INOVIQ

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Advancing on All Fronts

Equity Research Australia
Health Care Equipment & Services

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NEED TO KNOW

- **Advancing EXO-OC and targeting US LDT-ready status late 2026**
- **CAR-exosome in-vivo proof-of-concept achieved**
- **2QFY26 result boosted by A$10.2m cap raise**

EXO-OC clinical and LDT progress: In 2QFY26, INOVIQ (IIQ) advanced its EXO-OC ovarian cancer (OC) screening program by actively procuring and enrolling patient samples for a larger clinical study, designed to evaluate test performance across all OC stages, relevant high-risk groups and key confounding diseases. IIQ aims to achieve laboratory-developed test (LDT)-ready status for EXO-OC in the US by the end of 2026, supported by completion of the necessary analytical and clinical validation studies. In parallel, IIQ is in discussions with potential US laboratory partners to support commercialising EXO-OC as a Laboratory Developed Test (LDT) once readiness is achieved.

CAR-exosome in vivo proof-of-concept achieved: IIQ reported positive in vivo proof-of-concept (PoC) results for its proprietary Epidermal Growth Factor Receptor (EGFR)-targeted CAR-Natural Killer (NK)-EVs in a triple-negative breast cancer mouse model.

2QFY26 boosted by A$10.2m cap raise: IIQ is well funded, ending 2QFY26 with A$13.8m cash, following a A$10.2m equity raise (A$9.5m placement at A$0.35 per share, including A$5m from Tian An Medicare, plus a A$0.7m SPP). Net operating cash outflow was A$615k, with higher R&D of A$1.14m partly offset by a A$1.27m R&D tax rebate, modest product revenue and interest income.

Investment Thesis

IIQ's diversified portfolio of proprietary technology platforms and products positions it to take progressively higher-value strategic steps – spanning research tools to diagnostics and ultimately into therapeutics. The portfolio is opening new opportunities across a growing pipeline that covers discovery, clinical applications, and potential treatment pathways.

IIQ is developing a breakthrough OC screening test with EXO-NET technology to address a critical unmet need for effective early detection. By combining its best-in-class exosome capture platform with the University of Queensland's (UQ's) unique exosome biomarkers, IIQ is creating a powerful exosome-based liquid biopsy solution. This innovation represents a major commercial opportunity in oncology diagnostics, with first revenues anticipated in 2027.

The SubB2M platform is poised to generate modest early revenues, with strong breast cancer data supporting its potential to enhance existing tests and improve disease monitoring. IIQ plans to partner with neuCA15-3 after high-throughput assay conversion and further validation.

Valuation/Risks

Notwithstanding the A$13.8m cash at year-end CY25 and the higher share count following the recent capital raise, we maintain our A$4.36/share valuation pending release of the detailed interim results. Key risks are clinical validation, regulation, licensing and market uptake.

INOVIQ Ltd (ASX:IIQ) is a biotechnology company developing next-generation diagnostics and therapeutics for cancer. INOVIQ has commercialised its fast, efficient and scalable EXO-NET exosome isolation technology for biomarker discovery and diagnostics development, and the hTERT test as an adjunct test for bladder cancer. The company is advancing clinical-stage diagnostics for detection and monitoring of ovarian and breast cancers, and early-stage exosome therapeutics for solid tumours. For more information on INOVIQ, visit www.inoviq.com

Valuation	**A$4.36** *(unchanged)*
Current price	**A$0.34**
Market cap	**A$47M**
Cash on hand	**A$13.8m** *(31 Dec 2025)*

Upcoming Catalysts / Next News

Period	
1HCY26	EXO-OC: Clinical study progress
end-CY26	EXO-OC: LDT-ready status
CY2026	EXO-NET: Revenue growth

Share Price (A$)

Source: FactSet, MST Access.

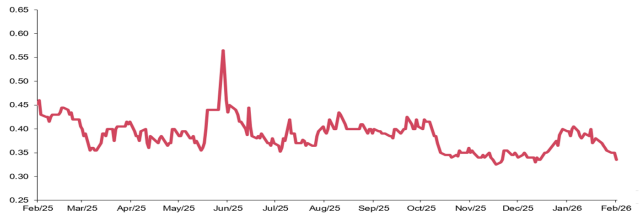
INOVIQ LTD IIQ — IIQ-AU

Year end 30 June, AUD unless otherwise noted

MARKET DATA

Price	**$**	**0.34**
52 week high / low	$	0.33-0.57
Valuation	**$**	**4.36** *Unchanged pending interim results*
Market capitalisation	$m	47.2
Shares on issue (basic)	**m**	141
Options / rights	m	9.8
Other equity	m	0.0
Shares on issue (diluted)	**m**	**150.5**

12-MONTH SHARE PRICE PERFORMANCE (A$)



INVESTMENT FUNDAMENTALS		FY24A	FY25A	FY26E	FY27E	FY28E
Reported NPAT	$m	(6.6)	(6.9)	(8.4)	(9.1)	(7.6)
Underlying NPAT	**$m**	**(6.6)**	**(6.9)**	**(8.4)**	**(9.1)**	**(7.6)**
Reported EPS (diluted)	¢	(7.1)	(6.2)	(7.5)	(6.5)	(4.8)
Underlying EPS	**¢**	**(7.1)**	**(6.2)**	**(7.5)**	**(6.5)**	**(4.8)**
Underlying PER	x	**nm**	**nm**	**nm**	**nm**	**nm**
Operating cash flow per share	¢	(4.1)	(4.2)	(5.0)	(5.0)	(4.1)
Free cash flow per share	¢	(4.3)	(4.3)	(5.1)	(5.1)	(4.1)
Price to free cash flow per share	**x**	**nm**	**nm**	**nm**	**nm**	**nm**
FCF Yield	%	nm	nm	nm	nm	nm
Dividend	**¢**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Payout	%	0.0%	0.0%	0.0%	0.0%	0.0%
Yield	**%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Franking	%	0.0%	0.0%	0.0%	0.0%	0.0%
Enterprise value	**$m**	**38.4**	**38.4**	**40.8**	**38.1**	**40.3**
EV/EBITDA	x	nm	nm	nm	nm	nm
EV/EBIT	x	nm	nm	nm	nm	nm
Price to book (NAV)	x	1.5	1.8	1.9	2.4	5.8
Price to NTA	x	3.0	3.8	3.2	4.2	21.3

KEY RATIOS		FY24A	FY25A	FY26E	FY27E	FY28E
EBITDA margin	%	nm	nm	nm	nm	nm
EBIT margin	%	nm	nm	nm	nm	nm
NPAT margin	%	nm	nm	nm	nm	nm
ROE	%	nm	nm	nm	nm	nm
ROA	%	nm	nm	nm	nm	nm
Net tangible assets per share	$	0.1	0.1	0.1	0.1	0.0
Book value per share	$	0.2	0.2	0.2	0.1	0.1
Net debt/(cash)	$m	(8.8)	(8.8)	(6.4)	(9.1)	(6.9)
Interest cover/ (EBIT/net interest)	x	nm	nm	nm	nm	nm
Gearing (net debt/EBITDA)	x	nm	nm	nm	nm	nm
Leverage (net debt/(net debt + equity))	x	nm	nm	nm	nm	nm

DUPONT ANALYSIS		FY24A	FY25A	FY26E	FY27E	FY28E
Net Profit Margin	%	nm	nm	nm	nm	nm
Asset Turnover	x	0.0	0.0	0.0	0.1	0.6
Return on Assets	%	nm	nm	nm	nm	nm
Leverage	x	1.1	1.1	1.1	1.1	1.2
Return on Equity	%	nm	nm	nm	nm	nm

KEY PERFORMANCE INDICATORS	FY24A	FY25A	FY26E	FY27E	FY28E
neuCA125	0.0	0.0	0.0	0.0	0.1
neuCA-15-3	0.0	0.0	0.0	0.0	1.1
EXO-NET & EXO-OC	0.2	0.3	0.6	1.5	4.0
hTert	0.3	0.3	0.3	0.3	0.3

HALF YEARLY DATA		2H23	1H24	2H24	1H25	2H25
Product revenue	$m	0.2	0.2	0.1	0.2	0.1
Operating expenses	$m	5.5	(4.0)	(2.9)	(4.7)	(3.0)
EBITDA	$m	7.3	(2.4)	(3.0)	(3.0)	(3.0)
EBIT	$m	6.6	(3.1)	(3.7)	(3.7)	(3.7)
PBT	$m	6.6	(3.1)	(3.4)	(3.7)	(3.3)
Reported NPAT	$m	6.6	(3.1)	(3.4)	(3.7)	(3.3)

PROFIT AND LOSS		FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**$m**	**0.5**	**0.5**	**0.9**	**1.9**	**5.5**
Cost of sales	$m	(0.1)	(0.1)	(0.3)	(0.7)	(0.1)
Other income	$m	**1.0**	**1.3**	**1.7**	**1.7**	**1.3**
Operating expenses	$m	(6.9)	(7.7)	(9.7)	(11.2)	(11.3)
EBITDA	**$m**	**(7.9)**	**(5.4)**	**(6.0)**	**(7.4)**	**(8.2)**
Depreciation & Amortisation	$m	(1.4)	(1.4)	(1.3)	(1.3)	(1.2)
EBIT	**$m**	**(6.8)**	**(7.3)**	**(8.7)**	**(9.5)**	**(7.9)**
Net interest	$m	0.3	0.4	0.3	0.4	0.3
Pretax Profit	$m	(6.6)	(6.9)	(8.4)	(9.1)	(7.6)
Tax expense	$m	0.0	0.0	0.0	0.0	0.0
Reported NPAT	**$m**	**(6.6)**	**(6.9)**	**(8.4)**	**(9.1)**	**(7.6)**
Underlying NPAT	**$m**	**(6.6)**	**(6.9)**	**(8.4)**	**(9.1)**	**(7.6)**
Shares on issue (end of fiscal year)	m	105.5	111.6	140.8	157.9	157.9

GROWTH PROFILE		FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	%	43.9	34.4	2.3	70.3	100.8
EBITDA	%	nm	nm	nm	nm	nm
EBIT	%	nm	nm	nm	nm	nm
Reported NPAT	%	nm	nm	nm	nm	nm

BALANCE SHEET		FY24A	FY25A	FY26E	FY27E	FY28E
Cash	$m	9.2	6.5	9.3	7.1	0.3
Receivables	$m	1.3	1.6	1.6	1.6	1.6
Other	$m	0.4	0.6	0.6	0.6	0.6
Current assets	**$m**	**10.9**	**8.7**	**11.5**	**9.2**	**2.5**
PPE	$m	0.8	1.0	1.0	1.0	1.0
Intangible assets	$m	9.7	8.7	7.9	6.8	5.9
Goodwill	$m	0.0	0.0	0.0	0.0	0.0
Other	$m	0.3	0.1	0.3	0.4	0.4
Non current assets	**$m**	**10.8**	**9.8**	**9.1**	**8.2**	**7.3**
Total assets	**$m**	**21.7**	**18.5**	**20.6**	**17.4**	**9.8**
Trade and other payables	$m	0.9	0.9	0.9	0.8	0.8
Lease liabilities	$m	0.2	0.2	0.2	0.2	0.2
Other	$m	0.4	0.5	0.5	0.5	0.5
Current liabilities	**$m**	**1.5**	**1.5**	**1.5**	**1.4**	**1.4**
Lease liabilities	$m	0.2	0.0	0.0	0.0	0.0
Other liability	$m	0.0	0.2	0.2	0.2	0.2
Non current liabilities	**$m**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Total liabilities	**$m**	**1.7**	**1.7**	**1.7**	**1.7**	**1.7**
Net assets	**$m**	**20.0**	**16.7**	**18.9**	**15.8**	**8.1**
Share capital	$m	75.1	78.0	88.6	94.6	94.6
Retained earnings	$m	(56.9)	(63.0)	(71.4)	(80.5)	(88.2)
Other	$m	1.8	1.7	1.7	1.7	1.7
Total equity	**$m**	**20.0**	**16.7**	**18.9**	**15.8**	**8.1**

CASH FLOW		FY24A	FY25A	FY26E	FY27E	FY28E
Net loss for period	**$m**	**(6.6)**	**(6.9)**	**(8.4)**	**(9.1)**	**(7.6)**
Depreciation & Amortisation	$m	(1.4)	(1.4)	(1.3)	(1.3)	(1.2)
Changes in working capital	$m	(0.0)	0.2	0.0	(0.1)	0.0
Other	$m	3.7	3.5	2.6	2.6	2.4
Operating cash flow	**$m**	**(4.3)**	**(4.7)**	**(7.1)**	**(7.9)**	**(6.4)**
Payments for PPE	$m	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Other	$m	0.0	0.0	0.0	0.0	0.0
Investing cash flow	**$m**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**
Equity	$m	6.8	2.6	10.2	6.0	0.0
Lease liability payments	$m	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
Other	$m	(0.5)	(0.3)	0.0	0.0	0.0
Financing cash flow	**$m**	**5.9**	**2.1**	**10.0**	**5.8**	**(0.2)**
Cash year end	**$m**	**9.2**	**6.5**	**9.3**	**7.1**	**0.3**
Free cash flow	**$m**	**(4.5)**	**(4.8)**	**(7.2)**	**(8.0)**	**(6.5)**

Source: Company reports, MST Access estimates

2Q26 Update: Stronger Balance Sheet, Increased R&D

IIQ ended 2QFY26 with A$13.8m in cash, supported by a A$10.2m equity raise during the half (A$9.5m placement at A$0.35 per share, including a A$5m cornerstone investment from Hong Kong-listed investment holding company (HKG:0383) Tian An Medicare, plus a A$0.7m SPP). Quarterly operating cash outflows were A$0.6m (net operating cash used of A$615k), with R&D spend of A$1.14m, up from A$709k in 1Q26, partially offset by a A$1.27m R&D tax incentive rebate, A$54k of EXO-NET and hTERT sales and A$110k of interest income.

Clinical Progress: EXO-OC Advanced; CAR-EV Validated

Operationally, IIQ is entering a period in which data and development progress from its EXO-OC ovarian cancer screening test and CAR-exosome therapeutic program will be the key drivers of activity.

Exosome Ovarian Cancer Screening Test (EXO-OC™)

EXO-OC has previously shown 100% sensitivity and >99.6% specificity for early-stage (Stage I–II) ovarian cancer, and the company is now procuring samples for a larger clinical study across multiple stages, risk groups and confounding diseases, aiming to achieve LDT-ready status by end-2026 and secure US laboratory partners. The expanded study is intended to better characterise test performance in real-world-like settings, including in women with benign gynaecological conditions and other pathologies that can confound current biomarker-based tests. The results of this study should help define positioning in a future screening algorithm.

Note that a confounding disease is a medical condition that can interfere with how accurately a test measures what it is supposed to measure. In the EXO-OC context, this term refers to another disease that might change exosome profiles or biomarkers in a way that could mimic or mask ovarian cancer, potentially making the results of the test look better or worse than it really is if the confounding condition is not properly accounted for.

CAR-EV therapeutics targeting triple-negative breast cancer (TNBC)

In parallel, the CAR-EV program has delivered in-vivo proof-of-concept in a TNBC mouse model (61.5% tumour burden reduction vs 24.5% for unmodified extracellular vesicles [EVs], with favourable safety and targeted biodistribution). This program is being accelerated into preclinical and manufacturing development ahead of additional 2026 data readouts and a planned first-in-human study in 2028.

Near-term studies for CAR-EVs include optimisation of dose and schedule, further characterisation of off-tumour/on-target effects, and scale-up on the EXO-ACE manufacturing platform to support formal toxicology and regulatory-enabling studies.

EXO-NET

EXO-NET, IIQ's proprietary exosome capture technology, remains the cornerstone of its exosome tools business and underpins both internal and partnered diagnostic programs. By 31 December 2025, EXO-NET had reached 76 customers under Promega's Early Access Program, with particularly strong growth in larger-volume pharma/biotech and clinical segments that are developing exosome-based diagnostics for oncology, cardiac and other disease areas. Europe now accounts for nearly half of all customers, partly offsetting softer demand in the US, where government research funding cuts have constrained sales and contributed to broader uncertainty in life-science tools. Alongside the standard EXO-NET product, IIQ is also advancing discussions with diagnostic companies on custom NETs to isolate tissue-specific EVs, which could support future companion diagnostics and specialised assays and deepen integration of EXO-NET into clinical development pipelines.

SubB2M programs for cancer monitoring

The SubB2M program, led by the neuCA15-3 assay for breast cancer monitoring, represents IIQ's second major diagnostic pillar and is designed to improve on current CA15-3 testing. The neuCA15-3 assay combines a CA15-3 monoclonal antibody with the SubB2M detection reagent to more specifically detect tumour-derived CA15-3, with analytical and clinical validation data showing 81% sensitivity and 93% specificity across all breast cancer stages and key subtypes, and utility in post-treatment monitoring. To improve its commercial attractiveness, INOVIQ is transitioning neuCA15-3 to a bead-based chemiluminescent format compatible with high-throughput autoanalyser platforms commonly used in hospital and reference laboratories. Once this transition and the associated validation work are complete, the company plans further clinical validation studies to support partnering discussions, with the aim of positioning neuCA15-3 as a next-generation breast cancer monitoring test that can be deployed at scale through established diagnostics channels.

Capital Raise of A$10.2m

IIQ completed an equity financing of A$10.2m to accelerate development of its exosome-based ovarian cancer diagnostic and therapeutic programs, thereby reinforcing its capacity to advance planned clinical, regulatory and translational milestones. The capital raise comprised an A$9.5m institutional placement at A$0.35 per share, including a A$5m cornerstone commitment from Tian An Medicare, followed by a A$0.7m share purchase plan extended to eligible existing shareholders. Together, this resulted in the issuance of 29.14m new ordinary shares and a materially strengthened balance sheet to support ongoing pipeline execution.

Key Appointments

New Chairman – Peter Gunzburg

In October 2025, IIQ appointed Peter Gunzburg to its Board at the request of cornerstone investor Tian An Medicare, adding over 40 years' experience in public company governance, stockbroking and investment, and drawing on Mr Gunzburg's prior tenure as Chairman of BARD1 Life Sciences (now INOVIQ). Following completion of the capital raise, the introduction of the new cornerstone investor, David Williams stepped down as Chairman in December 2025, with Mr Gunzburg subsequently elected to the position, providing continuity of capital markets expertise and strategic oversight.

Chief Scientific Officer – Dr Rebecca Lim

Effective 12 January 2026, IIQ appointed Dr Rebecca Lim as Chief Scientific Officer to lead R&D strategy across preclinical, clinical and regulatory programs for exosome capture tools, diagnostics and therapeutics, with an explicit mandate to deliver milestones on time and within budget. An internationally recognised biotechnology executive, Dr Lim brings over 20 years' experience in translational research, clinical development and commercialisation spanning cell and gene therapy, regenerative medicine and EV technologies, together with deep TGA/FDA regulatory, CMC (Chemistry, Manufacturing and Controls) and process-scale-up expertise and a strong record of advancing cell and exosome therapies into first-in-human studies.

In parallel, Professor Greg Rice has transitioned to a part-time Founding Scientist and Advisor role, providing ongoing strategic and diagnostics expertise, offering external thought leadership in exosome biology, and chairing the Medical and Scientific Advisory Board to ensure rigorous oversight of the company's expanding clinical and translational portfolio.

Investment Thesis: Entering a New Era for Precision Medicine – Exosome-Powered Diagnostics and Therapeutics

IIQ is poised for significant growth as its technology is leveraged across a range of research, diagnostics and therapeutic applications, with a primary focus on cancer. The company has made significant strides in its exosome strategy, and is strategically shifting its business toward higher-value opportunities while maintaining its competitive edge through the best-in-class EXO-NET platform.

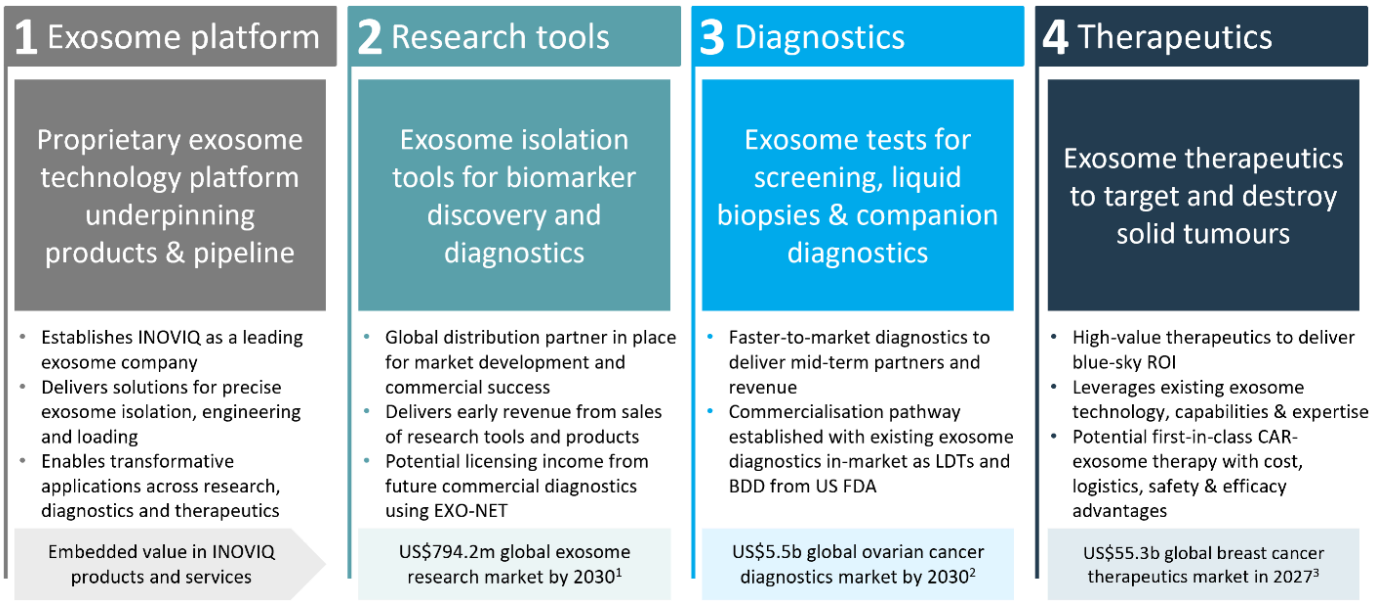
IIQ's powerful exosome technology platform can be used as a research tool and for diagnostics applications, and now the company is expanding its platform to develop exosome therapeutics with its lead pre-clinical CAR-exosome program demonstrating 90% tumour cell death in triple-negative breast cancer (TNBC) and lung cancer cells.

Core exosome strategy – the key to unlocking future opportunities

The scientific rationale rests with exosomes' role in intercellular communication, carrying proteins, nucleic acids and lipids reflective of physiological and disease states. IIQ exploits these nano-sized extracellular vesicles for non-invasive blood-based diagnostics and engineered cell-free therapies, improving cancer management with next-gen solutions.

IIQ has made important progress on executing its key exosome strategy, evolving from commercial-stage research tools to clinical-stage diagnostics and into therapeutics to capture ever-richer market opportunities (see Figure 1). With proprietary technology and a strategic licensing approach, IIQ is positioned to capture a segment of these growing markets.

Figure 1: Strategic pillars – driving growth and value across exosome tools, diagnostics & therapeutics



Source: IIQ, MST Access. 1. Exosomes Market Size And Share | Industry Report, 2030; 2. Grand View Research, Ovarian Cancer Diagnostics Market 2024-2030; 3. Breast Cancer Therapeutics Market Growth, Trends & Dynamics, 2027 (fortunebusinessinsights.com)

Taking increasingly high-value strategic steps, from research tools… IIQ's exosome platform includes its in-market, best-in-class EXO-NET® research tool, which enables researchers to isolate pan-exosomes from body fluids. Additional custom tools (NEURO-NET for brain-derived exosomes and TEXO-NET for tumour-derived exosomes) target and capture specific exosome types using monoclonal antibodies that improve the sensitivity and specificity of informative biomarkers for targeted diseases. EXO-NET is sold through IIQ's global distribution partner, Promega, under a supply and distribution agreement.

…to diagnostics… IIQ has used its EXO-NET technology to develop its own diagnostics. The EXO-OC test, an exosome-based ovarian cancer screening test, has been developed in a collaboration with the University of Queensland. The company is now procuring samples for a larger clinical study across multiple stages, risk groups and confounding diseases, aiming to achieve LDT-ready status by end-2026 and secure US laboratory partners.

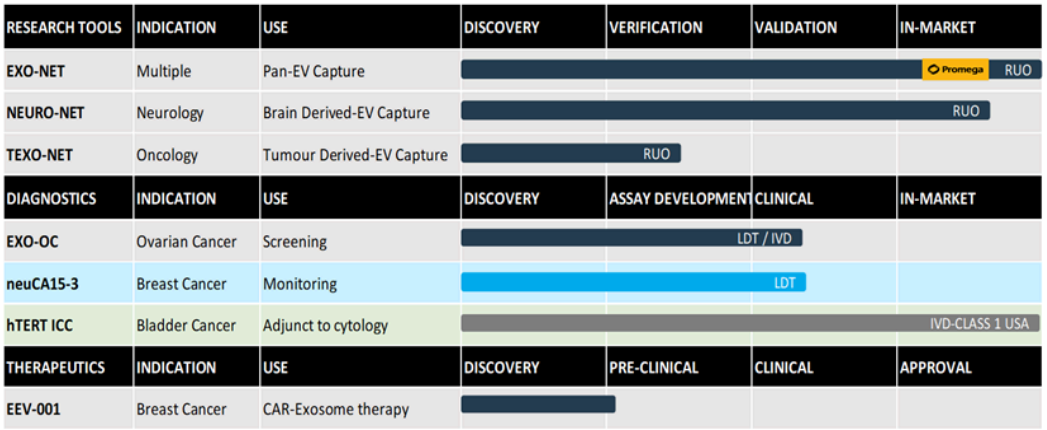
…to therapeutics. The next frontier is IIQ's leap into therapeutics, with the company working to produce safe and effective exosome therapeutics using its EXO-ACE manufacturing technology. The exosomes are engineered to target and kill cancer cells – an approach that leverages CAR-T technology while avoiding its adverse effects. IIQ's EEV-001 CAR-exosome therapeutic targets a significant unmet clinical need for a targeted treatment for TNBC in the US$55 bn global breast cancer therapeutics market.

IIQ's pipeline – multi-stage, multi-technology and moving fast

IIQ is focused on its proprietary exosome technology platform, with additional in-licensed technology for the identification of glycovariant biomarkers (SubB2M technology). The company employs its own proprietary exosome platform for precise exosome isolation, engineering and loading. EXO-NET technology is being used in a range of applications including biomarker discovery, diagnostics development and targeted immunotherapy. EXO-ACE technology is used for the large-scale isolation of therapeutic exosomes. The in-licensed SubB2M glycovariant technology leverages a proprietary engineered protein that binds to Neu5Gc and underpins highly specific assays in development by IIQ for monitoring breast cancer (SubB2M/neuCA15-3) and other cancers.

IIQ's development strategies are focused on expanding its multi-stage portfolio (research tools, diagnostics and therapeutics) through strategic collaborations and commercial partnerships. IIQ's multi-stage portfolio is detailed in Figure 2.

Figure 2: IIQ's portfolio of research tools, diagnostic and therapeutic candidates



Source: IIQ.

Key opportunities in focus – lead products in development

Diagnostics: ovarian cancer screening program – EXO-OC test

IIQ is developing, in collaboration with the University of Queensland (UQ), a high-throughput, non-invasive blood test for the early detection of ovarian cancer in asymptomatic average-risk women, where intervention is more effective. The test uses IIQ's proprietary EXO-NET isolation and combines UQ's proprietary exosomal miRNA biomarkers in an AI-enhanced algorithm to enable early and accurate detection of ovarian cancer.

Targeting US LDT-ready status by the end of 2026: The test has shown outstanding results across all stages of disease. Importantly, the test correctly identified all cases of early-stage ovarian cancer (Stages 1 and 2). This is a significant achievement because women whose cancer is discovered at this stage have a 5-year survival rate of over 90%. IIQ is now procuring samples for a larger clinical study encompassing multiple disease stages, risk groups and confounding conditions, aiming to achieve LDT-ready status by end-2026 and securing US laboratory partners. The enlarged study is intended to more robustly characterise test performance in real-world-like settings, including women with benign gynaecological conditions and other pathologies that can confound existing biomarker-based tests, to help clarify EXO-OC's role within a future screening algorithm. If ultimately approved, the test could not only improve patient survival rates but also position IIQ as a key player in a multibillion-dollar screening market currently lacking approved, accurate and reliable solutions for screening. IIQ holds an exclusive option to license worldwide development and commercialisation rights to the test.

Critical unmet need and major commercial opportunity: Ovarian cancer remains one of the deadliest gynaecological cancers, largely due to the lack of effective early detection methods – over 70% of cases are diagnosed at an advanced stage, contributing to poor 5-year survival rates of just 49%. There is currently no FDA-approved screening test with adequate sensitivity and specificity for population-level screening in asymptomatic women. Early detection is critical as it can increase 5-year survival from 30% to 93%. This presents a significant unmet need and major commercial opportunity with a potential market size of US$4.3 bn by 2032 (Grand View Research).

Therapeutics: targeted therapy for triple-negative breast cancer – NK cell–derived exosomes

The global TNBC therapeutics market is projected to reach US$2.1 bn by 2027 (DelveInsight: Triple Negative Breast Cancer (TNBC) report), highlighting a significant unmet need and substantial commercial opportunity for innovative approaches. One such approach, currently in development, is IIQ's next-generation exosome therapy, which uses CAR-exosome technology. Pre-clinical studies have demonstrated that CAR-exosomes can effectively kill cancer cells in vitro.

IIQ's innovative approach involves the following steps:

1. **Culturing immortalised immune cell bank** – enables continuous production of off-the-shelf immune cells for cost-effective continuous production and logistics.
2. **Engineering immune cells** – such as NK or T cells – to produce chimeric antigen receptors (CARs) specific to EGFR and/or and other tumour-targeting proteins, which are receptors overexpressed by cancer. This gives these CAR-NK/T cells specific tumour-targeting and cancer-killing properties.
3. **Isolating exosomes** from these engineered cells using EXO-ACE technology. These CAR-exosomes inherit the tumour-targeting and cytotoxic properties of their parent cells, enabling them to bind selectively to EGFR-positive TNBC cells and kill them.

This off-the-shelf approach has multiple potential benefits compared with traditional cell-based therapies, such as autologous CAR-T, including enhanced tumour penetration and reduced systemic toxicity. These benefits position this platform as a promising, scalable targeted therapy alternative for difficult-to-treat cancers such as TNBC – a highly aggressive subtype that accounts for 10–20% of all breast cancers, which typically progresses rapidly, has high recurrence and a poor prognosis, especially in metastatic cases. While recent advances in immunotherapy (pembrolizumab) in combination with chemotherapy have improved outcomes for some TNBC patients, there are no targeted therapies available.

In late preclinical development, targeting first-in-human studies by 2028: IIQ is advancing its CAR-exosome therapy candidates through late preclinical development, with several key building blocks already in place. The company has established its master cell banks, securing a stable, well-characterised cellular starting material for consistent exosome production, and has developed proprietary technologies for isolating those exosomes at scale. In-vitro proof-of-concept has been achieved, demonstrating that the exosome-based approach can deliver the intended biological activity in cell-based systems, and IIQ has reported positive in-vivo proof-of-concept results for its proprietary Epidermal Growth Factor Receptor (EGFR)-targeted CAR-Natural Killer (NK)-EVs in a TNBC mouse model. From here, the program will focus on process development, selection of a commercial-grade manufacturing partner, and completion of the enabling non-clinical studies needed to support human testing, and targeting first-in-human studies by 2028.

IIQ's competitive advantage

IIQ competes with companies offering exosome isolation tools, diagnostic assays, and therapeutics. IIQ differentiates itself through its proprietary exosome technology platform and staged portfolio of exosome research tools, diagnostics, and therapeutics. IIQ's product strategy is focused on developing integrated exosome diagnostics and therapeutics for earlier detection and treatment of solid tumours to improve outcomes for cancer patients.

IIQ's exosome platform includes its EXO-NET and EXO-ACE exosome isolation technologies that offer efficiency, specificity and scalability advantages that are embedded in its next-generation diagnostic and therapeutic products for screening, prognosis, monitoring and treatment of cancers.

IIQ's competitive advantages include its patented exosome and glycovariant technologies and its distribution partnership with Promega. However, the company faces challenges from larger, more established players in the diagnostics and therapeutics markets.

Key catalysts for the coming months across multiple fronts

IIQ's near-term focus remains on advancing its clinical program for the company's ovarian cancer screening test, with clinical studies already underway. Management expects to progress both the in-vitro diagnostics *(*IVD) and regulatory strategy through 1HCY26, with reporting of interim clinical data anticipated in that period. This will be followed by partnering activities aimed at supporting final analytical and clinical validation work within a partner laboratory, paving the way for a US laboratory-developed test (LDT) launch in 2027. The program represents an important milestone for the company, its stakeholders, and ultimately patients.

On the exosome therapeutic (CAR-exosome) program, IIQ intends, following the recent positive in-vivo efficacy data, to commence manufacturing and preclinical studies in both breast and ovarian cancer indications. The company continues to leverage its fully integrated exosome-based diagnostic and therapeutic platform, positioning itself uniquely to both detect and treat ovarian cancer—addressing a key unmet clinical need. With approximately $14m in cash, IIQ is well funded to execute on its clinical and corporate milestones through the next phase of growth.

Key catalysts include :

Completion of EXO-OC clinical study: IIQ has procured and enrolled patient samples for a larger clinical study, designed to evaluate test performance across all OC stages, relevant high-risk groups and key confounding diseases. Completion of this study could be a meaningful catalyst for IIQ stock.

Clinical and regulatory milestones for EXO-OC: IIQ will pursue Breakthrough Device Designation (BDD) and FDA approval through the Premarket Approval (PMA) process, with a pivotal clinical study required to evaluate the test's effectiveness for detecting ovarian cancer in asymptomatic, average-risk women. The successful completion of these milestones has the potential to significantly enhance interest from both prospective partners and investors.

Commercialisation milestones for EXO-OC: The test will be introduced initially as a LDT via a US laboratory partner, facilitating early utilisation of this screening modality for the detection of early-stage ovarian cancer. Partnering discussions have commenced with IIQ, indicating a deal could be secured in CY2026.

Revenue growth for EXO-NET research tools: IIQ continues to increase its customer base for its EXO-NET exosome research tools with its distributor Promega, implementing new combination product initiatives, and expanding partnering for exosome diagnostics with major players to grow sales and future licensing revenue worldwide.

Commercialisation milestones for neuCA15-3 breast cancer test: In 2HCY25, IIQ published a peer-reviewed paper demonstrating that its neuCA15-3 blood test outperforms the current FDA-approved CA15-3 test for breast cancer detection, especially in early-stage disease. Additional clinical data or partnering progress could act as catalysts.

Valuation: A$4.36/Share, Driven by EXO-OC

Methodology and key assumptions

Notwithstanding cash of A$13.8m as at 31 December 2025, we are maintaining our valuation of IIQ at A$558m or A$4.36 per share (A$4.05 per share on a fully diluted basis), pending the release of detailed interim results. This valuation uses a risk-adjusted net present value (rNPV) framework, which discounts projected future cash flows through to 2045, aligned with the expected expiry of IIQ's current patent families. It also uses a sum-of-the-parts approach to capture the breadth of IIQ's portfolio, spanning marketed products and a pipeline of clinical programs in oncology and women's health diagnostics, and incorporates the company's net cash position of A$6.5m as of 30 June 2025 to reflect balance sheet support for ongoing R&D and commercialisation efforts.

Key valuation driver: EXO-OC

Our overall IIQ valuation is driven primarily by our valuation of the EXO-OC ovarian cancer screening test. EXO-OC has yielded compelling clinical data and robust intellectual property protection, positioning the test as a leading candidate for early detection of ovarian cancer. Our valuation incorporates an estimate of approval for this program of 50%, given recent clinical validation data demonstrating high sensitivity and specificity for early-stage ovarian cancer detection, as well as the advancement of the program toward a Laboratory Developed Test (LDT) launch which we model in 2027. After LDT launch, our model assumes that IIQ will out-license the in-vitro diagnostic (IVD) test to a major diagnostic partner. We expect this partner will assume responsibility for subsequent clinical development and regulatory submissions, including pursuit of FDA approval via the pathway for IVD approval (which we model as occurring in 2029), thereby enabling broader clinical adoption and market reach.

Other assumptions in our valuation

Figure 3 summarises our key assumptions in valuing IIQ for each technology platform, specifically highlighting the expected years of launch and the likelihood of approval based on the stage of development. Key assumptions in valuing IIQ include the following:

- Discount rate of 12.5%
- Net cash of A$6.5m as of 30 June 2025 vs net cash of A$13.8m as of 31 December 2025
- AUD/USD of 0.65
- EXO-OC and CAR-EV forecast cash flows target the US and EU5 addressable markets (UK, Germany, France, Italy, Spain).
- SubB2M future cash flows based on use as LDT in US only
- A$16m capital raise over FY26 and FY27 contingent on cash flow, licensing income, or non-dilutive funding sources (e.g. government grants)

Figure 3: rNPV breakdown for IIQ valuation

Technology platform	Indication	Application	Launch (CY)	NPV (US$m)	Likelihood of approval		rNPV (A$m)	
SubB2M	Ovarian Cancer	Monitoring	2027 (LDT)	21	15%		4	
SubB2M	Breast Cancer	Monitoring	2026 (LDT)	44	50%		34	
EXO-NET Research Use Only	Various	RUO	On market	60	100%		92	
EXO-NET DX (Clinical)	Ovarian Cancer	Screening	2027 (LDT), 2029 (IVD)	611	50%		399	
CAR-EV	Triple Negative Breast Cancer	Therapeutic	2035	1,063	4%		73	
hTert	Bladder cancer	Adjunct test	On market				2	
Other Income							7	
Operating expenses FY26-FY36							-62	
					Cash on hand (A$) as at 30 June 2025		7	
					Total rNPV (A$m)	A	556	
					Shares on Issue (m)	B	111.6	
					Assumed additional shares issued from MST forecast capital raise (m)	C	16.0	*FY27 @A$1 per share*
					rNPV per share (A$)	D	4.36	***D = A/(B+C)***
					Options (m)	E	9.8	
					rNPV per share (A$)	F	4.05	***options exercised @ A$1)***
								F = A/(B+C+E)

Source: MST estimates.

Sensitivities and risks

Our valuation is sensitive to the timely achievement of milestones that could act as potential share price catalysts, several of which are outlined on page 8 of this report. In addition, two key risks to our valuation of IIQ are the demonstration of safety and efficacy in detecting and treating specified cancers, and compliance with regulatory requirements across multiple markets. Other sensitivities and risks are detailed below.

Technology transfer

Diagnostics: The success of IIQ's diagnostic development programs, including EXO-OC and SubB2M, depends on both the validation of underlying biomarkers and the development of robust testing formats (such as immunoassays and PCR-based assays). The selection and validation of reagents, antibodies, and laboratory tools are critical to the performance and reproducibility of these tests. This introduces risk related to technology transfer and the adaptability of assays across different laboratory environments. IIQ's high-throughput EXO-NET technology and focus on partnering with leading clinical laboratories will help standardise protocols and ensure quality control during technology transfer.

Therapeutics: For exosome-based therapeutics, technology transfer risks arise from the need to scale up and maintain consistent production of engineered exosomes, with the complexity of exosome isolation and modification potentially affecting product quality and therapeutic consistency. IIQ's proprietary EXO-ACE platform is designed for scalable, high-purity exosome production, supporting reproducible manufacturing and easing technology transfer to contract manufacturing partners.

Funding

Diagnostics and therapeutics: Notwithstanding cash of A$13.8m as at 31 December 2025, over the medium to longer term, IIQ remains exposed to funding risk as development and clinical costs can escalate under its chosen diagnostics regulatory pathway (LDT followed by PMA), potentially necessitating additional trials and higher spend. The absence of a major development partner increases the prospect of further capital raises and shareholder dilution. As such, IIQ's pursuit of strategic partnerships and non-dilutive funding (for example, grants) is important, because successful arrangements would help mitigate funding risk and ease balance-sheet pressure**.**

Competition

Diagnostics: While there is strong clinical interest in early cancer detection, ovarian and breast cancers currently lack an approved early blood test, leaving room for new entrants. IIQ's focus on novel exosome-based biomarkers for early detection and AI-enhanced algorithms provides a competitive edge in differentiating its tests from existing options for pre-surgical triage and monitoring ovarian cancer.

Therapeutics: Competition in the exosome therapeutics space is intense, with multiple companies developing engineered exosomes for oncology and other indications. IIQ's proprietary CAR-exosome technology and unique targeting strategies position it to address unmet needs in difficult-to-treat cancers.

Development and commercialisation

Diagnostics: New product development relies on translating promising discovery data into validated testing formats, using large clinical sample sets, and commercial success will depend on demonstrating added value over current standards. IIQ is leveraging large biobanks and prospective sample collections to validate its tests and is actively engaging with key opinion leaders to highlight the clinical benefits of its products to detect early-stage ovarian cancer, where there are no approved tests.

Therapeutics: The transition from pre-clinical to clinical development requires robust in-vivo validation and scalable manufacturing. IIQ's planned in-vivo studies and GMP-compatible manufacturing processes support the progression of its therapeutic candidates to clinical studies.

Regulatory approval

Diagnostics: Regulatory oversight of diagnostic tests is fragmented, with multiple frameworks (FDA, CLIA, CE-IVD) and evolving guidelines for exosome-based products. IIQ is pursuing FDA Breakthrough Device Designation for its EXO-OC test, which can accelerate regulatory review and approval.

Therapeutics: The regulatory landscape for exosome-based therapeutics is still evolving, with agencies developing new guidelines. IIQ is closely monitoring regulatory developments and engaging with agencies to ensure compliance with emerging standards.

Reimbursement

Diagnostics and therapeutics: Reimbursement is a key determinant of adoption and commercial success, dependent on cost and efficacy relative to current options. IIQ intends to conduct health economic studies to demonstrate the value of its tests and therapeutics to support reimbursement decisions.

Intellectual property

Diagnostics and therapeutics: A strong patent position is essential to protect IIQ's innovations and create barriers to entry for competitors. IIQ is actively expanding its patent portfolio to cover its exosome isolation, diagnostic, and therapeutic technologies.

Exosome-specific challenges

Diagnostics and therapeutics: Commercialising exosome-based technologies requires standardisation of isolation and characterisation methods, scalable manufacturing, and clear regulatory pathways. IIQ's proprietary platforms (EXO-NET, EXO-ACE and trade secrets) address these challenges by providing standardised, scalable, and reproducible processes for exosome isolation, engineering and loading to enable applications across research, diagnostics and therapeutics.

Personal disclosures

Chris Kallos, CFA received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

Company Disclosures

Company disclosures

INOVIQ (IIQ.AX) | Price A$0.34 | Valuation A$4.36;

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Additional disclosures

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: INOVIQ (IIQ.AX)

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