)	(2,344,274)
(Increase) in Inventories	(26,866,261)	1,683,366
Increase/(Decrease) in trade, other payables and provisions	10,882,529	1,937,657
Net cash flows used in operations	(78,584,745)	(8,127,281)

Non-cash investing and financing activities

	2025	2024
	\$	\$
Additions to the right-of-use assets	1,387,614	-
Additions to financial liabilities at FVTPL at inception	582,410	-
	1,970,024	-

Changes in liabilities arising from financing activities

	Financial liabilities at FVPL \$	Lease Liabilities \$
Balance as at 1 July 2024	-	-
Acquisition of leases	-	1,387,614
Net cash from/(used in) financing activities	28,395,975	(192,688)
Adjustment for designation of financial liability at FVTPL	2,501,969	-
Effects of foreign currency translation	(9,501)	22,833
Balance as at 30 June 2025	30,888,443	1,217,759

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NOTE 18: PARENT ENTITY DISCLOSURES

As at 30 June 2025, and throughout the year then ended, the parent company of the Group was Botanix Pharmaceuticals Limited.

Financial position

	2025	2024
	\$	\$
Assets		
Current assets	32,125,761	78,686,504
Non-Current Assets	137,463,705	51,904,174
Less Provision for impairment Assets (loans to subsidiaries)	(85,532,121)	(21,482,756)
Total assets	84,057,345	109,907,922
Liabilities		
Current liabilities	2,812,852	375,373
Total liabilities	2,812,852	375,373
Net Assets	81,244,493	108,732,549
Equity		
Issued capital	225,244,069	187,262,411
Accumulated losses	(175,160,332)	(89,232,001)
Share-based payments	31,160,756	10,702,140
Total Equity	81,244,493	108,732,550

Financial performance

	2025	2024
	\$	\$
Loss for the period	(85,928,331)	(13,709,871)
Total comprehensive loss	(85,928,331)	(13,709,871)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Investments in associates are accounted for at cost, less any impairment, in the parent entity.

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NOTE 19: SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments geographically. The chief operating decision makers of the Group are the executive Directors. At 30 June 2025 all revenues and material assets are considered to be derived and held in two geographical areas being Australia and United States as set out below:

	Australia 2025 \$	United States 2025 \$	Total 2025 \$
Revenue from continuing operations	-	5,757,266	5,757,266
Other Revenue	1,908,769	-	1,908,769
Expenditure on continuing operations	4,581,177	89,481,044	94,062,221
Net loss	(2,672,408)	(83,723,778)	(86,396,186)
Current Assets	32,040,172	67,546,395	99,586,567
Non-Current Assets	-	29,508,773	29,508,773
Total Assets	32,040,172	97,055,168	129,095,340
Current Liabilities	2,761,654	22,159,681	24,921,335
Non-Current Liabilities	-	22,875,076	22,875,076
Total Liabilities	2,761,654	45,034,757	47,796,411
Net Assets	29,278,518	52,020,411	81,298,929

	Australia 2024 \$	United States 2024 \$	Total 2024 \$
Revenue from continuing operations	-	601,821	601,821
Other Revenue	1,543,388	-	1,543,388
Expenditure on continuing operations	2,800,351	13,214,567	16,014,918
Net loss	(1,256,963)	(12,612,746)	(13,869,709)
Current Assets	78,686,504	4,214,803	82,901,307
Non-Current Assets	1,006,573	28,556,747	29,563,320
Total Assets	79,693,077	32,771,550	112,464,627
Current Liabilities	375,373	3,356,704	3,732,077
Total Liabilities	375,373	3,356,704	3,732,077
Net Assets	79,317,704	29,414,846	108,732,550

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NOTE 19: SEGMENT INFORMATION (CONTINUED)

Material segment expenses

	Australia 2025 \$	United States 2025 \$	Total \$
Materials and related expenses	27,201	3,411,383	3,438,584
Product sales and marketing	-	38,458,942	38,458,942
Employee and related expenses	336,593	12,176,612	12,513,205
Depreciation and amortisation	63,240	2,200,611	2,263,851
Share based payments	1,310,390	19,206,559	20,516,949
Legal fees, insurances and regulatory costs	1,624,766	4,440,092	6,064,858
Corporate consulting	790,204	2,239,444	3,029,648
Cost of issuing debt	-	5,110,627	5,110,627
Other categories	428,782	2,236,775	2,665,557
	<u>4,581,176</u>	<u>89,481,045</u>	<u>94,062,221</u>

	Australia 2024 \$	United States 2024 \$	Total \$
Materials and related expenses	-	-	-
Product sales and marketing	-	-	-
Employee and related expenses	881,100	1,815,889	2,696,989
Depreciation and amortisation	60,964	-	60,964
Share based payments	108,219	4,284,853	4,393,072
Legal fees, insurances and regulatory costs	925,053	591,384	1,516,437
Corporate consulting	292,917	2,305,074	2,597,991
Cost of issuing debt	-	-	-
Other categories	532,098	4,217,367	4,749,465
	<u>2,800,351</u>	<u>13,214,567</u>	<u>16,014,918</u>

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NOTE 20: AUDITOR'S REMUNERATION

	2025	2024
	\$	\$
<i>Amounts paid/payable to auditor</i>		
Audit and review services – payable to BDO Audit Pty Ltd	143,350	100,000
Other services:		
Tax advisory	-	3,502
Total services provided by BDO	143,350	103,502

NOTE 21: SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	Equity Holding
			2025	2024
			%	%
Botanix Pharmaceuticals Inc.	Delaware, United States of America	Ordinary	100	100
Botanix SB Inc.	Delaware, United States of America	Ordinary	100	100
Botanix GD Inc.	Delaware, United States of America	Ordinary	100 ¹	-

¹ Company incorporated during financial year 2025.

The proportion of ownership interest is equal to the proportion of voting power held.

NOTE 22: EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dr Patricia Walker was appointed as Non-Executive Director on 25 August 2025.

On 27 July 2025, 6,000,000 options at an exercise price of \$0.18 expired.

On 22 August 2025, 4,000,000 options expiring on 22 August 2026 and exercisable at \$0.145 were issued to Dr Patricia Walker.

On 22 August 2025, 1,000,000 options expiring on 22 August 2028 and exercisable at \$0.19 were issued to Dr Patricia Walker.

Other than the matter above, no matters or circumstances have arisen since the end of the year that significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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NOTE 23: CONTINGENT LIABILITIES AND COMMITMENTS

On 21 July 2023, the Company negotiated an agreement with Fresh Tracks to extinguish all potential future financial obligations owed under the Asset Purchase Agreement for Sofpironium Bromide gel, in exchange for the payment of US\$8.25M. The Company will retain an obligation to the head licensor, Bodor Laboratories, to pay a 5% royalty on net sales made by Botanix and 55% of royalties received from sub-licensees outside of the United States of America.

Under the terms of a contract with Bodor Laboratories ("Bodor"), the Company is to pay Bodor US\$100,000 upon each subsequent FDA approval of an additional Sofpironium Bromide product.

Other than set out in this note, the Directors are not aware of any non-cancellable commitments as at 30 June 2025 not reflected in the financial statements. The Directors are not aware of any contingent liabilities that may arise from the Group's operations as at 30 June 2025.

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NOTE 24: OTHER MATERIAL ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Impairment of goodwill and other indefinite life assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(b) Asset acquisition

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

(c) Research and Development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs will be amortised once ready for use on a straight-line basis over the period of their expected benefit, being their finite life.

(d) New accounting standards and interpretations

In the year ended 30 June 2025, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting year.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

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NOTE 24: OTHER MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Standards and Interpretations not yet adopted

AASB 18 (issued June 2024) *Presentation and Disclosure in Financial Statements*

Nature of change

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and requires income and expenses to be classified in profit or loss as one of five categories, being investing, financing, income taxes, discontinued operations and operating (which is a residual category). There are also two mandatory sub-totals:

- Operating profit or loss
- Profit or loss before financing and income taxes, which comprises operating profit or loss and all investing income and expenses.

AASB 18 also requires disclosures related to management-defined performance measures in the notes to the financial statements.

Application date

Annual reporting periods beginning on or after 1 January 2027

Impact on initial adoption

When this standard is first adopted on 1 July 2027, subtotals in the Statement of Profit or Loss and Other Comprehensive for the year ended 30 June 2027 may differ, including restated comparatives for the year ended 30 June 2027. However, there will be no change to net profit or loss after taxation in either period.

There may also be changes in the way interest and dividend cash inflows and outflows are presented in the Statement of Cash Flows, which may impact the subtotals for cash generated or utilised from operating activities, investing activities and financing activities.

Lastly, additional information will be disclosed in the notes to the financial statements if the entity uses management-defined performance measures in public communications outside the financial statements to communicate management's view of aspects of the entity's financial performance.

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Group Disclosure Statement
As at 30 June 2025

Name of entity	Type of entity	% of share capital held	Country of incorporation	Australian resident	Foreign jurisdiction in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Botanix Pharmaceuticals Limited	Body Corporate	N/A	Australia	Yes	United States of America
Botanix Pharmaceuticals Inc.	Body Corporate	100	United States of America	No	United States of America
Botanix SB Inc.	Body Corporate	100	United States of America	No	United States of America
Botanix GD Inc.	Body Corporate	100	United States of America	No	United States of America

Basis of preparation

This Group Disclosure Statement (CEDs) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the Group at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 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 Group has applied the following interpretations:

- (a) Australian tax residency: the Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- (b) Foreign tax residency: where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

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DIRECTORS' DECLARATION

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 45 to 87, and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and
- ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements

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

c) the financial statements and notes thereto are in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board.

d) The information disclosed in the attached Group disclosure statement is true and correct.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2025.

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

On behalf of the Board



Vincent Ippolito
Executive Chairman
29 August 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Botanix Pharmaceuticals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Botanix Pharmaceuticals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current 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.

Revenue Recognition – Gross-to-Net Sales Adjustments

Key audit matter	How the matter was addressed in our audit
Following launch of Sofdra, material revenues were recognised during the financial year as disclosed in Note 3. The Group has contracts in place with pharmacy benefit managers and group purchasing organisations. The ultimate net selling price received by the group is determined based on the contractual arrangements the Group has with these third parties and the ultimate end user who purchases the Group's products. Net revenue for products sold is generally recognised when control of the goods is passed to the end user. This requires an estimate of the variable consideration at that time, taking into consideration different elements including commercial rebates and other discounts (collectively referred to as 'gross-to-net' sales adjustments). The estimate depends on factors impacting applicable price and rebate terms such as specific contract terms and end user insurance coverage as well as factors impacting the time lag between sale of the product and determination of the actual selling price. Gross-to-net adjustments were identified as a key audit matter due to the significant judgement involved in the estimation processes to calculated net sales. The Group's accounting policies and significant accounting estimates are disclosed in Note 3 of the financial report.	Our procedures included, but were not limited to: • Assessing the Group's revenue recognition policies for compliance with AASB 15; • Obtaining confirmation of prescriptions filled during the financial year from the Group's key distributor; • On a sample basis, verifying physical delivery of goods sold to third-party documentation; • Performing process walkthroughs with management to understand the Group's approach to estimating each gross to net adjustment; • Assessing the reasonableness and accuracy of the data used in the gross to net adjustments calculated by the group; • On a sample basis, testing the significant assumptions utilised by management to estimate the gross to net adjustments by comparing to underlying supporting documentation such as third-party contracts, and third-party invoices; • Assessing key judgements and estimates contained in management's accrual model including considering actual historical sales and claims history to evaluate the Group's estimation of the gross to net sales adjustments; • Obtaining confirmations for inventories on hand at third-party locations; and • Assessing the adequacy of the related disclosures in Note 3 of the financial report.

Accounting for Financial Liabilities at Fair Value Through Profit or Loss

Key audit matter	How the matter was addressed in our audit
During the year, the Group entered into a debt facility agreement with Kreos Capital VII (UK) Limited ('Kreos') for up to the euro equivalent of US\$30 million, comprising two tranches. The facility includes complex features such as: • A conversion option allowing Kreos to convert part of the loan into ordinary shares; • Issuance of warrants linked to drawdowns and prepayments; and • Embedded derivatives arising due to foreign exchange related and other terms and conditions. As disclosed in Note 10, the Group has elected to recognise the financial liability in its entirety at fair value through profit or loss ('FVTPL'). The accounting for financial liability at FVTPL was considered a key audit matter due to the complexity involved in assessing whether to account for the notes as equity, a liability or a combination of both as well as determining the fair value of the liability based on the terms and conditions of the agreement. The assessment includes significant judgement and there is a high degree of estimation applied in determining the fair value of the financial liability. The Group's accounting policies and significant accounting estimates are disclosed in Notes 2 (vii), 10 and 15 of the financial report.	Our procedures included, but were not limited to: • Reviewing executed legal documentation including the loan agreement and warrant instruments to confirm key terms and assess completeness of disclosures; • Assessing the competence and objectivity of the independent expert to which management has engaged to perform accounting and valuation services; • Engaging our IFRS technical specialists to evaluate the appropriateness of the Group's accounting treatment, including the designation of the instrument at FVTPL; • Engaging our valuation specialists to evaluate the methodology and key assumptions used in determining the fair value of the debt and associated warrants; • Evaluating the classification of the fair value measurement within the fair value hierarchy and assessing the appropriateness of inputs used; • Reviewing board minutes and ASX announcements to corroborate the timing, terms, and strategic rationale of the facility; • Assessing management's evaluation of compliance with financial covenants and considering the risk of breach or default; and • Assessing the adequacy of the related disclosures in Notes 2 (vii), 10 and 15 of the financial report for compliance with AASB 7 and AASB 101.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the 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 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 ability of the group 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 Group or to cease operations, or has 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 (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.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 pages 20 to 40 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Botanix Pharmaceuticals Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, stylized 'BDO' logo.

Dean Just
Director

Perth, 29 August 2025

BOTANIX PHARMACEUTICALS LIMITED
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ASX ADDITIONAL INFORMATION

The Shareholder information set out below was applicable as at 27 August 2025.

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issued capital of the Company as at 27 August 2025 was 1,961,126,643 ordinary fully paid shares.

1. TOP 20 SHAREHOLDERS

The names of the twenty largest holders of fully paid ordinary shares (ASX:BOT) as at 27 August 2025 are:

Position	Holder Name	Holding	% Issued Share Capital
1	J P Morgan Nominees Australia Pty Limited	106,965,835	5.45%
2	HSBC Custody Nominees (Australia) Limited	106,807,887	5.45%
3	National Nominees Limited	88,160,864	4.50%
4	Shenasaby Investments Pty Ltd <Shenasaby A/C>	54,586,791	2.78%
5	Caperi Pty Ltd <Caperi A/C>	52,573,784	2.68%
6	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	44,724,873	2.28%
7	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	39,903,663	2.03%
8	Citicorp Nominees Pty Limited	37,167,682	1.90%
9	Netwealth Investments Limited <Wrap Services A/C>	28,540,016	1.46%
10	Zenith Pacific Limited	23,952,649	1.22
11	Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	20,215,485	1.03
12	Dr Henry William Bosch	18,836,702	0.96
13	Vince Ippolito	15,001,644	0.76
14	Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	14,500,000	0.74
15	BNP Paribas Noms Pty Ltd	14,361,839	0.73
16	Rollo Corp Property Holdings Pty Ltd <Rollo Corp Property A/C>	13,750,000	0.70
17	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	12,629,631	0.64
18	Dr Howard McKibbon	11,313,391	0.58
19	UBS Nominees Pty Ltd	9,523,810	0.49
20	Mr Lisheng Wang	9,346,586	0.48
	Total Top 20 Shareholders	722,863,132	36.86%
	Total Issued Capital	1,961,126,643	100.00%

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ASX ADDITIONAL INFORMATION (CONTINUED)

2. DISTRIBUTION SCHEDULE

The distribution schedule and number of holders of listed fully paid ordinary shares (ASX:BOT) as at 27 August 2025 is below:

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 – 1,000	252	65,029	0.00%
1,001 – 5,000	2,893	8,716,372	0.44%
5,001 – 10,000	2,172	16,974,127	0.87%
10,001 – 100,000	5,721	216,370,599	11.03%
100,001 and over	2,009	1,719,000,516	87.65%
	13,047	1,961,126,643	100.00%

The number of holders with less than a marketable parcel of fully paid ordinary shares (ASX:BOT) as at 27 August 2025 was 3,108.

3. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the company as at 27 August 2025 are listed below:

Name of substantial holder	Total holding	% of total shares	Date of notice
Copia Investment Partners Ltd	102,100,000	5.21%%	26 June 2025
Insignia Financial Ltd	161,925,059	8.29%	6 May 2025

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ASX ADDITIONAL INFORMATION (CONTINUED)

4. UNLISTED SECURITIES

Unlisted securities range and number of holders as at 27 August 2025 are below:

	Performance Rights	Warrants - Tranche 1 A\$0.33, Expiring 20 June 2030	Unlisted options A\$0.078, Expiring 13 March 2026	Unlisted options A\$0.105, Expiring 12 September 2026
Over 100,001	17	1	3	3
Total Holders	17	1	3	3
Number of Securities	122,986,666	3,030,303	8,500,000	1,700,000
	Unlisted options A\$0.195, Expiring 1 December 2025	Unlisted options A\$0.364, Expiring 12 July 2027	Unlisted options A\$0.28, Expiring 12 July 2027	Unlisted options A\$0.24, Expiring 12 Jul 2028
Over 100,001	1	2	1	1
Total Holders	1	2	1	1
Number of Options	2,000,000	2,000,000	4,000,000	10,000,000
	Unlisted options A\$0.34, Expiring 8 January 2030	Unlisted options A\$0.28, Expiring 8 January 2028	Unlisted options A\$0.475, Expiring 6 March 2030	Unlisted options A\$0.44, Expiring 6 March 2030
Over 100,001	16	2	27	1
Total Holders	16	2	27	1
Number of Options	26,250,000	2,000,000	6,750,000	500,000

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ASX ADDITIONAL INFORMATION (CONTINUED)

	Unlisted options A\$0.41, Expiring 1 April 2030	Unlisted options A\$0.145, Expiring 22 August 2026	Unlisted options A\$0.19, Expiring 22 August 2028
Over 100,001	2	1	1
Total Holders	2	1	1
Number of Options	5,000,000	1,000,000	4,000,000

All options and performance were issued under an employee incentive scheme. Therefore, no disclosure is required in relation to holders that hold more than 20% of a given class of unquoted securities as at 27 August 2025.

The 3,030,303 Tranche 1 Warrants are held by Kreos Capital VII Aggregator SCSp.

ASX ADDITIONAL INFORMATION (CONTINUED)

5. VOLUNTARY ESCROW

3,111,145 fully paid ordinary shares are under voluntary escrow until 20 March 2026 and are held by DJMB Corporate Pty Ltd. 6,928,586 fully paid ordinary shares are under voluntary escrow until 21 May 2026 and are held by Dr Howard McKibbin.

6. VOTING RIGHTS

Ordinary Shares

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

Warrants

Warrants carrying no voting rights. Warrants convert to one fully paid ordinary share upon exercise.

Options

Options carrying no voting rights. Options convert to one fully paid ordinary share upon exercise.

Performance rights

Performance rights carrying no voting rights. Performance rights convert to one fully paid ordinary share upon exercise.

7. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of the Company's listed securities.

8. CORPORATE GOVERNANCE

The Board of Botanix Pharmaceuticals Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability.

In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at <https://botanixpharma.com/>.