13th January, 2026

Confidential – For the information of the addressee only – Not for distribution

Dear Shareholder,

I am writing to provide an update on Servatus, which outlines:

- Servatus' current position
- Recent Board decisions
- An upcoming eligible shareholder Rights Issue (capital raise)
- Q&As covering the changes to our strategy (in the attached presentation)

At the end of this email there are links to important documentation. Please take the time to read the attached presentation and letter from the Board. They provide important information and may answer some of your immediate questions. Please also right-click to download the images that form part of the body of the message below.

In summary

- For the immediate future, Servatus will pause the drug development program and focus solely on the growth of the consumer business, Biomiq.
- In the view of the Board, Biomiq is performing very strongly and now represents the highest value near-term growth and value driver.
- As a result of this strategic refocus on Biomiq, the immediate funding needs of Servatus are significantly reduced.
- The Board anticipates that, based on current indicative budgets and plans and assuming that the rights issue is fully subscribed and all options under the rights issue are exercised into ordinary shares, Servatus will have sufficient funds to execute its business plan that is seeking to achieve breakeven within 15 to 18 months.
- We do need to raise an amount of $1.3m above the contribution from directors, by end of February 2026, to continue to progress the Biomiq business plan, noting that if the rights issue is not fully subscribed or options under the rights issue are not exercised then further funds are anticipated by the Board to be required to be raised in future.
- If Servatus is not able to raise these funds, the directors will need to consider potential alternatives for Servatus having regard to the lack of sufficiency of funding.
- The opportunity to participate in the capital raising is initially exclusively offered to existing eligible shareholders, at what the Board considers to be an attractive price.

The Board understands that the strategy changes may come as a surprise, particularly given the strong progress Servatus has made over the past 24 months in both the clinical development and consumer health programs.

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Unfortunately, the mandated, broker-led institutional capital raise in 2025 seeking up to A$10 million at a pre-money valuation of A$50 million did not complete within the required timeframe. As Servatus did not raise the capital that was required to move the clinical program forward to the next stage, the Board has had to respond quickly and responsibly to put in place a proposed, appropriate funding strategy.

What has changed

Servatus built two unique business units out of our microbiome technology and manufacturing platform: clinical drug development and microbiome targeted consumer health products. These two businesses each have different funding requirements and different capital use plans. Equally, each represent a different valuation proposition.

Given the uncertainty as described above of sourcing the required funding for drug development activities, the Board has determined that it is not appropriate to continue operating with elevated costs and to continue to invest in the Rhuematoid Arthritis clinical trial program, in the short-term. Activating this program in the future may take place through a special purpose vehicle, through IP placement into a commercialisation partner or via access to material non-dilutive funding through government programs.

The Board has now implemented a short-term strategic refocus. Specifically, this means pausing further expenditure on the clinical program while preserving its long-term value, and focusing the business entirely on Biomiq, which is generating revenues, performing strongly and growing faster than expected.

This refocus has significantly reduced operating costs and near-term capital requirements, while maintaining a clear path to future value creation.

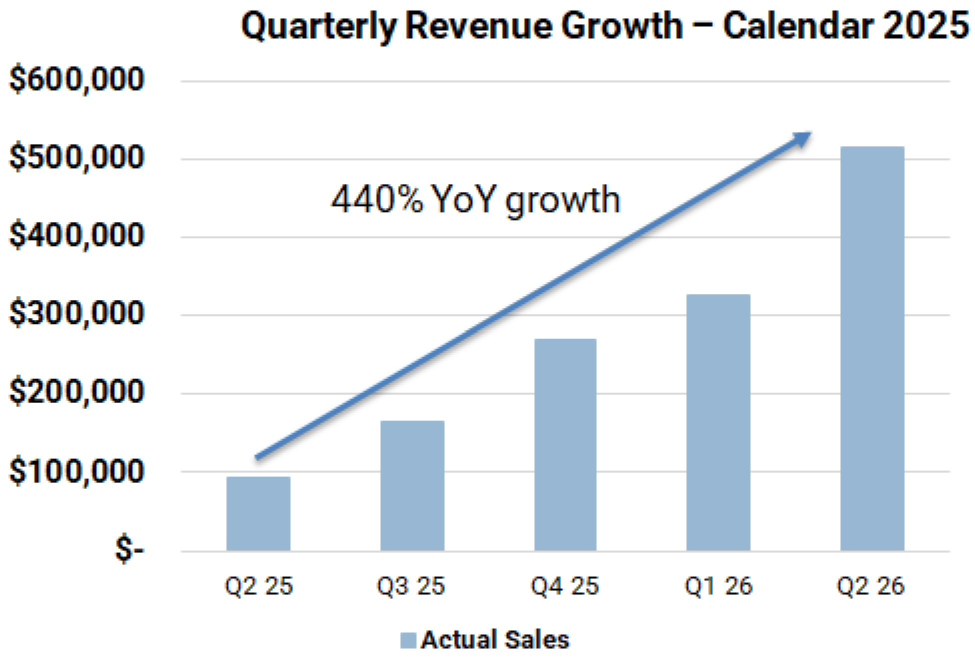
Why Biomiq matters now

Servatus established the Biomiq business both as a stand-alone commercial opportunity and also as a risk hedge against the binary nature of drug development. That strategy is now proving its value.

Biomiq:

1. Anchors a clear and defensible valuation for this proposed capital raise on a stand-alone basis;
2. Provides eligible shareholders who choose to participate in the rights issue (refer further below) with a potential pathway to attractive returns; and
3. May underpin future funding required to recommence the drug development clinical program at a later date.

Biomiq currently has a unique value proposition in global skincare markets as a leader in the emerging category of microbiome skincare. Biomiq's technology, treating common skin conditions and improving skin health and appearance, passed commercial validation in 2025 and is rapidly moving into the scaling and growth phase of the business.



Biomiq revenue grew more than 440% year on year since the December 2024 quarter and delivered record revenue of over $510,000 in the December 2025 quarter. Customer repeat rates, user feedback, and reviews are indicative of the strength of the underlying business. Management has established a clear path to breakeven and value creation over the next 12-18 months without including the upside of multiple potential new revenue streams currently being pursued, including a distribution deal into China, on-shelf chemist distribution and access to the US market via Amazon.

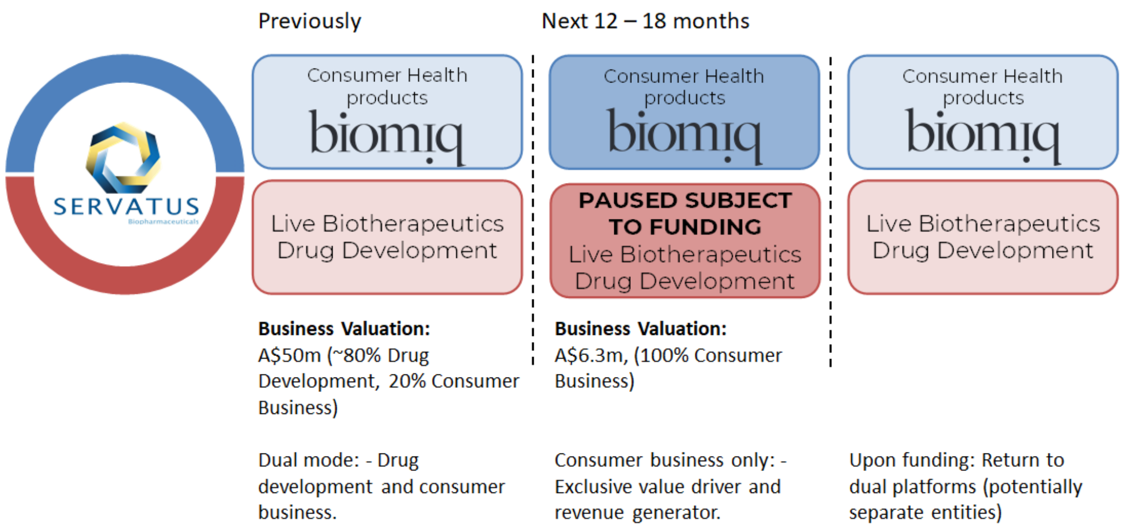
Valuation multiples (via trade sales or ASX listing) for break-through skincare or consumer healthcare companies with proven revenue growth, customer loyalty and a path to breakeven have the potential to be very generous (4.5-7x revenue, please refer to page 18 of the attached presentation for benchmarks). A good comparative example is the ASX listed company BIOME (ASX:BIO). Biome sells probiotic products domestically through banner pharmacies. In 2025 the company reached breakeven with revenues of $18.1m, with a market capitalization (05/01/2026) of approximately $95m, or 5.2x revenue.

The Biomiq business metrics are positive and we are well positioned to grow quickly.

Shareholder Rights Issue (capital raise)

The Company is immediately targeting to raise capital of up to approximately $3.15 million in 2026. Participation is offered initially and exclusively to eligible sophisticated and professional shareholders via a one for two Rights Issue. Eligible shareholders will also be able to apply for additional securities in excess of their entitlement from the shortfall (if any) of the Rights Issue.

The valuation used for the Rights Issue is anchored solely to Biomiq, based on a pre-money value of circa $6.3 million (equating to a multiple of around 3x annualised December 2025 quarterly revenues), meaning eligible shareholders will have the opportunity to invest in Servatus at a price per share of $0.025, with each share to be accompanied by one free-attaching option to acquire a further share ($0.05 exercise price, expiring 31 January 2027). The value of a clinical trial program (once resumed) now represents a blue-sky opportunity not priced into the pre-money valuation for this capital raise.



It must be emphasised, the pre-money valuation used for the raising, being anchored on Biomiq only, reflects the most tangible and controllable value driver over the next 18 months, not a deterioration in the Intellectual Property and know-how underpinning the clinical trial program.

Any shares and options not taken up by shareholders under the Rights Issue (including the shortfall) may be offered to sophisticated and professional investors identified by Servatus.

Alignment and Governance

Over the years, many people have made very large financial commitments and personal sacrifices to support the success of Servatus. Speaking personally, I have done this because I see firsthand the potential of the business and the capability of the people involved. Despite the current setback, I believe, we will be a very successful company in a relatively short time frame.

Subject to the successful completion of the raise, the Board also anticipates changes, including the appointment of Mr Peter Brannighan as Chairman. Mr Brannighan is a long-term shareholder with significant Chairman experience and expertise in corporate governance. His professional profile is included in the attached presentation. Several existing directors will step down as part of this transition.

Mr Mark Williams, Dr Anthony Noble, Mr Rodney Loone, Mr Brannighan and several senior staff, intend to make a significant equity investment in this round at least $500,000 as cash-in ($250,000) and salary sacrifice ($250,000). This reflects our confidence in the business and our alignment with shareholders.

To ensure adequate funding the company needs to raise a minimum of an additional $1.3m (of the $3.15m maximum amount) by the end of February which will allow us to continue the Biomiq business operating under the newly established cost base and would then seek to place the shortfall amount over the course of 2026, ensuring our capacity to grow the business to its full potential and recognise maximum value for shareholders.

How to take up the offer

Each shareholder is guaranteed the right to take up one share, at the discounted 2.5c per share price, for each two shares that they hold. Shareholders are also encouraged to take up further shares at this price (shortfall allocation policy is available in the offer booklet).

To enable shareholders to calculate their desired level of investment in this round, the company has prepared a ready-reckoner into which you may enter your previous investments to determine the amount you wish to bid for this rights issue to achieve a particular return and this has been provided to you along with this letter, in the email.

Next steps

The company will be contacting shareholders shortly to arrange calls and an information session to discuss the business, the funding requirements, and investment opportunity in more detail.

Please read the attached presentation carefully and don't hesitate to contact me directly if you have any questions.

Thank you for your continued support of Servatus.

Kind regards,
Mark Williams
Chief Executive, Servatus Limited

Please note: This email is not an offer by Servatus (whether on particular terms or at all). Materials for the Rights Issue are anticipated to be dispatched to eligible shareholders (being shareholders understood by the company to be sophisticated and professional investors under section 708 of the Corporations Act 2001 (Cth)) in mid-January 2026. Participation in the Rights Issue is also subject to applicable law.

Also, no invitation or offer is made, and there is no intention to make any invitation or offer, to any shareholder who is not a sophisticated or professional investor under the Corporations Act 2001 (Cth).