



Beroni Group Limited

ABN 20 613 077 526

**APPENDIX 3 AND
INTERIM FINANCIAL REPORT
For the Half Year Ended 30 June 2026**

Beroni Group Limited

ABN 20 613 077 526

Appendix 3

1. Details of the reporting period

Current Period: 1 January 2026 – 30 June 2026 ("HY2026")

Previous Corresponding Period: 1 January 2025 – 30 June 2025 ("HY2025")

2. Results for announcement to the market

Comparison to previous period		HY2026 (AUD)	HY2025 (AUD)	Change %
2.1	Revenue from continuing operations	41,194	374,234	-89%
2.2	Loss from ordinary activities after income tax attributable to members	(6,568,668)	(8,272,689)	-21%
2.3	Net loss attributable to members	(6,568,668)	(8,272,689)	-21%

2.4 Dividend

No dividend declared during the period.

2.5 Explanation of Results

The explanation of the results is included in the Directors' Report.

3 Net tangible assets per ordinary share

	30.06.2026	31.12.2025
	Cents	Cents
Net tangible assets per ordinary share *	-5.48	-1.46

* Calculation based on ordinary shares issued of 38,302,282 as of 30 June 2026 and 33,987,282 as of 31 December 2025.

4 Details of entities over which control has been gained or lost during the period

No other entities were acquired or disposed of during the period.

5 Dividend payment information

No dividend was paid during the period.

6 Dividend/distribution reinvestment plan

No dividend/distribution reinvestment plan was made during the period.

7 Investment in associates and joint ventures

No new investment in associates or joint ventures was made during the period.

8 Accounting standards

Australian Accounting Standards have been used in complying with the information contained in Appendix 3.

9 Audit qualification or review

The financial statements were subject to review by the auditors and the Auditor's Review Report is attached as part of Interim Financial Report.

Beroni Group Limited and Its Subsidiaries

ABN 20 613 077 526

Condensed Consolidated Financial Statements

for the

Half Year Ended 30 June 2026

Contents

	Page
Directors' report	3
Auditor's independence declaration.....	6
Interim condensed consolidated statement of profit or loss and other comprehensive income	7
Interim condensed consolidated statement of financial position	8
Interim condensed consolidated statement of changes in equity.....	9
Interim condensed consolidated statement of cash flows.....	11
Notes to the interim condensed consolidated financial statements.....	12
Directors' declaration	23
Auditor's review report.....	24

Directors' Report

The directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'Group') consisting of Beroni Group Limited (referred to hereafter as the 'Company' or 'Beroni') and the entities it controlled at the end of, or from 1 January 2026 to 30 June 2026.

Directors

The following persons were directors of Beroni during the whole of the financial period and up to the date of this report, unless otherwise stated:

Jacky Boqing ZHANG (Executive Director, Chairman)
Hai HUANG (Executive Director)
Peter Yap Ting WONG (Executive Director and CFO)
Libing GUO (Non-executive Director)
Dr Richard BUCHTA (Non-executive Director)
Nicholas Ong (Non-executive Director)

Company secretary

Nicholas Ong

Principal activities

The principal activities of the Company during the financial year are the sales of smoking control product (NicoBloc), air purifiers, water filters, healthcare products and supplements, cell therapies, cosmetics and viral diagnostic kits, and investing in the research and development of oncology drugs and therapies.

Review of Operations

The table below sets out the selected key performance indicators for the half year ending 30 June 2026 ("HY2026") and 30 June 2025 ("HY2025"):

	HY2026	HY2025	Change
Sales revenue	41,194	374,234	-89%
Cost of sales	(834)	(154,508)	-99%
Gross profit	40,360	219,726	-82%
Other income	40,311	45,003	-10%
Selling and distribution expenses	(169,508)	(239,031)	-29%
General and administrative expenses	(6,621,006)	(8,412,130)	-21%
Finance expense	(43,764)	(31,339)	40%
Finance income	90	155	-42%
Realised foreign exchange loss	(1,929)	(1,560)	24%
Unrealised foreign exchange loss	(1,460)	(13,494)	-89%
Loss before income tax	(6,756,906)	(8,432,670)	-20%
Depreciation and amortization	180,103	218,871	-18%
Finance expense	43,764	31,339	40%
Finance income	(90)	(155)	-42%
EBITDA	(6,533,129)	(8,182,615)	-20%

(A) Revenue

Sales revenue has decreased by 89% compared to the same period last year. Sales in China continued to be weak amid a sluggish market and there were no sales in Japan this period compared to the \$130,000 sales of NMN health supplement product sold last period.

(B) Gross Profit

The gross profit margin has improved from 59% to 98% in this period due to more sales of the biotechnical data services in China which fetch a much higher margin than the health and cosmetic products.

(C) Other Income

Other income mainly represents an estimated refundable R&D tax incentive from the Australian government for the PENAO drug development program. .

(D) Expenses

The significant decrease in general and administrative expenses is mainly due to the following factor:

- In June 2026, the Company issued 4,315,000 shares valued at \$1.12 per share to directors and employees amounting to \$4,832,800 whereas in June 2025, 5,010,000 shares valued at \$2.12 were issued to directors and employees costing \$10,621,200, which was partially offset by the \$3,612,011 cost reversal of the share options reserve in the last financial period as the share options expired at the end of June 2025 without vesting.

Dividend

No dividends were paid or declared during or subsequent to the end of the financial period.

Significant Changes in State of Affairs

In June 2026, the Company issued 4,315,000 new shares to directors, employees and senior scientists as incentive shares, following shareholders' approval received on 30 May 2026.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Matters subsequent to the end of the half year

There has not arisen, in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be '张伯清' (Zhang Boqing), written in a cursive style.

**Boqing Zhang
Chairman**

11 September 2026

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Beroni Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2026, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is made in respect of Beroni Group Limited and the entities it controlled during the period.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director
Sydney, 11th day of September 2026

Local knowledge. National connections. Global reach.



DFK Laurence Varnay is a member of DFK International, a worldwide association of independent accounting firms and business advisers. Our DFK membership means that we can assist you with expanding your business overseas by networking with other member firms. You can have the essential combination of global reach and local knowledge. Liability Limited by a scheme approved under Professional Standards Legislation.

Level 12, 222 Pitt Street, Sydney NSW 2000

T +61 2 9264 5400
E audit@dfklv.com.au
W dfklv.com.au

DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated Half-year Ended 30.06.2026 AUD	Consolidated Half-year Ended 30.06.2025 AUD
Revenue			
Sales revenue	3,4	41,194	374,234
Cost of sales		(834)	(154,508)
Gross profit		<u>40,360</u>	<u>219,726</u>
Other income			
Government subsidy		40,297	45,003
Finance income		90	155
Others		14	-
Selling and distribution expenses	5	(169,508)	(239,031)
General and administration expenses	5	(6,621,006)	(8,348,147)
Finance expense		(43,764)	(31,339)
Unrealised foreign exchange loss		(1,460)	(13,494)
Realised foreign exchange gain / (loss)		(1,929)	(1,560)
Loss before income tax		<u>(6,756,906)</u>	<u>(8,432,670)</u>
Income tax expense		(14)	(10)
Net loss for the period		<u>(6,756,920)</u>	<u>(8,432,680)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation			
Attributed to Beroni Group's parent company		250,871	281,553
Attributed to non-controlling interest		3,118	(9,152)
		<u>253,989</u>	<u>272,401</u>
Total comprehensive loss for the period		<u>(6,502,931)</u>	<u>(8,160,279)</u>
Loss for the period is attributable to:			
Owners of Beroni Group Limited		(6,568,668)	(8,272,689)
Non-controlling interest		(188,252)	(159,991)
Total loss for the period		<u>(6,756,920)</u>	<u>(8,432,680)</u>
Total comprehensive loss for the period attributable to:			
Owners of Beroni Group Limited		(6,317,797)	(7,991,136)
Non-controlling interest		(185,134)	(169,143)
Total comprehensive loss for the period		<u>(6,502,931)</u>	<u>(8,160,279)</u>
Earnings per share for loss for the period			
Basic loss per share, in cents		(19.11)	(28.42)
Diluted loss per share, in cents		(19.11)	(28.42)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated As at 30.06.2026 AUD	Consolidated As at 31.12.2025 AUD
Assets			
Current Assets			
Cash and cash equivalents		534,667	498,656
Trade receivables	6	18,777	131,568
Other receivables	6	171,998	119,434
Prepayments and other current assets		971,262	925,920
Deposits		11,850	-
Current tax assets		101,796	91,808
Inventories		8,495	14,810
Total current assets		1,818,845	1,782,196
Non-Current Assets			
Property, plant and equipment	7	527,467	657,527
Right-of-use assets	8	274,544	128,601
Intangible assets	9	5,288,534	5,327,830
Deposits		39,420	-
Receivable from related party	11	35,073	35,073
Total non-current assets		6,165,038	6,149,031
Total Assets		7,983,883	7,931,227
Liabilities			
Current Liabilities			
Trade and other payables		9,800	6,281
Lease liabilities	8	85,985	222,040
Payable to related parties	11	867,902	914,038
Other current liabilities	13	580,619	281,448
Total current liabilities		1,544,306	1,423,807
Non-Current Liabilities			
Borrowings from related party	11	3,131,943	1,582,682
Lease liabilities	8	119,365	66,338
Total non-current liabilities		3,251,308	1,649,020
Total Liabilities		4,795,614	3,072,827
Net Assets		3,188,269	4,858,400
Equity			
Issued capital	14	63,471,082	58,638,282
Convertible notes – equity	15	3,010,038	3,010,038
Reserves		1,104,142	853,271
Accumulated losses		(63,883,499)	(57,314,831)
Equity attributable to equity holders of the parent entity		3,701,763	5,186,760
Non-controlling interests		(513,494)	(328,360)
Total Equity		3,188,269	4,858,400

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent						Non-controlling interests	Total
	Issued Capital	Surplus reserve	Share options reserve	Convertible Notes - Equity	Foreign currency translation reserve	Accumulated losses		
	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Consolidated 2026								
Balance as at 1 January 2026	58,638,282	16,885	-	3,010,038	836,386	(57,314,831)	(328,360)	4,858,400
Comprehensive income / (loss) for the period:								
Net loss for the period						(6,568,668)	(188,252)	(6,756,920)
Other comprehensive gain for the period					250,871		3,118	253,989
Total comprehensive gain / (loss) for the period					250,871	(6,568,668)	(185,134)	(6,502,931)
Transactions with owners in their capacity as owners, net of transaction cost								
Conversion of convertible notes								
Shares issued to directors and senior employees	4,832,800							4,832,800
Shares issued to financial advisors								
Share-based compensation payments								
Balance as at 30 June 2026	63,471,082	16,885	-	3,010,038	1,087,257	(63,883,499)	(513,494)	3,188,269

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital AUD	Surplus reserve AUD	Share options reserve AUD	Convertible Notes - Equity AUD	Foreign currency translation reserve AUD	Accumu- lated losses AUD	Non- controlling interests AUD	Total AUD
Consolidated 2025								
Balance as at 1 January 2025	49,893,071	16,885	3,612,011	3,010,038	309,697	(52,966,048)	(87,320)	3,788,334
Comprehensive income / (loss) for the period:								
Net profit / (loss) for the period						(8,272,689)	(159,991)	(8,432,680)
Other comprehensive gain / (loss) for the period					281,553		(9,152)	272,401
Total comprehensive gain / (loss) for the period					281,553	(8,272,689)	(169,143)	(8,160,279)
Transactions with owners in their capacity as owners, net of transaction cost								
Conversion of convertible notes	799,213							799,213
Shares issued to a scientist	2,208,900							2,208,900
Shares issued to financial advisors								
Share-based compensation payments	10,621,200		(3,612,011)					7,009,189
Balance as at 30 June 2025	63,522,384	16,885	-	3,010,038	591,250	(61,238,737)	(256,463)	5,645,357

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Note	Consolidated Half-year Ended 30.06.2026 AUD	Consolidated Half-year Ended 30.06.2025 AUD
Cash flows from operating activities:		
Receipts from customers	287,754	623,723
Payments to suppliers and employees	(1,460,730)	(1,942,832)
Interest paid	(7,925)	(15,372)
Net taxes received / (paid)	7,498	(9,027)
Net cash used in operating activities	(1,173,403)	(1,343,508)
Cash flows from financing activities:		
Loans from director	1,517,610	401,803
Principal elements of lease payments	60,853	86,939
Net cash generated from financing activities	1,578,463	488,742
Cash flows from investing activities:		
Purchase of property, plant and equipment	(373,295)	(4,893)
Interest received	-	11
Net cash used in investing activities	(373,295)	(4,882)
Net (decrease) in cash and cash equivalents	31,765	(859,648)
Cash and cash equivalents at beginning of the period	498,656	1,781,580
Exchange gain on cash and cash equivalents	4,246	27,927
Cash and cash equivalents at end of the period	534,667	894,005

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

Notes to the Interim Condensed Consolidated Financial Statements

Note 1. Corporate information

The financial statements cover Beroni Group Limited ("Parent entity" or the "Company") as a consolidated entity consisting of Australia Beroni Group Limited and the entities it controlled (together referred to as the "Group") at the end of, or during, the half-year ended 30 June 2026. The financial statements are presented in Australian dollars, which is the Company's presentation currency, with all values rounded to the nearest dollar unless otherwise stated.

The Company is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. The Company's shares are publicly traded on the National Stock Exchange of Australia and on the OTC Pink Limited market in the USA.

The Company's registered office and principal place of business is Level 16, 175 Pitt Street, Sydney NSW 2000, Australia.

The principal activities of the Group during the financial period are the sales of smoking control products (NicoBloc), air purifiers, water filters, cosmetics, healthcare products, stem-cell therapies and viral diagnostic kits and investing in the research and development of oncology drugs and therapies. It currently has four core businesses – cell therapies, developing new anti-cancer drugs, e-commerce platform for pharmaceutical and healthcare products, and detection & diagnosis of infectious diseases.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 September 2026.

Note 2. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose financial statements have been prepared on a historical cost basis, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The company is of a kind referred to in ASIC Corporations (Amendment) Instrument 2022/519, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases, the nearest 1/10th of a dollar.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, however management will continue to assess the potential impacts closer to the application dates.

Going concern

For the half year ended 30 June 2026, the Group made a loss after income tax expense of \$6,756,920 (30 June 2025: loss after income tax expense of \$8,432,680). The cash balances as at 30 June 2026 was \$534,667 (31 December 2025: \$498,656).

Note 2. Basis of preparation (continued)

The above matters give rise to a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report.

The directors have prepared detailed cash flow projections for the period of 12 months from the signing of this interim financial report. The Group's ability to fund its operations is dependent upon management's plans and execution, which includes raising additional capital, either through the proposed public offering or private equity, meeting expected sales forecasts, and that if in the event of not raising sufficient funds to meet its current cash flow forecasts, the Group will be able to reduce expenditure accordingly to be able to pay its debts as and when they fall due.

The Group's interim financial statements have been prepared on a going concern basis which contemplates the realisation of assets and satisfaction of liabilities and commitments in the normal course of business. The interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities should the Group be unable to continue as a going concern.

Note 3. Segment reporting

(a) Description of segments

The Group has been organised into 4 core businesses which are as follows:

1. Cell therapies
2. Developing new anti-cancer drugs
3. e-commerce platform for pharmaceutical and healthcare products
4. Detection & diagnosis of infectious diseases.

The Group is managed primarily on the basis of the nature of these business activities. As the CEO and CFO are the chief operating decision-makers (CODM) who monitor and assess business performance to make resource allocation decisions, they consider the business from both a product and a geographical perspective and has identified the following operating segments for monitoring and reporting:

PENAO (Australia) – developing new anti-cancer drugs

Beroni USA – detection and diagnosis of infectious diseases

Beroni Tianjin (China), Beroni Pharmaceuticals (Guangdong, China) – e-commerce sales of pharmaceutical and healthcare products

Beroni Biotech (Japan) – cell therapies

Note 3. Segment reporting (continued)

(b) Segment information provided to the CEO and CFO

Segment information

	e-commerce sales of pharmaceutical products & services AUD	Developing new anti-cancer drugs AUD	Detection & diagnosis of infectious diseases AUD	Cell therapies AUD	Total AUD
Half-year ended 30 June 2026	China	Australia	USA	Japan	
Segment income					
Segment revenue	41,194	-	-	-	41,194
Segment other income	297	40,000	-	15	40,312
Segment interest income	6		-	77	83
	41,487	40,000	-	92	81,589

Segment (loss)	(1,352,060)	(79,513)	-	(33,857)	(1,465,430)
----------------	-------------	----------	---	----------	-------------

Half-year ended 30 June 2025

Segment income					
Segment revenue	244,305	-	-	129,929	374,234
Segment other income	848	44,153	-	-	45,001
Segment interest income	37	-	-	68	105
	245,190	44,153	-	129,997	419,340

Segment (loss)	(794,138)	(87,136)	-	(22,527)	(903,801)
----------------	-----------	----------	---	----------	-----------

	e-commerce sales of pharmaceutical products & services AUD	Developing new anti-cancer drugs AUD	Detection & diagnosis of infectious diseases AUD	Cell therapies AUD	Total AUD
Total segment assets	China	Australia	USA	Japan	
30 June 2026	1,141,979	2,279,049	959,069	65,335	4,445,431
31 December 2025	1,222,454	2,257,247	994,581	101,103	4,575,385
Total segment liabilities					
30 June 2026	10,500,733	134,856	272,820	174,691	11,083,100
31 December 2025	9,350,761	33,481	279,994	181,610	9,845,846

A reconciliation of total segment loss to operating profit before income tax is provided as follows:

	Note	HY2026 AUD	HY2025 AUD
Segment (loss)		(1,465,430)	(903,801)
Finance costs – net		(35,513)	(14,475)
Depreciation and amortization expense	5	(35,208)	(35,208)
Share-based compensation benefits	10	(4,832,800)	(7,009,189)
Realised foreign exchange gain / (loss)		(1,933)	(1,560)
Unrealised foreign exchange gain / (loss)		(1,460)	(13,494)
Others		(384,575)	(454,943)
(Loss) before income tax		(6,756,920)	(8,432,670)

Note 3. Segment reporting (continued)

(c) Product categories

The following product categories have been noted for the e-commerce sales of pharmaceutical products & services:

- Nicobloc
- Fogibloc air purifier
- Olansi water filter
- Health supplements
- Cosmetic products
- Viral diagnostic kits
- Biotechnical data services

Product	Product Revenue		Product Gross Profit	
	HY2026 AUD	HY2025 AUD	HY2026 AUD	HY2025 AUD
Nicobloc	-	74,094	-	45,070
Health supplements	1,857	28,088	1,023	20,039
Cosmetic products	-	11,640	-	5,439
NMA 20000 supplement	-	129,929	-	18,695
Biotechnical data services	39,337	130,483	39,337	130,483
Total for all products	41,194	374,234	40,360	219,726

Geographical information

Product revenue based on the geographical location of customers is as below:

Sales Revenue by Geographical Market

	HY2026 AUD	HY2025 AUD
China	41,194	244,305
Japan	-	129,929
	41,194	374,234

Major customers

Major customers accounting for more than 10% of the sales of the Group are as follows:

	HY2026 AUD	HY2025 AUD
China Business Beroni (Tianjin) Technology Co., Ltd	-	24,464
Guangdong Bolidu Energy Development Co., Ltd	39,337	-
Couex A.I. (Tianjin) Co., Ltd	-	121,440
Chun Feng Hu	-	68,225
Total	39,337	214,129

Note 4. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time as follows:

<i>Revenue by timing of revenue</i>	HY2026	HY2025
	AUD	AUD
Goods transferred at a point in time	1,857	243,751
Services transferred over time	39,337	130,483
	<u>41,194</u>	<u>374,234</u>

Note 5. Expenses

Profit before income tax is derived at after taking the following expenses into account:

	Consolidated	Consolidated
	30 June 2026	30 June 2025
	AUD	AUD
Listing expenses	39,527	34,149
Consultancy fees	25,000	29,834
Insurance	38,322	39,636
Wages and salaries	495,426	367,825
Rent expenses	22,834	59,352
R&D expenses	431,736	83,143
Legal fees	718	1,170
Share-based compensation benefits ¹	4,832,800	7,009,189
Depreciation and amortisation	126,813	218,871
Directors' fees	174,070	241,820
Accounting and audit fees	89,384	85,658
Write off of bad debts ²	-	1,652,732
Expected credit losses / (reversals) on trade and other receivables ³	-	(1,652,732)
All other expenses	513,864	480,514
	<u>6,790,514</u>	<u>8,651,161</u>

¹ Share-based compensation benefits in HY2026 relates to the cost of new shares of \$4,832,800 granted to the directors and employees in June 2026 whereas the similar benefits in HY2025 relates to the cost of new shares of \$10,621,200 granted to the same group in June 2025 and offset by a reversal of expense reserve of \$3,612,011 for the share options issued in July 2021 which expired on 30 June 2025.

² Being write-offs of amounts which were due for more 3 years and approved by management.

³ Being increase in or (reversals) of expected credit losses based on trade receivables aging as at 30 June. See Note 6.

Note 6. Trade and other receivables

	Consolidated	Consolidated
	30 June 2026	31 December 2025
	AUD	AUD
Amounts due from customers	1,458,358	1,753,910
Less: Provision for expected credit loss ¹	(1,439,581)	(1,622,342)
Trade receivables	<u>18,777</u>	<u>131,568</u>
Other receivables	451,648	408,668
Less: Provision for expected credit loss	(279,650)	(289,234)
Other receivables	<u>171,998</u>	<u>119,434</u>

¹ Being provision for expected credit losses based on trade receivables aging at 30 June.

Note 7. Property, plant & equipment

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Leasehold improvements	388,058	461,814
Machinery	-	-
Office equipment	4,769	5,949
Other equipment	134,640	189,765
Total	<u>527,467</u>	<u>657,527</u>

Note 8. Leases

This note provides information for leases where the Group is a lessee. The Group leases various offices and the rental contracts are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. There are no new leases or lease modifications in the current period. Lease liabilities recognized as at 30 June 2026:

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Current lease liabilities	85,985	222,040
Non-current lease liabilities	119,365	66,338
	<u>205,350</u>	<u>288,378</u>

The recognised right-of-use assets relate to the following types of assets:

Properties	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Cost	329,991	406,094
Accumulated depreciation	(55,447)	(277,493)
Carrying amount	<u>274,544</u>	<u>128,601</u>

The amounts recognised in profit and loss:

	Consolidated 30 June 2026 AUD	Consolidated 30 June 2025 AUD
Depreciation expense on right-of-use assets	13,693	41,651
Interest expense on lease liabilities	8,008	15,489
	<u>21,701</u>	<u>57,140</u>

The total cash outflow for leases in HY2026 was \$52,845 (HY2025: \$71,450).

Note 9. Intangible assets

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
PENAO patent ¹	2,059,601	2,059,601
BCI patent	2,208,900	2,208,900
Capitalised development cost ²	859,027	890,947
Patents ³	160,617	167,993
Software	389	389
	<u>5,288,534</u>	<u>5,327,830</u>

Note 9. Intangible assets (continued)

¹ The PENAO patents asset arose from the acquisition of Penao as a subsidiary in 2020. The PENAO patents asset consists of a number of registered patents and related intellectual property in relation to the anti-cancer drug PENAO, currently in development. The drug has successfully completed Phase 1 trials as at balance sheet date. The recoverable amount of the patents owned by the PENAO company was based on the fair value of the commercialisation of the cancer drug upon successful completion of the clinical trials, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. The Group has engaged an independent business valuation expert, Leadenhall, to determine the fair value of the PENAO patents in 2025. The latest review concluded that the estimated recoverable amount far exceeds the carrying amount and no impairment is required. As this asset is not yet ready for use, no amortisation was noted as of 30 June 2026. No indication of impairment was noted in this financial period.

² The Company has entered into an agreement with the Columbia University, New York to provide US\$1 million funding to a 12-month research program in the field of ArboViroPlex rRT-PCR Test, a multiplex assay that can simultaneously test for Zika virus, all dengue virus serotypes, Chikungunya virus and West Nile virus, under the direction of Professor Walter Ian Lipkin. In return for the research funding support, Columbia University grants the Company an exclusive option to obtain an exclusive, compensation bearing license in the territory of China to the ArboViroPlex rRT-PCR Test patents and inventions and also a non-exclusive, compensation bearing license in the territory of China to the information and materials developed in the course of this research. In April 2019, the Company signed a 20-year exclusive license agreement with the Columbia University to sell the diagnostic kit product on a worldwide basis. The US\$1 million funding provided for the product development is capitalised and amortised over the 20-year life of the license.

Columbia University has secured the ArboViroPlex rRT-PCR Test patent in three countries namely USA, India, and China. The patents were paid for by Beroni and the carrying amount of the patents which represents the registration costs of the patent in these countries will be amortised over the 20-year life of the license.

At the end of 2025, the Company conducted a review of the carrying amount of the capitalised development cost and related patents to determine whether there is any indication that it has suffered an impairment loss. Management engaged an independent business valuation expert, Leadenhall, to determine the fair value of this intangible asset. The review concluded that the estimated recoverable amount exceeds the carrying amount and no impairment is required. No indicators of impairment existed as of 30 June 2026.

³ The Company acquired the brain wave patent from a scientist in April 2025 and issued shares as payment in kind for the acquisition cost. The shares issued were valued at \$2,208,900. The Company expects to commercialise the patent after conducting a market due diligence. The Group has engaged Leadenhall, to determine the fair value of the BCI patents at the end of 2025. The review concluded that the estimated recoverable amount far exceeds the carrying amount and no impairment is required. As this asset is not yet ready for use, no amortisation was noted as of 30 June 2026.

Note 10. Share-based compensation benefits

	HY2026 AUD	HY2025 AUD
Share-based compensation benefits recognised during the financial period		
Shares issued to directors and employees ¹	4,832,800	10,621,200
Options issued to directors and employees ²	-	(3,612,011)
	4,832,800	7,009,189

¹ Shares issued to directors and employees

On 15 June 2026, the Company issued 4,315,000 shares at A\$1.12 per share to its directors and senior employees as a reward for their performance in the past financial year. In the previous period, the Company had issued 5,010,000 shares at \$2.12 per share to its directors and senior employees.

² Options issued to directors and employees

Beroni Group Limited has established a Remuneration Plan for its Directors and Employees. The Remuneration Plan provides flexibility to the Board to grant share options to Directors and Employees. The definition of employee under the Plan Rules includes any full time or permanent part time employee or officer or director of the Company or any related body corporate of the Company. In total, 13,250,000 options and 9,255,000 options pre consolidation (or 3,312,500 options and 2,133,750 options post consolidation) have been issued to the directors and employees respectively in 2021 and 2022. As none of the vesting conditions were met before the options' vesting expiry date on 30 June 2025, the total cost apportioned of \$3,612,010 in the previous financial years was reversed and credited to profit or loss.

Note 11. Related party transactions

Balances with related parties

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Loans from director ¹	3,131,943	1,582,682
Payable to related parties ²	867,902	914,038
Receivable from related parties ³	35,073	35,073

¹ This represents the loans to Beroni Group Limited from the CEO, Mr. Boqing Zhang for working capital purposes. Loans totalling \$1,338,261 (2025: \$616,598) carries an annual interest of 5% and are repayable within the next 12 months. The rest of the loans are interest free and have no repayment date.

² This represents accrued directors' fees.

³ This is due from a shareholder of Beroni Pharmaceuticals (Guangdong).

The Company has engaged the services of Asia Invest Partners Limited to manage its financial and tax affairs in Australia. Asia Invest Partners is owned by the Australian director, Peter Yap Ting Wong. The Company has incurred a total of \$26,384 (HY2025: \$16,854) for such services rendered in the current financial period.

Note 12. Convertible notes and loans

Convertible notes and loans

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Balance at beginning of the period	-	805,000
Interest expense	-	-
Exchange (gain) / loss on translation of USD denominated convertible notes and loans	-	(5,787)
Conversion to equity ¹	-	(799,213)
Balance at end of the period	-	-
Current convertible notes and loans	-	-
Non-current convertible notes and loans	-	-
Balance at end of the period	-	-

¹ In March 2025, the investor holding USD500,000 convertible notes agreed to convert them to equity. A total of 200,000 ordinary shares were issued at USD2.50 per share to this investor.

Note 13. Other current liabilities

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Trade and other payables	9,800	6,281
Payable to related parties	867,902	914,038
Other liabilities	580,619	281,448
	1,458,321	1,201,767

Note 14. Share capital

	30 June 2026		31 December 2025	
	Number of shares	AUD	Number of shares	AUD
Total ordinary shares fully paid				
At the beginning of the period	33,987,282	58,638,282	28,122,282	49,906,969
Shares issued to directors and employees	4,315,000	4,832,800	5,010,000	5,611,200
Shares issued to service providers	-	-	100,000	112,000
Conversion of convertible loans ¹	-	-	200,000	799,213
Shares issued to scientist ²	-	-	555,000	2,208,900
Total ordinary shares fully paid	38,302,282	63,471,082	33,987,282	58,638,282

¹ In March 2025, the investor holding USD500,000 convertible notes agreed to convert them to equity. A total of 200,000 ordinary shares were issued to this investor. See Note 12.

² The Company acquired the brain wave patent from a scientist in April 2025 and issued 555,000 shares as payment in kind for the acquisition cost. The shares issued were valued at US\$2.50 per share and totalled \$2,208,900.

Note 15. Convertible notes – equity

	Consolidated 30 June 2026 AUD	Consolidated 31 December 2025 AUD
Balance at end of the period	3,010,038	3,010,038

In May 2020, 20,736 0% USD denominated convertible notes were issued by the Company to an investor at an issue price of \$100 per note. Each note entitles the holder to convert to a fixed number of shares by dividing the face value of the note by the conversion price of US\$1.728 per share. Conversion may occur at any time between the date of issue and the maturity date. The maturity date was initially set at May 2021 but was later extended to May 2022. The net proceeds received from the issue of these convertible notes were initially recognised in liability in the previous financial period as the investor could redeem the convertible notes upon maturity.

However, on 16 May 2022, the investor agreed to extend the maturity date of the convertible notes to the official date of listing of the Company on the Nasdaq stock market and to convert all unconverted notes to ordinary shares upon maturity. As the convertible notes can no longer be redeemed for cash before or upon maturity, they are fully recognised as equity in the financial accounts.

This is in accordance with AASB 132 Financial Instruments whereby a convertible note can be classified as equity if the noteholder does not have the right to redeem in cash and must convert to a fixed number of shares upon maturity.

Note 16. Key Management Personnel

The directors and company secretary received the following remuneration in the current half year.

Director	Consolidated 30 June 2026 AUD	Consolidated 30 June 2025 AUD
Boqing ZHANG	133,800	135,930
Hai HUANG	20,000	20,000
Peter Yap Ting WONG	60,000	60,000
Libing GUO	10,000	10,000
Richard BUCHTA	9,000	9,000
Nicholas ONG (also Company Secretary)	9,000	9,000

Note 17. Contingencies and commitments

The Group has no contingent liabilities or commitments as at 30 June 2026 (31 December 2025: \$nil) except for the followings:

(a) PENAO Pty Ltd

Convertible notes

In July 2019, Beroni signed a shareholder agreement to acquire 40% of the total share capital of PENAO Pty Ltd with NewSouth Innovations Pty Limited (NSI) owning the other 60%. NSI is the subsidiary arm of the University of New South Wales. PENAO Pty Ltd is a company recently set up to take over from Cystemix Pty Ltd the development of the anti-cancer drug called PENAO for treatment of cancer tumours. PENAO Pty Ltd will take over the licensing rights to the new drug. In December 2020, Beroni and NSI agreed to vary the original shareholding agreement whereby through the issuance of shares and convertible notes, Beroni and NSI owns 60% and 40% respectively of the share capital of PENAO Pty Ltd. Under the shareholding variation agreement, when new shares are issued to Beroni and NSI upon additional payments from the former, convertible notes will also be issued to NSI which will automatically be converted to shares upon the occurrence of key milestone events as detailed below:

- NDA China: acceptance of a PENAO New Drug Application in China;
- TGA Australia: TGA approval of PENAO's product for commercial sale in Australia;
- IPO: the date that is 90 days prior to the completion of an initial public offering (IPO) and listing of PENAO Shares in Australia or overseas stock exchange;
- Share sale: the date that is 90 days prior to the sale of all issued Shares in PENAO;
- Asset sale: the sale of all or substantively all of PENAO's assets.

At the end of 2023, NSI have been issued convertible notes which are convertible into 200,385 ordinary shares. Upon the occurrence of any of the above events and the automatic conversion into shares, NSI will increase its ownership from 39.29% to 60.71%. On the other hand, NSI and the creator shareholders have granted Beroni an option to purchase such number of the Shares held by NSI and the creator shareholders (on a pro rata basis to be determined by NSI) as constitutes 11 % of the share capital of PENAO for \$5,500,000 (Call Option). The Call Option may be exercised by written notice to NSI and the creator shareholders at any time during the period:

- commencing on the PENAO drug achieving 50% enrolment in a Phase II trial; and
- ending two months after such trial has been completed and a study completion report has been provided to the PENAO company

- (b) In January 2022, Beroni signed a contract to build a new Research & Development ("R&D") centre in the Zhuhai National High-Tech Industrial Development Zone in China. Beroni plans to build a state-of-the-art facility with new preclinical research labs, manufacturing process development labs, and a GMP pilot manufacturing plant. The Company signed a renovation contract for RMB5.2 million (A\$1.13 million) with a local builder to renovate the whole R&D office. The initial renovations were completed at the end of 2022 but due to various defects and lack of certification of the equipment and facilities, the office was not able to be used until toward the end of 2023. As at 31 December 2023, the Company has paid 60% payment of RMB3.12 million to the builder, with another 20% payment of RMB1.04 million due upon rectification of defects and completion of GMP facility certification and the remaining 20% of RMB1.04 million to be settled 3 months upon completion of the whole project. The prolonged delay in the settlement of the remaining payments is due to the builder's inability to rectify the various defects to the satisfaction of the Company. The Company has subsequently terminated the services of the builder in April 2024 and was using its own resources to rectify the numerous defects. The Company estimated a total of RMB1.285 million for the rectification works. Some of the rectification works were completed in 2024 and an estimated RMB0.85 million of rectification works has yet to be completed. On 28 October 2024, the builder filed a legal claim against Beroni for the outstanding payment of RMB2.08 million and interest compensation at 10% per annum for non-payment from 30 October 2022 until the filing date of the claim. Subsequently on 6 May 2025, Beroni filed a counter legal claim against the builder for a total amount of RMB4,023,615.25 as compensation for construction delays, non-completion of contracted works, office disruptions caused by the builder's workers and additional utility expenses caused by the construction delays. The local court conducted a site appraisal of the office renovation on 4 August 2025. The outcome of the trial is still pending.
- (c) Beroni is required to restore the leased premises of its offices in China to their original condition at the end of the respective lease terms. In two leases, the lessee has to remove all additional renovations and not damage existing renovations while in one lease, the lessee may leave the office as it is if the lessor is willing to keep the renovations otherwise the lessee has to restore the office to its original state. It is however customary in China for the lessee to leave the office intact as the lessor may want to keep all the renovations to enhance the value of the premises. As it is not possible to meaningfully assess whether the office restoration will result in a probable outflow or to quantify or reliably estimate the liability, if any.

Note 18. Events after the Balance Sheet date

There has not arisen, in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially:

- the Group's operations in future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

Note 19. Dividends

There was no dividend paid nor declared during the period.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Jacky Boqing Zhang
Chairman

11 September 2026

Independent Auditor's Review Report to the Members of Beroni Group Limited Report on the Consolidated Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Beroni Group Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Beroni Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$6,756,920 (30 June 2025: loss of \$8,432,680) and net cash outflow in operating activities of 1,173,403 (30 June 2025: 1,343,508) during the period ended 30 June 2026. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney, 11 September 2026

Local knowledge. National connections. Global reach.



DFK Laurence Varnay is a member of DFK International, a worldwide association of independent accounting firms and business advisers. Our DFK membership means that we can assist you with expanding your business overseas by networking with other member firms. You can have the essential combination of global reach and local knowledge. Liability Limited by a scheme approved under Professional Standards Legislation.

Level 12, 222 Pitt Street, Sydney NSW 2000

T +61 2 9264 5400
E audit@dfklv.com.au
W dfklv.com.au

DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595