MICROBA™

Prospectus

MICROBA LIFE SCIENCES LIMITED
ACN 617 096 652

Fully underwritten Initial Public Offer

Prospectus for the issue of 66,666,666 fully paid ordinary shares in Microba Life Sciences Limited at an Offer Price of $0.45 per ordinary share to raise $30 million.

Important Information

This Prospectus is an important document that should be read in its entirety before making an investment decision. You should seek professional advice if you have any questions about the New Shares being offered under this Prospectus, or any matter relating to an investment in the Company.

An investment in New Shares offered by this Prospectus is considered to be speculative.

Financial Advisor, Joint Lead Manager and Underwriter:

Bell Potter Securities Limited
ACN 006 390 772

BELL POTTER

Joint Lead Manager and Underwriter:

Canaccord Genuity (Australia) Limited
ACN 075 071 466

cg Canaccord Genuity Capital Markets

Important Information

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the New Shares being offered under this Prospectus, or any matter relating to an investment in the Company. An investment in New Shares offered by this Prospectus is considered to be speculative.

Offer

This Prospectus is issued by Microba Life Sciences Limited ACN 617 096 652 (**Microba** or the **Company**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Offer contained in this Prospectus is an invitation to apply for 66,666,666 new fully paid ordinary shares (**New Shares**) in the Company (**Offer**) as part of the initial public offering of Microba on the Australian Securities Exchange operated by ASX Limited (**ASX**).

No New Shares will be issued under the Offer unless Applications for 66,666,666 New Shares are received.

Lodgement and listing

This Prospectus is dated 11 February 2022 (**Prospectus**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**).

Microba will apply to the ASX within seven days of the Prospectus Date for admission of the Company to the Official List and Quotation of its Shares on the ASX.

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their Holding Statements.

Expiry date

No New Shares will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

Exposure Period

The Corporations Act prohibits the Company from processing Applications to subscribe for New Shares under this Prospectus (**Applications**) in the seven-day period after the Prospectus Date (the **Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Applications may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs.

It is important that you read this Prospectus carefully and in its entirety and seek professional advice where necessary before deciding whether to apply for New Shares in the Company.

In particular, you should consider the risk factors that could affect the performance of Microba. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional advice from your stockbroker, solicitor, accountant, tax advisor or other independent and qualified professional advisor before deciding whether to invest in New Shares. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of Microba. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company, the Joint Lead Managers or any other person in connection with the Offer. You should only rely on information contained in this Prospectus.

Disclosing entity

Once admitted to the Official List, the Company will be a disclosing entity for the purposes of the Corporations Act and as such will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Refer to Section 12.12 for further information.

Financial information presentation

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 4. Section 4 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that information.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest $1,000 unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Unless otherwise stated or implied, all pro forma information in this Prospectus gives effect to the pro forma adjustments referred to in Section 4.

Independent Limited Assurance Report

The Independent Limited Assurance Report is provided in Section 8 of this Prospectus.

Forward-looking statements

This Prospectus may contain forward-looking statements, which may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects' or 'intends' and other similar words that connote risks and uncertainties. Certain statements, beliefs, and opinions contained in this Prospectus, in particular those regarding the possible or assumed future financial or other performance, industry growth or other trend projections are only predictions and subject to inherent risks and uncertainties.

Except as required by law, and only to the extent so required, neither the Company, its Directors nor any other person gives any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward-looking statements.

Any forward-looking statements are subject to various risk factors, many of which are beyond the control of the Company and its Directors that could cause Microba's actual results to differ materially from the results expressed or anticipated in these statements.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus date, are expected to take place.

Forward-looking statements should be read in conjunction with the risk factors set out in Section 5 and other information in this Prospectus.

The Company has no intention to update or revise forward-looking statements, or to publish prospective Financial Information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

This Prospectus, including the industry overview in Section 2, uses market data and third-party estimates and projections. There is no assurance that any of the third-party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the key risk factors set out in Section 5.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation to subscribe for New Shares in any jurisdiction outside Australia in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. For further information see Section 7.21 of this Prospectus entitled "Foreign selling restrictions."

No action has been taken to register or qualify this Prospectus, the New Shares or the Offer or otherwise to permit a public offering of the New Shares in any jurisdiction outside Australia. In particular, the New Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. This Prospectus may only be distributed in the United States to Institutional Investors by a registered US broker-dealer of the Joint Lead Managers and only if this Prospectus is accompanied by the US Offering Circular.

Applications

Applications may be made only during the Offer Period on the appropriate Application Form attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from https://www.microba.automicipo.com.au/.

By making an application, you represent and warrant that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

Electronic prospectus

The Company proposes to make this Prospectus available on its offer website at https://www.microba.automicipo.com.au/.

The Offer constituted by this Prospectus in electronic form is available only to persons within Australia. Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus.

Persons having received a copy of this Prospectus in its electronic form may, before the Closing Date of the Offer, obtain a hard copy of this Prospectus free of charge by contacting the Microba Offer Information Line on 1300 288 664 (within Australia) +61 (2) 9698 5414 (from outside Australia) between 8:30am and 5:00pm Melbourne time, Monday to Friday (except public holidays). Applications for New Shares may only be made on an Application Form attached to, or accompanying, this Prospectus, or in its paper copy form which must be downloaded in its entirety from https://www.microba.automicipo.com.au/.

The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus, which should form the basis of your investment decision.

No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares issued under a Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Speculative investment

An investment in the New Shares offered under this Prospectus should be considered speculative. Refer to Section 5 for details of the key risks applicable to an investment in Microba. Persons wishing to apply for New Shares offered under this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of Microba and the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus.

This Prospectus does not take into account the investment objectives, financial, taxation or particular needs of any Applicant. Before making an investment in Microba, each Applicant should consider whether such an investment is appropriate to their particular needs and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances.

If persons who are considering applying for New Shares offered pursuant to this Prospectus have any questions, they should consult their accountant, stockbroker, lawyer, or other professional advisor.

There is no guarantee that the New Shares offered under this Prospectus will make a return on capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Privacy

By filling out and submitting an Application Form to apply for New Shares, you are providing personal information to Microba through Microba's service provider, the Share Registry. Microba, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, Microba and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by Microba which it considers may be of interest to you.

Your personal information may also be provided to Microba's agents and service providers on the basis that they deal with such information in accordance with Microba's privacy policy and as authorised under the *Privacy Act 1988* (Cth). Microba's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- the Joint Lead Managers and Underwriters in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and handling mail;
- market research companies for the purpose of analysing Microba's shareholder base and product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisors for the purpose of administering, and advising on, the New Shares for associated actions.

You may request access to your personal information held by (or on behalf of) Microba. You may be required to pay a reasonable charge to the share registry in order to access your personal information.

You can request access to your personal information by writing to or by telephoning the Share Registry as follows:

Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

1300 288 664 (within Australia)
+61 (2) 9698 5414 (from outside Australia)
between 8:30am and 5:00pm Melbourne time, Monday to Friday (except public holidays).

If any of your information is not correct or has changed, please contact the Share Registry or Microba to update your information. In accordance with the requirements of the Corporations Act, information on the Share Register will be accessible to certain members of the public.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Offer management

The Offer is jointly managed and fully underwritten by Bell Potter Securities Limited ACN 006 390 772 and Canaccord Genuity (Australia) Limited ACN 075 071 466.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

Defined terms and time

Some of the terms and abbreviations used in this Prospectus have defined meanings. These are capitalised and are defined in Section 15 of this Prospectus. Unless otherwise stated or implied, a reference to a time is a reference to Sydney and Melbourne time.

Contents

Microbiome science is changing medicine and transforming disease management

"Testing, understanding and modifying the microbiome is key to addressing many diseases and improving our health. Microba's leading technology is driving this health transformation"

Professor Ian Frazer – Director, Microba Life Sciences Limited
Clinical Immunologist and inventor of the Gardasil Vaccine.

Key Offer Information

Important dates	
Prospectus Date	11 February 2022
Opening Date of Offer	21 February 2022
Closing Date of Offer	14 March 2022
Issue Date of the following at IPO Completion: • New Shares • Director Options	29 March 2022
Expected despatch of Holding Statements	31 March 2022
Shares expected to begin trading on ASX (on a normal settlement basis)	5 April 2022

Dates may change

The above dates are subject to change and are indicative only. The Company (in consultation with the Joint Lead Managers) reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants. Applicants are encouraged to submit their Applications as early as possible. If the Offer is cancelled before the issue of New Shares, then all Application Money will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Key Offer statistics

Securities on issue as at Prospectus Date	
Number of Existing Shares on issue at the Prospectus Date[1]	207,691,332
Number of Existing Options on issue at the Prospectus Date[2]	17,600,000
Number of Director Options on issue at the Prospectus Date	Nil
Securities offered under this Prospectus	
Offer Price per New Share	$0.45
Total number of New Shares offered under the Offer	66,666,666
Securities on issue at IPO Completion	
Total number of Shares on issue on completion of the Offer[3]	274,357,998
Total number of Options on issue on completion of the Offer[4]	18,800,000
Total number of Shares on issue on completion of the Offer and assuming all Options are exercised	293,157,998
Financial metrics	
Gross proceeds of the Offer	$30,000,000
Market capitalisation post Offer at the Offer Price[5]	$123,461,099
Enterprise value[6]	$85,971,924

Notes:

1. Details of the Shares on issue are set out in Section 12.2.
2. Details of the Existing Options on issue are set out in Section 12.4.
3. The total number of Shares on issue on completion of the Offer includes approximately:
   - 160,374,750 Existing Shares held by Existing Shareholders that will be subject to escrow arrangements for various periods as described further in Section 12.8; and
   - 66,666,666 New Shares plus 47,316,582 Existing Shares that are not the subject of any escrow agreements.
4. Details of the Existing Options and the Director Options are set out in Section 12.4.
5. Calculated as the total number of Shares on issue following the Offer multiplied by the Offer Price.
6. Enterprise value calculated as the sum of market capitalisation of Microba at the Offer Price less the net cash and restricted cash contained in the pro forma balance sheet (see Section 4.5 for further details).

How to invest

Applications for New Shares can only be made by completing and lodging an Application Form contained in this Prospectus. Instructions on how to apply are set out in Section 7 and on the back of the Application Form. Applications must be for at least 4,445 New Shares.

Questions

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1300 288 664 (within Australia) +61 (2) 9698 5414 (from outside Australia) between 8.30am and 5.00pm Melbourne time, Monday to Friday (except public holidays).

All enquiries in relation to the Broker Firm Offer should be directed to your Broker.

If you are unclear in relation to any matter, or are uncertain as to whether Microba is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to apply for New Shares.

Chair's Letter

Dear Investor,

On behalf of the Board of Directors of Microba Life Sciences Limited (**Microba**, or **Company**), we are delighted to invite you to become a Shareholder of the Company.

Microba is a precision microbiome company with world leading technology developed at the University of Queensland (**UQ**) by Microba's founders, Professor Philip Hugenholtz and Professor Gene Tyson, who are recognised among the world's most influential researchers of the past decade in this field.

Microba operates in the emerging US$4.89 billion gut microbiome sector impacting the chronic disease management market. The world leading technology developed by Microba is tapping into a growing body of research demonstrating that the gut microbiome plays a central role in health and disease which is driving demand for products and services to influence the gut microbiome and improve human health.

Microba is a commercial stage gut microbiome company that provides microbiome testing services to healthcare practitioners and consumers (via distributors) powered by the Company's world leading gut microbiome Analysis Platform. From these services, the company has built a proprietary microbiome Databank. The company is applying proprietary methods and artificial intelligence to the Databank to identify and develop multiple therapeutic candidates to address major chronic diseases.

Microba is executing on its strategy via its three complementary business pillars:

(a) **Microbiome Services** – Microba is an established leader in microbiome testing with over 20,000 microbiome test reports sold to date and market leading distribution partners including SYNLAB (EU), Genova Diagnostics (US), Psomagen (US), G42 (Middle East) and Metagenics (AU & NZ).

(b) **Proprietary Databank** – a large, unique, proprietary microbiome Databank comprising of over 1.2m microbial genomes. Microba's Databank has enabled the Company to identify novel therapeutic leads not identified by others.

(c) **Microbiome Therapeutics** – Microba leverages its growing Databank through a repeatable Therapeutics Platform to develop novel microbiome therapeutics. Microba has established multiple therapeutic programs, including for Inflammatory Bowel Disease with a Phase 1b clinical trial planned to commence in late 2022.

Microba has recently signed a therapeutic development agreement with NYSE Listed Ginkgo Bioworks (NYSE: DNA)[1] to address three autoimmune conditions. The Company's strategy is to partner or license our therapeutic assets with large pharmaceutical companies to leverage their capabilities in clinical trials and commercialisation.

The Offer will enable Microba to accelerate the growth of its Services and Therapeutics business and further develop its platform technology.

This Prospectus contains detailed information about the Offer, and, the financial and operating performance of Microba. It also includes a description of the key risks associated with an investment in Microba. We encourage you to read the Prospectus carefully and in its entirety before making your investment decision. You should seek professional advice as necessary before making an investment decision. In particular, the risks of investing in an early-stage company must be considered in full and the key risks for Microba are set out in Section 5. Any investment in Microba should be considered speculative.

We believe this is an exciting Offer for investors and on behalf of the Board, we look forward to welcoming you as a Shareholder.

Yours sincerely

Pasquale Rombola
Chair

Ian Frazer (AC)
Deputy Chair

1. The agreement was entered into between Microba Pty Ltd, a wholly-owned subsidiary of Microba, and Ginkgo Bioworks, Inc, a wholly-owned subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA).

1.

Investment Overview

1. Investment Overview

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for New Shares, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisors.

1.1 Introduction and key features of Microba's business model

Topic	Summary	For more information
Who is the issuer of this Prospectus?	Microba Life Sciences Limited ACN 617 096 652 (**Microba** or **Company**), a company incorporated in Australia is the issuer of this Prospectus.	Sections 3 and 12.1
What is Microba's business and what industry does it operate in?	Microba is a commercial stage company with leading technology for measuring the human gut microbiome which is: • delivering gut microbiome testing services globally to consumers, clinicians, and researchers; and • driving the discovery and development of novel therapeutics for major chronic diseases. Gut health and the microbiome is a critical aspect of our overall health and well-being. The gut microbiome contains trillions of organisms that reside in the large intestine which help digest our food and perform functions which support our health. Over the last decade, over 50,000 research studies have demonstrated that the gut microbiome plays a critical role in human health and disease. Products in the gut microbiome market can be split into two broad segments: • **Testing:** microbiome testing and analysis services developed either for personal or research use; and • **Therapeutics:** microbiome-based therapeutics to address disease. Microba is endeavouring to position itself as a leading provider in the delivery of microbiome testing services and therapeutics through three key business pillars: • **Microbiome Services** – Personal and research microbiome testing services with over 20,000 microbiome test reports sold to date and newly established distribution partners across the United States, Europe, Middle East, Australia, and New Zealand. • **Databank** – Large, unique, proprietary Databank comprising of over 1.2m microbial genomes and driving the discovery of novel therapeutic leads. • **Microbiome Therapeutics** – A repeatable Therapeutics Platform with multiple therapeutic programs, including for Inflammatory Bowel Disease with a Phase 1b clinical trial planned to commence in December 2022. Microba's core technology has been extensively validated and benchmarked against competing technologies, and published in the peer-reviewed journal Frontiers of Microbiology demonstrating the technology as best in class. Microba is seeking to accelerate the growth of these business pillars, and the further development of its underlying technology platforms through the use of funds obtained as a result of the Offer.	Sections 2.1, 2.6-2.9 and 3.1
What is the offer?	Microba is offering to issue 66,666,666 New Shares at $0.45 per New Share to raise gross proceeds of approximately $30 million (before costs and expenses) (the **Offer**). All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all Existing Shares. The Offer is comprised of a fully underwritten: • Broker Firm Offer; • Institutional Offer; and • Chairman's List Offer.	Section 7

Topic	Summary	For more information
Why is the Offer being conducted?	The Offer is being conducted to: • raise funds to strengthen Microba's statement of financial position and provide working capital to meet the proposed expenses as set out in Section 7.4; • provide Microba with additional financial flexibility through improved access to capital markets; • provide a liquid market for Shares and an opportunity for others to invest in the Company; and • provide Microba with the benefits of an increased profile that comes from being a Listed company.	Sections 7.4 and 7.5

1.2 Key Features of Microba's business model

Topic	Summary	For more information
What is the background to the Company?	Microba's core technology was developed over more than 15 years by Professor Philip Hugenholtz (Co-Founder, Chair of Scientific Advisory Board) and Professor Gene Tyson (Co-Founder, Non-Executive Director) over the course of their careers spanning tenure at esteemed research institutes such as University of California Berkeley, Massachusetts Institute of Technology, the Joint Genome Institute and The University of Queensland. Professors Hugenholtz and Tyson have led the development and application of many industry standards for microbiome analysis and are recognised among the world's most influential researchers of the past decade in their field. In 2019, 2020 and 2021 both Professors were ranked in the prestigious Clarivate 'Highly Cited Researchers' list[2] which identifies scientists who produce multiple scientific papers ranking in the top 1% by citations for their field, and demonstrate significant research influence among their peers. In 2017, Microba was formed and acquired intellectual property from the University of Queensland that formed the basis of the Company's Analysis Platform. Microba launched its Services and first product, a test called Microba Insight™, in Australia in July 2018. In June 2019, Microba launched a new gut microbiome testing product, MetaBiome, to healthcare professionals in Australia and New Zealand through a distribution partnership. In late 2019, Microba launched another test in the United States through a distribution partnership arrangement in the US. In mid-2021, Microba launched a distribution partnership to deliver a microbiome testing product throughout Europe. In December 2021, Microba entered into a distribution partnership to deliver a microbiome testing product to healthcare practitioners across the United States. In February 2022, Microba entered into a distribution partnership to deliver a microbiome testing product to healthcare practitioners and consumers across the Gulf Cooperation Council countries. As at the Prospectus Date Microba has sold over 20,000 tests (either directly or indirectly through a partnership arrangement). From these Services, the Company has built a large proprietary microbiome Databank driving therapeutic discovery which at the Prospectus Date comprises: • 4.8 trillion DNA bases (160 billion fragments of DNA); • 1.2 million microbial genomes containing 3.6 billion genes; • approximately 5,000 microbial species; and • more than 1,500 health metadata points per sample. As it stands, that encompasses a significant volume of unique, valuable, high quality data. As the Databank grows, the number of discovered therapeutic leads for chronic diseases also grows.	Sections 3.1 and 3.2

2. https://recognition.webofscience.com/awards/highly-cited/2021/

1. Investment Overview

Topic	Summary	For more information
What is the background to the Company? continued	Leveraging this Databank and proprietary methods the company built a repeatable Therapeutics Platform now driving three therapeutic programs. The Company's first program was established in 2020 and is currently undergoing manufacturing to enter a Phase 1b clinical trial planned to commence in December 2022. An immuno-oncology program was initiated in 2021 together with leading cancer institutes across the United States and Australia, and an autoimmune program initiated in 2022 under an agreement with Ginkgo Bioworks (a subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA)). As at the date of the Prospectus, Microba has 52 full-time employees that includes 25 PhDs, giving the Company significant technical know-how and deep commercialisation experience.	Sections 3.1 and 3.2
What is Microba's proprietary technology?	Microba's Microbiome Services are powered by the Company's Analysis Platform. The Analysis Platform provides an end-to-end solution for comprehensive and accurate microbiome testing powered by Microba's core analysis technology developed over more than 15 years. The Analysis Platform provides technology solutions for: • customer sampling; • laboratory sample processing; • cloud-based data analysis; and • user-friendly reporting. The invention which Microba has filed intellectual property on, covers methods and kits for remote sample collection and sample preservation so that analysis may be performed on the sample in a laboratory. Refer to the Intellectual Property Report in Section 10 for further details on the pending patent application. As at Prospectus Date, certain components of the Analysis Platform (not subject to the patent pending) are maintained as trade secret protected under copyright and confidentiality agreements. For example, the sequencing process and bioinformatic analysis conducted by the Company relies on intellectual property developed by the Company including laboratory operating procedures, and proprietary bioinformatic algorithms which are retained as trade secrets. In regard to Microba's Microbiome Therapeutics business, the Company is leveraging the power of its Databank and Therapeutic Platform to develop multiple novel therapeutic assets. To date Microba has filed 5 provisional patents to protect its novel therapeutic assets.	Sections 3.5, 3.22 and 10
What is Microba's business model?	Microba operates three complementary business pillars: • **Microbiome Services**; • **Databank**; and • **Microbiome Therapeutics**. **Microbiome Services** Microba has proven that it can commercialise gut microbiome testing services globally through two service types: • **Personal Testing** – personal microbiome testing services via a healthcare practitioner (gastroenterologists, primary care, and allied health physicians) or via a direct-to-consumer model. Microba offers a comprehensive personal gut microbiome test to consumers and healthcare practitioners powered by Microba's Analysis Platform. Microba offers Personal Testing directly in Australia, and through distributors internationally. As at Prospectus Date, over 20,000 personal tests have been sold. The Company believes that new distribution partnerships and growing demand for microbiome testing services globally create a strong growth profile for Personal Testing. • **Research Testing** – microbiome testing and data analysis services for research projects servicing clients across the biotechnology, pharmaceutical, consumer health, nutrition, food and academic research sectors. In order to service this growing market and help advance the body of research relating to the microbiome, Microba established a Research Testing service line via which its Analysis Platform is made available to clients.	Sections 3.1, 3.4 and 3.12

Topic	Summary	For more information
What is Microba's business model? continued	Microba has executed and is rapidly growing the delivery of these services globally to clients both directly, and via global and domestic distribution partnerships. In addition to generating revenue, data obtained from both service lines on a customer opt-in basis contribute to growing the Company's Databank which powers the discovery and development of novel therapeutic candidates using Microba's Therapeutic Platform. **Databank** Microba's Microbiome Services generate a large, proprietary Databank which is consistently growing with uptake of the Company's Microbiome Services. This Databank encompasses a significant volume of unique, valuable, high-quality data which enables the Company to identify therapeutic leads using a data-driven approach. To date, Microba has leveraged the Databank to identify therapeutic leads for 18 diseases and it serves as a globally unique data resource for microbiome discovery. **Microbiome Therapeutics** Microba has established a unique, repeatable platform for drug discovery and development from the human gut microbiome. This platform leverages Microba's large, growing, proprietary Databank collected through its Microbiome Services business, and is generating multiple potent therapeutic candidates to address chronic diseases which are naturally-derived from a healthy human gut. To discover and develop therapeutic candidates from the microbiome leveraging the Databank, Microba has established a Therapeutic Platform comprising the following key elements: • advanced artificial intelligence and biostatistics-driven lead identification; • isolation, culturing and biobank; • lead characterisation; and • manufacturing. Microba has established multiple therapeutic programs including: • Inflammatory Bowel Disease: Microba's lead drug candidate for IBD is currently undergoing manufacturing to enter a Phase 1b clinical trial planned to commence in December 2022 (see Section 3.14). • Immuno-oncology: A large study has been initiated together with leading cancer institutes across the United States and Australia to develop a novel microbiome-based adjuvant therapy for cancer treatment (see Section 3.15). • Autoimmune: Under an agreement with Ginkgo Bioworks, a subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA), targeting the development of novel microbiome-based therapies for 3 autoimmune disorders (see Section 3.16). Microba's lead IBD drug candidates deliver therapeutic activities that reduce inflammation and stimulate both epithelial restitution and mucosal healing in the gastrointestinal tract. This therapeutic activity addresses a key gap in standard of care for a condition that impacts more than 6 million people globally. With Microba's established novel therapeutic assets for IBD and repeatable Therapeutic Platform (see Section 3.13), the Company has the opportunity to generate financial returns through multiple drug development partnerships. Microba's strategy is to license or partner with large pharmaceutical companies early in clinical development in return for upfront, milestone and royalty payments. Microba has established relationships with a number of large pharmaceutical companies which continue to monitor our programs as they progress.	Sections 3.1, 3.4 and 3.12

1. Investment Overview

Topic	Summary	For more information
Who are Microba's customers and clients?	As at Prospectus Date, Microba's customers consist of: • **Microbiome Services Personal Testing** – consumers seeking to test their gut microbiome to monitor and improve their health, and healthcare practitioners with patients suffering gut dysbiosis. These customers are serviced directly in Australia, and through distributors internationally. As at Prospectus Date, Microba and its distributors have customers located in the United States, Europe, Australia, Gulf Cooperation Council countries, and New Zealand. • **Microbiome Services Research Testing** – Microba offers an end-to-end research solution that supports research clients including universities, research institutes, biotechnology companies, pharmaceutical companies, food companies and other corporate entities. As at Prospectus Date, Microba has executed over 200 project contracts with more than 50 organisations from 7 countries including New Zealand, Switzerland, the United Kingdom, and the United States. • **Microbiome Therapeutics** – Microba is developing novel drugs addressing unmet needs for major chronic diseases. The company intends to license or partner with large pharmaceutical companies early in clinical development in return for upfront, milestone and royalty payments.	Sections 3.4 and 3.12
How does Microba generate revenue from its business model?	Microba has growing revenues and market share. Microba generates revenue from Microbiome Services through: • the sale of Personal Testing products to consumers and healthcare practitioners including Microba Insight™ sold directly in Australia, and white labelled products sold through distribution partners such as MyBiome (SYNLAB) and MetaBiome (Metagenics); and • the provision of Research Testing services to domestic and international clients including research institutes and pharmaceutical companies contracted on a paid fee-for-service basis. This has resulted in Microba working with multiple leading global organisations and researchers. Microba does not currently generate any revenue from Microbiome Therapeutics. With Microba's established novel therapeutic assets for IBD and repeatable Therapeutic Platform (see Section 3.13), the Company has the opportunity to generate financial returns through multiple drug development partnerships. The Company's strategy is to license or partner with large pharmaceutical companies early in clinical development in return for upfront, milestone and royalty payments. Microba has established relationships with a number of large pharmaceutical companies which continue to monitor the Company's programs as they progress.	Sections 3.4 and 3.12
Who are Microba's competitors?	**Microbiome Services – Personal Testing** An increasing number of companies are offering gut microbiome wellness testing services. However, many companies use outdated 16S technology and are focussed on selling generic supplements (for example, Ombre and Flore). A competitor which is utilising metagenomic sequencing is an Israel-based company called DayTwo Ltd. This company has a key focus on the US market and managing diabetes through gut microbiome analysis and diet intervention. Viome, Inc. is a US headquartered company that uses a meta-transcriptomic method to deliver a gut microbiome profile. The concept of meta-transcriptomics, which is designed to capture gene expression is sound, however, gene expression is highly volatile and changes within seconds with the introduction of new factors such as oxygen exposure. **Microbiome Services – Research Testing** Companies providing microbiome testing and analysis services to this growing market include Microbiome Insights, CosmosID, Eagle Genomics and Orasure (Diversigen). **Microbiome Therapeutics** Companies developing microbiome-based therapeutics include Seres Therapeutics, Microbiotica, Second Genome, Rebiotix – Ferring Pharmaceuticals and 4D Pharma PLC. As at Prospectus Date, there are no microbiome-based drugs approved for use as therapeutics in humans. In 2021, Seres Therapeutics' and Ferring Pharmaceuticals' stool-derived treatments for recurrent *Clostridium difficile* infection completed Phase III clinical trials and the first FDA-approved microbiome therapy is anticipated from one of these companies imminently. Microba expects the approval of these first generation microbiome drugs to have a positive impact on the field.	Section 2.8

Topic	Summary	For more information
What are the key features of Microba business that differentiate itself from its competitors?	The Company's proprietary Analysis Platform, globally unique Databank, and proprietary Therapeutic Platform methods provide Microba with unique capabilities that cannot be easily replicated elsewhere. Together this provides the Company with a significant competitive advantage for both the delivery of microbiome testing services and the development of microbiome-based therapeutics. **Analysis Platform** Microba's Microbiome Services are powered by Microba's Analysis Platform. The Analysis Platform provides an end-to-end solution for comprehensive and accurate microbiome testing powered by Microba's core analysis technology developed over more than 15 years by Professor Philip Hugenholtz (Co-Founder, Chair of Scientific Advisory Board) and Professor Gene Tyson (Co-Founder, Non-Executive Director) together with key senior members of the Microba team. This platform is underpinned by a proprietary microbiome profiling technology called the Microba Community Profiler (**MCP**). This technology transforms raw metagenomic sequence data from a sample, into an accurate and comprehensive profile of an individual's gut microbiome. MCP has been extensively validated and a comparison of MCP to competing metagenomic profilers published in the peer-reviewed journal, Frontiers of Microbiology, demonstrating the technology as best in class. This advanced bioinformatic scientific software platform is used across the Company to deliver precision testing services in 7 languages across 9 countries, and to identify novel therapeutic leads that other technologies fail to identify. **Databank** Microba's Databank contains a significant volume of unique, valuable and high-quality data. This powers Microba's therapeutic programs through the Company's Therapeutic Platform. To date, the Company has established therapeutic leads for 18 diseases leveraging this globally unique Databank. This Databank is consistently growing with the uptake of the Company's Microbiome Services. **Therapeutic Platform** Microba employs a human-first data-driven approach to therapeutic discovery and development from the human gut microbiome leveraging the Company's Databank and Therapeutic Platform. This approach provides the Company with a substantial advantage over competitors using a random isolation and functional screening strategy. It is estimated that over 70% of human gut bacteria are resistant to laboratory-based cultivation and therefore the therapeutic potential of these bacteria is unknown which demonstrates the untapped potential for the Company. To tap into this 70%, Microba uses state-of-the-art facilities for anaerobic microbiology and proprietary methods to isolate therapeutic leads from a biobank of healthy donor faecal specimens. These capabilities are a key competitive advantage for the Company, enabling rapid progression from an identified data-driven lead, to an isolated monoclonal bacterial strain which can be pursued as a therapeutic candidate. This repeatable platform and its underlying proprietary methods enable the Company to develop multiple novel therapeutics to address large unmet clinical needs for chronic diseases. As at the prospectus date, Microba has established three therapeutic programs for Inflammatory Bowel Disease, Immuno-oncology, and Autoimmune diseases.	Section 3
What are the growth drivers for the industry?	Key industry growth drivers in the coming years are expected to include: • Increased knowledge and evidence demonstrating the gut microbiome's role in health and disease. • Increasing acceptance of microbiome testing in clinical practice driven by an increased evidence base supporting clinician decision making. • Prevalence of chronic disease which has increased significantly in recent years and is expected to become more severe due to poor diet and lifestyle factors. • Rising prevalence of GI disorders (including Crohn's disease and Ulcerative Colitis) and cancers. • Successful approval of microbiome-based therapeutics by the FDA, EMA, TGA and other regulators.	Section 2.10

1. Investment Overview

Topic	Summary	For more information
What is Microba's commercialisation and growth strategy?	**Microbiome Services – Personal Testing** Microba's commercial strategy for Personal Testing is to grow sales in a capital-light and scalable manner by continuing to establish and grow international distribution partnerships. Key geographic regions with populations possessing sufficient discretionary spending habits and high out of pocket healthcare expenditure will be targeted. Suitable distribution partners have a strong brand, scientifically and medically aligned teams, large established customer bases, a proven track record in marketing and sales of similar products, and existing sales channels. White-labelled versions of the Company's testing and reporting products (both digital and physical) will be deployed with these distribution partners leveraging the Company's: • Analysis Platform; • reporting products (e.g. Microba Insight™); and • cloud-based reporting software. **Microbiome Services – Research Testing** The Company's commercial strategy for growing Research Testing is to focus on expanding the Company's domestic and international customer base through: • driving global sales, marketing and education strategies; • co-publication and promotion of existing client work; and • repeat client engagement. **Microbiome Therapeutics** Microba's commercial strategy for its Therapeutics business is to focus on rapid progression of its key therapeutic programs to develop potent and effective microbiome-based therapeutics. Microba is seeking to license or partner with large pharmaceutical companies early in clinical development in return for upfront, milestone and royalty payments. Microba has established relationships with a number of large pharmaceutical companies which continue to monitor the Company's programs as they progress. For further details on the Company's intended application of proceeds of the Offer, see Section 7.4.	Sections 3.6, 3.7 and 3.19
What is Microba's corporate structure?	Microba is a company incorporated in Australia. Microba is the parent company of the following wholly owned subsidiaries: • Microba Services Pty Ltd ACN 636 029 028 (payroll subsidiary), registered in Queensland on 6 September 2019; • Microba Pty Ltd ACN 628 603 225 (operating subsidiary), registered in Queensland on 5 September 2018; • Microba IP Pty Ltd ACN 636 029 091 (intellectual property subsidiary), registered in Queensland on 6 September 2019; and • Microba US, Inc (US subsidiary), registered in the State of Delaware, United States on 13 January 2020.	Section 12.1

Topic	Summary	For more information
What agreements are material to Microba's business?	Microba's material contracts consist of the following: • Genova Commercial Development Agreement and Equipment Supply Agreement between Genova and Microba US; • The Psomagen Binding Heads of Agreement between Psomagen Inc and Microba Pty Ltd; • Ginkgo Technical Development Agreement between Ginkgo Bioworks, Inc and Microba Pty Ltd; • The Metagenics Collaboration and Distribution Agreement between Metagenics (Aust) Pty Ltd and Microba; • The SYNLAB Distribution Agreement between SYNLAB International GmbH and Microba Pty Ltd; • G42 Collaboration Agreement between Microba Pty Ltd and G42 Laboratory LLC; • PPD Global Master Services Agreement between Microba Pty Ltd and PPD Global Ltd; • Bacthera Manufacturing Proposal between Microba and Bacthera AG, c/o Lonza AG; • The Uniquest Deed of Assignment between UniQuest Pty Ltd and Microba Pty Ltd; and • The Underwriting Agreement between Microba and the Joint Lead Managers.	Section 9
What are Microba's key dependencies?	**Microbiome Services** Microbiome Services' significant dependencies are: • compliance with all applicable regulatory requirements; • uninterrupted operation of the sequencing machine provided and maintained by Illumina Inc; • manufacture and provision to the Company of testing swabs by COPAN; and • counterparty performance under any of the distribution partnership agreements to which Microba Group companies are a party for the purposes of Microbiome Services (including those detailed in Section 3.4 and Section 9). **Microbiome Therapeutics** Microbiome Therapeutics' significant dependencies are: • compliance with all applicable regulatory requirements; • retention of key scientific personnel; • uninterrupted operation of laboratory facilities; • access to sufficient computational power to undertake its bioinformatics activities; and • successful manufacturing of lead therapeutic candidates.	Sections 3.9 and 3.21

1. Investment Overview

Topic	Summary	For more information
What is Microba's historical financial performance?	A Summary of the two and a half years of statement of financial performance (profit and loss) of the Microba Group is provided below.	Section 4

Statutory statement of financial performance (profit and loss)

$'000	FY2020[1]	FY2021	H1-FY2022
Revenue	2,909	3,732	2,199
Cost of sales	(1,723)	(1,668)	(1,026)
Gross Profit	**1,186**	**2,064**	**1,173**
Other income	749	1,968	1,605[2]
Operating expenses	(7,565)	(10,416)	(8,126)
EBITDA	**(5,630)**	**(6,384)**	**(5,348)**
Depreciation and amortisation expense	(1,091)	(1,218)	(685)
EBIT	**(6,721)**	**(7,602)**	**(6,033)**
Interest revenue	65	79	4
NPBT	**(6,656)**	**(7,523)**	**(6,029)**
Income tax benefit	7	–	–
NPAT	**(6,649)**	**(7,523)**	**(6,029)**

Pro forma statement of financial performance (profit and loss)

$'000	FY2020[1]	FY2021	H1-FY2022
Revenue	2,909	3,732	2,199
Cost of sales	(1,723)	(1,668)	(1,026)
Gross Profit	**1,186**	**2,064**	**1,173**
Other income	960	1,612	74[2]
Operating expenses	(7,794)	(10,836)	(8,303)
EBITDA	**(5,648)**	**(7,160)**	**(7,056)**
Depreciation and amortisation expense	(1,091)	(1,218)	(685)
EBIT	**(6,739)**	**(8,378)**	**(7,741)**
Interest income	65	79	4
NPBT	**(6,674)**	**(8,299)**	**(7,737)**
Income tax benefit	7	–	–
NPAT	**(6,667)**	**(8,299)**	**(7,737)**

Notes (to both tables above):

1. Microba's financial year end is June 30.
2. Microba has not included the H1-FY2022 R&D Tax Incentive rebate for the period. This amount, which is expected to be material, will be included in Other income once the Company's FY22 tax return has been lodged.

The financial information presented in this table is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information disclosed in Section 4 as well as the key risk factors set out in Section 5.

Investors should note that past performance is not a guide to future performance.

What are Microba's key costs in generating its revenues?	Microba's key costs in generating its revenue are: • laboratory consumables and costs associated with performing high throughput DNA sequencing on the Illumina NovaSeq 6000 system; • cloud computing, infrastructure, and storage; and • employee salary, wages and related expenses relating to the delivery of microbiome testing and analysis services to clients.	Section 4

Topic	Summary	For more information
How does Microba expect to fund its activities?	Microba intends to fund its activities by utilising the money raised under the Offer, existing cash reserves of the Company and from revenue generation. Microba may, in the future, access capital markets through additional equity or debt raisings to support its growth strategy.	Section 7.4
Where are Microba's operation based and in what geographic markets does Microba's operate in?	Microba's operations are principally based in Brisbane, Australia which is the location of both its head office and its state-of-the-art metagenomics sequencing laboratory, optimised for the high throughput processing of samples, and laboratories directed to therapeutic development located at the Translational Research Institute at the Princess Alexandra Hospital. The Company has a growing footprint in the United States with staff, directors and advisors based in New York, North Carolina, Pennsylvania and Baltimore. As at the Prospectus Date, Microba operates it's Personal Testing services in the United States, Europe, Australia, New Zealand and is about to extend its operations in the United States and initiate operations in the Middle East. Microba's distribution partners either use their laboratory facilities with Microba's Analysis Platform or send customer samples to Microba's laboratory in Brisbane, Australia. As at the Prospectus Date, Research Testing clients have been serviced across 7 countries including New Zealand, Switzerland, the United Kingdom, and the United States.	Section 3.3
What is the regulatory environment in which Microba operates?	**Microbiome Services** The industry within which Microba operates in Australia and international markets is subject to extensive regulation including but not limited to regulation in respect of medical and diagnostic devices (including software as a medical device). Microba requires distribution partners to secure and maintain the necessary regulatory compliance to distribute white-labelled versions of Microba's products and services in all markets in which they are sold and offered. Each distribution partner is obliged to notify Microba of any regulatory compliance in the relevant jurisdiction that requires Microba to implement changes to the relevant product. Microba's existing personal testing products are defined within two separate categories and have very different regulatory positioning: • **Wellness testing** – These products such as Microba Insight™ provide general health information to the customer and are not used to diagnose or treat medical conditions. Microba has received advice from its Regulatory Advisors that none of these products or their constituent components (sampling device, laboratory assay, reporting software) require any regulatory approvals or registration in any of the jurisdictions in which the Company operates. • **Diagnostic testing** – Microba has recently validated and achieved ISO15189 accreditation with the National Association of Testing Authorities (NATA) for a new hypothesis-free testing product. This product, called MetaPanel™, can identify multiple pathogens simultaneously from a single sample and was developed in partnership with Australian hospitals and leading health care practitioners. This product is planned to be provided initially in Australia and will be registered with the TGA as a Class 2 in-house in vitro diagnostic (IVD) for diagnosing gastrointestinal infectious diseases. **Microbiome Therapeutics** As the Company intends to partner with large pharmaceutical companies to out-licence its therapeutic assets, there are no requirements for Microba to achieve final regulatory approval with the United States Food and Drug Administration (FDA), European Medicines Agency (EMA) or Australian Therapeutic Goods Administration (TGA) for its drugs in development. Microba is seeking to licence its discovered products to large pharmaceutical companies prior to completing Phase III clinical trials. The regulatory requirements of completing clinical trials are significant and require approval from regulatory bodies governing the jurisdiction where they are performed. If completed in the US, the regulatory body is the FDA, within Europe, the regulatory body is the EMA, and within Australia, the regulatory body is the TGA. It is possible that Microba may explore drug approvals with the FDA, EMA or TGA.	Sections 3.8 and 3.20

1. Investment Overview

1.3 Summary of key risk

The business, assets and operations of Microba are subject to certain risk factors that have the potential to influence operating and financial performance in the future. These risks can impact on the value of an investment in Microba's New Shares.

The Board aims to manage these risks by carefully planning its activities and implementing mitigating risk control measures. Some risks are unforeseen and so the extent to which these risks can be effectively managed is somewhat limited.

Set out below are specific key risks to which the Company is exposed. Further general risks associated with an investment in Microba are outlined in Section 5.

Topic	Summary	For more information
Early stage risk	Given Microba only recently commenced commercial operations, there are uncertainties surrounding the rate of growth and prospects of Microba. Further, Microba has operated at a loss since inception in January 2017. In the financial years ending 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021, Microba had net losses of $0.78m, $4.73m, $6.65m and $7.52m respectively. In the half year ended 31 December 2021, Microba had a net loss of $6.03m. Please refer to the financial information in Section 4 for further details. Microba is subject to risks common to early stage companies, including increasing market share and brand recognition, developing its product pipeline, competition risk and satisfying regulatory requirements imposed on Microba and its products. Investors should consider the Company's business and prospects in light of the risks that it may face as an early-stage business with limited history. An investment in Microba is speculative, and risks associated with investments in early stage companies, such as Microba, are generally considered high. If Microba is not successful in addressing such risks, the Company's business prospects and financial performance may be materially and adversely affected and the Company may never become profitable.	Section 5.2.1
Uncertainty of future revenue and profitability	Future sales of products including but not limited to Microba Insight™ (including any white-labelled versions or products derived from it) and Microba's future profitability are contingent on, amongst other things, Microba's ability to enter into appropriate distribution and partner arrangements, being able to maintain anticipated prices for products being acquired as well as certainty of supply, being able to set favourable prices for products being sold, market demand for products being sold, general economic conditions, the results of further research and clinical trials in relation to microbial genomics. Consequently, Microba cannot provide any guarantee that future sales estimates will be achieved. Even if future sales estimates are achieved, they may not result in Microba being profitable.	Section 5.2.2
Loss of adoption by customers	Microba is reliant on consumers and healthcare practitioners recommending and purchasing its products. Healthcare practitioners play a significant role in influencing the types of tests and products used by patients, in addition to being purchasers themselves. To achieve commercial success, Microba is reliant on healthcare practitioners accepting the scientific validity and usefulness of its current and planned testing products. Healthcare practitioners may be slow to adopt and recommend Microba products to their patients for a number of reasons. While Microba has strong relationships with healthcare practitioners, distribution partnerships with Metagenics, Genova Diagnostics and SYNLAB regarding healthcare practitioner products and a course designed to help healthcare practitioners better understand Microba's products, these do not guarantee sufficient adoption of Microba's products domestically and in international markets necessary to achieve profitability.	Section 5.2.4
Loss of key distribution and partner relationships or inability to enter into such relationships	Microba has a number of distribution and partnership arrangements in place. Microba's key distribution and partner relationships are documented by way of the Psomagen Binding Heads of Agreement with Psomagen Inc (a subsidiary of Macrogen, Inc.), the Metagenics Collaboration and Distribution Agreement with Metagenics (Aust) Pty Ltd, the SYNLAB Distribution Agreement with SYNLAB International GmbH, the G42 Collaboration Agreement with G42 Laboratory LLC, Genova Commercial Development Agreement and Equipment Supply Agreement with Genova Diagnostics and Bacthera Manufacturing Proposal with Bacthera AG. There can be no guarantee that the relationships with any partner or distributor will continue or if they do continue, that they will continue to be successful for Microba. The Psomagen Binding Heads of Agreement ends on 17 April 2022. It is anticipated that the Psomagen Binding Heads of Agreement will either be extended or a new agreement entered into prior to the end of the term. The new agreement, once signed, may be on terms different, to that summarised in Section 9.3.	Section 5.2.5

Topic	Summary	For more information
Loss of key management personnel	The successful operation of Microba in part relies on Microba's ability to attract and retain experienced and high performing key management personnel, in particular those with relevant scientific expertise. The loss of any key members of management or other personnel, or the inability to attract additional skilled individuals to key management roles, may adversely affect Microba's ability to develop and implement its business strategies.	Section 5.2.7
Access to sequencing technology, sufficient commercial manufacturing capability, and cloud infrastructure	Microba's testing services (including Microba Insight™ and MetaBiome) are dependent on: • uninterrupted operation of the sequencing machine provided and maintained by Illumina Inc; • manufacture and provision to the Company of testing swabs by COPAN; • costs of the items detailed above being appropriate; and • uninterrupted operation of cloud data storage and computing infrastructure such as Google Cloud Platform. Failures in respect of any of the above could adversely impact the Company's supply chain or cost of goods sold and require the Company to source and engage new providers for the above goods and services.	Section 5.2.8
Ownership and protection of intellectual property	The business of Microba depends on its ability to commercially exploit its intellectual property. Microba relies on laws relating to patents, trade secret, copyright and trade marks to assist in protecting its proprietary rights. There is a risk that unauthorised use or copying of the secure documentation (electronic laboratory books), business data or intellectual property will occur. There is a risk that Microba may be unable to detect the unauthorised use of its intellectual property rights in all instances. Any breaches of Microba's intellectual property may result in the need to commence legal action, which could be costly and time consuming. A failure or inability to protect Microba's intellectual property rights could have an adverse impact on operating and financial performance.	Section 5.2.9
Failure to realise benefits from product research and development	The development and commercialisation of the Company's Services, Databank and Therapeutics are expensive and often involve an extended period of time to achieve return on investment. An important aspect of Microba's business is to continually invest in innovation and product development opportunities. Microba may not realise benefits from these investments for several years, or may not realise benefits at all in some cases. Microba makes assumptions about the expected future benefits generated by investment in product research and development and the expected timeframe in which the benefits will be realised. These assumptions are subject to change and involve both known risks and risks that are beyond Microba's control. Any change to the assumptions Microba has made about certain product development may have an adverse impact on Microba's ability to realise benefit from investment in the development of that product.	Section 5.2.11
Market acceptance and competitor risk	Market acceptance depends on numerous factors, including convincing potential consumers and agents of the attractiveness of Microba's products and the ability to manufacture those products to a sufficient quality and quantity to meet commercial demand at an acceptable cost. There is a risk that Microba's products may not gain widespread market acceptance, and this may adversely affect the financial performance of Microba. There is also a risk that Microba may not be able to effectively compete with other participants in this market.	Section 5.2.12
General regulatory risks	The Company operates and intends to operate in regulated industries (including but not limited to medical devices, diagnostics and therapeutics) in Australia and internationally. Given Microba's international expansion plans, securing and maintaining the necessary regulatory approvals for its products and services in all markets in which they are sold and offered respectively will be critical to the performance of Microba. There is a risk that regulatory approvals for Microba's products and services will fail to be obtained or maintained in some or all of the markets in which they are sold and offered respectively. This may have an impact on the financial performance of Microba and expose it to potential liabilities or third-party claims. Further, the failure by Microba to comply with the laws and regulations in the jurisdictions in which it operates could result in the loss of access to those and other markets. In addition, compliance with government regulations may also subject Microba to additional fees and costs. Further, changes to these laws and regulations (including interpretation and enforcement), or the failure by Microba to remain current with those changes, could adversely affect Microba's business and financial performance.	Section 5.2.14

1. Investment Overview

Topic	Summary	For more information
Liquidity and realisation risk	Restriction obligations (escrow) will be applied to Shares held by existing Shareholders. The remaining "free float" (shares that are tradeable during any restriction period) may be limited, resulting in a decrease in active or potential sellers or buyers at any given time, which may result in an inactive or illiquid market for the Company's Shares, which may increase the volatility of the market price of the Company's Shares. Following confirmation of the restriction obligations that will be imposed by the ASX and the agreement on voluntary escrow, the restricted Shares would represent approximately 58% of the Company's Shares on issue on the Listing Date. This would leave approximately 42% of the Company's Shares free trading until this escrow period(s) ends. Refer to Section 12.8 for further detail on escrow. Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be significant sell down by holders of those Shares which may negatively affect the Company's Share price. The potential limited free float (tradeable Shares during any restriction period) and potential sell down may affect the prevailing market price at which Shareholders are able to sell their Shares. There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of Shares.	Section 5.2.18
COVID-19 risk	The Microba Group may face additional difficulty in achieving business growth, as well as creating and maintaining a competitive advantage over other competitors during the COVID 19 pandemic. COVID 19 may create business risks for the Microba Group in reducing consumer demand for the Microba Group products, delaying supply and distribution timeframes and increasing the cost of supply. Further, COVID 19 may create changed global economic conditions which may prevent or delay the Microba Group's successful expansion. COVID 19 may also affect Microba personnel as Microba will be required to adhere to health recommendations from local, state and federal authorities, which may include reductions in available employees, lower production and revenue, and increased costs or reduced profitability.	Section 5.2.6
Sufficiency of funding and additional requirements for capital	Microba has provided an indication of how it intends to apply its existing funds, including funds raised under the Offer in Section 7.4. There is a risk that the costs of operations may be higher than anticipated or increase as a result of unforeseen circumstances (which may include circumstances related to other key risk factors set out in Section 5). Microba may also be required to raise additional equity or debt capital in the future. There is no assurance that Microba will be able to raise that capital when it is required or that it will be able to raise that capital on such terms satisfactory or favourable to the Company.	Section 5.2.16
Other risks	A number of other key risks that relate to an investment in Microba are set out in Section 5.	Section 5

1.4 Directors and key management

Topic	Summary	For more information
Who are the Directors and key executives of Microba?	**Board of Directors** Microba has a highly experienced Board with significant scientific experience and commercial acumen: • **Pasquale Rombola** — Independent, Non-Executive Chair — Mr Rombola has over 30 years' corporate and financial experience in Australia, Asia and the United Kingdom. • **Professor Ian Frazer** — Independent, Non-Executive Deputy Chair – Professor Frazer is a clinician scientist, trained as a clinical immunologist. He is a Professor at the University of Queensland and is the current Chair of the Australian Federal Government's Medical Research Future Fund. • **Dr Caroline Popper** — Independent, Non-Executive Director — Dr Popper is a US-based pathologist and business consultant with more than 20 years' experience in international diagnostics, medical devices and drug discovery. • **Richard Bund** — Non-Executive Director – Mr Bund is a Chartered Accountant with more than 20 years' experience in accounting and corporate finance and is the director of several private Australian companies. • **Professor Gene Tyson** — Non-Executive Director – Professor Tyson is the Director of the Centre for Microbiome Research, one of Australia's leading centres for microbial genomic research. • **Dr Hyungtae Kim** — Non-Executive Director — Dr Kim is an internationally experienced leader in the genomics field and an advisor to Macrogen, Inc. (**Macrogen**). The profiles of the Board outlining their experience can be found in Section 6.2. **Senior leadership team** The Directors are supported by Key Management Personnel (**KMP**): • **Dr Luke Reid** – Chief Executive Officer; and • **James Heath** – Chief Financial Officer and Joint Company Secretary. The profiles of above KMP outlining their experiences can be found in Section 6.3.	Sections 6.1, 6.2 and 6.3

1.5 Capital deck, interests and benefits of key people and related party transactions

Topic	Summary		For more information
What is the capital structure of Microba as at the Prospectus Date	**Existing Shares**	207,691,332 Existing Shares	Sections 12.2, 12.3 and 12.4
	Existing Options	17,600,000 Existing Options	
	The rights attached to the Existing Shares, and Existing Options are detailed in Sections 12.3 and 12.4.		

1. Investment Overview

Topic	Summary	For more information
What will Microba's capital structure look like at IPO Completion (assuming no Existing Options are exercised)?		Sections 12.2, 12.3 and 12.4

Security holder	Securities at Prospectus Date	Securities to be issued at IPO Completion	Total Securities on issue at IPO Completion	% of Shares on IPO Completion
Existing Shareholders over 5% (based on relevant interest)				
Perennial Value Management Limited[2]	31,206,932 Shares (15.03%)	9,444,444 New Shares proposed to be acquired under the Offer	40,651,376 Shares	14.82%
SA Microba Holdings Pty Ltd[1]	30,413,166 Shares (14.64%)	1,111,111 New Shares proposed to be acquired under the Offer 200,000 Director Options	31,524,277 Shares 200,000 Director Options	11.49%
Dempsey Capital Pty Ltd	14,985,993 Shares (7.22%)	4,888,889 New Shares proposed to be acquired under the Offer	19,874,882 Shares	7.24%
Macrogen, Inc.[4]	17,828,431 Shares (8.58%)	Nil	17,828,431 Shares	6.50%
Boysenholtz Pty Ltd	17,178,431 Shares (8.27%)	Nil	17,178,431 Shares	6.26%
Genenika Pty Ltd[3]	17,100,000 Shares (8.23%)	200,000 Director Options	17,100,000 Shares 200,000 Director Options	6.23%
All other Existing Shareholders				
All other Existing Shares	78,978,379 Shares (38.03%)	Nil	78,978,379 Shares	28.79%
Option holders (a number of these are also Existing Shareholders)				
Existing Options	17,600,000	Nil	17,600,000	Nil%
Director Options	Nil	800,000[5]	800,000[5]	Nil%
New Shareholders under the Offer				
New Shares	Nil	51,222,222[6]	51,222,222[6]	18.67%
TOTAL – Shares	**207,691,332**	**66,666,666**	**274,357,998**	**100%**
TOTAL – Options	**17,600,000**	**1,200,000**	**18,800,000**	**Nil%**

Notes:

1. This entity is controlled by Director, Richard Bund.
2. Perennial Value Management Limited controls Mainstream Funds Services Pty Ltd (as custodian for Perennial Private to Public Opportunities Fund), Mainstream Fund Services Pty Ltd (as custodian for Perennial Private to Public Opportunities Fund No 3 Foundation Class), BNP Paribas Nominees Pty Ltd (as nominee for BNP Paribas Securities Services as custodian for SCS Superannuation Pty Limited as trustee for Australian Catholics Superannuation and Retirement Fund), Mainstream Fund Services Pty Ltd (as custodian for Perennial Private to Public Opportunities Fund No 2) and has a total relevant interest in Microba of 15.03% (as at the Prospectus Date) and 14.82% at IPO Completion given the New Shares to be acquired under the Offer.
3. This entity is controlled by Director, Professor Gene Tyson.
4. Macrogen, Inc. has a right of nomination to the Board contained in the Constitution. Director, Dr Hyungtae Kim is the Macrogen, Inc. nominee appointed to the Microba Board. For more information on this right of nomination, refer to Section 12.3.
5. This is the total 1,200,000 Director Options less the 400,000 Director Options to be issued to Richard Bund (through SA Microba Holdings Pty Ltd) and Professor Gene Tyson (through Genenika Pty Ltd).
6. This is the total 66,666,666 New Shares less the 1,111,111 New Shares proposed to be acquired under the Offer by SA Microba Holdings Pty Ltd (controlled by Director, Richard Bund), 9,444,444 New Shares proposed to be acquired under the Offer by Perennial Value Management Limited and 4,888,889 New Shares proposed to be acquired under the Offer by Dempsey Capital Pty Ltd.

Topic	Summary	For more information
What will Microba's capital structure look like at IPO Completion (assuming no Existing Options are exercised)? continued	This table assumes that: • no New Shares are taken up by any Existing Shareholders under the Offer (other than as detailed for SA Microba Holdings Pty Ltd, Perennial Value Management Limited and Dempsey Capital Pty Ltd given those entities hold a relevant interest of over 5% of Shares (and are separately listed in the above table)); and • no Options are exercised. Given the Offer is fully underwritten, 66,666,666 New Shares will be issued. If the Company does not receive valid applications for the full amount of 66,666,666 New Shares under the Offer, the Underwriters will subscribe for, or procure subscriptions for, any shortfall. Refer to Section 12.6 for a summary of control implications in the event of a shortfall.	Sections 12.2, 12.3 and 12.4
What will Microba's capital structure look like at IPO Completion (assuming all Options are exercised)?		Sections 12.2, 12.3 and 12.4

Security holder	Securities at Prospectus Date	Securities to be issued at IPO Completion	Total Securities on issue at IPO Completion (assuming 100% of Options are exercised)	% of Shares on IPO Completion (assuming 100% of Options are exercised)
Existing Shareholders over 5% (based on relevant interest)				
Perennial Value Management Limited[2]	31,206,932 Shares (15.03%)	9,444,444 New Shares proposed to be acquired under the Offer	40,651,376 Shares	13.87%
SA Microba Holdings Pty Ltd[1]	30,413,166 Shares (14.64%)	1,111,111 New Shares proposed to be acquired under the Offer 200,000 Director Options	31,724,277 Shares	10.82%
Dempsey Capital Pty Ltd	14,985,993 Shares (7.22%)	4,888,889 New Shares proposed to be acquired under the Offer	19,874,882 Shares	6.78%
Macrogen, Inc.[4]	17,828,431 Shares (8.58%)	Nil	17,828,431 Shares	6.08%
Genenika Pty Ltd[3]	17,100,000 Shares (8.23%)	200,000 Director Options	17,300,000 Shares	5.90%
Boysenholtz Pty Ltd	17,178,431 Shares (8.27%)	Nil	17,178,431 Shares	5.86%
All other Existing Shareholders				
All other Existing Shares	78,978,379 Shares (38.03%)	Nil	78,978,379 Shares	26.94%
Option holders (a number of these are also Existing Shareholders and are included above) – assume all converted at IPO Completion				
Existing Options	17,600,000	Nil	17,600,000	6.00%
Director Options	Nil	800,000[5]	800,000[5]	0.27%
New Shareholders under the Offer				
New Shares	Nil	51,222,222[6]	51,222,222[6]	17.47%
TOTAL	**207,691,332 Shares**	**66,666,666 Shares** **1,200,000 Director Options**	**293,157,998 Shares (fully diluted)**	**100%**

1. Investment Overview

Topic	Summary	For more information
What will Microba's capital structure look like at IPO Completion (assuming all Options are exercised)? continued	Notes: 1. This entity is controlled by Director, Richard Bund. 2. Perennial Value Management Limited controls a Mainstream Funds Services Pty Ltd (as custodian for Perennial Private to Public Opportunities Fund), Mainstream Fund Services Pty Ltd (as custodian for Perennial Private to Public Opportunities Fund No 3 Foundation Class); BNP Paribas Nominees Pty Ltd (as nominee for BNP Paribas Securities Services as custodian for SCS Superannuation Pty Limited as trustee for Australian Catholics Superannuation and Retirement Fund); Mainstream Fund Services Pty Ltd (as custodian for Perennial Private to Public Opportunities Fund No 2) and has a total relevant interest in Microba of 15.03% (as at the Prospectus Date) and 13.87% at IPO Completion given the New Shares to be acquired under the Offer. 3. This entity is controlled by Director, Professor Gene Tyson. 4. Macrogen, Inc. has a right of nomination to the Board contained in the Constitution. Director, Dr Hyungtae Kim is the Macrogen, Inc. nominee appointed to the Microba Board. For more information on this right of nomination, refer to Section 12.3. 5. This is the total 1,200,000 Director Options less the 400,000 Director Options to be issued to Richard Bund (through SA Microba Holdings Pty Ltd) and Professor Gene Tyson (through Genenika Pty Ltd). 6. This is the total 66,666,666 New Shares less the 1,111,111 New Shares proposed to be acquired under the Offer by SA Microba Holdings Pty Ltd (controlled by Director, Richard Bund), 9,444,444 New Shares proposed to be acquired under the Offer by Perennial Value Management Limited and 4,888,889 New Shares proposed to be acquired under the Offer by Dempsey Capital Pty Ltd. This table assumes that: • no New Shares are taken up by any Existing Shareholders under the Offer (other than as detailed for SA Microba Holdings Pty Ltd, Perennial Value Management Limited and Dempsey Capital Pty Ltd given those entities hold a relevant interest of over 5% of Shares (and are separately listed in the above table)); and • no Options are held by current Shareholders. Given the Offer is fully underwritten, 66,666,666 New Shares will be issued. If the Company does not receive valid applications for the full amount of 66,666,666 New Shares under the Offer, the Underwriters will subscribe for, or procure subscriptions for, any shortfall. Refer to Section 12.6 for a summary of control implications in the event of a shortfall.	Sections 12.2, 12.3 and 12.4
What is the impact of the Ginkgo Technical Development Agreement and the Ginkgo R&D Consideration?	Microba Pty Ltd has recently entered into an agreement with Ginkgo Bioworks, a subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA), to target the development of novel microbiome-based therapies for 3 autoimmune disorders. In addition, Ginkgo Bioworks has committed to investing US$3.5 million under the Offer and acquiring 10,886,385 New Shares to become a 3.97% Shareholder. As detailed in Section 9.10, up to US$3.5 million in Ginkgo R&D Consideration may potentially be paid in either cash or Shares between approximately 15 and 24 months following IPO Completion. The number of Shares (**Ginkgo Deferred Shares**) to be issued: • is calculated by dividing the relevant amount of the payment by the then current 20-day volume weighted average market price of Shares in Microba (**VWAP**) ending on the second business day before the date on which the relevant payment is to be made; • will be subject to a 6-month voluntary escrow commencing on their respective dates of issue; and • will be capped at 10,886,385 Shares. Given the cap, any shortfall (if any) between the value of the Ginkgo Deferred Shares issued (based on the 20-day VWAP calculation) and the Ginkgo R&D Consideration, will be paid by Microba Pty Ltd to Ginkgo Bioworks in cash.	Sections 9.10 and 12.2.3

Topic	Summary	For more information
What is the impact of the Ginkgo Technical Development Agreement and the Ginkgo R&D Consideration? continued	A snapshot of the maximum dilutive impact of the Ginkgo Deferred Shares is provided below:	Sections 9.10 and 12.2.3

Shares	Shares – IPO Completion	Shares – post issue of Ginkgo Deferred Shares	% Shares – post issue of Ginkgo Deferred Shares
Existing Shares	207,691,332	207,691,332	72.81%
New Shares issued under the Offer	66,666,666	66,666,666[1]	23.37%
Ginkgo Deferred Shares issued to Ginkgo Bioworks	Nil	10,886,385	3.82%
Total	**274,357,998**	**285,244,383**	**100%**

Note:

1. On IPO Completion it is anticipated that Ginkgo Bioworks will hold 10,886,385 Shares, acquired under the Offer.

Based on the Shares to be acquired by Ginkgo Bioworks at IPO Completion and the maximum number of Ginkgo Deferred Shares that may be issued as payment for the Ginkgo R&D Consideration, Ginkgo Bioworks could have a maximum interest of 7.63% in the Company.

This assumes that:

- no additional Shares are issued in Microba between IPO Completion and the date of issue of the Shares to Ginkgo Bioworks; and
- Ginkgo Bioworks does not acquire any additional Shares in Microba following IPO Completion.

1. Investment Overview

Topic	Summary	For more information
What interest do the Directors have in the issued share capital of Microba on IPO Completion?		Section 6.7

Director	Shares and other securities held at Prospectus Date	Shares and other securities to be issued at IPO Completion[3]	% of Shares on IPO Completion (undiluted)	% of Shares on IPO Completion (fully diluted)
Pasquale Rombola	4,500,000 Shares held by Rombola Family Pty Ltd[1]	555,555 New Shares proposed to be acquired under the Offer by Rombola Family Pty Ltd 300,000 Director Options held by Rombola Family Pty Ltd	1.84%	1.83%
Professor Ian Frazer	934,144 Shares held by Frazer Services Pty Ltd[2]	222,222 New Shares proposed to be acquired under the Offer by Frazer Services Pty Ltd 300,000 Director Options held by Frazer Services Pty Ltd	0.42%	0.50%
Dr Caroline Popper	Nil 1,000,000 Existing Options	Nil	Nil	0.34%
Richard Bund	30,413,166 Shares held by SA Microba Holdings Pty Ltd[3]	1,111,111 New Shares proposed to be acquired under the Offer by SA Microba Holdings Pty Ltd 200,000 Director Options held by Mr Bund	11.49%	10.82%
Professor Gene Tyson	17,100,000 Shares held by Genenika Pty Ltd[4]	200,000 Director Options held by Genenika Pty Ltd	6.23%	5.90%
Dr Hyungtae Kim	17,828,431 Shares held by Macrogen, Inc.[5]	200,000 Director Options held by Dr Hyungtae Kim	6.50% (Macrogen, Inc) 0% (held by Dr Hyungtae Kim)	6.08% (Macrogen, Inc) 0.07% (held by Dr Hyungtae Kim)

Notes:

1. Rombola Family Pty Ltd is controlled by Pasquale Rombola, Director.
2. Frazer Services Pty Ltd is controlled by Professor Ian Frazer, Director.
3. SA Microba Holdings Pty Ltd is controlled by Richard Bund, Director.
4. Genenika Pty Ltd is controlled by Professor Gene Tyson, Director.
5. Dr Hyungtae Kim is the nominee to the Board of Macrogen, Inc. Dr Hyungtae Kim does not, however, control Macrogen, Inc. For more information relating to the right of nomination of Macrogen, Inc., contained in the Constitution, refer to Section 12.3.

Topic	Summary	For more information
What interest do the Directors have in the issued share capital of Microba on IPO Completion? continued	This table assumes that no Director acquires any additional New Shares under the Offer than as detailed above. Details of the entities through which the Directors hold their interests are provided in Section 6.7. The Directors will also be paid directors' fees for operating the Company following the successful listing of the Company on the ASX. Information on Director fees is provided in Section 6.7. The Directors (and their associates) are entitled to apply for New Shares in the Offer. The Directors reserve their rights as at the Prospectus Date as to whether they will participate in the Offer. Nothing in this Prospectus will be taken to preclude Directors, officers, employees or advisors of Microba, from applying for New Shares on the same terms and conditions as offered pursuant to this Prospectus. Advisors and other service providers are entitled to fees for services as disclosed in Section 6.6.	Section 6.7
Are the Directors or any Existing Shareholders selling Shares into this Offer?	No, the Directors and Existing Shareholders are not selling Shares in the Offer.	
What are the related party transactions and who benefits from such transactions?	Nil, with the exception of compensation arrangements with Directors and executive officers.	Section 6.7
What Share escrow arrangements are in place?	Certain Shareholders have entered into escrow arrangements under which they will be restricted from dealing with the Existing Shares they hold on completion of the Offer until the expiration of the relevant escrow period. The escrow in place is either mandatory escrow imposed by the ASX Listing Rules or escrow agreed on a voluntary basis with Microba. The Company will announce to the ASX full details (quantity and duration) of the Shares held in escrow prior to the Shares commencing trading on the ASX. None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment. It is estimated that 160,374,750 Shares (being approximately 58% of Shares on issue on the Listing Date) will be subject to escrow arrangements. At the Listing Date, Microba will have a free float of more than 20%.	Section 12.8
What corporate governance policies does Microba have in place?	Microba has adopted a number of corporate governance policies. A summary of the corporate governance policies adopted by Microba is set out in Section 6.15.	Sections 6.11 and 6.15
Does the Constitution permit fully virtual meetings?	Yes, the Constitution permits meetings to be held wholly or partly online, virtually or electronically and permits an individual to be "present" or "in attendance" at such meeting electronically or via the use of any technology.	Section 12.3

1. Investment Overview

1.6 Summary of the Offer

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who is the issuer of this Prospectus?</td><td>Microba Life Sciences Limited ACN 617 096 652, a company incorporated in Australia.</td><td>Section 12.1</td></tr>
<tr><td>How is the Offer structured?</td><td>The Offer contained in this Prospectus is an invitation to apply for 66,666,666 New Shares in the Company at $0.45 per New Share (the Offer).

The Offer comprises:

• the Broker Firm Offer, which is open to retail investors and Institutional Investors who have a registered address in Australia;

• the Institutional Offer, which consists of an invitation to bid for New Shares made to Institutional Investors in the Permitted Jurisdictions; and

• the Chairman's List Offer, which is open to selected retail investors and Institutional Investors in Australia and certain other eligible jurisdictions who have received an invitation under the Chairman's List Offer.

No general public offer of New Shares will be made under the Offer.

Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers and Underwriters to the Offer.</td><td>Section 7.3</td></tr>
<tr><td>What rights and liabilities attach to the New Shares being offered?</td><td>All New Shares issued under the Offer will rank equally in all respects with Existing Shares on issue. The rights attaching to New Shares are described in Section 12.3.</td><td>Section 12.3</td></tr>
<tr><td>What is the minimum subscription under the Offer?</td><td>The Subscription Amount for the Offer is for 66,666,666 New Shares. Microba will not accept more or fewer Shares than the Subscription Amount.</td><td>Section 7.1</td></tr>
<tr><td>What is the minimum application size?</td><td>$2,000.25 of New Shares (being 4,445 New Shares). There is no maximum Application under the Offer.</td><td>Section 7.10</td></tr>
<tr><td>How will the proceeds of the Offer be used?</td><td>The table below sets out the proposed use of proceeds from the Offer:

<table>
<tr><th>Use of proceeds[1]</th><th>Estimated spend A$</th><th>% of funds</th></tr>
<tr><td>Global market penetration and sales growth
Partnership development activities in the US, EU and other target markets including business development, product management, implementation, support and education of partner sales representatives.[2]</td><td>$7,200,000</td><td>24%</td></tr>
<tr><td>Data driven drug discovery
Acceleration of Microba's therapeutic programs in targeted disease states including data-driven lead identification, isolation, preclinical experiments, disease models, advancement of artificial intelligence computational capabilities, regulatory affairs, manufacturing and clinical trials.[3]</td><td>$13,100,000</td><td>44%</td></tr>
<tr><td>Platform technology advancement
Further development of Microba's platform technologies including bioinformatics tools, software development, data management and lab processes.[4]</td><td>$2,500,000</td><td>8%</td></tr>
<tr><td>Administrative and working capital
Administration costs and working capital.[5]</td><td>$4,700,000</td><td>16%</td></tr>
<tr><td>Costs of the Offer
Payment of costs of the Offer.[6]</td><td>$2,500,000</td><td>8%</td></tr>
<tr><td>TOTAL</td><td>$30,000,000</td><td>100%</td></tr>
</table>
</td><td>Section 7.4</td></tr>
</table>

Topic	Summary	For more information
How will the proceeds of the Offer be used? continued	Notes: 1. Amounts included in the use of proceeds table above exclude inflows from potential revenues (and the associated cost of goods sold and distribution costs), interest earned and other credits. 2. For further information, see Sections 3.4, 3.6 and 3.7. 3. For further information, see Sections 3.12, 3.13, 3.17 and 3.18. Of this amount, US$7.0 million is allocated for payment of the Ginkgo R&D Consideration (noting that US$3.5 million will be held in escrow for payments under the Ginkgo Technical Development Agreement and up to US$3.5 million of the balance may potentially be paid by way of the issue of Shares, subject to the share cap not being exceeded). Refer to Section 9.10 for further information. 4. For further information regarding the Analysis Platform technology advancement see Section 3.5. 5. Working capital expenditure is to be applied towards funds required to expand the business, and towards administration costs associated with Microba. These costs include costs for wages and salaries, occupancy costs, professional consultants' fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration costs. 6. The total outstanding costs of the Offer (excluding GST) are estimated to be approximately $2.5 million, comprising amongst other things, legal expenses, accounting, audit and tax advisory fees, underwriter fees, ASIC and ASX fees and prospectus design and printing costs. Please refer to Section 12.10 for a detailed breakdown of the total costs of the Offer. The above table is a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds raised are applied.	Section 7.4
Will Microba be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, Microba will have sufficient working capital to carry out its stated objectives (refer Section 7.9). The use of further equity funding or share placements will be considered by the Board where it is appropriate to accelerate a specific project, transaction or expansion.	Section 7.9
Will the Shares be quoted on the ASX?	Microba will apply to the ASX within seven days of the Prospectus Date, for admission to the Official List and Quotation of Shares on the ASX (under the code "MAP"). IPO Completion is conditional on ASX approving this application. If approval is not given within three months after such application to the ASX is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Money received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Sections 7.10 and 7.14
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Joint Lead Managers, subject to the terms of the Underwriting Agreement. The Joint Lead Managers are Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited.	Section 7.15
What is the allocation policy applicable to the Offer?	The allocation of New Shares between the Broker Firm Offer, Institutional Offer and Chairman's List Offer will be determined by the Joint Lead Managers and the Company. Institutional Offer and Chairman's List Offer allocations will be determined by Microba in consultation with the Joint Lead Managers. For the Broker Firm Offer, the Joint Lead Managers and the Brokers to the Offer will determine how Brokers allocate New Shares among their clients.	Sections 7.10, 7.11, 7.12 and 7.13
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Offer.	Section 7.10
What are the tax implications of investing in the New Shares?	An overview of the Australian tax treatment for Australian tax resident investors is included in Section 11. The tax consequences of any investment in the New Shares will depend upon any investor's particular circumstances, particularly for non-resident Shareholders. Applicants should obtain their own tax advice prior to deciding whether to apply for New Shares.	Section 11
When will I receive confirmation that my Application has been successful?	It is expected that initial Holding Statements will be despatched by standard post in accordance with the timetable detailed under 'Key Offer Information' on page 4.	Key Offer Information on page 4

1. Investment Overview

Topic	Summary	For more information
What is Microba's dividend policy?	The payment of dividends by the Company, if any, subject to law, is at the complete discretion of the Directors, and the Directors do not provide any assurance of the future level of dividends and the level of franking of such dividends. Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend.	Section 4.10
How can I apply for New Shares?	Broker Firm Applicants may apply for New Shares by completing a valid Broker Firm Application Form attached to or accompanying this Prospectus and lodging it with the Broker who invited them to participate in the Broker Firm Offer. Institutional Investors may apply for New Shares by completing a valid Institutional Offer Application Form as separately advised by the Joint Lead Managers. Applicants under the Chairman's List Offer must apply in accordance with the instructions provided in their invitation to participate in the Chairman's List Offer.	Sections 7.11, 7.12 and 7.13
Can the Offer be withdrawn?	Microba reserves the right not to proceed with the Offer at any time before the issue of New Shares to Successful Applicants. If the Offer does not proceed, the Share Registry, your Broker or Microba will refund Application Money. No interest will be paid on any Application Money refunded as a result of the withdrawal of the Offer.	Section 7.18
When are the Shares expected to commence trading?	It is expected that the Shares will commence trading on the date detailed in the Key Offer Information. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial Holding Statement do so at their own risk.	Section 7.14
Where can I find more information?	Call the Microba Information Line on 1300 288 664 (within Australia) or +61 (2) 9698 5414 (from outside Australia) between 8:30am and 5:00pm (Melbourne time), Monday to Friday (except public holidays) if you require assistance to complete the Application Form, require additional copies of this Prospectus or have any questions in relation to the Offer. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether obtaining New Shares in Microba is a suitable investment for you, you should seek professional advice from your solicitor, stock broker, accountant tax advisor or other independent and qualified professional advisor before deciding whether or not to invest.	

2.

Industry Overview

2. Industry Overview

2.1 Introduction

Microba is a precision microbiome company with leading technology in the emerging US$4.89 billion microbiome sector[3]. This sector is impacting the large chronic disease management market which is forecast to reach US$428 billion by 2024, increasing at a CAGR of 7.2%[4].

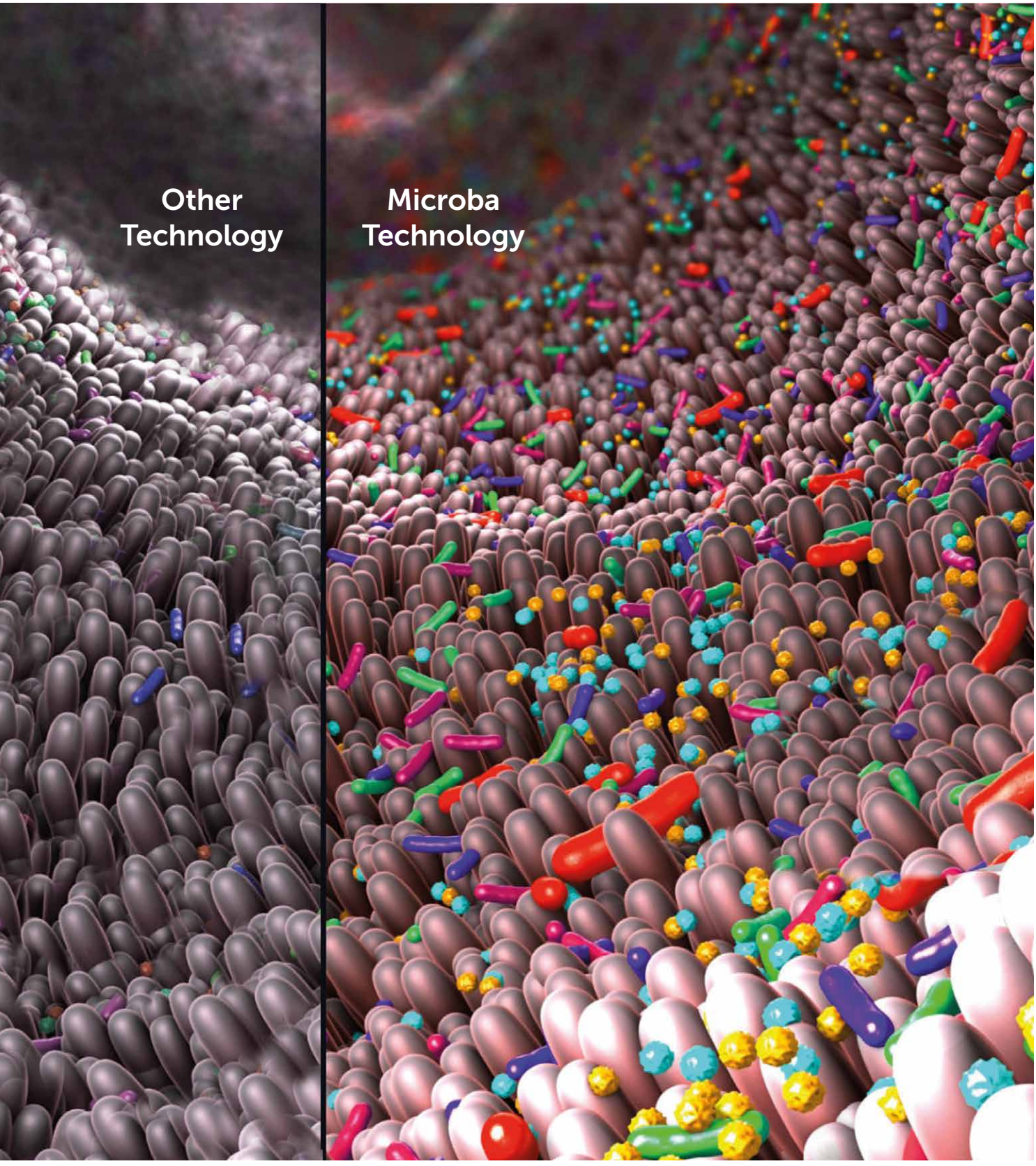
With the role that the microbiome plays in health and disease, discoveries from the microbiome are expected to:

(a) **Generate novel therapies to treat chronic diseases** – microbiome modulating primary and adjuvant therapies are currently being developed to address autoimmune, inflammatory, metabolic, mental health disorders and cancer immunotherapy.

(b) **Match patients with the right treatments and support health** – biomarkers and signatures are being developed to deliver microbiome testing services for diagnosis, screening, drug response assessment and health monitoring.

Figure 2.1: Performance of Microba's community profiler technology which underpins its Analysis Platform

3. Frost and Sullivan Report, *Growth Opportunities in Human Microbiome Market, Forecast to 2023*, (2019).
4. BCC Research, *HLC239A Chronic Disease Management: Therapeutics, Device Technologies and Global Markets*, (2019).



Illustrative visualisation of the gastrointestinal tract and the additional bacteria visible to Microba with its platform technology.
This graphic is for illustrative purposes only

2. Industry Overview

2.2 The gut microbiome's role in health

The microbiome is a vast community of trillions of microorganisms including bacteria, viruses and fungi that live in and on the human body. 90%[5] of those microorganisms reside in the gastrointestinal tract, particularly in the large intestine, which is called the gut microbiome.

Over the last decade, a growing body of research has demonstrated that the gut microbiome plays a critical role in many aspects of human health and disease. It does this through multiple mechanisms including:

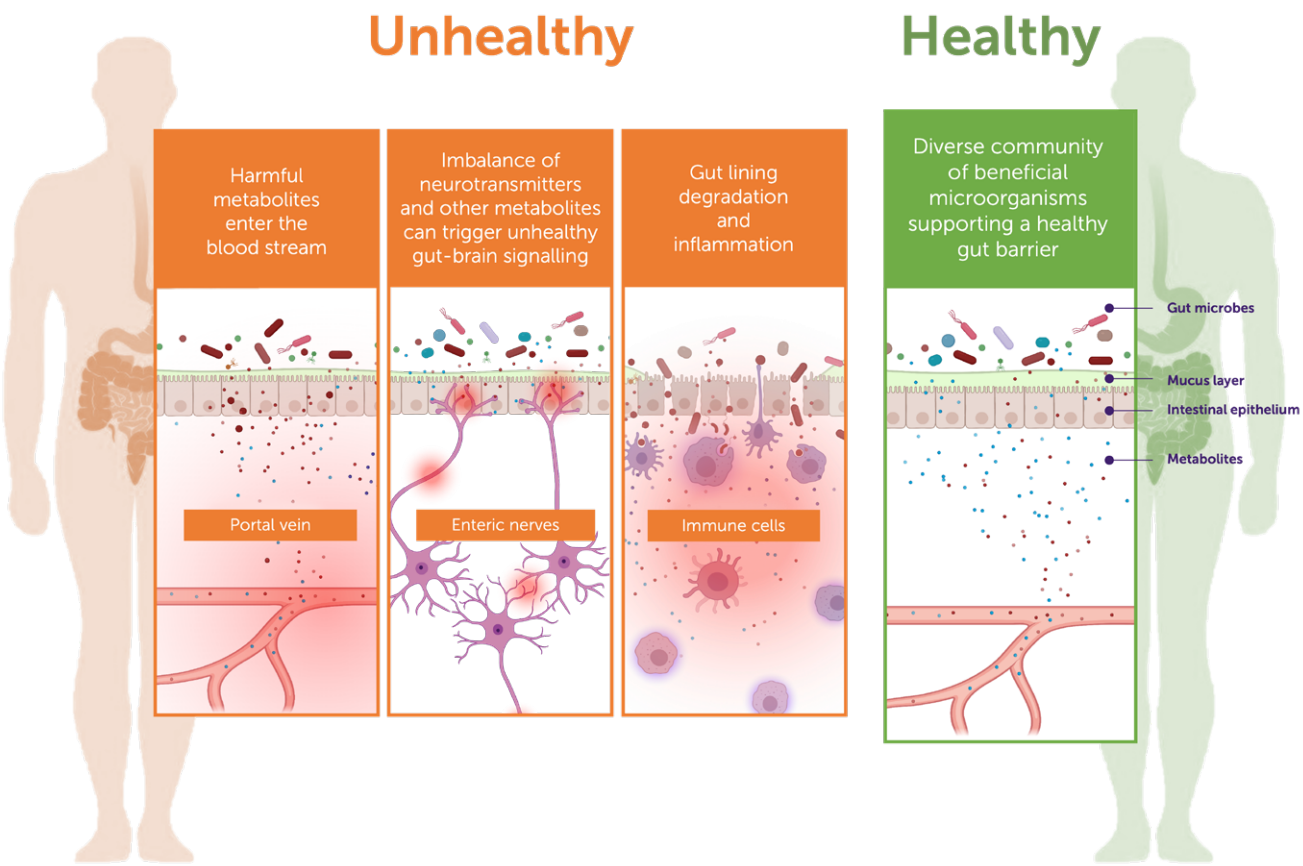
(a) systemic action of bioactive microbial metabolites;

(b) production of neurotransmitters and other metabolites triggering gut-brain signalling;

(c) modulation of gut barrier function (intestinal homeostasis); and

(d) modulation of the immune system and inflammation.

Figure 2.2: The gut microbiome's role in health



5. Inferring from Sender, R. *et al.* Revised Estimates for the Number of Human and Bacteria Cells in the Body. *PLOS Biology* (2016). https://doi.org/10.1371/journal.pbio.1002533.

2.3 History of gut microbiome analysis

In the 1970s, the first DNA sequencer was invented, and it was discovered that a group of bacteria could be identified using the DNA sequence from the 16S RNA component of a protein called the ribosome (usually abbreviated as 16S rRNA).

The invention of 16S rRNA gene sequencing was a powerful and revolutionary way to study microorganisms and led scientists to redefine biological classifications based on the DNA of organisms, rather than their physical characteristics.

In the early 2000s a new generation sequencing technology emerged, which allowed for much greater quantities of DNA to be sequenced simultaneously. This advancement allowed for the development of metagenomic sequencing, which sequences all of the DNA in a microbial community instead of only a small portion of the 16S rRNA gene. For the first time, the entire genome of microorganisms could be sequenced in a short timeframe using metagenomics, although it was very expensive to do so. Microba's co-founders Professor Philip Hugenholtz and Professor Gene Tyson published the first paper on metagenomic sequencing of a microbial community in 2004[6], and have continued to pioneer in the analysis of metagenomic data.

In the early 2010s the first gut microbiome profiling companies launched using 16S rRNA sequencing. At this time the use of metagenomic sequencing also expanded, and research laboratories became early adopters and pioneered the methods to accurately analyse this unprecedented amount of microbial DNA sequence data.

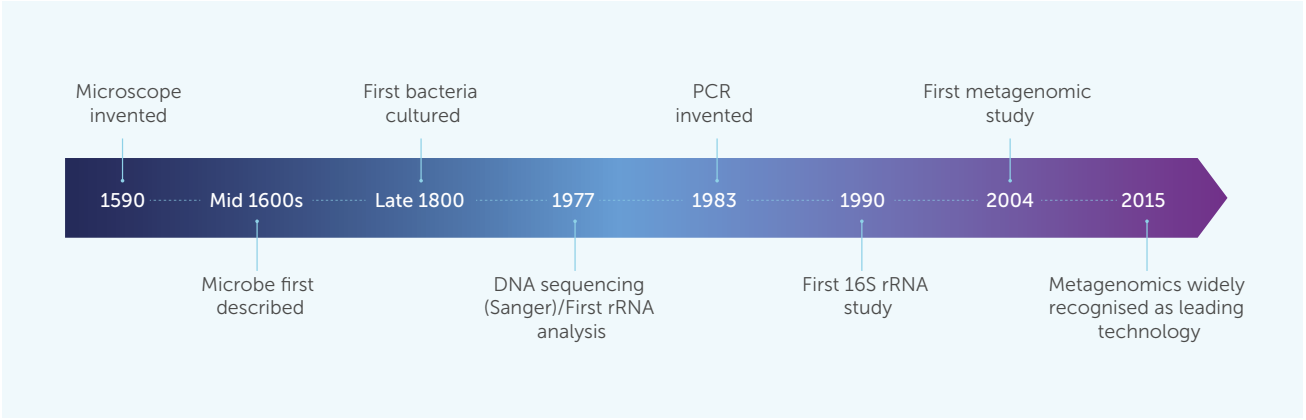
By 2015, it was well-recognised that metagenomic sequencing was the most comprehensive method available to measure the gut microbiome as it provides high resolution information on the microbial species, strains and their functional genes. Microba's proprietary Analysis Platform uses advanced metagenomic sequencing technology which enables Microba to:

(a) perform accurate and comprehensive measurement of the microbiome; and

(b) identify therapeutic leads from the microbiome with precision (i.e. specific bacteria which are targets for drug development).

A timeline of the history of gut microbiome analysis is provided below.

Figure 2.3: Timeline of the history of gut microbiome analysis[7]



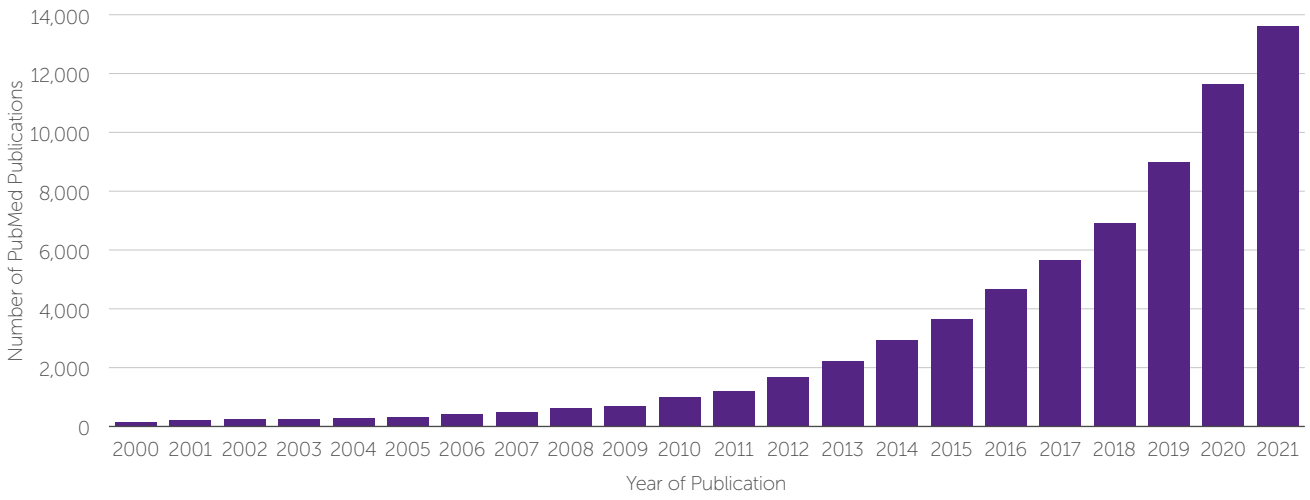
2.4 Increasing research focus on the microbiome

The continued growth in research regarding the gut microbiome and, particularly its critical role in health and disease, is reflected in the below figure which shows increasing academic research in the microbiome sector during the period from 2000 to 2021.

6. Tyson, G., Chapman, J., Hugenholtz, P. *et al.* Community structure and metabolism through reconstruction of microbial genomes from the environment. *Nature* (2004). https://doi.org/10.1038/nature02340.
7. 1590, Microscope invented: Wollman, A.J.M. et al. From Animaculum to single molecules: 300 years of the light microscope. Open Biology (2015). https://doi.org/10.1098/rsob.150019
Mid 1600s, Microbe first described: Gest, H. The discovery of microorganisms by Robert Hooke and Antoni van Leeuwenhoek, Fellows of The Royal Society. Notes Rec R Soc Lond (2004). https://doi.org/10.1098/rsnr.2004.0055
Late 1800s, First bacteria cultured: Bonnet, M. et al. Bacterial culture through selective and non-selective conditions: the evolution of culture media in clinical microbiology. New Microbes New Infect. (2020). https://doi.org/10.1016/j.nmni.2019.100622
1977: DNA sequencing (Sanger) invented, use of ribosomal RNA for classifying organisms: Koch, L. et al. Sequencing moves to the twenty-first century. Nature Portfolio (2021). https://www.nature.com/articles/d42859-020-00100-w
1983: PCR invented: Dove, A. PCR: Thirty-five years and counting. Science (2018). https://www.science.org/content/article/pcr-thirty-five-years-and-counting
1990: First microbial community study using 16S rRNA published: Escobar-Zepeda, A. et al. The Road to Metagenomics: From Microbiology to DNA Sequencing Technologies and Bioinformatics. Front Genet. (2015). https://doi.org/10.3389/fgene.2015.00348
2004: Improved sequencing tech: First microbial metagenomic studies published: Dickson, I. Sequencing the unculturable majority. Nature Portfolio (2021). https://www.nature.com/articles/d42859-020-00102-8
2015: Metagenomics widely recognised as leading technology: Escobar-Zepeda et al 2015 (see 1990 above).

2. Industry Overview

Figure 2.4: Increased academic and biomedical research into the microbiome (2000 – 2021)[8]



2.5 Falling costs of sequencing

Recent decades have seen significant advances in the efficiency of DNA sequencing technology, which has led to subsequent decreases in the cost of sequencing. The cost to sequence the human genome clearly illustrates illustrate these falling costs:

(a) In 2000, the first human genome was sequenced for a cost of US$300 million.

(b) By 2006, the cost of sequencing the human genome had dropped to approximately US$14 million.

(c) In 2016, the human genome could be sequenced for approximately US$1,000.

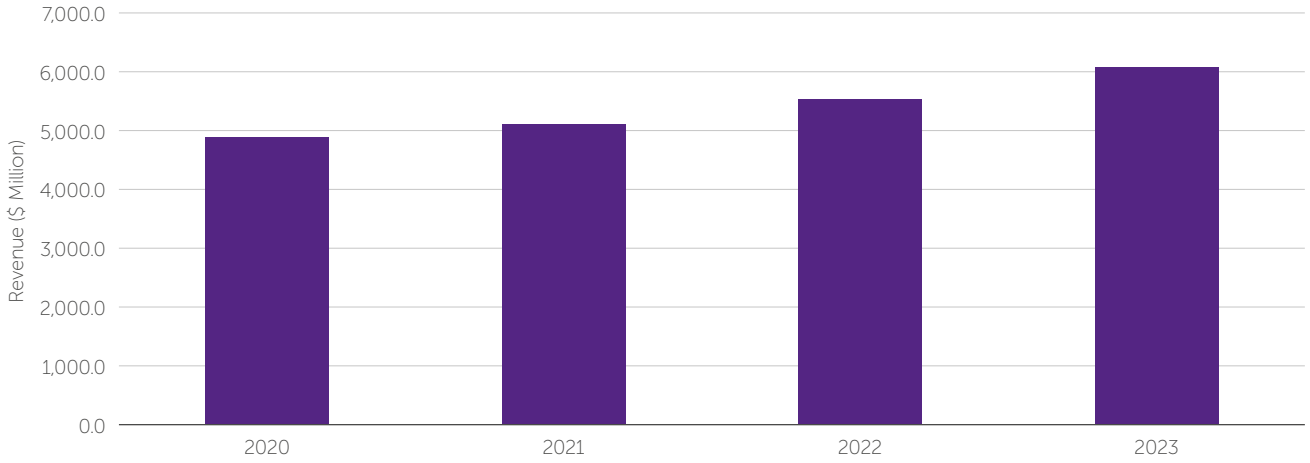
(d) In 2021, the cost of sequencing the human genome had dropped again to US$450[9].

Metagenomic sequencing of the gut microbiome leverages the same sequencing technology and therefore receives the same benefits from falling sequencing costs. Cheaper metagenomic sequencing coupled with increasing clinical utility of microbiome analysis, is expected to support applications and uptake in various healthcare settings.

2.6 Market opportunity

Microba operates in the emerging and rapidly growing market for gut microbiome derived diagnostics and therapeutics. This market was estimated to be worth US$4.89 billion in 2020[10] and is expected to grow to US$6.07 billion in 2023 at a CAGR of 7.5%[11].

Figure 2.5: Forecast gut microbiome market 2020-2023[12]



8. PubMed: search on 31-01-22 (microbiome | microbiota | microflora) (gut | colon | intestine).
9. Wetterstrand KA. DNA Sequencing Costs: Data from the NHGRI Genome Sequencing Program (GSP) Available at: www.genome.gov/sequencingcostsdata. Accessed 21/12/2021.
10. Frost and Sullivan Report. *Growth Opportunities in Human Microbiome Market, Forecast to 2023*, (2019).
11. Frost and Sullivan Report. *Growth Opportunities in Human Microbiome Market, Forecast to 2023*, (2019).
12. Frost and Sullivan Report. *Growth Opportunities in Human Microbiome Market, Forecast to 2023*, (2019).

2.7 Market segments

The gut microbiome market can be split into two broad segments:

(a) **Testing:** Products in this segment are microbiome testing and analysis services developed either for personal or research use.

(b) **Therapeutics:** Products in this segment are microbiome-based therapeutics that contain living organisms and are broken into two sub-segments:

  (i) **Prescription drugs:** used to prevent or treat a disease, subject to clinical-trials and regulatory agency approval as a drug product. Patients access via a prescription from a doctor.

  (ii) **Dietary supplements:** probiotics used to promote and support health, subject to food safety regulations. Consumers can access directly via pharmacy or retail.

A snapshot of each of the two market segments is provided below.

2.8 Testing market segment

2.8.1 Personal

The personal microbiome testing market is nascent and experiencing rapid growth. This market can be separated into two sub segments:

(a) microbiome testing; and

(b) traditional pathology.

Microba's personal testing products (see Section 3.4) have applications in this market. Sales of these products in Australia, New Zealand, United States and Europe have proven market demand for the products and provide an indication of the Company's capability of servicing this market globally. Examples of other products being sold in this space include:

(a) **Microbiome testing:** Viome Life Science, Inc.'s suite of consumer products,[13] Quantbiome, Inc.'s Ombre™ product[14], Sun Genomics' Flore product, and Onegevity Health LLC's Onegevity Microbiome™ product.

(b) **Traditional pathology:** Exact Sciences Corp's Cologuard product, Genova Diagnostics' GI Effects product, Diagnostic Solutions Lab's GI Map product.

An increasing number of companies are offering gut microbiome wellness testing services. However, many companies use outdated 16S technology and are focussed on selling generic supplements (for example Ombre and Flore). The major competitor which is utilising metagenomic sequencing is an Israel-based company called DayTwo Ltd. This company has a key focus on the United States market and managing diabetes through gut microbiome analysis and diet intervention.

Viome, Inc. is a US Headquartered company that attempts to use a meta-transcriptomic method to deliver a gut microbiome profile. The concept of meta-transcriptomics, which is designed to capture gene expression is sound, however, gene expression is highly volatile and changes within seconds with the introduction of new factors such as oxygen exposure.

2.8.2 Research

With the continued global growth in consumer interest and research regarding the microbiome there are an increasing number of universities, research institutes, biotechnology, pharmaceutical and consumer health companies seeking quality microbiome testing and analysis services to perform research studies. The global microbiome sequencing services market was valued at US$554.99 million in 2017[15] and is forecast to grow to US$1.602 billion by 2023 at CAGR of 19.21%[16].

Companies providing microbiome testing and analysis services to this growing market include:

(a) Microbiome Insights;

(b) CosmosID;

(c) Eagle Genomics; and

(d) Orasure (Diversigen).

2.9 Therapeutics market segment

Whilst the opportunities in the microbiome analysis segment are substantial, most of the market's value is anticipated to be derived from microbiome-based therapeutics. The gut microbiome produces an array of compounds that can interact with the immune, nervous, endocrine, cardiovascular and digestive systems to influence an individual's health. The organisms themselves have been shown to be therapeutically active, and some of the bioactive compounds take the traditional drug format of small molecules or peptides. There is a rich diversity of bioactivity and novel chemistry within the gut microbiome which is an important opportunity to discover novel therapeutic candidates. Microba believes that cutting-edge research in this field has the potential to deliver novel therapies to treat disease and promote health, and that it is likely that the field's pioneers will be commercially rewarded.

13. https://www.viome.com.
14. https://www.ombrelab.com.
15. Mordor Intelligence. *Global Microbiome Sequencing Services Market (2018-2023)*, (2017).
16. Mordor Intelligence. *Global Microbiome Sequencing Services Market (2018-2023)*, (2017).

2. Industry Overview

Companies developing microbiome-based therapeutics include:

(a) Seres Therapeutics;

(b) Microbiotica;

(c) Second Genome;

(d) Rebiotix – Ferring Pharmaceuticals; and

(e) 4D Pharma PLC.

2.9.1 Disease states linked to the gut microbiome

The growing body of global microbiome research is increasingly demonstrating that modifying the gut microbiome is a key missing piece in resolving chronic diseases, which affects 6 in 10 people in the United States and spans a range of physical and mental health disorders[17]. Over 100 clinical studies have demonstrated that microbiome modulation can improve health outcomes related to chronic disease[18].

The link between the microbiome and these disease states is mediated through a wide range of bacterially produced substances that can interact with the immune, nervous, endocrine, cardiovascular and digestive systems to influence an individual's health. As we learn more about these interactions, it has become increasingly clear that one of the next frontiers in medicine and chronic disease management will be the analysis and modulation of an individual's gut microbiome.

Examples of the wide range of chronic disorders which impact large portions of the Australian population and are influenced by changes in the gut microbiome include:

(a) Inflammatory bowel disease (**IBD**) which affects 1 in 250 people[19];

(b) Colon cancer which affects 1 in 20 people[20];

(c) Diabetes Type 1 and Type 2 which affect 1 in 16 people[21];

(d) Non-alcoholic fatty liver disease which affects 1 in 5 people[22];

(e) Heart disease which affects 1 in 20 people[23];

(f) Depression which affects 1 in 10 people[24];

(g) Anxiety which affects 1 in 8 people[25];

(h) Alzheimer's which affects 1 in 55 people[26];

(i) Allergies which affect 1 in 5 people[27]; and

(j) Rheumatoid arthritis which affects 1 in 53 people[28].

With the opportunity to transform chronic disease management through the analysis and modulation of an individual's gut microbiome, commercial interest in the field has grown significantly.

2.9.2 Prescription drugs

There are three main approaches to using the microbiome therapeutically for a prescription or registered drug product:

(a) Faecal Microbiota Transplant (**FMT**);

(b) Live Biotherapeutic Products (**LBP**); and

(c) Small Molecules (**SMOL**).

17. https://www.cdc.gov/chronicdisease/resources/infographic/chronic-diseases.htm.
18. PubMed search on 31/01/2022 for: (microbiome | microbiota | microflora) (gut | colon | intestine) (modulate | improve) (clinical study | clinical trial) and selecting for studies with positive results.
19. PricewaterhouseCoopers. *Improving Inflammatory Bowel Disease care across Australia*. (2013). Commissioned by Crohn's & Colitis Australia.
20. https://coloncancercoalition.org/get-educated/what-you-need-to-know/colon-cancer-facts/.
21. https://www.diabetesaustralia.com.au/diabetes-globally.
22. Adams, L. et al. Nonalcoholic fatty liver disease burden: Australia, 2019–2030. *Hepatology* (2020). https://doi.org/10.1111/jgh.15009.
23. 2017-2018; Australian Bureau of Statistics: https://www.abs.gov.au/statistics/health/health-conditions-and-risks/heart-stroke-and-vascular-disease/latest-release.
24. 2017-2018; Australian Bureau of Statistics: https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release.
25. 2017-2018; Australian Bureau of Statistics: https://www.abs.gov.au/statistics/health/mental-health/mental-health/latest-release.
26. 2021; https://www.dementia.org.au/statistics.
27. Australasian Society of Clinical Immunology and Allergy. *Allergy and Immune Diseases in Australia (AIDA) Report 2013*. (2013). https://www.allergy.org.au/images/stories/reports/ASCIA_AIDA_Report_2013.pdf.
28. 2017-2018; Australian Bureau of Statistics: https://www.abs.gov.au/statistics/health/health-conditions-and-risks/arthritis-and-osteoporosis/2017-18.

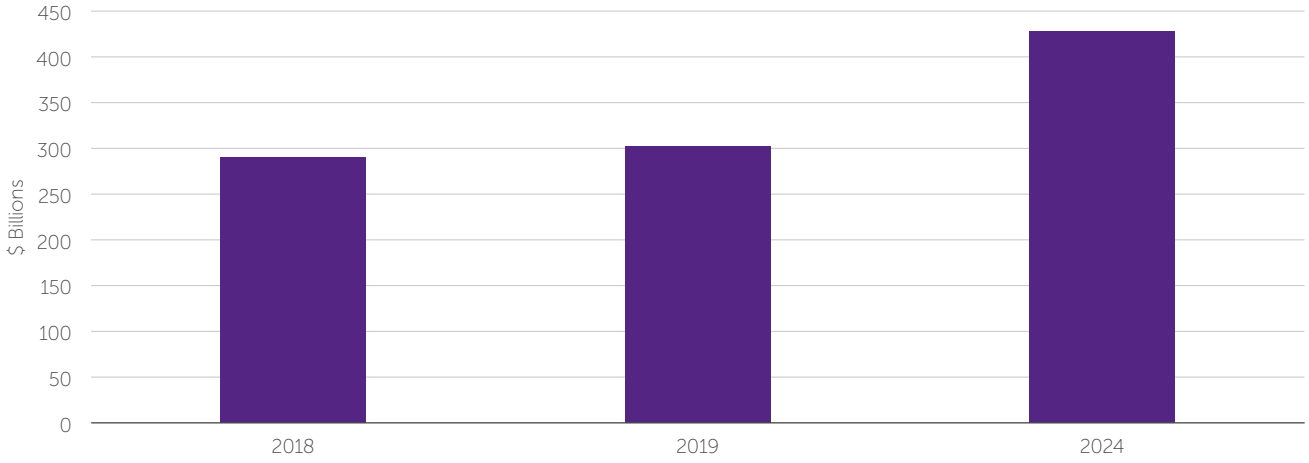
The first use of FMT in western medicine was published in 1958 by a team of surgeons from Colorado who successfully treated four critically ill patients with fulminant pseudomembranous colitis infection (before C. *difficile* was the known cause) by transplanting faecal material from a healthy donor using an enema. In July 2013, the FDA issued guidance allowing treating physicians to use an FMT as an investigational treatment for treat C. *difficile* infection with adequate patient consent[29]. In addition, clinical studies to date have demonstrated through FMT that microbiome intervention can improve outcomes for irritable bowel syndrome[30], IBD[31], response to immunotherapy in melanoma (immuno-oncology)[32], infection with multidrug resistant organisms[33] and insulin sensitivity[34].

Although FMT has been a great proof of concept for the field, over the last 10 years the industry has progressed to the development of LBP and SMOL therapeutics that pharmaceutical companies can manufacture under CGMP processes at scale and treat millions of patients globally. To support these development efforts in June 2016 the FDA released guidance to the industry for chemistry, manufacturing and control for LBPs.[35]

The Company believes that a major market opportunity for microbiome-based therapeutics is addressing major unmet clinical needs for chronic diseases. In 2018, the pharmaceutical drugs and biologics segment of the global chronic disease management market was valued at US$290 billion[36] and is forecast to reach US$428 billion by 2024, increasing at a CAGR of 7.2%[37].

The biologic segment (which relates to LBPs) is witnessing a trend of popularity in the chronic disease therapeutics market, primarily due to the high incidence rate of chronic diseases such as cancer, diabetes, arthritis and immune disorders that require long-term treatment. Biologics are very effective, and they are being increasingly adopted as a standard treatment option among patients and providers due to their ability to be specifically targeted and their robust mechanisms of action.

Figure 2.6: Global market for chronic disease management therapeutics (pharmaceutical drugs and biologics), 2018-2024[38]



The stages of clinical research required for drug development before drugs can be approved for use as therapeutics in humans are as follows:

(a) **Preclinical:** Studies not using human test subjects;

(b) **Phase Ia:** Studies using healthy human test subjects assessing the safety of a drug;

(c) **Phase Ib:** Studies using diseased human test subjects assessing the safety and preliminary efficacy of a drug;

(d) **Phase II:** Studies using human test subjects testing the efficacy of a drug or device; and

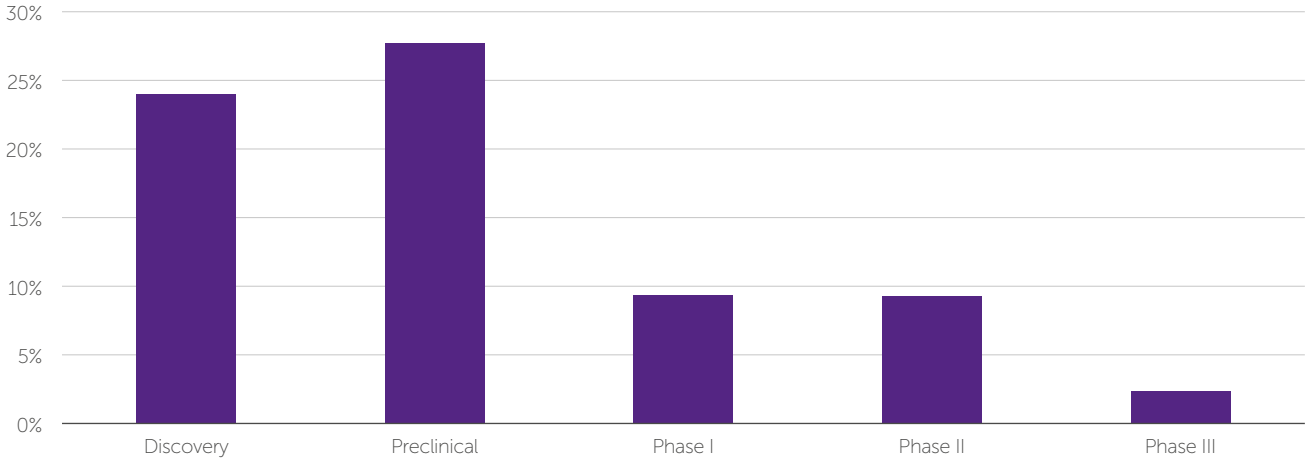
(e) **Phase III:** Studies using human test subjects involving randomised and blind testing in several hundred to several thousand test subjects.

The below graph demonstrates the emerging nature of the microbiome-based drug sector.

29. https://www.fda.gov/media/86440/download.
30. Benech, N. and Sokol, H. Fecal microbiota transplantation in gastrointestinal disorders: time for precision medicine. *Genome Med* (2020). https://doi.org/10.1186/s13073-020-00757-y.
31. Tan, P. *et al.* Fecal Microbiota Transplantation for the Treatment of Inflammatory Bowel Disease: An Update. *Front Pharmacol.* (2020). https://doi.org/10.3389/fphar.2020.574533.
32. Baruch, E. *et al.* Fecal microbiota transplant promotes response in immunotherapy-refractory melanoma patients. *Science* (2020). https://doi.org/10.1126/science.abb5920; Davar, D. *et al.* Fecal microbiota transplant overcomes resistance to anti–PD-1 therapy in melanoma patients. *Science* (2021). https://doi.org/10.1126/science.abf3363.
33. Yoon, Y.K. *et al.* Efficacy and safety of fecal microbiota transplantation for decolonization of intestinal multidrug-resistant microorganism carriage: beyond *Clostridioides difficile* infection. *Ann Med.* (2019). https://doi.org/10.1080/07853890.2019.1662477.
34. Kootte, R.S. *et al.* Improvement of Insulin Sensitivity after Lean Donor Feces in Metabolic Syndrome Is Driven by Baseline Intestinal Microbiota Composition. *Cell Metab.* (2017). https://doi.org/10.1016/j.cmet.2017.09.008.
35. https://www.fda.gov/files/vaccines,%20blood%20&%20biologics/published/Early-Clinical-Trials-With-Live-Biotherapeutic-Products--Chemistry--Manufacturing--and-Control-Information--Guidance-for-Industry.pdf.
36. BCC Research, *HLC239A Chronic Disease Management: Therapeutics, Device Technologies and Global Markets* (2019).
37. BCC Research, *HLC239A Chronic Disease Management: Therapeutics, Device Technologies and Global Markets* (2019).
38. BCC Research, *HLC239A Chronic Disease Management: Therapeutics, Device Technologies and Global Markets* (2019).

2. Industry Overview

Figure 2.7: Global human microbiome market, share of novel pipeline microbiome-based drugs by phase of clinical research (2020) from over 300 companies and 1000 research programs[39]



Credit: Sandwalk Bioventures

As at Prospectus Date, there are no microbiome-based drugs approved for use as therapeutics in humans. In 2021, Seres Therapeutics' and Ferring Pharmaceuticals' stool-derived treatments for recurrent *Clostridium difficile* infection completed Phase III clinical trials[40,41], and the first FDA-approved microbiome therapy is anticipated from one of these companies imminently.

The market opportunities presented by the Company's current therapeutics programs include the IBD treatment market, cancer immunotherapy (immuno-oncology), and autoimmune disease markets.

Inflammatory Bowel Disease treatment market

IBD is a debilitating chronic disease which causes prolonged inflammation of the digestive tract and now effects more that 6 million people globally[42]. The available treatment options commonly fail patients and see them experiencing regular episodes of inflammation, diarrhoea, bleeding, abdominal pain[43] and as many as 25% require hospitalisation[44]. It is now well published that the pathogenesis of the disease is related to a dysregulated immune response to an individual's gut microbiome[45].

The market for treatments of IBD was valued at US$19.2 billion market size in 2020 and is forecast to grow at a CAGR of 4.8% from 2021 to 2028[46]. 2020 sales of leading immune-modulatory drugs used to treat IBD (including sale for other indications they are approved for) were US$20.4 billion (Humira)[47] and US$4.2 billion (Remicade)[48]. Gut microbiome derived therapeutics represent an opportunity to fill a gap in current standard of care for IBD treatment.

39. https://www.microbiometimes.com/the-microbiome-drug-landscape-report-promising-clinical-performance-and-signs-of-a-maturing-industry-4/
40. https://www.ferring.com/ferring-and-rebiotix-present-landmark-phase-3-data-demonstrating-superior-efficacy-of-investigational-rbx2660-versus-placebo-to-reduce-recurrence-of-c-difficile-infection/.
41. Garber, K. First microbiome-based drug clears phase III, in clinical trial turnaround. *Nat.Rev.Drug Discov* (2020).
42. Alatab, S. *et al*. The global, regional, and national burden of inflammatory bowel disease in 195 countries and territories, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017. *Lancet Gastroenterol. Hepatol*. (2019).
43. Scribano, M.L. Adverse events of IBD therapies. *Inflamm Bowel Dis*. (2008). https://doi.org/10.1002/ibd.20702.
44. Pola, S. *et al*. Strategies for the care of adults hospitalized for active ulcerative colitis. *Clin Gastroenterol Hepatol*. (2012). https://doi.org/10.1016/j.cgh.2012.07.006.
45. Manichanh, C. *et al*. The gut microbiota in IBD. *Nat Rev Gastroenterol Hepatol*. (2012). https://doi.org/10.1038/nrgastro.2012.152.
46. Grandview Research. *Inflammatory Bowel Disease Treatment Market Size, Share & Trends Analysis Report By Type (Crohn's Disease, Ulcerative Colitis), By Drug Class, By Route of Administration, By Distribution Channel, By Region, And Segment Forecasts, 2021 – 2028*. (2021).
47. https://www.fiercepharma.com/special-report/top-20-drugs-by-2020-sales-humira.
48. https://www.fiercepharma.com/special-report/top-20-drugs-by-2020-sales-remicade.

Cancer immunotherapy market

The International Agency for Research on Cancer estimates that approximately 10 million deaths and 19 million new cases of cancer were diagnosed in 2020[49]. Immune checkpoint inhibitors help the body recognize and attack cancer cells and have been a breakthrough in cancer treatment. Despite their impact, between 42-70% of patients do not respond to immune checkpoint inhibitor therapies[50].

The gut microbiome presents an opportunity to develop a microbiome adjuvant therapy to improve immune checkpoint inhibitor response. Over 30 published studies now support the influence of the gut microbiome in modulating mechanisms of resistance and response to immune checkpoint inhibitors. Modulation of the gut microbiome using FMT in Phase I and II studies has demonstrated the ability to improve immune checkpoint inhibitor response[51].

The global market for immune checkpoint inhibitors including CTLA-4 (cytotoxic T-lymphocyte-associated protein 4), PD-1 (programmed cell death-1) and PD-L1 (programmed death-ligand 1) are forecast to be valued at US$16.6 billion in 2021, and growing to US$58.57 billion in 2026 at a CAGR of 28.68%[52].

For further detail regarding the Company's current therapeutics programs see Section 3.12.

Autoimmune disease treatment market

Autoimmune diseases are a family of more than 80 chronic and often life-threatening illnesses. These conditions occur by the body's own immune system producing antibodies that instead of fighting infections, cause the immune system to attack the body's healthy cells, tissues and organs. Autoimmune conditions now impact around 5% of the population and prevalence is rising[53].

In recent years, several studies have highlighted the role of the microbiome in the pathogenesis of autoimmune diseases[54]. The microbiome and microbial products are integral to the development and function of an individual's immune system[55]. Consequently, alterations to the microbiome commonly occur in autoimmune diseases and have been highlighted as a key potential target for the development of novel therapies[56].

The global market for autoimmune disease treatments was estimated to be US$53.2 billion in 2019 and growing to US$90.7 billion by 2024 at a CAGR of 11.2%[57].

Pharmaceutical company interest in the microbiome

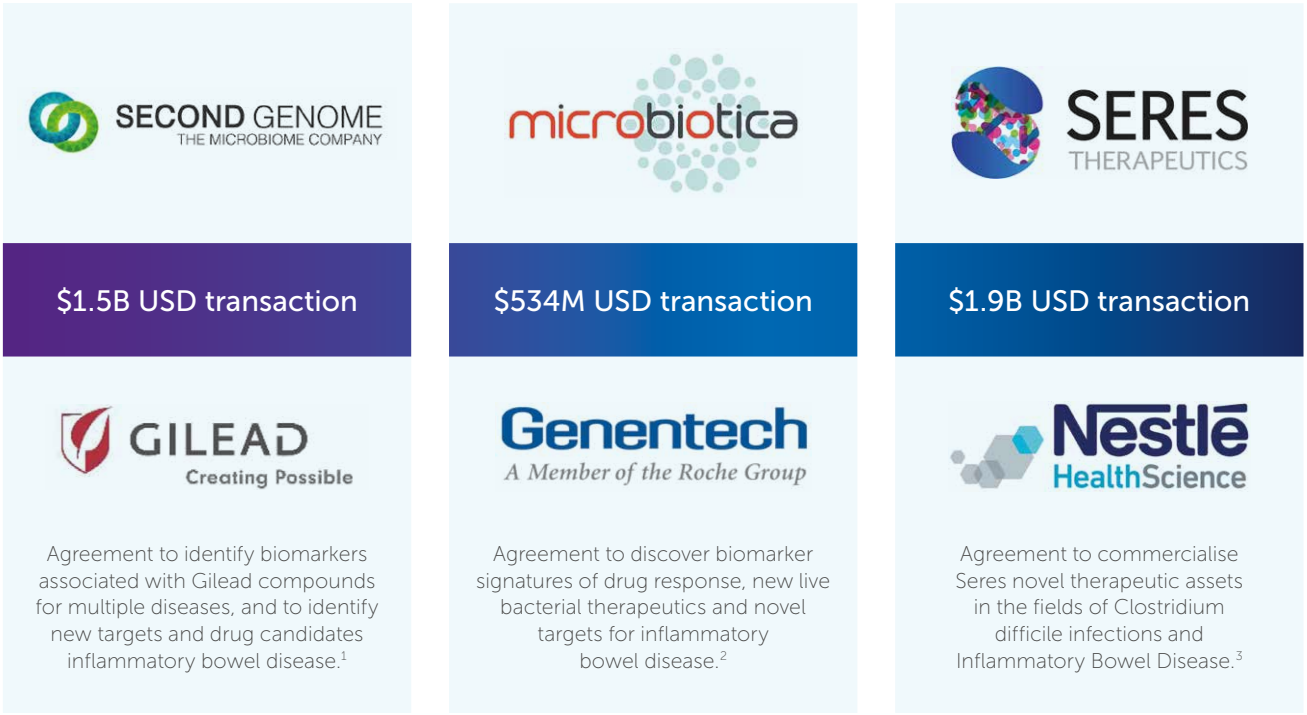
The development of gut microbiome-based therapeutics for several disease indications has attracted significant interest from large pharmaceutical companies (see Figure 2.8 below).

Typically, research is being led by new biotechnology companies who then partner with pharmaceutical companies to accelerate the discovery and development of these new drugs. There is limited utility to simply listing the Company's competitors in the therapeutics industry given the size and complexity of the competitive landscape, the adaptability of market participants and variety of approaches to development and commercialization. Accordingly, three relevant case studies are listed below.

49. Sung, H. *et al*. Global Cancer Statistics 2020: GLOBOCAN Estimates of Incidence and Mortality Worldwide for 36 Cancers in 185 Countries. *CA Cancer J Clin*. (2021). https://doi.org/10.3322/caac.21660.
50. Leonardi, G.C. *et al*. Cutaneous melanoma and the immunotherapy revolution (Review). *Int J Oncol*. (2020). https://doi.org/10.3892/ijo.2020.5088; Wolchok, J.D. *et al*. Overall Survival with Combined Nivolumab and Ipilimumab in Advanced Melanoma. *N Engl J Med*. (2017). https://doi.org/10.1056/nejmoa1709684.
51. Baruch, E. *et al*. Fecal microbiota transplant promotes response in immunotherapy-refractory melanoma patients. *Science* (2020). https://doi.org/10.1126/science.abb5920; Davar, D. *et al*. Fecal microbiota transplant overcomes resistance to anti–PD-1 therapy in melanoma patients. *Science* (2021). https://doi.org/10.1126/science.abf3363.
52. Market Data Forecast. *Global Checkpoint Inhibitors Market Size, Share, Trends, COVID-19 Impact & Growth Analysis Report – Segmented By Type (PD-1 inhibitors, PD-L1 inhibitors, CTLA-4, Chimeric Antigen Receptor T-cell and others), Application & Region – Industry Forecast (2021 to 2026)*. (2021).
53. Fugger, L.*et al*. Challenges, Progress, and Prospects of Developing Therapies to Treat Autoimmune Diseases. Cell. (2020). https://doi.org/10.1016/j.cell.2020.03.007https://doi.org/10.1016/j.cell.2020.03.007.
54. De Luca, F. and Shoenfeld, Y. The microbiome in autoimmune diseases. *Clin Exp Immunol*. (2019). https://doi.org/10.1111/cei.13158.
55. Rooks, M.G. and Garrett, W.S. Gut microbiota, metabolites and host immunity. *Nat Rev Immunol*. https://doi.org/10.1038/nri.2016.42.
56. De Luca, F. and Shoenfeld, Y. The microbiome in autoimmune diseases. *Clin Exp Immunol*. (2019). https://doi.org/10.1111/cei.13158.
57. BCC Research. *Autoimmune Disorder Therapies: Global Markets* (2020).

2. Industry Overview

Figure 2.8: Recent microbiome therapeutic deal examples with large pharmaceutical companies



Notes:

1. https://microbiomepost.com/gilead-signs-potential-1-5-billion-deal-with-second-genome/
2. https://www.fiercebiotech.com/biotech/genentech-signs-534m-deal-microbiotica-search-gut-bacteria-for-ibd-targets-new-drugs
3. https://www.reuters.com/article/us-nestle-seres-deals-idUSKCN0UP1VP20160111

Microba's commercial strategy is to transact on its therapeutic programs and associated therapeutic assets with large pharmaceutical companies to complete clinical development and deliver innovative novel therapies to market.

Dietary Supplements

Consumer demand for probiotic supplements has grown significantly due to:

(a) the rise in consumer understanding of the importance of gut health; and

(b) diet, medication and lifestyle factors causing gut dysbiosis within the population microbiome.

Dysbiosis is defined as an imbalance in the gut microbiome through either a reduction in microbial diversity, or negative changes in functional composition including the loss of important beneficial bacteria.

The objective of consumer probiotics is to supplement beneficial bacteria to prevent or restore a state of dysbiosis. The over-the-counter probiotic supplement market was estimated to be worth US$54.77 billion in 2020 and is forecast to grow at a CAGR of 7.2% from 2021 to 2028[58]. Commercially available probiotic strains are primarily lactic acid-producing bacterial strains (**LAB**) which are sourced from a variety of environments including fermented food products, raw foods, the infant gut, and human breast milk.[59] These LAB probiotics consist primarily of strains within the *Lactobacillus and Bifidobacterium genera*, which occur at low abundance or not at all in the adult human gut[60] and therefore have limited impact on preventing or restoring a state of dysbiosis. Examples of major companies in this market include:

(a) Chr. Hansen Holding A/S;

(b) Danone; and

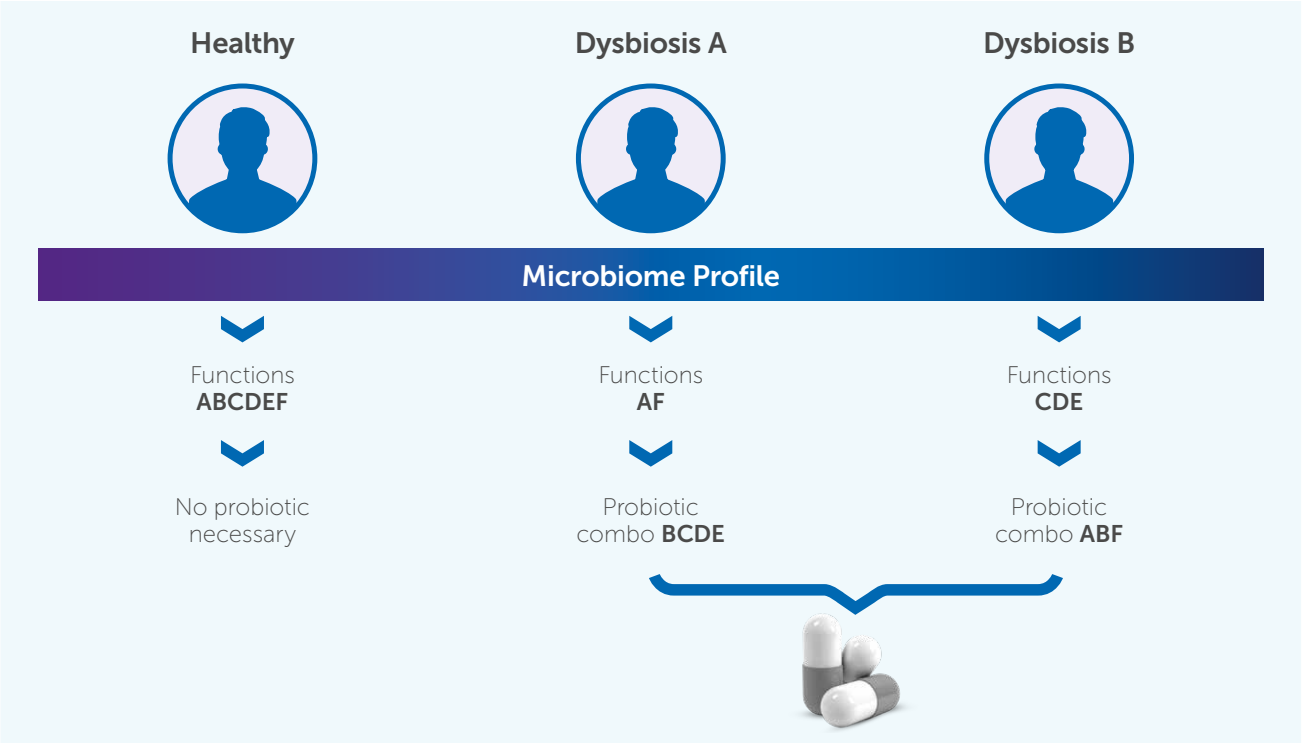
(c) Nestle S.A.

58. Grandview Research. *Probiotics Market Size, Share & Trends Analysis Report By Product (Probiotic Food & Beverages, Probiotic Dietary Supplements), By Ingredient (Bacteria, Yeast), By End Use, By Distribution Channel, And Segment Forecasts, 2021 – 2030.* (2022).
59. Fontana, L. *et al.* Sources, isolation, characterisation and evaluation of probiotics. *Br J Nutr.*(2013). https://doi.org/10.1017/s0007114512004011.
60. Fontana, L. *et al.* Sources, isolation, characterisation and evaluation of probiotics. *Br J Nutr.*(2013). https://doi.org/10.1017/s0007114512004011.

Microba believes this market will undergo a significant disruption as companies develop probiotic strains naturally derived from the healthy human gut microbiome which can support consumer dysbiosis prevention and restoration. Through its technology platforms, Microba has the opportunity to be at the forefront of this market disruption through leading the development of novel probiotic products derived from the healthy human gut microbiome. Currently the Company is only aware of one company with human adult-derived probiotic products on market which is Pendulum with its Akkermansia and Glucose Control products[61].

In healthcare an additional macro trend is personalisation. Probiotics currently fall under a "one size fits all" model where the same probiotics are used by everyone, regardless of differences in their personal microbiomes. Emerging research is showing that although it may be difficult to identify a set of core species that represent a healthy gut microbiome, it is likely that a core set of microbial functions that represent a healthy microbiome will be capable of identification. By assessing an individual's gut microbiome with metagenomic sequencing, it may be possible to identify which core microbial functions are missing and contributing to a state of, or predisposition to, dysbiosis. With this information, personalised probiotics that replace the missing core functions and prevent or restore a state of dysbiosis for an individual can then be recommended.

Figure 2.9: Example of personalised probiotics



Large consumer health companies continue to seek attractive products and brands in the probiotic and personalised supplement markets. Some example transactions include:

(a) Chr. Hansen Holding A/S acquired probiotic company UAS Labs for US$530m[62];

(b) Nestle SA invested €50 Million in 5-year probiotic licensing deal With BioGaia[63];

(c) Novozymes acquired Irish probiotic company PrecisionBiotics for US$90m[64];

(d) Bayer acquired personalised supplement company Care/of for US225m[65]; and

(e) Nestle acquired personalised supplement company Persona for undisclosed sum[66].

61. https://pendulumlife.com.
62. https://www.nutraingredients-usa.com/Article/2020/06/10/Probiotic-consolidation-Chr-Hansen-to-acquire-UAS-Labs-for-530-million#.
63. https://www.biospace.com/article/releases/nestle-sa-invests-50-million-in-5-year-probiotic-licensing-deal-with-b-biogaia-b-/.
64. https://www.reuters.com/article/us-precisionbiotics-m-a-novozymes-idUSKBN23W1JF.
65. https://media.bayer.com/baynews/baynews.nsf/id/Bayer-Acquires-Majority-Stake-in-Care-of, https://www.bloomberg.com/news/articles/2020-08-31/bayer-to-buy-vitamin-company-care-of-at-225-million-valuation.
66. https://www.nestle.com/media/news/nestle-health-science-acquisition-persona.

2. Industry Overview

2.10 Industry growth drivers

Key industry growth drivers in the coming years are anticipated to be:

(a) Increased knowledge and evidence demonstrating the gut microbiome's role in health and disease.

(b) Increasing acceptance of microbiome testing in clinical practice driven by an increased evidence base supporting clinician decision making.

(c) Prevalence of chronic disease which has increased significantly in recent years and is expected to become more severe due to poor diet and lifestyle factors.[67]

(d) Rising prevalence of GI disorders (including Crohn's disease and Ulcerative Colitis) and cancers.

(e) Successful approval of microbiome-based therapeutics by the FDA, EMA, TGA and other regulators.

2.11 COVID-19 impact

Microba's business depends on healthcare spending, which has been, and may continue to be, impacted by the outbreak of COVID-19. The extent of any ongoing impact of COVID-19 on Microba's business will depend on future developments, including the duration and future spread of COVID-19 within the United States, Europe, Australia, New Zealand, and the Gulf Cooperation Council countries, the effectiveness of vaccines, and the related impact on general economic conditions, business confidence and healthcare spending, all of which are highly uncertain.

However, the COVID-19 pandemic has led to increased public awareness and focus on the importance of maintaining good general and immune health which may benefit the Company's future performance.

For further detail regarding the impacts of the COVID-19 pandemic on the Company's financial performance see Section 4.12.

67. BCC Research, *HLC239A Chronic Disease Management: Therapeutics, Device Technologies and Global Markets* (2019).

3.

Business Overview

3. Business Overview

3.1 Introduction

3.1.1 Overview

Microba is a precision microbiome company with leading technology developed at the University of Queensland (**UQ**) and assigned to Microba on 3 October 2017. With a growing body of global research demonstrating that the gut microbiome plays a central role in health and disease, Microba is endeavouring to position itself as a leading provider in the delivery of Microbiome testing services and therapeutics through three key business pillars:

(a) **Microbiome Services** – Personal and research microbiome testing services;

(b) **Databank** – Large, unique, proprietary databank driving the discovery of novel therapeutic leads; and

(c) **Microbiome Therapeutics** – Microbiome derived therapeutic development.

Microba is seeking to accelerate the growth of these business pillars, and the further development of its underlying technology platforms through the use of funds obtained as a result of the Offer.

3.1.2 Microbiome Services

Microba has proven it can commercialise gut microbiome testing services globally through two service types:

(a) **Personal Testing** – servicing individuals seeking to test their gut microbiome to monitor and improve their health; and

(b) **Research Testing** – servicing research institutions and corporates looking to perform high quality research on the gut microbiome.

Microba has executed and is rapidly growing the delivery of these services globally to clients both directly, and via global and domestic distribution partnerships (see Section 3.4).

Figure 3.1: Overview of Microba's business pillars

Databank

Therapeutics

Proprietary databank

- Health Data
- Biome Data

Insights

Novel Therapies

Data-driven therapeutics platform developing novel monoclonal microbial cell therapies

3.1.3 Databank

Microba's Microbiome Services generate a large, proprietary Databank which is consistently growing with uptake of the Company's Microbiome Services. This Databank encompasses a significant volume of unique, valuable, high-quality data which enables the Company to identify therapeutic leads using a data-driven approach. To date, Microba has leveraged the Databank to identify therapeutic leads for 18 diseases and it serves as a globally unique data resource for microbiome discovery.

3.1.4 Microbiome Therapeutics

Microba has established a unique, repeatable platform for drug discovery and development from the human gut microbiome. This platform leverages a large, growing, proprietary Databank collected through the Company's Microbiome Services, and is generating multiple potent therapeutic candidates to address chronic diseases which are naturally-derived from a healthy human gut.

Microba has established multiple therapeutic programs including for IBD, Immuno-oncology (**IO**) and Autoimmune diseases. Microba's lead drug candidate for IBD is currently undergoing manufacturing to enter a Phase 1b clinical trial planned to commence in December 2022 (see Section 3.14). For the Company's IO program, a large study has been initiated together with leading cancer institutes across the United States and Australia (see Section 3.15). The study's lead investigators are Dr Joseph Makowitz from Moffit Cancer Centre and Dr Victoria Atkinson at the Princess Alexandra Hospital. The Company's Autoimmune program is being conducted under an agreement between Microba Pty Ltd and Ginkgo Bioworks, a subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA), targeting the development of novel microbiome-based therapies for 3 autoimmune disorders (see Section 9.10).

3.2 Background and history

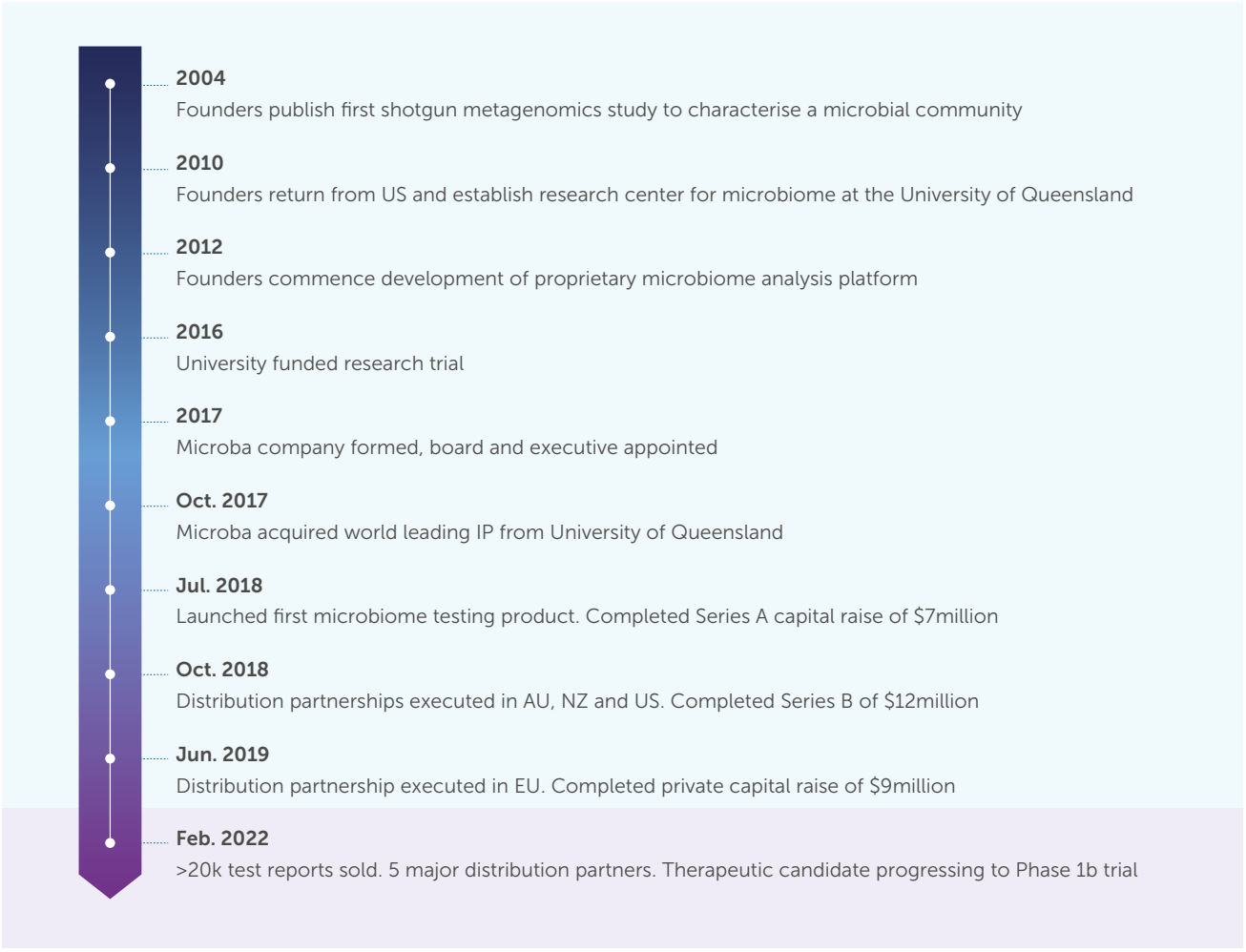
Microba's core technology was developed over more than 15 years by Professor Philip Hugenholtz (Co-Founder, Chair of Scientific Advisory Board) and Professor Gene Tyson (Co-Founder, Non-Executive Director) over the course of their careers spanning tenure at esteemed research institutes such as Berkley, Massachusetts Institute of Technology, the Joint Genome Institute and The University of Queensland.

Professors Hugenholtz and Tyson have led the development and application of many industry standards for microbiome analysis[68] and are recognised among the world's most influential researchers of the past decade in their field.[69] In 2019, 2020 and 2021 both Professors were ranked in the prestigious Clarivate 'Highly Cited Researchers' list[70] which identifies scientists who produce multiple scientific papers ranking in the top 1% by citations for their field, and demonstrate significant research influence among their peers.

68. Parks, D. H. *et al*. CheckM: assessing the quality of microbial genomes recovered from isolates, single cells, and metagenomes. *Genome Res*. (2015). https://doi.org/10.1101/gr.186072.114; Parks, D.H. *et al*. A standardized bacterial taxonomy based on genome phylogeny substantially revises the tree of life. *Nat Biotechnol*. (2018). https://doi.org/10.1038/nbt.4229.
69. *https://publons.com/researcher/3119406/philip-hugenholtz/ https://publons.com/researcher/2663138/gene-w-tyson/.*
70. https://recognition.webofscience.com/awards/highly-cited/2021/.

The below diagram provides an overview of the Microba Group's history and selected achievements.

Figure 3.2: Microba Group's history and selected achievements



3.3 Operations

Microba's operations are principally based in Brisbane, Australia which is the location of both its head office and its state-of-the-art metagenomics sequencing laboratory optimised for the high throughput processing of samples located at the Translational Research Institute at the Princess Alexandra Hospital. The Company has a growing footprint in the United States with staff, directors and advisors based in New York, North Carolina, Pennsylvania and Baltimore.

The Microba Group employs:

(a) 50 full time specialist staff (including 25 PhD qualified employees) in the head office and laboratory which are both located in Brisbane, Australia; and

(b) 2 specialist staff in the United States.

3.4 Microbiome Services business model

Microba's Microbiome Services consist of:

(a) **Personal Testing** – personal microbiome testing services via a healthcare practitioner (gastroenterologists, primary care, and allied health physicians) or via a direct-to-consumer model; and

(b) **Research Testing** – microbiome testing and data analysis services for research projects servicing clients across the biotechnology, pharmaceutical, consumer health, nutrition, food and academic research sectors.

In addition to generating revenue, data obtained from both service lines contribute to growing the Company's proprietary Databank which powers the discovery and development of novel therapeutic candidates using the Company's Therapeutic Platform.

3.4.1 Personal Testing

Microba offers a comprehensive personal gut microbiome test to consumers and healthcare practitioners powered by Microba's Analysis Platform. Microba offers Personal Testing directly in Australia, and through distributors internationally.

Figure 3.3: Personal Testing

Scalable, global personal testing services drive revenue and databank growth

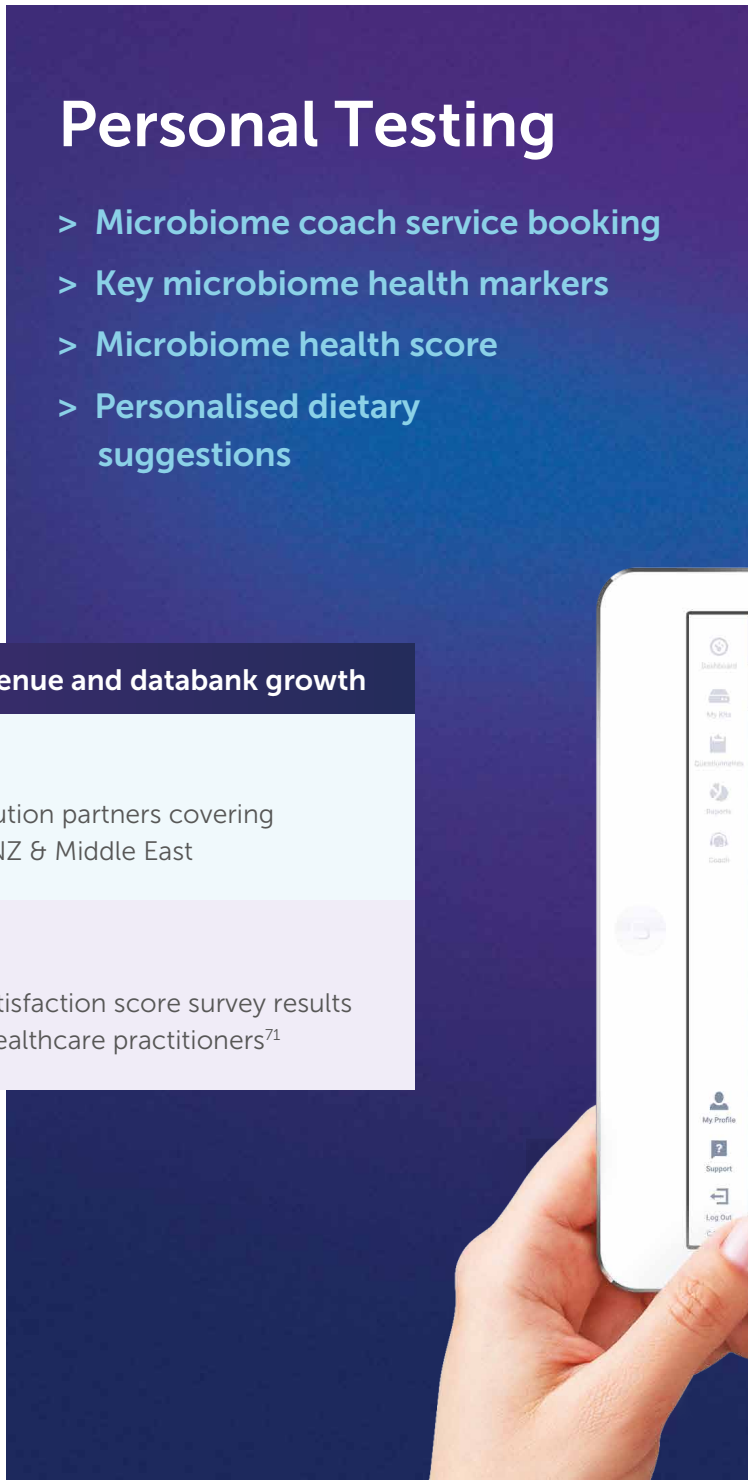
>20k
Tests sold to date

5
Major distribution partners covering US, EU, AU, NZ & Middle East

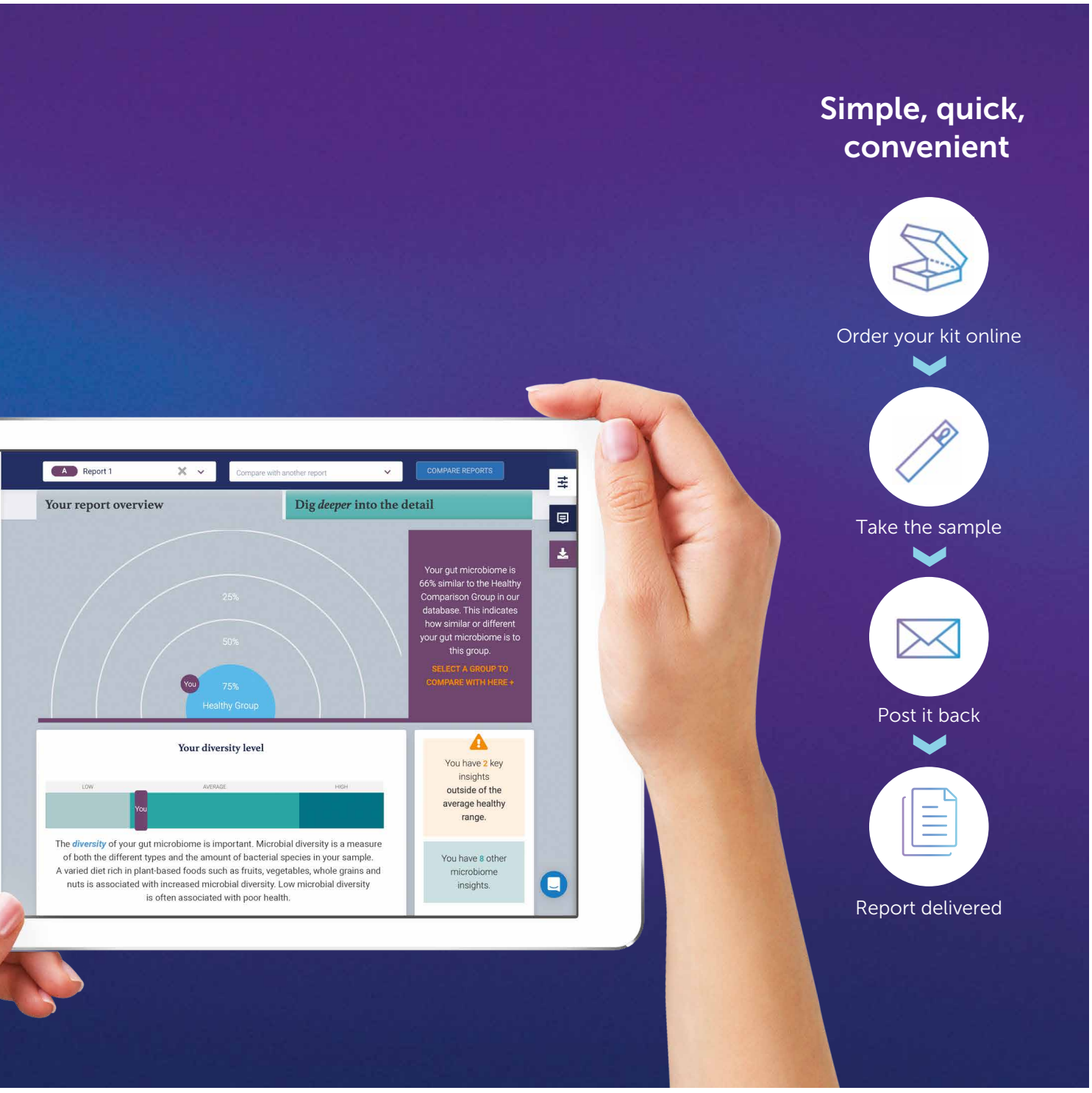
89%
Of customers receive an actionable out-of-range result

9/10
Customer satisfaction score survey results from >650 healthcare practitioners[71]

Figure 3.4: Microba's personal health testing solution



71. Survey results from >600 individuals following consultation with a microbiome coach.


Simple, quick, convenient
Order your kit online
Take the sample
Post it back
Report delivered
A Report 1
Compare with another report
COMPARE REPORTS
Your report overview
Dig deeper into the detail
25%
50%
You
75%
Healthy Group
Your gut microbiome is 66% similar to the Healthy Comparison Group in our database. This indicates how similar or different your gut microbiome is to this group.
SELECT A GROUP TO COMPARE WITH HERE +
Your diversity level
LOW
AVERAGE
HIGH
You
The diversity of your gut microbiome is important. Microbial diversity is a measure of both the different types and the amount of bacterial species in your sample. A varied diet rich in plant-based foods such as fruits, vegetables, whole grains and nuts is associated with increased microbial diversity. Low microbial diversity is often associated with poor health.
You have 2 key insights outside of the average healthy range.
You have 8 other microbiome insights.

Customers receive:

(a) a comprehensive and accurate analysis of their personal microbiome including the bacteria, archaea, fungi, and protist species present;

(b) information on the potential of their gut microbiome to use different fuel sources such as fibre, protein and fat, and the potential for their gut microbiome to produce metabolites that may be impacting their health; and

(c) personalised dietary suggestions to improve their gut microbiome and overall health.

Microba offers a simple user experience to customers from ordering through to sample collection and results delivery.

Customers either directly order their test online, or via a referral from a healthcare practitioner (for example gastroenterologist, primary care or allied health physician). The customer receives a sampling kit in the mail. The customer then uses the quick, non-invasive sampling swab that can be administered at home by simply swabbing a soiled piece of toilet paper. Customers then return their faecal sample to the laboratory via post and receive their results in both a PDF and online interactive format.

Via an opt-in process, customers for some products and regions receive the opportunity to share their de-identified results with Microba for future research to make new discoveries related to the gut microbiome, health and disease to drive the development of novel testing services and therapeutics to improve health. This data builds Microba's proprietary Databank.

Microba offers Personal Testing directly in Australia, and through distributors internationally. The Company's distribution model enables the Company to scale Personal Testing globally in a capital light manner, through partners with deep channels in their respective geographic markets.

Figure 3.5: Microbiome Services – personal testing distribution partnership model

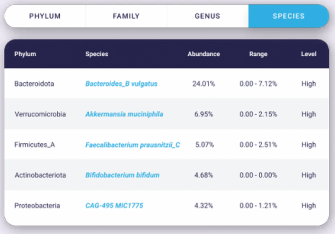
Global scalability through partner distribution model

Laboratory Processing & Sequencing

Microba lab protocols developed over 20 years founder experience

Report delivery

Microba Cloud



Data analysis using Microba Analysis Platform

Report generation

3. Business Overview

A summary of Microba's distribution partnerships are as follows:

(a) **Macrogen:** Macrogen is a leading company in precision medicine and biotechnology established on June 5 1997 spun out of the Genomic Medicine Institute of the Seoul National University College of Medicine. In February 2000, Macrogen became the first ever bio venture in Korea to be listed on the KOSDAQ. Macrogen has become a global expert in genomic analysis and a leader in Korean biotechnology, working closely with over 18,000 research clients across 153 countries. Precision medicine and clinical diagnostics are key areas that Macrogen is actively investing in and microbiome analysis is a fundamental component of those endeavours. Macrogen recognises Microba's leading technology and capability which has led to a growing strategic partnership.

Macrogen is an Existing Shareholder in the Company, with 17,828,431 Shares in the Company, being 8.58% of the Company's issued capital as at the Prospectus Date.

In August 2019 Microba entered into a strategic partnership with Macrogen's US subsidiary, Psomagen, Inc under the Psomagen Binding Heads of Agreement to deliver a microbiome testing service using Microba's Analysis Platform in the United States. Psomagen now delivers a brand called Kean Health and a product using Microba's technology called Gut+ into the United States market. The parties continue to work strategically together in the United States to grow awareness of consumer gut microbiome testing, uptake of the Gut+ product and explore additional commercial opportunities together.

Commercial opportunity:

(i) Growing market share for consumer microbiome testing in the US with leading testing technology; and

(ii) Additional collaboration on research and development initiatives.

Figure 3.6: Microbiome Services – personal testing distribution partner summary

Metagenics	**Launched Mid 2019** **AU & NZ**	Metagenics is a leader in functional nutrition and professional healthcare education
Humanizing Genomics macrogen	**Launched Late 2019** **US**	Macrogen is a leading company in genomic-based personalised medicine
SYNLAB	**Launched Mid 2021** **Europe**	SYNLAB is Europe's largest laboratory diagnostic services provider
GENOVA DIAGNOSTICS	**Planned Launch Mid 2022** **US**	Genova Diagnostics is a leading gastrointestinal pathology provider in North America
G42	**Planned Launch Early 2022** **Middle East**	G42 Healthcare is a leading health-tech company transforming healthcare across the Gulf countries
TO BE ANNOUNCED	**Planned Launch Mid 2022** **AU**	Fast growth innovative consumer healthcare company

(b) **Metagenics:** Metagenics Inc was founded in 1983 to provide high quality nutritional products to healthcare practitioners for administration to their patients. Metagenics operates in functional nutrition with market leading positions within the United States, Australia and New Zealand.

In March 2019, Metagenics, a subsidiary of Metagenics Inc and Microba entered into the Metagenics Collaboration and Distribution Agreement for Metagenics to deliver a new gut microbiome testing product, MetaBiome, to their large healthcare practitioner customer base in Australia and New Zealand.

The product was launched in June 2019 and since then the parties have trained, educated and grown their healthcare practitioner base across Australia and New Zealand.

Commercial opportunity:

(i) Growing towards a dominant market share of healthcare practitioner comprehensive microbiome testing in Australia and NZ; and

(ii) Key thought leadership position in education and training on the utility of gut microbiome testing.

(c) **SYNLAB** – SYNLAB International GmbH is Europe's largest provider of clinical laboratory services which has a presence in over 40 countries on four continents.

In May 2020, Microba entered into the SYNLAB Distribution Agreement with SYNLAB International GmbH to deliver a gut microbiome testing product throughout Europe. A successful trial was completed in Spain and the partnership is expanding to 7 countries including Italy, Switzerland, Poland, Turkey, Spain, Hungary, and Romania.

SYNLAB AG (the parent entity of SYNLAB International GmbH) listed on the Frankfurt Stock Exchange in 2021.

Commercial opportunity:

(i) Grow towards a dominant market share across major European markets for healthcare practitioner comprehensive microbiome testing; and

(ii) Key thought leadership position in education and training on the utility of gut microbiome testing throughout the region.

(d) **G42 Healthcare** – G42 is a leading health-tech company harnessing data and advanced medical technologies to unlock personalised and preventative care. G42's healthcare business provides healthcare services and consumer genomics services in the Gulf Cooperation Council countries and wider region.

In February 2022, Microba entered into the G42 Collaboration Agreement with G42 Laboratory LLC to launch a gut microbiome service leveraging Microba's Analysis Platform, to consumers and healthcare practitioners across the Gulf Cooperation Council region.

Commercial opportunity:

(i) Grow towards a dominant market share for healthcare practitioner and consumer microbiome testing across major GCC countries; and

(ii) Key thought leadership position in education and training on the utility of gut microbiome testing to healthcare practitioners and consumers throughout the region.

(e) **Genova Diagnostics** – Genova is a leading US gastrointestinal pathology company delivering testing to support the personalised diagnosis, treatment and prevention of chronic disease. Genova offers multiple specialised diagnostic assessments that cover digestive, metabolic, immunology, endocrinology and other physiological areas. The company currently serves more than 10,000 primary care physicians, specialists and other healthcare providers.

In December 2021, Microba and Genova entered into the Genova Commercial Development Agreement to launch a gut microbiome service to their US healthcare practitioner network leveraging the Analysis Platform.

Commercial opportunity:

(i) Leverage Genova's market leadership position to gain a dominant market share of healthcare practitioner microbiome testing in the US; and

(ii) Key thought leadership position in education and training on the utility of gut microbiome testing to healthcare practitioners across the US.

As at Prospectus Date, over 20,000 personal tests have been sold (either directly or indirectly through distribution partners). The Company believes that new distribution partnerships and growing demand for microbiome testing services globally create a strong growth profile for Personal Testing.

Regulatory considerations relevant to the above partner products are set out in Section 3.8 below.

For more information on those material agreements with these partners refer to Section 9.

3.4.2 Research Testing

In order to service this growing market and help advance the body of research relating to the microbiome, Microba established a Research Testing service line via which its Analysis Platform is made available to researchers on either a:

(a) fee for service basis; or

(b) collaborative 'data share' model where Microba keeps a copy of the research data for its own purposes, in exchange for discounted services.

The 'data share' model is offered only for projects with patient populations of key strategic interest that align with the Company's business goals. Research contracts are negotiated on a per-project basis.

Figure 3.7: Research testing

Driving strategic partnerships and revenue growth

>200
Global research project contracts to date

>50
Organisations served

82,000
Gb of data delivered to clients

7
Countries

Microba offers an end-to-end research solution that supports research clients through participant recruitment, sample collection, laboratory processing, metagenomic sequencing, microbiome profiling for species and functions, and complex bioinformatic statistical analysis.

Research Testing clients include universities, research institutes, biotechnology companies, pharmaceutical companies, food companies and other corporate entities. As at Prospectus Date, Microba has executed over 200 research project contracts with more than 50 organisations from 7 countries including New Zealand, Switzerland, the United Kingdom, and the United States. Some example clients are highlighted below in Figure 3.8.

Figure 3.8: Selected Microba research clients

Key exemplar clients and the relevant research projects for which Research Testing services were provided include:

(a) **Unilever (LON: ULVR)** – Leveraging Microba's Databank for microbiome and nutrition signals associated with sleep quality.

(b) **Australian Department of Defence** – To identify microbial signatures that can be linked to solider cognitive performance.

(c) **Anatara Lifesciences Ltd (ASX: ANR)** – Interventional clinical study investigating the impact of a gastrointestinal therapeutic product on the microbiome of patients.

(d) **The University of Queensland** – Cross-sectional study investigating microbiome biomarkers and signatures in Autism.

(e) **Illumina partnership** – Illumina Inc., the global leader in DNA sequencing and array-based technologies. In December 2020, Illumina and Microba entered into a Co-marketing Agreement to advance the understanding of the human gut microbiome in human health and disease. The partnership brought together the Analysis Platform with Illumina's revolutionary sequencing tools to promote Research Testing services in collaboration throughout the Asia Pacific and Japan region.

3. Business Overview

3.5 Analysis Platform

Microba's Microbiome Services are powered by Microba's Analysis Platform. The Analysis Platform provides an end-to-end solution for comprehensive and accurate microbiome testing powered by Microba's core analysis technology developed over more than 15 years by Professor Philip Hugenholtz (Co-Founder, Chair of Scientific Advisory Board) and Professor Gene Tyson (Co-Founder, Non-Executive Director) together with key senior members of the Microba team. The Analysis Platform provides technology solutions for:

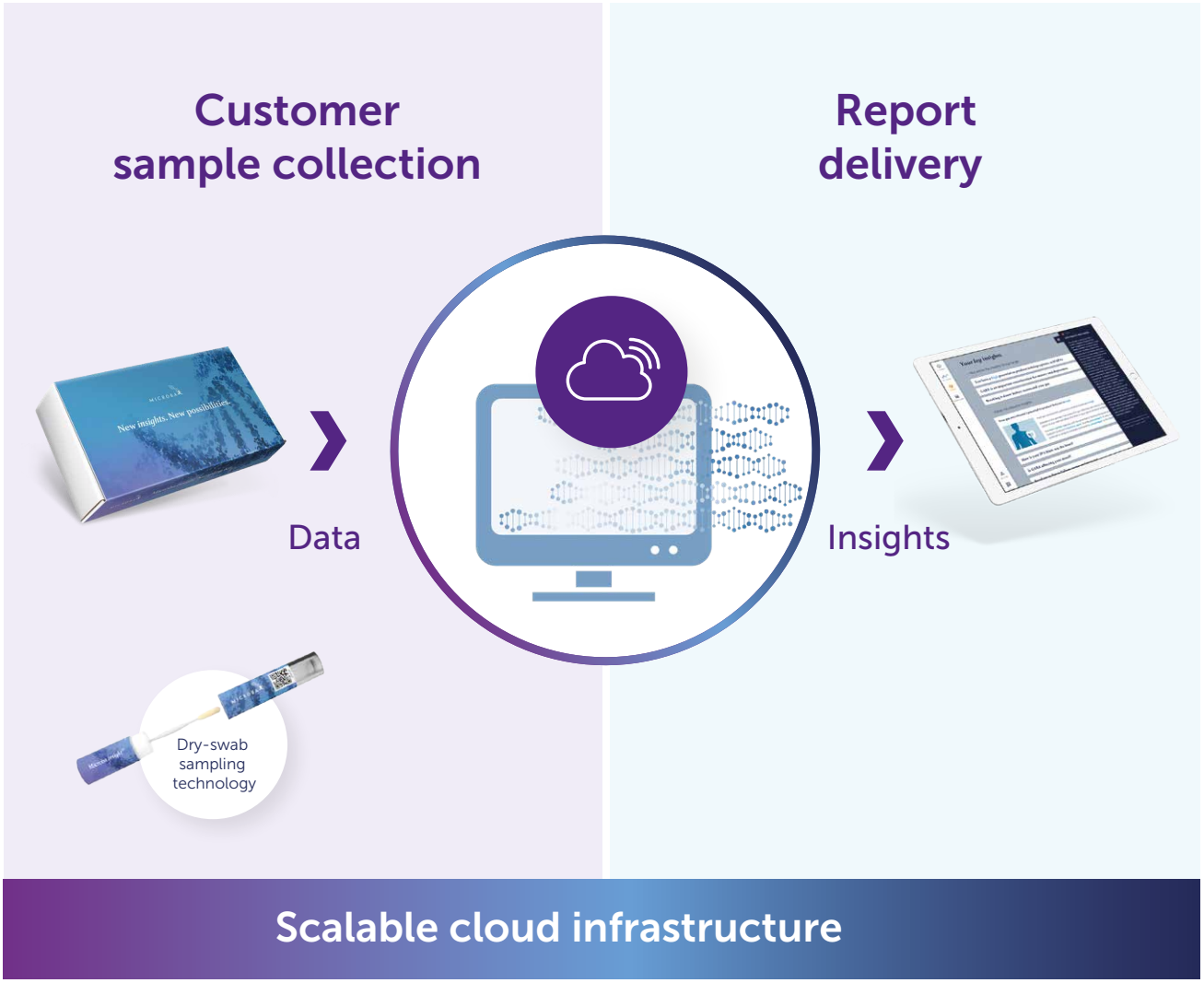
(a) customer sampling;

(b) laboratory sample processing;

(c) cloud-based data analysis using Microba's core analysis technology; and

(d) user-friendly reporting.

Figure 3.9: Microba's Analysis Platform



3.5.1 Sampling

Microba employs a unique dry-swab sampling method that is non-invasive and easy to use for customers. The innovative dry-swab faecal sampling method actively preserves microbial samples without the need for liquids or cold storage. A comprehensive study published in Nature journal ISME Communications demonstrated that Microba swabs significantly outperform other common sample collection methods used by other companies[72].

3.5.2 Laboratory sample processing

Microba's laboratory processes deliver reproducible, high quality metagenomic sequence data from faecal samples. The Company's laboratory protocols encompass nucleic acid extraction, quantification, library preparation and sequencing using the Illumina NovaSeq 6000 sequencing platform.

72. Pribyl, A.L. et al. Critical evaluation of faecal microbiome preservation using metagenomic analysis. ISME Comm. (2021). https://doi.org/10.1038/s43705-021-00014-2.

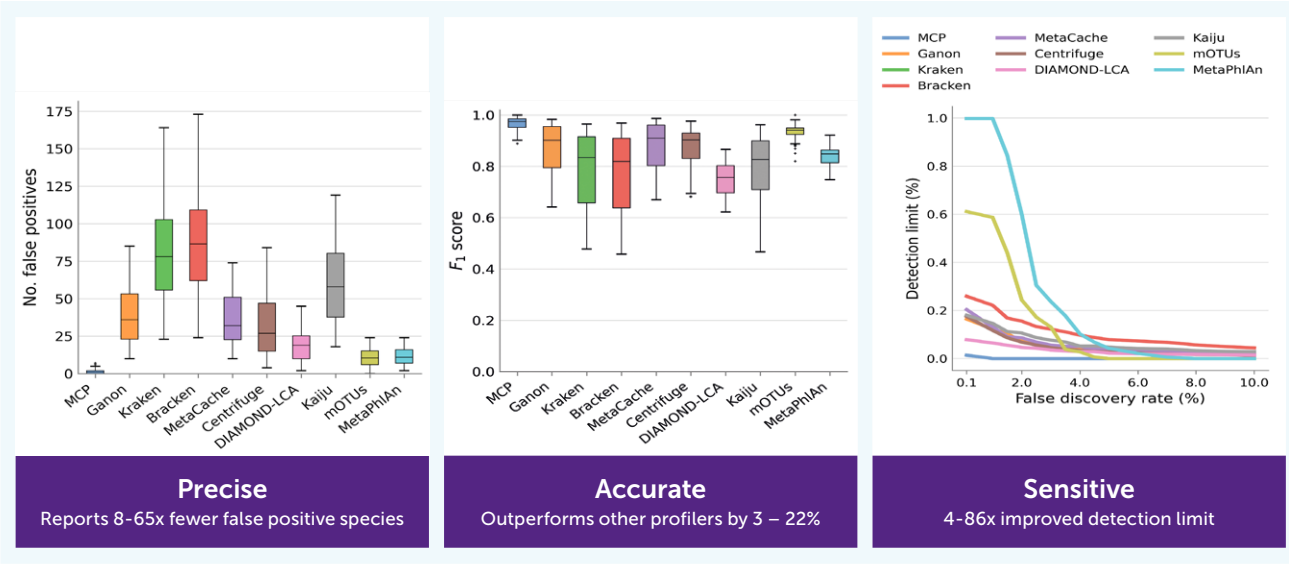
3.5.3 Core analysis technology – Microba Community Profiler

The Company's Analysis Platform is underpinned by a proprietary microbiome profiling technology called the Microba Community Profiler (**MCP**). This technology transforms raw metagenomic sequence data from a sample, into an accurate and comprehensive profile of an individual's gut microbiome. MCP includes proprietary algorithms and specialised genomic databases optimised to run at commercial scale on a purpose-built high-performance computing environment on Google Cloud Platform. The MCP technology is a key competitive advantage for the Company due to its ability to rapidly measure the human gut microbiome with unparalleled accuracy and comprehensiveness. This advanced bioinformatic scientific software platform is used across the Company to deliver precision testing services in 7 languages across 9 countries, and to identify novel therapeutic leads that other technologies fail to identify.

MCP has been extensively validated and a comparison of MCP to competing metagenomic profilers published in the peer-reviewed journal Frontiers of Microbiology.[73] This publication demonstrates the superior performance of MCP over other profiling tools.

Superior performance: MCP achieves a false discovery rate that is between 6-34x lower than other classifiers, reporting 8-65x fewer false positive species, and an accuracy (measured by mean F1 score) of 0.97 which is between 3 – 22% higher in absolute terms than other classifiers. MCP demonstrates outstanding limit of detection, achieving between 4-86x improved detection limit at a false discovery rate of 0.1%.

Figure 3.10: Comparison of metagenomic profilers showing the superior performance of MCP with low false positive rate (left), high F1 score (middle) and outstanding detection limit (right)



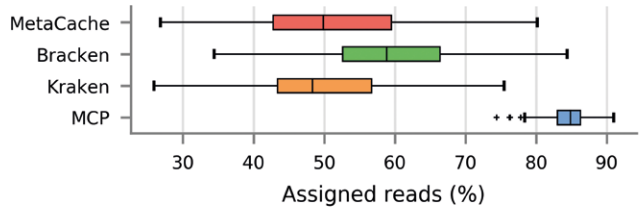
Precise
Reports 8-65x fewer false positive species

Accurate
Outperforms other profilers by 3 – 22%

Sensitive
4-86x improved detection limit

Greater coverage – measuring 31% more per sample: Using Microba's expertly curated Genome Database, MCP can assign on average 85% and up to 95% of the DNA sequencing reads in a typical faecal sample and on average 31-39% more DNA sequencing reads than other classifiers. This coverage, combined with MCP's outstanding precision and accuracy, enables the discovery of more novelty relevant to the Company's therapeutics programs.

Figure 3.11: MCP achieves superior coverage of the microbiome, identifying with high confidence on average 31-39% more DNA sequencing reads than other classifiers.



Comprehensive
Measures on average 31-39% more

World leading bioinformatics experts: The MCP platform is being continually advanced and the company is maintaining its' competitive advantage in bioinformatics. A new version of MCP is in testing and achieves greater accuracy in relative abundance estimates and increased coverage.

73. Parks, Donovan H., *et al*. Evaluation of the Microba Community Profiler for Taxonomic Profiling of Metagenomic Datasets From the Human Gut Microbiome. *Front Microbiol*. (2021). https://doi.org/10.3389/fmicb.2021.643682.

3. Business Overview

3.5.4 Reporting

Personal Testing customers receive their results in a digital interactive report format. Below is an example extract from a Microba Insight™ report. The report shows detail on the customer's gut microbiome and compares the composition of a customer's gut microbiome to a baseline healthy cohort. The report is used to identify personalised dietary suggestions which aims to improve health and wellness by influencing the composition of the customer's gut microbiome.

Microba's cloud-based reporting software enables a range of flexible solutions for Microba's distribution partners including:

(a) supply of results via a secure application programming interface (**API**);

(b) full white-labelled reporting and results portal solutions; and

(c) market specific product deployments including multi-language support.

Figure 3.12: White label product examples for international distribution partners

3.6 Microbiome Services – Future opportunities

The Company believes that microbiome testing will become increasingly commonplace for consumer health and wellness, and a part of routine standard of care for medical applications. The Company's leading Analysis Platform positions it uniquely to develop and commercialise novel microbiome testing products that advance both personal (consumer) and clinical (healthcare) utility to enable this future, in both wellness and diagnostic settings. The Company has generated proof of principle data demonstrating the ability to use artificial intelligence approaches to develop novel diagnostic, companion diagnostic and wellness testing solutions. Testing pipeline product opportunities include:

(a) **Diagnostic and companion diagnostic tests**:

  (i) **Drug response prediction** – Microba has performed research that demonstrates it can predict with 82% and 95% accuracy,[74] response to biological drugs for both IBD and IO respectively.

  (ii) **Diagnosis** – Microba has performed research that demonstrates it can diagnose IBD with 97% accuracy. In addition, together with Australian hospitals the Company has developed and validated a hypothesis-free testing product concept called MetaPanel™. The product detects infectious diseases with high levels of accuracy (99-100%) and sensitivity (88-100%). This product concept presents as a new product opportunity for diagnosing gastrointestinal infectious diseases within a hospital setting.

(b) **Wellness tests** – Microba is developing a testing product to match an individual to an evidence based, personalised supplemental regime.

These testing product opportunities offer new potential revenue opportunities for the Company. Microba believes that diagnostic applications of its technology have the potential to create testing services which may become part of routine clinical care with potential for health system and insurance reimbursement in the future. Microba has engaged with leading pathology companies and major players in the United States regarding the development and reimbursement of these clinical decision-making tools.

3.7 Microbiome Services – Commercial strategy and growth plan

Microba's commercial strategy for Personal Testing is to grow sales in a capital-light and scalable manner by continuing to establish and grow international distribution partnerships. Key geographies with populations possessing sufficient discretionary spending habits and high out of pocket healthcare expenditure will be targeted. Suitable distribution partners have a strong brand, scientifically and medically aligned teams, large established customer bases, and a proven track record in marketing and sales of similar products and existing sales channels. White-labelled versions of the Company's testing and reporting products (both digital and physical) will be deployed with these distribution partners leveraging the Company's:

(a) Analysis Platform;

(b) reporting products (e.g. Microba Insight™); and

(c) cloud-based reporting software.

The Company's commercial strategy for growing Research Testing is to focus on expanding the Company's domestic and international customer base through:

(a) driving global sales, marketing and education strategies;

(b) co-publication and promotion of existing client work; and

(c) repeat client engagement.

74. Note that both accuracies are measured as AUC (area under the receiver operating characteristic curve).

3. Business Overview

3.8 Microbiome Services – Regulatory considerations

The industry within which Microba operates in Australia and international markets is subject to extensive regulation including but not limited to regulation in respect of medical and diagnostic devices (including software as a medical device). This Section outlines the regulatory considerations associated with the product configurations of the Company's Microbiome Service's products.

Microba requires distribution partners to secure and maintain the necessary regulatory compliance to distribute white-labelled versions of Microba's products and services in all markets in which they are sold and offered. Each distribution partner is obliged to notify Microba of any regulatory compliance in the relevant jurisdiction that requires Microba to implement.

The relevant regulators in Microba's current markets are:

(a) **Australia:** The Therapeutic Goods Administration (**TGA**) which regulates medical devices and in vitro diagnostics under the *Therapeutic Goods Act 1989* (Cth) and the *Therapeutic Goods (Medical Devices) Regulations 2002* (Cth).

(b) **New Zealand:** Medsafe which controls the supply of medical devices in New Zealand under the *Medicines Act 1981* and its Regulations. Manufacturers register product on the WAND introduced regulation of medical devices by the introduction of the Current Guidelines on the Regulation of Therapeutic Products in New Zealand. All healthcare technologies are covered by the same regulation.

(c) **United States:** The Food and Drug Administration (**FDA**) which regulates medical devices and in vitro diagnostics under the *Federal Food, Drug, and Cosmetic Act 1938* and subordinate regulations in Title 21 of the Code of Federal Regulations.

(d) **Europe:** Various Notified Bodies depending on the relevant member state of the European Union regulate medical devices under the Medical Device Regulations (EC 2017/745). In vitro diagnostics are currently regulated under the In Vitro Diagnostic Directives (EC 98/79) but the framework is being transitioned to the In Vitro Diagnostic Regulations (EC 2017/746) on 26 May 2022.

(e) **Gulf Cooperation Council:**

  (i) **Bahrain:** Currently, Bahrain has no official medical device regulations. Some control over medical device importation by referring to the Saudi Food and Drug Administration decisions is currently used for high-risk devices imported into Bahrain.

  (ii) **Kuwait:** Currently, Kuwait has no official medical device regulations. Kuwait relies on the decisions made by the GCC on importation and registration, particularly the decisions of the Saudi Food and Drug Administration for medical devices to be imported into Kuwait. All medical devices are monitored by the Unit of Unclassified and Medical Devices, Kuwait Food and Drug Control, under the Ministry of Health.

  (iii) **Oman:** Oman controls the supply of medical devices under Ministerial Decision No. 109/2008 and are regulated by its Ministry of Health. To participate in public tenders, manufacturers must be pre-qualified and registered by the Directorate General of Medical Supplies for which they receive a Qualification Certificate.

  (iv) **Qatar:** Currently, Qatar has no official medical device regulations. Qatar's Ministry of Public Health has placed some control over medical device importation by referring to the Saudi Food and Drug Administration decisions for high-risk devices imported into Qatar. The establishment of a Medical Device Registration Unit in Qatar is under implementation; however, it should be noted that it was estimated that the commencement of operations would begin in 2016.

  (v) **Saudi Arabia:** The Saudi Food and Drug Authority introduced regulation of medical devices by royal decree No (M/6) dated 25/1/1428H.

  (vi) **United Arab Emirates:** Medical Device control and regulation in United Arab Emirates will be supervised and directed by Drug, Control Department, under the Ministry of Health and Prevention. Medical devices are authorized under the Pharmaceutical Profession and Institutions, Federal Law No. 4 (June 1983), with medical device requirements highlighted in the Medical Device Registration Guideline (2011).

In addition to their legislative instruments, several of the above regulators recognise (and in certain instances require) accreditation under international standards such as ISO15189 which sets out requirements for quality and competence at medical laboratories conducting laboratory services. Administrating bodies for these international standards include The National Association of Testing Authorities (Australia) and the College of American Pathologists (US).

Set out below are the product configurations for Microbiome Services' existing products as at the Prospectus Date, their current compliance with regulations, and any steps to be taken in order to achieve compliance.

3.8.1 Existing personal testing products

The Company's existing personal testing products such as Microba Insight™ provide general health and wellness information to the customer and are not used to diagnose or treat medical conditions. As at the Prospectus Date, none of these products or their constituent components (sampling device, laboratory assay, reporting software) require any regulatory approvals or registration in any of the jurisdictions in which the Company operates and intends to operate. The Company has received specialist regulatory advice in support of this position.

3.8.2 Future personal testing products

The Company recently validated and achieved ISO15189 accreditation with The National Association of Testing Authorities (**NATA**) for a new hypothesis-free testing product opportunity. This product, called MetaPanel™, can identify multiple pathogens simultaneously from a single sample. This product is planned to be provided initially in Australia and will be registered with the TGA as a Class 2 in-house *in vitro* diagnostic (**IVD**) for diagnosing gastrointestinal infectious diseases.

3.9 Microbiome Services – Significant dependencies

Microba's Services' significant dependencies are:

(a) compliance with all applicable regulatory requirements;

(b) uninterrupted operation of the Company's and partner laboratories, including the sequencing machine provided and maintained by Illumina Inc.;

(c) manufacture and provision to the Company of testing swab by COPAN; and

(d) counterparty performance under any of the distribution partnership agreements to which Microba Group companies are a party for the purposes of Microbiome Services (including those detailed in Section 3.4 and Section 9).

3.10 Databank

Microba's Microbiome Services generate a large, growing, proprietary Databank. Microba uses this Databank to employ a human first data-driven approach using artificial intelligence and advanced biostatistics to identify therapeutic leads.

The Company's Databank comprises three core elements:

(a) Consented consumer data

Approximately 70% of consumers that use Microbiome Services and are invited to join the Company's Human Research Ethics Committee (**HREC**) approved Microba Future Insights research study consent to share their de-identified data with Microba to make new healthcare discoveries. Together with their microbiome data, each consenting individual provides information on their medical history, medication, diet, and lifestyle constituting over 1,500 metadata points per individual which provides rich information for therapeutic discovery.

(b) Clinical study data

Microba is collaborating with clinical centres and research institutes globally, such as Mater Hospital, Princess Alexandra Hospital, ICON Cancer Centre, and Moffit Cancer Centre, to collect samples from patients in clinical studies related to chronic diseases including IBD and cancer. This clinical study data supports the Company's current therapeutics programs detailed in Section 3.12 below.

(c) Microbial genome database

To identify effective microbiome therapeutics from human datasets it is important to comprehensively measure the organisms present in a sample based on their genomes. Much of the human microbiome is yet to be described and Microba is pioneering the discovery of novel organisms in the human microbiome. Microba mines the genomic data from its Databank to continuously discover novel species previously unidentified and not described by science.

To date Microba has discovered new species which are significantly associated with health and a range of chronic diseases which generates new leads for therapeutic development. Microba has established a microbial genome database including these newly discovered species now totalling over 1.2 million genomes, making this database the largest of its kind globally. This genome database enables Microba to accurately identify therapeutic leads from its human datasets.

Together these three elements create a large proprietary microbiome Databank for therapeutic discovery comprising:

(a) 48 trillion DNA bases (160 billion fragments of DNA);

(b) 1.2 million microbial genomes containing 3.6 billion genes;

(c) approximately 5,000 microbial species observed in faecal samples; and

(d) more than 1,500 health metadata point per sample

As it stands that encompasses a significant volume of unique, valuable, high quality data. As the Databank grows, the number of discovered therapeutic leads for chronic diseases also grows. This powers Microba's therapeutic programs through the Company's Therapeutic Platform. To date, the company has established therapeutic leads for 18 diseases. This Databank is consistently growing with the uptake of the Company's Microbiome Services.

3.11 Databank – Future opportunities

This globally unique Databank provides Microba with the ability to discover new relationships between the human gut microbiome, health and disease. This is an attractive asset for global nutrition, consumer health, pathology and pharmaceutical companies looking to discover and develop new health solutions. Key future opportunities include:

(a) Therapeutics

Discovery of health and disease associated microorganisms and their bioactives as leads for therapeutic development as primary therapy or as adjuvants for existing drugs.

(b) Diagnostics

Discovery of diagnostics or prognostic biomarkers to support clinical decision making.

(c) Food products

Discovery of new relationships between foods, the gut microbiome and health. These insights can lead to the formulation of healthy microbiome promoting food products.

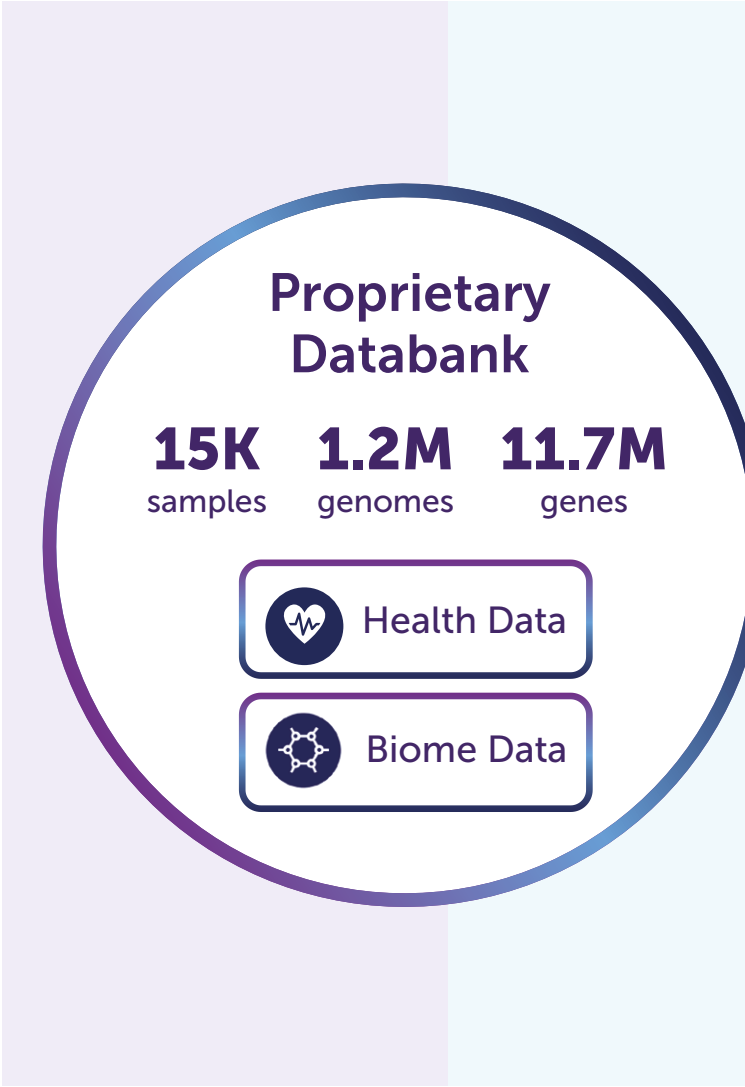
(d) Supplements

Discovery of health and disease associated organisms, and the factors that drive their growth and health activity to develop evidence-based prebiotic, probiotic and postbiotics supplements.

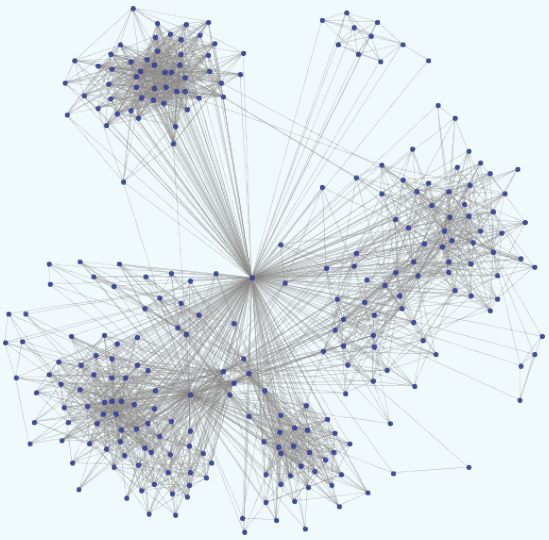
(e) Personalised consumer health solutions

Discovery of health and disease predictive biomarkers and modulating factors which enable the development of personalised consumer health testing and interventional solutions including dietary factors, prebiotic, probiotic and postbiotics supplements

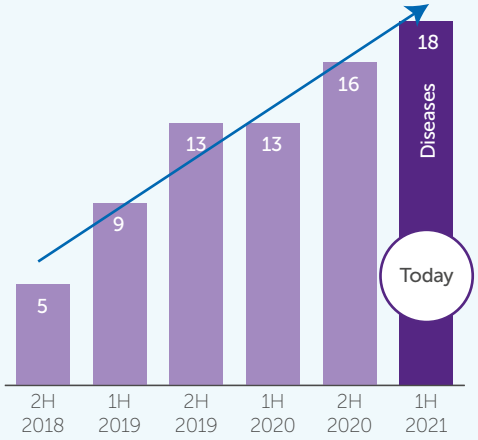
Figure 3.13: Microba's Databank



AI & Advanced Biostatistics revealing disease signatures



AI & Advanced Biostatistics revealing disease signatures



Proprietary microbiome databank driving **multiple therapeutic opportunities through a capital-light platform**

3.12 Microbiome Therapeutics business plan

Microba employs a human-first data-driven approach to therapeutic discovery and development from the human gut microbiome leveraging the Company's Databank and Therapeutic Platform.

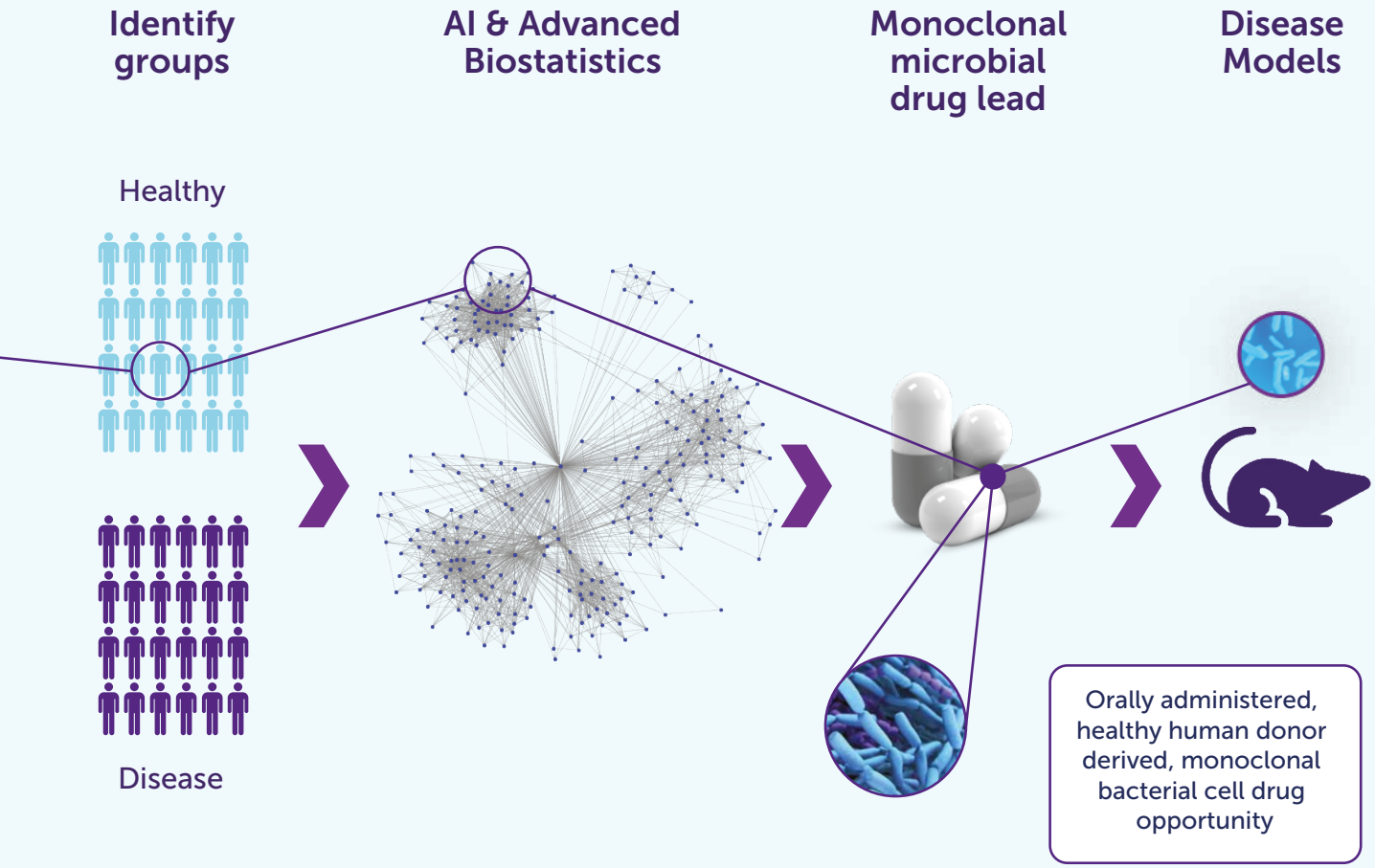
This approach enables the Company to develop multiple novel therapeutics to address large unmet clinical needs for chronic diseases. The Company's current programs as at the Prospectus Date are:

(a) **Inflammatory Bowel Disease (IBD) program** – identified bacterial strains that deliver potent therapeutic effects in preclinical animal models of ulcerative colitis (**UC**) with lead drug candidates currently undergoing manufacturing for a Phase 1b clinical trial planned to commence in December 2022 (see Section 3.14).

(b) **Immuno-oncology (IO) program** – discovering and developing an adjuvant therapy to improve response to immune checkpoint inhibitors through a large study together with leading cancer centres across the US and Australia (see Section 3.15).

(c) **Autoimmune program** – discovering and developing novel treatments for 3 Autoimmune diseases under an agreement with Ginkgo Bioworks (a subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA)) (see Section 3.16).

Figure 3.14: Microbiome Therapeutics – Therapeutic discovery process



Repeatable, scalable, data-driven platform discovering novel monoclonal microbial cell therapies

3. Business Overview

3.13 Microbiome Therapeutics – Therapeutic Platform

To discover and develop therapeutic candidates from the microbiome for chronic diseases leveraging therapeutic leads from the Databank, Microba has established a Therapeutic Platform comprising the following key elements:

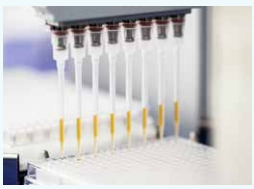
(a) advanced artificial intelligence and biostatistics-driven lead identification;

(b) isolation, culturing and biobank;

(c) lead characterisation; and

(d) manufacturing.

Figure 3.15: Human first, data-driven Therapeutic Platform overview

Lead identification		Advanced artificial intelligence and biostatistics-driven lead identification
Isolation, culturing & biobank		Proprietary isolation and culturing methods builds a bacterial isolate biobank from healthy donor stool material
Lead characterisation		Characterisation of therapeutic leads with a range of *in vitro*, *ex vivo* and *in vivo* model"
Manufacturing		Production of GMP drug substance and drug product with manufacturing partner

Advanced Artificial Intelligence and biostatistics-driven lead identification

Advanced artificial intelligence and biostatistics methods are applied to the Company's proprietary Databank to identify data-driven therapeutic leads for chronic diseases. This is achieved by comparing a target disease group to a healthy group within the Databank to identify the key species and sub species which differentiate healthy and diseased individuals within the population. These signals enable Microba to identify organisms and associated functions which may have therapeutic or protective activity against the disease of interest. Microba's ability to employ this data-driven approach is underpinned by:

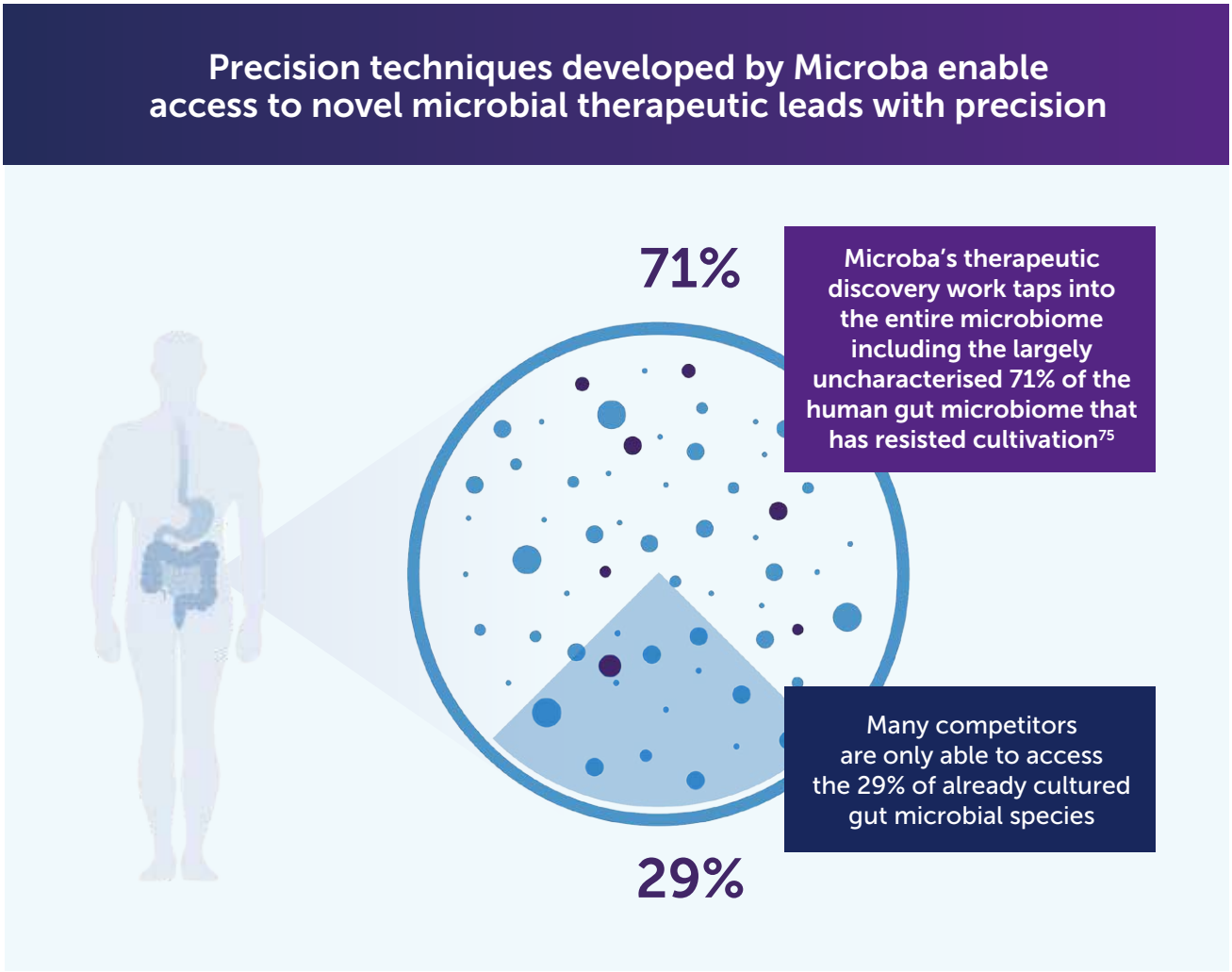
(a) the accuracy, sensitivity and completeness of the microbiome data generated by the Company's MCP technology; and

(b) the richness of health metadata from each consenting individual who has contributed to the Databank.

Isolation, culturing and biobank

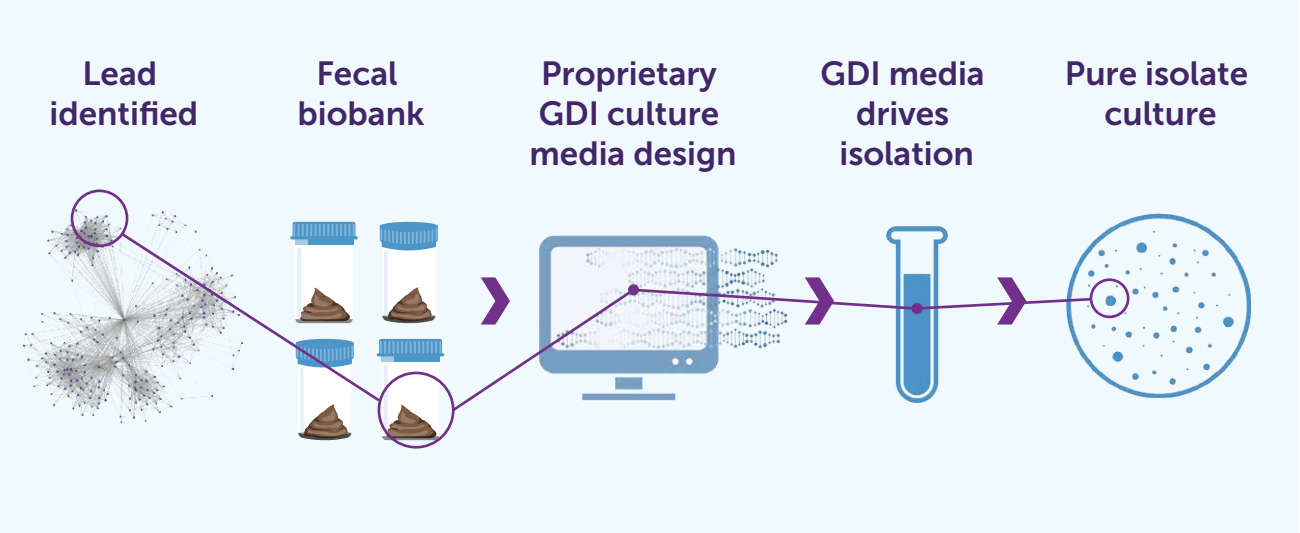
Once a lead has been identified from the Databank, it needs to be isolated and cultured from healthy donor materials. It is estimated that over 70% of human gut bacteria are resistant to laboratory-based cultivation and therefore the therapeutic potential of these bacteria is unknown which demonstrates the untapped potential for the Company[75]. To tap into this 70%, Microba uses state-of-the-art facilities for anaerobic (without oxygen) microbiology and proprietary methods to isolate therapeutic leads from a biobank of healthy donor faecal specimens. This capability is a key competitive advantage for the Company, enabling rapid progression from an identified data driven lead, to an isolated monoclonal bacterial strain which can be pursued as a therapeutic candidate.

Figure 3.16: The uncultured portion of the human gut microbiome – untapped therapeutic opportunity



75. Almeida, A. *et al.* A unified catalog of 204,938 reference genomes from the human gut microbiome. *Nat Biotechnol.* (2020). https://doi.org/10.1038/s41587-020-0603-3.

Figure 3.17: Isolation of previously uncultured therapeutic leads using Microba's proprietary Genome Directed Isolation (GDI) method



Microba's proprietary genome-directed isolation (**GDI**) approach is used to expedite the isolation of novel gut bacteria. This approach works by using the Company's proprietary genomic data and bioinformatic pipelines to predict the nutritional requirements and preferences (e.g. carbon source, electron donor and acceptors, metabolic requirements) of lead bacteria being targeted for isolation. Custom media are then designed that selectively support growth of the lead bacteria from a donor specimen which expedites the isolation process. The Company's proprietary approach to GDI is underpinned by the Company's expertise in bioinformatics, state-of-the-art facilities for anaerobic microbiology, and team expertise in culturing fastidious gut microbes. Taken together, this provides Microba with unique capabilities that cannot be easily replicated elsewhere, and provides Microba with a substantial advantage over competitors.

To enable these data-driven therapeutic leads to be isolated for drug development, Microba has established a faecal biobank contributed from a diverse group of healthy human donors. From this and using the company's isolation approaches Microba has established a bacterial isolate biobank containing novel microbial isolate cultures which represent potential therapeutic candidates for numerous diseases.

Lead characterisation

Once therapeutic leads are isolated, they undergo a range of experimental models *(in vitro, ex vivo and in vivo)* to characterise their potential therapeutic activities.

Example models that Microba uses include:

(a) Chemically induced IBD mouse model

Dextran Sulphate Sodium (**DSS**)-induced model of acute mouse colitis – The DSS is an accepted animal model for ulcerative colitis and is a well-recognised model of epithelial injury and repair. Using the *in vivo* DSS mouse model, Microba has demonstrated that the Company's lead species can suppress inflammation and promote mucosal healing to reverse the DSS intestinal damage.

(b) Genetic IBD and Autoimmune mouse model

SKG model of curdlan induced mouse ileitis – SKG mice develop IL-23 driven Crohn's like ileitis following disease initiation. Using the *in vivo* SKG mouse model, Microba has demonstrated that the Company's lead species can suppress inflammation and promote mucosal healing.

(c) Intestinal barrier assays

Cell migration assay – damage of the intestinal barrier commonly occurs in IBD, and the rapid migration of intestinal epithelial cells is a crucial component of the wound healing process to re-establish homeostasis. Microba has used two independent cellular in vitro models, a Transwell migration assay and an IncuCyte scratch assay, to demonstrate that the Company's bacteria promote epithelial cell migration.

(d) Immune & inflammation assays

IL-23-Th17 cell – The IL-23-Th17 cell immune axis immune axis is central to the pathogenesis of inflammatory bowel disease and is a validated therapeutic target. Microba has used an in vitro cell-based assay to demonstrate that the Company's bacteria can suppress the IL-23 mediated immune response.

IL-6 immune axis – IL-6 contributes to chronic inflammation in the gut due to its pro-inflammatory and anti-apoptotic (cell death) effects on immune cells. Microba has used an in vitro cell-based assay to demonstrate that the Company's bacteria can suppress the IL-6 mediated immune response.

Immune responses in human immune cells – Immune cells play a key role in driving the IBD associated inflammatory response.

(e) Safety assays

It is important to establish the therapeutic leads are safe for clinical development and Microba assesses this for each candidate in as number of ways, such as:

(i) Naïve mice – therapeutic leads are administered to naïve mice to ensure no adverse effects are observed.

(ii) *In silico* antimicrobial resistance (**AMR**) & virulence factor assessment – Using bioinformatic tools genomic assessment of leads are completed to identify screening flags for AMR, virulence factors, mobile elements, and drug/metabolism of hormones.

(iii) *In vitro* AMR – pathology assays are employed to confirm the lead organism are sensitive to antibiotics.

The Company is also applying genomic and metabolomic dissections to expedite the identification of novel microbial bioactives which also present as novel therapeutic opportunities.

Manufacturing

In addition to the assessments of efficacy and safety, each lead species is subject to a detailed assessment of manufacturability. Taken together, this approach enables Microba to identify the most efficacious leads with strong manufacturing characteristics for progression to scale up manufacturing for human clinical trials.

Lead candidates undergo manufacturing scale up and formulation of drug substance and drug product formats ready for human trials together with the Company's contract development and manufacturing partner Bacthera which is a joint venture between Lonza (SWX: LONN) and Chr. Hansen A/S (CPH:CHR).

For further details on the Bacthera Manufacturing Proposal, see Section 9.9.

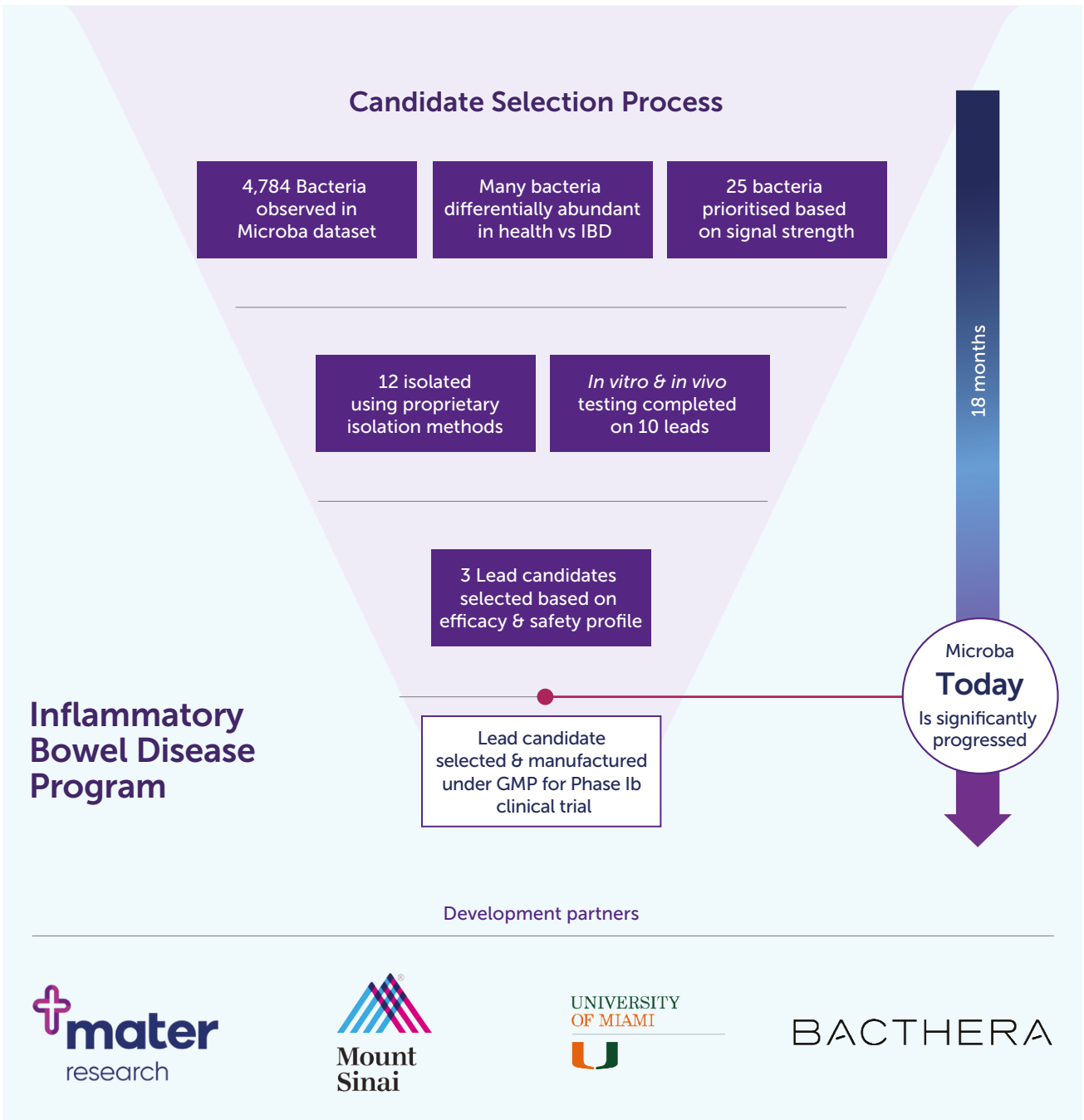
3. Business Overview

3.14 Inflammatory Bowel Disease program

Microba has established its first therapeutic program in IBD. In particular, Microba is focused on UC which is one of the major forms of IBD. This chronic condition can significantly reduce the quality of life of a patient if not properly managed. The available treatment options commonly fail patients and see them experiencing regular episodes of inflammation, diarrhoea, bleeding, abdominal pain and can lead to hospitalisation.

Microba has identified novel bacteria that deliver potent therapeutic effects in preclinical animal models of UC. These specific bacteria are commonly found in healthy patients but rarely observed or are at reduced levels in individuals with UC.

Figure 3.18: Inflammatory bowel disease program



To summarise the Company's rapid execution leveraging its human-first data-driven approach, over an 18-month period (compared to an average period of 5-7 years in conventional drug development):

(a) 25 bacteria were prioritised based on signal strength;

(b) 12 were isolated using a genome-directed isolation technique;

(c) *in vitro* and *in vivo* testing was completed; and

(d) 3 candidates were selected based on efficacy and safety profiles for manufacturing assessment and scale up.

Manufacturing assessment and scale up is currently being completed in Switzerland with Bacthera AG. The next milestone is to select the final lead candidate to progress to GMP manufacture before lodging regulatory submissions to proceed with a Phase 1b clinical trial. The Phase 1b clinical trial is planned to commence in December 2022 and will be transformational for Microba. The key activities to initiate and complete the Phase 1b trial are:

(a) Selection of lead candidate;

(b) GMP manufacturing;

(c) Human ethics approval for Phase 1b in Australia;

(d) Pre-IND meeting with FDA;

(e) CRO appointment;

(f) Phase 1b site selection;

(g) Phase 1b first dose in humans;

(h) Phase 1b last dose; and

(i) Phase 1b results.

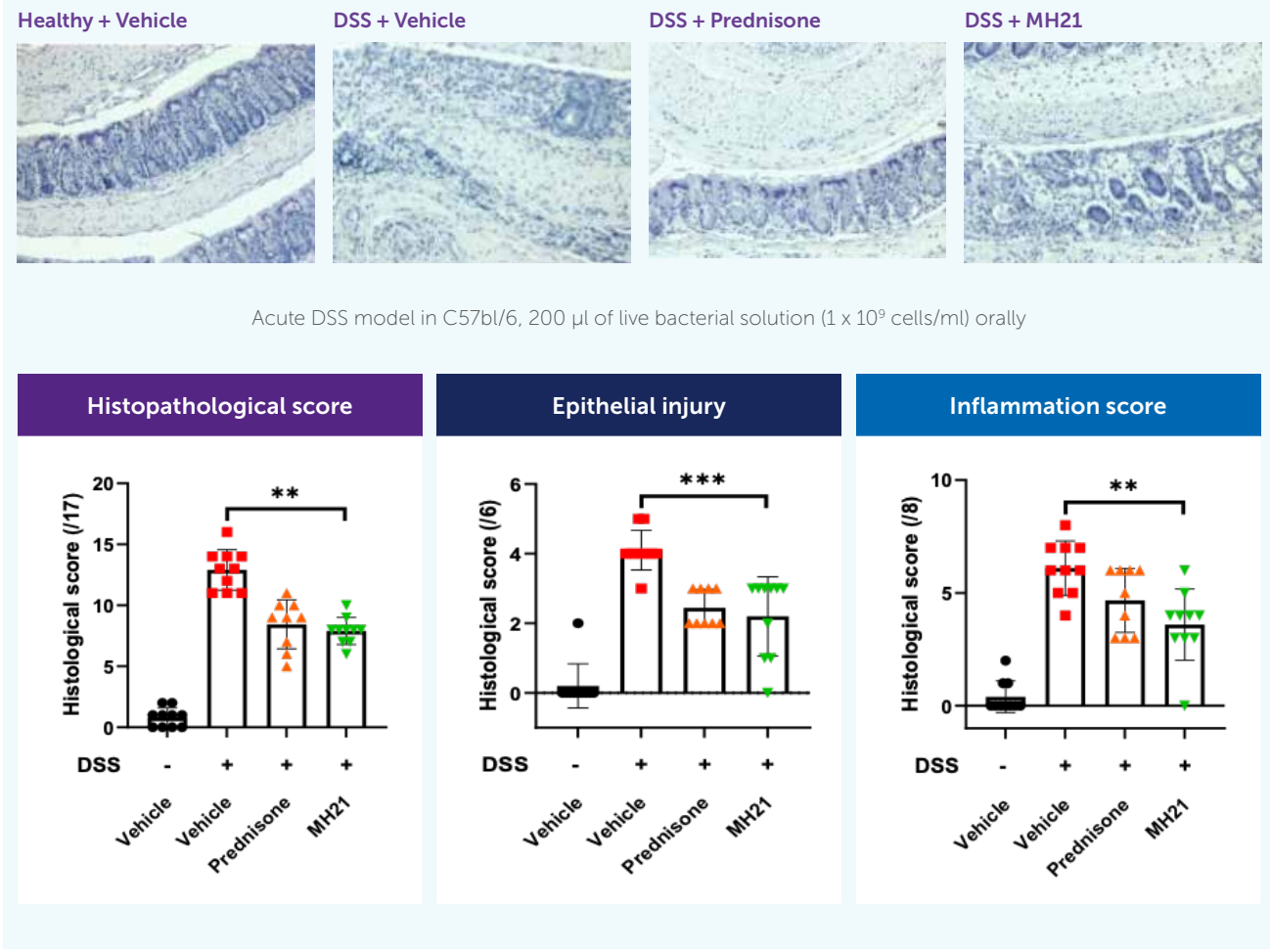
For more information on the Bacthera Manufacturing Proposal with Bacthera AG, refer to Section 9.9.

Microba's lead IBD drug candidates deliver therapeutic activities that reduce inflammation and stimulate both epithelial restitution and mucosal healing in the gastrointestinal tract. This therapeutic activity addresses a key gap in standard of care for a condition that impacts more than 6 million people globally[76].

76. Alatab, S. *et al*. The global, regional, and national burden of inflammatory bowel disease in 195 countries and territories, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017. *Lancet Gastroenterol. Hepatol*. (2019).

3. Business Overview

Figure 3.19: Microbiome Therapeutics – IBD lead candidate performance



Novel drug candidates suppress inflammation, stimulate epithelial restitution and mucosal healing.

Addressing a key gap in existing IBD therapy.

The market for IBD treatments was valued at US$19.2 billion in 2020[1]

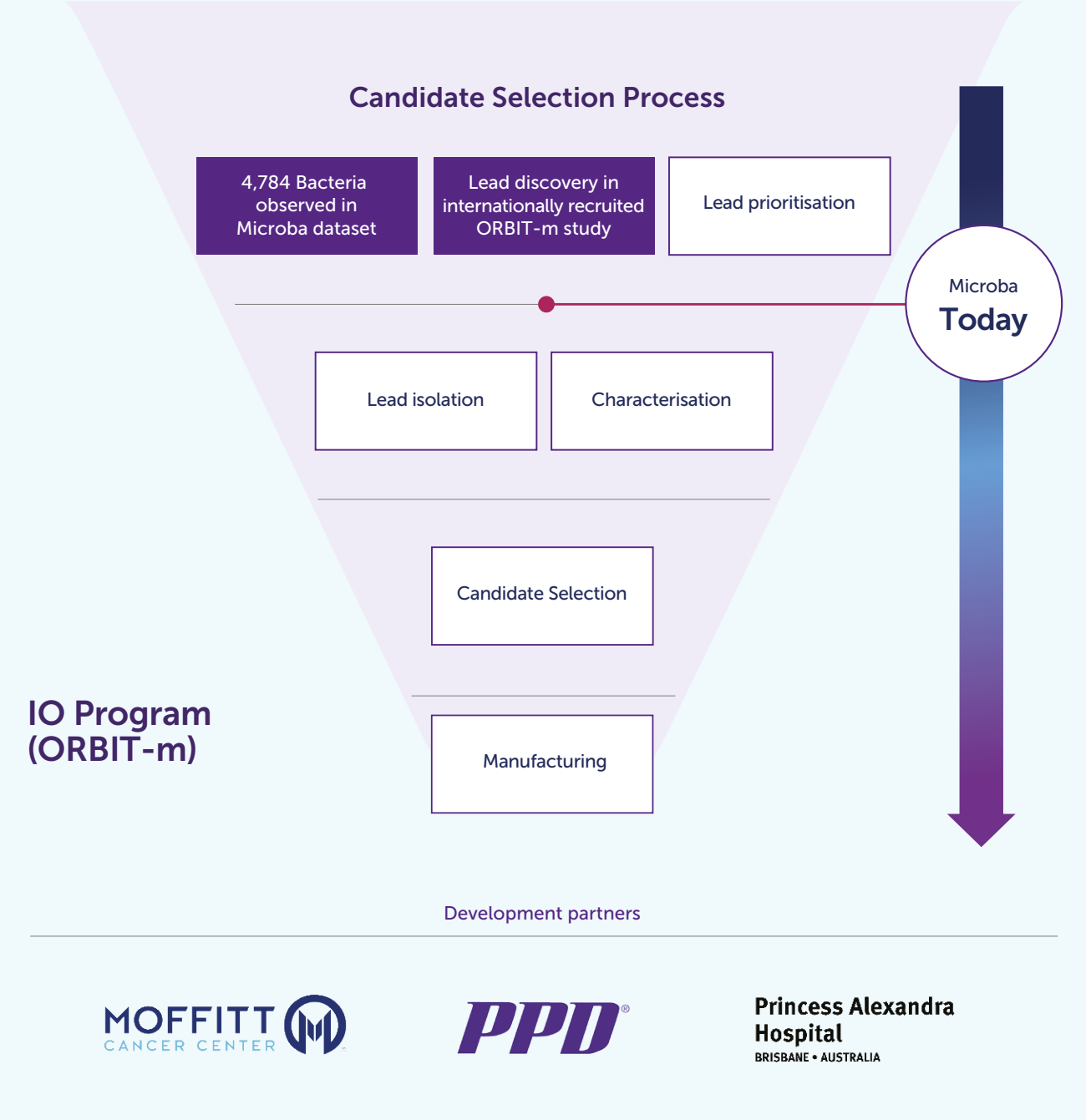
Note:

1. Grandview Research. Inflammatory Bowel Disease Treatment Market Size, Share & Trends Analysis Report By Type (Crohn's Disease, Ulcerative Colitis), By Drug Class, By Route of Administration, By Distribution Channel, By Region, And Segment Forecasts, 2021 – 2028. (2021).

3.15 Immuno-oncology program

Microba established its second major therapeutic program in IO. Therapies influencing immune checkpoint inhibitors (**ICI**) have been breakthroughs in cancer care, however between 42% – 70% of patients do not respond to ICI therapies[77]. There are now more than 30 published studies supporting the role of the gut microbiome in patient response to ICI therapies. Furthermore, modulation of the gut microbiome using faecal microbiome transplant has improved ICI response in Phase I and II studies[78].

Figure 3.20: Immuno-oncology program



77. Leonardi, G.C. *et al.* Cutaneous melanoma and the immunotherapy revolution (Review). *Int J Oncol.* (2020). https://doi.org/10.3892/ijo.2020.5088; Wolchok, J.D. *et al.* Overall Survival with Combined Nivolumab and Ipilimumab in Advanced Melanoma. *N Engl J Med.* (2017). https://doi.org/10.1056/nejmoa1709684.
78. Baruch, E. *et al.* Fecal microbiota transplant promotes response in immunotherapy-refractory melanoma patients. *Science* (2020). https://doi.org/10.1126/science.abb5920; Davar, D. *et al.* Fecal microbiota transplant overcomes resistance to anti–PD-1 therapy in melanoma patients. *Science* (2021). https://doi.org/10.1126/science.abf3363.

3. Business Overview

The Company is performing a study together with leading cancer centres across the US and Australia to discover key therapeutic organisms involved in this process to develop an adjuvant therapy targeted to improving patient response rates to these important cancer therapies.

Figure 3.21: Microbiome Therapeutics – IO program study overview

This study is summarised below:

(a) Primary objective: Define microbial biomarkers, based on metagenomics and/or metabolomics of faecal samples, associated with the objective response rate (ORR) of responders vs. non-responders after six and 12 months from initiation of ICI treatment, assessed using Response Evaluation Criteria in Solid Tumors (**RECIST**).

(b) Study population: Patients diagnosed with unresectable stage III or stage IV melanoma who are scheduled to commence treatment with a PD-1 inhibitor.

Microba believes that with the company's technology and platforms, it is well-positioned to discover and develop a microbiome-derived adjuvant therapy to increase ICI response rate.

3.16 Autoimmune program

Microba Pty Ltd, a subsidiary of the Company, has recently entered into an agreement with Ginkgo Bioworks, a subsidiary of Ginkgo Bioworks Holdings, Inc (NYSE: DNA), to target the development of novel microbiome-based therapies for 3 autoimmune disorders.

The first phase of this program in collaboration with Ginkgo Bioworks will characterise strains within Microba's biobank to identify novel drug candidates for further pre-clinical and clinical development.

3.17 Microbiome Therapeutics – Future programs

Microba's Therapeutic Platform is repeatable and scalable which provides the ability to establish additional programs to develop novel therapeutics for a range of chronic diseases. Microba has established therapeutic leads from its Databank for 18 diseases (see Section 3.10) and this is anticipated to grow as the Databank grows. Microba will select future therapeutic programs to pursue based on unmet clinical need, return on investment analysis, and capital requirements.

3.18 Pharmaceutical partnership strategy

With Microba's established novel therapeutic assets for IBD and repeatable Therapeutic Platform (see Section 3.13), the Company has the opportunity to generate financial returns through multiple drug development partnerships. Microba's strategy is to license or partner with large pharmaceutical companies early in clinical development in return for upfront, milestone and royalty payments. Microba has established relationships with a number of large pharmaceutical companies which continue to monitor the Company's programs as they progress.

As at Prospectus Date, Microba has not entered into any contractual arrangements, with the exception of confidentiality agreements with large pharmaceutical companies, and has not generated any revenue from Microbiome Therapeutics.

3.19 Microbiome Therapeutics – Growth plan

The Company intends to apply a portion of proceeds of the Offer to enhancing its human first data-driven drug discovery and development efforts. Specific activities include but are not limited to the following:

(a) accelerating the Company's therapeutic programs in targeted disease states including data-driven lead identification, isolation, *in vitro* and *in vivo* model assessment, and manufacturing;

(b) obtaining specialist advice related to regulatory matters and funding costs associated with compliance with any relevant regulatory requirements; and

(c) clinical trials to demonstrate the efficacy of Microba's drug candidates.

For further details on the Company's intended application of proceeds of the Offer, see Section 7.4 below.

3.20 Microbiome Therapeutics – Regulatory considerations

As identified in Section 3.8, the industry within which Microba operates in Australia and international markets is subject to extensive regulation.

As the Company intends to partner with large pharmaceutical companies to out-licence its therapeutic assets, there are no requirements for Microba to achieve final regulatory approval with the United States Food and Drug Administration (**FDA**), European Medicines Agency (**EMA**) or Australian Therapeutic Goods Administration (**TGA**) for its drugs in development. Microba is seeking to license or partner with large pharmaceutical companies early in clinical development.

The regulatory requirements of completing clinical trials are significant and require approval from regulatory bodies governing the jurisdiction where they are performed. If completed in the US, the regulatory body is the FDA, within Europe the regulatory body is the EMA, and within Australia the regulatory body is the TGA. It is possible that Microba may explore drug approvals with the FDA, EMA or TGA.

3.21 Microbiome Therapeutics – Significant dependencies

Microbiome Therapeutics' significant dependencies are:

(a) compliance with all applicable regulatory requirements;

(b) retention of key scientific personnel;

(c) uninterrupted operation of laboratory facilities;

(d) access to sufficient computational power to undertake its bioinformatics activities (as at the date of this Prospectus, provided by Google Cloud); and

(e) successful manufacturing of lead therapeutic candidates.

3. Business Overview

3.22 Intellectual property

On 3 October 2017, Microba Pty Ltd and UniQuest Pty Ltd, the commercialisation company of the University of Queensland, entered into a Deed of Assignment under which UniQuest assigned to Microba key intellectual property centred around the core Analysis Platform technology. Refer to Section 9.2 for detail.

The invention which is the subject of an international patent pending covers methods and kits for remote sample collection and sample preservation so that analysis may be performed on the sample in a laboratory.

As at Prospectus Date, components of the Analysis Platform (not subject to the patent pending) are maintained as trade secrets protected under copyright and confidentiality agreements. For example, the sequencing process and bioinformatic analysis conducted by the Company relies on intellectual property developed by the Company including laboratory operating procedures, and a proprietary bioinformatic algorithms which are retained as trade secrets.

In regards to Microba's Microbiome Therapeutics business, the Company is leveraging the power of its Databank and Therapeutic Platform to develop multiple novel therapeutic assets and partner with large pharmaceutical companies. To date Microba has filed 5 provisional patents to protect its novel therapeutic assets.

Accordingly, given the importance of appropriately protecting Microba's unique intellectual property and deriving the appropriate commercial benefit, Microba has protected, and continues to protect, its intellectual property diligently through a range of patents and trade marks in Australia and internationally. Microba also protects its key operating procedures and techniques as trade secrets.

Please refer to the Intellectual Property Report in Section 10 for further details on the Company's protection of its intellectual property.

4.

Financial Information

4. Financial Information

4.1 Introduction

4.1.1 Financial Information

The financial information contained in this Section 4 relates to the consolidated financial performance and cash flows for the 12-month periods ended 30 June 2020 ("**FY2020**") and 30 June 2021 ("**FY2021**"), and the 6-month periods ended 31 December 2020 ("**H1-FY2021**") and 31 December 2021 ("**H1-FY2022**") (respectively) and the consolidated financial position as at 31 December 2021.

Microba was incorporated on 31 January 2017 and converted to a public company limited by shares on 17 July 2018. It is the parent company of the entities in the Microba Group. The Microba Group is a consolidated group for accounting and taxation purposes.

The statutory historical financial information comprises the:

(a) statutory historical consolidated statement of financial position as at 31 December 2021;

(b) statutory historical consolidated statements of financial performance for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively); and

(c) statutory historical consolidated statements of cash flows for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively),

(together, "**Statutory Historical Financial Information**").

The pro forma historical financial information comprises the:

(a) pro forma historical consolidated statement of financial position as at 31 December 2021;

(b) pro forma historical consolidated statements of financial performance for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively); and

(c) pro forma historical consolidated statements of cash flows for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively),

(together, "**Pro Forma Historical Financial Information**").

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are together referred to as the "**Historical Financial Information**".

No forecast financial information has been provided for the Company.

The Financial Information has been reviewed in accordance with the Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information* by Pitcher Partners Corporate Finance Limited ("PPCF"), whose Independent Limited Assurance Report is contained in Section 8. Investors should note the scope and limitations of this report (refer to Section 8).

The information in this Section 4 should be read in conjunction with the key risks set out in Section 5 and the other information contained in this Prospectus.

All amounts disclosed in this Section 4 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest $'000. Any discrepancies between totals and sums of components in tables and figures contained in this Prospectus are due to rounding.

Investors should note that past performance is not an indication of future performance.

4.1.2 Additional Information

Also summarised in this Section 4 are:

(a) the basis of preparation and presentation of the Financial Information and explanation of certain non-statutory financial information (Section 4.2);

(b) a description of the pro forma adjustments to the Statutory Historical Financial Information and reconciliations between the Statutory Historical Financial Information and the Pro Forma Historical Financial Information (respectively) (Sections 4.3.3, 4.4.2 and 4.5.1);

(c) a summary of Microba's indebtedness and a description of the existing debt facilities that will remain in place at Completion of the Offer (Section 4.5.2);

(d) management discussion and analysis of the Financial Information (Sections 4.6 and 4.7); and

(e) Microba's proposed dividend policy (Section 4.10).

4.2 Basis of Preparation and Presentation of the Financial Information

4.2.1 Overview

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Microba.

The Financial Information has been prepared on a going concern basis.

The Directors are responsible for the preparation and presentation of the Financial Information.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles specified in the AAS (including the Australian Accounting Interpretations) issued by the AASB, which are consistent with IFRS, and interpretations issued by the IASB. The recognition and measurement bases are more fully described in the accounting policies set out in Appendix A.

Microba's accounting policies have been consistently applied throughout the financial periods presented.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information adjusted for certain transactions and pro forma adjustments as described further below. It has been prepared solely for inclusion in this Prospectus and in accordance with the recognition and measurement principles specified in AAS, as described above, and it includes adjustments which reflect the impact of certain transactions as if they occurred on or before 1 July 2019 in the case of the consolidated statements of financial performance and consolidated statements cash flows, and as at 31 December 2021 in the case of the consolidated statement of financial position.

4.2.2 Preparation of the Historical Financial Information

The Statutory Historical Financial Information has been derived from the audited financial statements of the Company and its controlled entities for FY2020 and FY2021, and the reviewed financial statements of the Company and its controlled entities for H1-FY2021 and H1-FY2022.

These financial statements were audited by Pitcher Partners for FY2020 and FY2021 in accordance with Australian Auditing Standards and reviewed by Pitcher Partners for H1-FY2021 and H1-FY2022 in accordance with Australian Standards on Review Engagements. Pitcher Partners issued unqualified audit opinions, and unqualified review opinions on these financial statements.

In the FY2021 and H1-FY2022 financial statements, without qualifying their opinion, Pitcher Partners included in their auditor's report an Emphasis of Matter in relation to the Company's ability to operate as a going concern. The Directors are confident that on Completion of the Offer, the Company will have sufficient working capital to meet its debts as they arise and to continue to trade as a going concern.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information and has been prepared solely for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information reflects the impact of adjustments described further in Section 4.3, in order to reflect:

(a) public company costs associated with being a listed entity as if they were incurred from 1 July 2019;

(b) alignment of R&D grant income to the financial period in which the relevant costs were incurred;

(c) the exclusion of Federal Government JobKeeper and CashFlow Boost payments;

(d) the removal of certain amounts of other income and expenses considered to be non-recurring; and

(e) the exclusion of IPO-related expenses.

4.2.3 Critical accounting judgements and estimates

Preparing financial statements in accordance with AAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Microba and that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions are speculative in nature and will not necessarily equal the actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the significant accounting policies of Microba set out in Appendix A.

The areas involving significant estimates and assumptions include:

(a) Revenue Recognition

When recognising revenue in relation to personal testing and research services, the key performance obligations of the Group are considered to be as follows, as this is deemed to be the time that the customer obtains control of the promised goods or services and therefore the benefits of unimpeded access.

Personal testing services, where services are transferred at a point in time:

(i) the point of delivery of the testing kit to the customer; and/or

(ii) the point of delivery of the microbiome report to the customer.

Research testing services and other partner platform services, where services are transferred over time:

(i) the point in which the agreed services are performed based on distinct obligations under the agreement formed with the customer.

Where there is an arrangement with a customer for the Group to receive a non-refundable prepayment in exchange for providing the customer a right to receive a good or service in the future and the likelihood of the customer exercising its remaining right becomes remote, the Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer.

In instances where the customer (through expiry) releases Microba from certain milestones, the balance of revenue received from the customer is recorded as revenue. The process of estimating such amounts is a complex process and variations in estimates will have a consequential impact on revenue.

(b) Capitalisation of Development Costs

Development projects where knowledge and understanding gained from research and practical experience are directed towards developing new products or processes, are recognised as intangible assets in the statement of financial position when they meet the criteria for capitalisation. Development costs may be capitalised if Microba can demonstrate the technical and commercial feasibility of completing the product or process, the intention and ability to complete the development and use or sell the asset. It must also be probable that future economic benefits related to the asset will flow to Microba and the acquisition cost can be reliably measured. The reported value includes all directly attributable costs, such as those for materials and services as well as compensation to employees. Individual assessment is made of major ongoing research and development projects to determine whether these criteria have been met. However, because it may be difficult to distinguish between research and development projects, this judgment can be affected by individual interpretations.

(c) Useful lives of, and recoverable amount of intangible assets and property, plant and equipment

In respect of the useful lives of material intangible assets and property, plant and equipment, Management believes these lives are reasonable, though different assigned lives could have a significant impact on the reported profit or loss.

The carrying amounts of intangible assets and property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less the cost of disposal and the value in use, with an impairment charge recognised whenever the carrying amount exceeds the recoverable amount. The value in use is calculated using a discounted cash flow model which is most sensitive to the discount rate as well as the expected future cash flows. Movement in key assumptions used in the impairment testing, would have a material impact on the assessment of carrying amount and thus reported profit or loss.

(d) Share-based payment transactions

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

(e) Accounting for and validity of R&D Tax Incentives

Microba accounts for R&D Tax Incentives under the "Government Grant Income approach", and the basis of recognition relates to whether there is a reasonable expectation that the entity will be able to realise the benefit, and whether this amount can be reliably estimated. In respect of the years ended 30 June 2020 and 30 June 2021, Microba has lodged returns claiming $1,120,665 and $1,608,068 respectively as the R&D Tax Incentive for qualifying R&D expenses, under the R&D Tax Incentive, and has recorded on a pro forma basis other income amounts of $1,146,768 in FY20, and $1,615,482 in FY21. Microba has not included a R&D Tax Incentive rebate for the H1-FY2022 period. This amount, which is expected to be material, will be included in Other income once the Company's FY22 tax return has been lodged.

The application of the R&D provisions requires a level of judgement and the maintenance of appropriate records to support amounts claimed. The Directors are of the view that Microba is in accordance with the R&D Tax Incentive requirements.

(f) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(g) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Refer to the significant accounting policies of Microba set out in **Appendix A** for further information.

4.2.4 Explanation of certain non-IFRS and other financial measures

Microba uses certain information, measures and ratios to manage and report on performance which are prepared on a basis that is not in accordance with all relevant accounting standards ("**Non-Statutory Information**"). This Non-Statutory Information may exclude certain transactions, or present transactions or balances on a different recognition and measurement basis from that required or permitted by accounting standards. These measures do not have prescribed definitions and therefore may not be directly comparable to similarly titled measures presented by other entities.

Microba discloses the following Non-Statutory Information in this Prospectus as follows:

(a) **EBITDA** is earnings before interest (net finance cost), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and taxation. Management uses EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of Microba's operations;

(b) **EBIT** is earnings before interest (net finance cost) and taxation;

(c) **Working capital** is trade and other receivables plus costs to fulfil contracts plus other current assets less trade and other payables as well as changes in contract liabilities (which arise when customers pay in advance), less provisions less other current liabilities;

(d) **Indebtedness** is gross borrowings less cash and cash equivalents;

(e) **Net profit before tax (NPBT)** is net profit before tax expense for the period has been deducted; and

(f) **Net profit after tax (NPAT)** is net profit after tax expense for the period has been deducted.

Although the Directors believe that these measures provide useful information about Microba's financial performance, they should be considered as supplements to the measures that have been presented in accordance with the AAS and IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS, IFRS, or any other recognised body of accounting standards, they do not have prescribed definitions, and the way Microba calculates these measures may differ from similarly titled measures used by other companies. Investors should therefore not place undue reliance on these non-IFRS financial measures.

4.2.5 Forecast financial information

The Directors have considered the requirements of ASIC Regulatory Guide 170 Prospective financial information (RG170) to determine if prospective financial information should be included in this Prospectus. The Directors have determined that, as Microba is in an early growth stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Microba Group and accordingly forecast financial information is not included in this Prospectus.

4. Financial Information

4.3 Pro Forma Historical Financial Information

4.3.1 Pro Forma Historical Consolidated Statements of Financial Performance

Table 4A sets out the pro forma historical consolidated statements of financial performance for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively).

Table 4A: Pro forma Historical consolidated statements of financial performance for FY2020, FY2021, H1-FY2021 and H1-FY2022

$'000	FY2020 Pro Forma	FY2021 Pro Forma	H1-FY2021 Pro Forma	H1-FY2022 Pro Forma
Revenue	2,909	3,732	1,693	2,199
Cost of sales	(1,723)	(1,668)	(797)	(1,026)
Gross profit	**1,186**	**2,064**	**896**	**1,173**
Grant income	960	1,612	687	74
	2,146	**3,676**	**1,583**	**1,247**
Employee benefits expense	(4,603)	(6,605)	(2,828)	(4,118)
Advertising expense	(225)	(306)	(192)	(126)
Consulting fees	(901)	(758)	(294)	(318)
Data storage expense	(496)	(556)	(287)	(222)
Legal fees	(133)	(184)	(62)	(181)
Research and development expense	(163)	(1,539)	(457)	(2,596)
Other operating expenses	(1,273)	(888)	(418)	(742)
EBITDA	**(5,648)**	**(7,160)**	**(2,955)**	**(7,056)**
Depreciation and amortisation	(1,091)	(1,218)	(617)	(685)
EBIT	**(6,739)**	**(8,378)**	**(3,572)**	**(7,741)**
Interest income	102	102	51	31
Interest expense	(37)	(23)	(16)	(27)
NPBT	**(6,674)**	**(8,299)**	**(3,537)**	**(7,737)**
Income tax expense	7	–	–	–
NPAT	**(6,667)**	**(8,299)**	**(3,537)**	**(7,737)**

Notes:

1. **Revenue (Personal Testing and Research Services)** – includes revenue from the delivery of customer reports following the analysis of returned samples and revenue from research organisations, which is recognised on achievement of project milestones in line with the performance obligations criteria in AASB15 *Revenue from Contracts with Customers*.
2. **Cost of sales** – includes direct costs for the delivery of microbiome testing, bioinformatic analysis and reports delivered and includes laboratory consumables, cloud computing costs and direct labour.
3. **Grant income** – includes the R&D Tax Incentive funds for eligible research and development activities undertaken in the period. The R&D Tax Incentive amounts recognised by the Company in FY2020, FY2021 and H1-FY2021 were $0.96m, $1.61m and $0.68m respectively. The amounts recognised align with the period in which the expenditure was incurred. One off COVID-19 grant income amounts received by the Company in FY2020, FY2021 and H1-FY2021 including the Federal Government's JobKeeper and CashFlow Boost have been removed through a pro forma adjustment. The Company has not included an estimate for the H1-FY2022 period as the Company is not in a position at this time to reliably determine the expected R&D Tax Incentive income based on eligible expenditure for this period.
4. **Employee benefits expense** – includes salaries, wages and other employment related costs for staff who are employed by the Company.
5. **Advertising expense** – includes costs associated with advertising and marketing the Company's products and services.
6. **Consulting fees** – includes amounts paid to specialist advisors to the Company including regulatory affairs, technical experts, intellectual property professionals and others.
7. **Data storage expense** – costs relating to the provision of cloud-based infrastructure and storage to support Microba's analysis platforms.
8. **Legal fees** – costs relating to the provision of legal services by legal advisors, including intellectual property specialists.
9. **Research & development expense** – includes costs associated with bioprospecting Microba's Databank to discover novel therapeutic leads, and, preclinical and clinical drug development activities. The R&D programs being undertaken by the Company are discussed in detail at Section 3, future investment in these activities is outlined in the Use of Funds at Section 7.4.
10. **Other operating expenses** – includes the aggregation of travel expense, legal fees, advertising expense and other expenses as disclosed individually in the Statutory Historical Statement of Financial Performance. This amount also includes professional services fees, insurance, information communication and technology costs.
11. **Depreciation and amortisation** – include expenses related to the use of fixed assets over their useful lives and the amortisation of finite life intangibles including capitalised system development costs, intellectual property, and that in relation to right of use assets under AASB 16 *Leases*.

4.3.2 Key operating and financial metrics

Table 4B summarises Microba's key historical operating and financial metrics for FY2020 FY2021, H1-FY2021 and H1-FY2022 (respectively).

Table 4B: Key operating metrics Total Revenue – Personal Testing & Research Services

	FY2020	FY2021	H1-FY2021	H1-FY2022
Personal Testing	2,086	2,185	1,062	1,129
Research Testing	823	1,542	627	1,070
Total Revenue	**2,909**	**3,727**	**1,689**	**2,199**

Personal Testing

Personal Testing Revenue includes revenue from Microba Insight and distribution partner sales which includes the MetaBiome, Gut+ and MyBiome products. Revenue is recognised at the time of report delivery, which is the point at which Microba's performance obligation to the customer is satisfied. Where customer contracts are subject to minimum order quantities, revenue is recognised in accordance with the number of reports delivered and the expected future deliveries, such that revenue is recognised equally overtime when minimum order quantities are not met. Growth in Microba's Personal Testing services in FY2020 and FY2021 were impacted by the COVID-19 pandemic. Recovering from the pandemic, existing distribution partnerships have committed resources to growth initiatives, and the Company has entered into two new major distribution partnerships (USA – Genova Diagnostics, Middle East – G42 Healthcare).

Research Services

Research Services revenue includes revenue from microbiome research projects contracted with leading research organisations including universities, research institutes, clinicians, biotechnology companies, pharmaceutical companies, food companies and other corporate entities. These organisations contract with Microba to access advanced microbiome testing and analysis services. Projects vary from short term to multi-year longitudinal clinical trials.

Revenue is recognised in line with the delivery of performance obligations as outlined in the contract with the customer.

Microba has strongly grown revenue in the Research Services business area as global researchers utilise Microba's world leading microbiome testing and analysis services.

4.3.3 Pro forma adjustments to statutory historical statements of financial performance

Table 4C sets out the pro forma adjustments that have been made to NPAT in the historical periods.

Table 4C: Pro forma adjustments to statutory historical statements of financial performance

$'000	FY2020 Pro Forma	FY2021 Pro Forma	H1-FY2021 Pro Forma	H1-FY2022 Pro Forma
Pro Forma Net Profit After Tax	**(6,667)**	**(8,299)**	**(3,537)**	**(7,737)**
Incremental public company costs	664	661	353	316
R&D Tax Incentive	(956)	(105)	782	1,531
Grant income	745	461	461	–
Capital raising and offer costs	(435)	–	–	(139)
Other pro forma adjustments	–	(241)	(241)	–
Statutory Net Profit After Tax	**(6,649)**	**(7,523)**	**(2,182)**	**(6,029)**

Notes:

1. **Incremental public company costs** – reflects Microba's estimate of the incremental annual costs that will be incurred as a listed public company. These costs include additional Non-Executive Director remuneration (including incremental share-based payments), company secretarial fees, executive salary increases, additional audit fees, listing fees, share registry costs and increased Directors' and officers' insurance premiums.
2. **R&D Tax Incentive** – includes the Research & Development Tax Incentive grant income being adjusted to the applicable period in line with the expense incurrence or to align with grant conditions.
3. **Grant Income** – includes Export Market Development Grant being adjusted to the applicable period in line with the expense incurrence and the JobKeeper and CashFlow Boost grant income being removed as they are non-recurring.
4. **Capital raising and offer costs** – includes historical capital raising costs incurred by the business which are non-recurring.
5. **Other pro forma adjustments** – includes other income or expenses considered to be non-recurring.

4. Financial Information

4.3.4 Statutory historical consolidated financial statements of financial performance

Table 4D sets out the statutory historical consolidated statements of financial performance for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively). The statutory historical consolidated statements of financial performance in Table 4D have been presented based on functional categories consistent with the pro forma consolidated statements of financial performance presented in Section 4.3.

Table 4D: Statutory historical consolidated statements of financial performance

$'000	FY2020 Statutory	FY2021 Statutory	H1-FY2021 Statutory	H1-FY2022 Statutory
Revenue	2,909	3,732	1,693	2,199
Cost of sales	(1,723)	(1,668)	(797)	(1,026)
Gross profit	**1,186**	**2,064**	**896**	**1,173**
Grant income	749	1,968	1,929	1,605
	1,935	**4,032**	**2,825**	**2,778**
Employee benefits expense	(4,148)	(6,151)	(2,578)	(3,906)
Advertising expense	(225)	(306)	(192)	(126)
Consulting fees	(1,103)	(662)	(246)	(305)
Data storage expense	(496)	(556)	(287)	(222)
Legal fees	(235)	(160)	(50)	(263)
Research and development expense	(163)	(1,539)	(457)	(2,596)
Other operating expenses	(1,195)	(1,042)	(615)	(708)
EBITDA	**(5,630)**	**(6,384)**	**(1,600)**	**(5,348)**
Depreciation and amortisation	(1,091)	(1,218)	(617)	(685)
EBIT	**(6,721)**	**(7,602)**	**(2,217)**	**(6,033)**
Interest income	102	102	51	31
Interest expense	(37)	(23)	(16)	(27)
NPBT	**(6,656)**	**(7,523)**	**(2,182)**	**(6,029)**
Income tax expense	7	–	–	–
NPAT	**(6,649)**	**(7,523)**	**(2,182)**	**(6,029)**

4.4 Pro Forma Historical Consolidated Statements of Cash Flows

4.4.1 Pro Forma Historical Consolidated Statements of Cash Flows

Table 4E sets out the pro forma historical consolidated statements of cash flows for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively).

Table 4E: Pro forma historical consolidated statement of cash flows

$'000	FY2020 Pro Forma	FY2021 Pro Forma	H1-FY2021 Pro Forma	H1-FY2022 Pro Forma
Operating activities				
Receipts from customers	3,922	3,091	1,172	1,925
Payments to suppliers and employees	(8,785)	(11,961)	(4,805)	(6,774)
Subsidies and grants received	453	890	893	1,534
Interest and other finance costs paid	(37)	(23)	(16)	(27)
Interest received	68	135	84	31
Net cash flows from operating activities	**(4,379)**	**(7,868)**	**(2,672)**	**(3,311)**
Investing activities				
Proceeds from fixed assets	–	–	–	9
Payments for property, plant and equipment	(361)	(247)	(84)	(54)
Payments for intangible assets	(495)	(425)	(219)	(119)
Proceeds from/(payments for) term deposits	14	–	–	(204)
Subsidies and grants received	150	190	190	95
Net cash flows from investing activities	**(692)**	**(482)**	**(113)**	**(273)**
Financing activities				
Repayments of borrowings	(125)	(141)	(70)	(71)
Principal portion of lease payments	(207)	(217)	(93)	(103)
Proceeds from issue of shares	1,400	15,145	8,500	1,250
Share issue transaction costs	–	(951)	(537)	–
Net cash flows from financing activities	**1,068**	**13,836**	**7,800**	**1,076**
Net increase/(decrease) in cash held	**(4,003)**	**5,486**	**5,015**	**(2,508)**

4. Financial Information

4.4.2 Pro forma adjustments to statutory historical statements of cash flows

Table 4F contains a reconciliation of the statutory historical consolidated statements of cash flows to the pro forma historical consolidated statements of cash flows at the operating, investing and financing activity levels.

Table 4F: Pro forma adjustments to statutory historical statements of cash flows

$'000	FY2020 Pro Forma	FY2021 Pro Forma	H1-FY2021 Pro Forma	H1-FY2022 Pro Forma
Pro Forma Net Cash Flows	**(4,003)**	**5,486**	**5,015**	**(2,508)**
Incremental public company costs	553	552	301	275
R&D Tax Incentive	(600)	(484)	(484)	(524)
Grant income	387	578	578	–
Capital raising and offer costs	(435)	–	–	(139)
Statutory Net Cash Flows	**(4,098)**	**6,132**	**5,410**	**(2,896)**

Notes:

1. **Incremental public company costs** – includes Microba's estimate of the incremental annual costs that will be incurred as a listed public company. These costs include additional Non-Executive Director remuneration, company secretarial fees, executive salary increases, additional audit fees, listing fees, share registry costs and increased Directors' and officers' insurance premiums.
2. **R&D Tax Incentive** – includes the Research & Development Tax Incentive grant income being adjusted to the applicable period in which the R&D Tax Incentive funds are due to be received, following the lodgement of the income tax return after the end of the financial year.
3. **Grant Income** – includes Export Market Development Grant, JobKeeper and CashFlow Boost grant income being adjusted to the applicable period in which the grant funds were received or to align with grant conditions.
4. **Capital raising and offer costs** – includes the removal of historical capital raising costs from cash flows which were expensed through the statement of financial performance.

4.4.3 Statutory historical consolidated statements of cash flows

Table 4G sets out the statutory historical consolidated statements of cash flows for FY2020, FY2021, H1-FY2021 and H1-FY2022 (respectively) extracted from the annual financial statements.

Table 4G: Statutory historical consolidated statements of cash flows

$'000	FY2020 Statutory	FY2021 Statutory	H1-FY2021 Statutory	H1-FY2022 Statutory
Operating activities				
Receipts from customers	3,922	3,091	1,172	1,925
Payments to suppliers and employees	(8,667)	(11,409)	(4,505)	(6,637)
Subsidies and grants received	390	1,024	1,028	914
Interest and other finance costs paid	(37)	(23)	(16)	(27)
Interest received	68	135	84	31
Net cash flows from operating activities	**(4,324)**	**(7,182)**	**(2,237)**	**(3,794)**
Investing activities				
Proceeds from fixed assets	–	–	–	9
Payments for property, plant and equipment	(361)	(247)	(84)	(54)
Payments for intangible assets	(495)	(425)	(219)	(119)
Proceeds from/(payments for) term deposits	14	–	–	(204)
Subsidies and grants received	–	150	150	190
Net cash flows from investing activities	**(842)**	**(522)**	**(153)**	**(178)**
Financing activities				
Repayments of borrowings	(125)	(141)	(70)	(71)
Principal portion of lease payments	(207)	(217)	(93)	(103)
Proceeds from issue of shares	1,400	15,145	8,500	1,250
Share issue transaction costs	–	(951)	(537)	–
Net cash flows from financing activities	**1,068**	**13,836**	**7,800**	**1,076**
Net increase/(decrease) in cash held	**(4,098)**	**6,132**	**5,410**	**(2,896)**

4. Financial Information

4.5 Statutory and Pro Forma Historical Consolidated Statement of Financial Position

4.5.1 Statutory and pro forma historical consolidated statement of financial position

Table 4H sets out the statutory historical consolidated statement of financial position as at 31 December 2021, and the adjustments that have been made to derive the pro forma historical consolidated statement of financial position. These adjustments reflect the impact of the operating structure that will be in place at Completion of the Offer as if the Offer had occurred as at 31 December 2021. The pro forma historical consolidated statement of financial position is therefore provided for illustrative purposes only and is not necessarily indicative of Microba's view of its future financial position.

Further information on the sources and uses of funds of the Offer is contained in Section 7.4.

Table 4H: Statutory and pro forma historical consolidated statement of financial position

		Pro Forma Adjustments		
$'000	H1-FY2022 Statutory	1	2	H1-FY2022 Pro Forma
Current assets				
Cash and cash equivalents	10,133	27,356	(4,823)	32,666
Receivables	2,057	176	–	2,233
Inventories	435	–	–	435
Financial assets	–	–	4,823	4,823
Other assets	583	–	–	583
Total current assets	**13,208**	**27,532**	**–**	**40,740**
Non-current assets				
Intangible assets	958	–	–	958
Property, plant and equipment	832	–	–	832
Right-of-use assets	960	–	–	960
Financial assets	204	–	–	204
Total non-current assets	**2,954**	**–**	**–**	**2,954**
Total assets	**16,162**	**27,532**	**–**	**43,694**
Current liabilities				
Payables	2,963	–	–	2,963
Borrowings	38	–	–	38
Employee benefits	368	–	–	368
Lease liabilities	366	–	–	366
Other liabilities	101	–	–	101
Contract liabilities	959	–	–	959
Total current liabilities	**4,795**	**–**	**–**	**4,795**
Non-current liabilities				
Lease liabilities	670	–	–	670
Employee benefits	60	–	–	60
Other liabilities	110	–	–	110
Total non-current liabilities	**840**	**–**	**–**	**840**
Total liabilities	**5,635**	**–**	**–**	**5,635**
Net assets	**10,527**	**27,532**	**–**	**38,059**
Equity				
Share capital	34,789	28,059	–	62,848
Reserves	1,502	–	–	1,502
Retained earnings	(25,764)	(527)	–	(26,291)
Total equity	**10,527**	**27,532**	**–**	**38,059**

Notes:

1. **Impact of the Offer** – the Offer is assumed to raise gross proceeds of $30m by the new issue of 66,666,666 shares in the Company. Offer costs are estimated to be $2.5m, of which $0.5m is expensed through the profit and loss, with the remaining $2m (net of recoverable GST) net off against share capital.
2. This adjustment represents restricted cash that Microba Pty Ltd has agreed to place in escrow in accordance with the Ginkgo Technical Development Agreement, as outlined in Section 9.10. Under this agreement US$3.5 million is required to be placed in escrow by Microba Pty Ltd for the payment of future contract amounts under the Ginkgo Technical Development Agreement.

4.5.2 Cash, Indebtedness, Liquidity and Capital Sources

Following Completion of the Offer, on a pro forma basis at 31 December 2021, Microba is expected to have cash, restricted cash (classified as a financial asset) and cash equivalents of approximately $37.5m on its consolidated statement of financial position.

Table 4I sets out Microba's net cash/(debt) position as at 31 December 2021, on a statutory basis (before Completion) and on a pro forma basis (at Completion).

Table 4I: Cash, Restricted Cash, Indebtedness, Liquidity and Capital Sources

Proforma:

$'000	H1-FY2022 Pro forma
Borrowings (current)	(38)
Borrowings (non-current)	–
Total borrowings	**(38)**
Less: Cash and cash equivalents	32,666
Net cash	**32,628**
Add: Restricted cash[1]	4,823
Total net cash and restricted cash	**37,451**

Note:

1. Restricted Cash – represents cash that Microba Pty Ltd has agreed to place in escrow in accordance with the Ginkgo Technical Development Agreement, as outlined in Section 9.10. Under this agreement US$3.5 million is required to be placed in escrow by Microba Pty Ltd for the payment of future contract amounts under the Ginkgo Technical Development Agreement.

Statutory:

$'000	H1-FY2022 Statutory
Borrowings (current)	(38)
Borrowings (non-current)	–
Total borrowings	**(38)**
Less: Cash and cash equivalents	10,133
Total net cash	**10,095**

Following Completion, principal sources of funds are expected to be cash on its balance sheet from the Offer and cash flow from operations. The main use of cash is to fund operations, research and development activities and to support global growth initiatives. Historical capital expenditure and working capital trends are described in Section 4.4.1.

Microba expects that its operating cash flows, together with cash, and restricted cash on its balance sheet will be sufficient to meet its operational requirements and business needs and position the Company to grow its business in accordance with the Company's stated objectives.

Further details regarding the anticipated use of funds and the Company's stated objectives can be found in Sections 7.4 and 3 respectively.

The ability to generate sufficient cash depends on Microba's future performance, quantitative and qualitative disclosures about market risk are addressed in Section 1.3 and otherwise in the risk factors set out in Section 5.

4.6 Management Discussion and Analysis

4.6.1 Key elements of operating results and their drivers

Below is a discussion of Microba's revenue and expenses and the main factors which affected Microba's operating and financial performance during the period of the Historical Financial Information.

The discussion is intended to provide a brief summary only and does not detail all the factors that had an impact on the historical operating and financial performance, or everything which may impact Microba's operations and financial performance in the future. Unless otherwise stated, all financial information presented in this Section 4, and the related commentary, is on a pro forma basis. The information in this Section 4 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

4. Financial Information

4.6.2 Revenue

In addition to the factors below that drive categories of revenue, Microba's revenue is generally driven by several factors described in Sections 2 and 3 of this Prospectus. These include:

(a) increasing client need for Microba's services, discussed in Section 2.6;

(b) the global growth of Microba's market, discussed in Section 2.10;

(c) the attributes of Microba's products and platform, discussed in Section 3.4 and 3.5;

(d) Microba's business model, discussed in Section 3;

(e) Microba's sales and marketing approach, discussed in Sections 3.7, 3.17 and 3.18;

(f) the success of Microba's growth strategy, discussed in Sections 3.7 and 3.19; and

(g) any disruption to global markets, supply chains and consumer purchasing behaviour such as the COVID-19 pandemic.

4.6.2.1 Revenue categories

Total revenue comprises fees charged for microbiome testing and reporting services across each of Microba's two customer segments – Personal Testing and Research Testing as outlined in Section 3.4. Key factors impacting revenue for each of the service lines are outlined below.

(a) Personal Testing

Microba generates personal testing revenue through two primary sales channels;

(i) Through directly selling microbiome testing and reporting products to healthcare practitioners and directly to consumers (DTCs); and

(ii) Through white labelling versions of Microba's testing and reporting products (both digital and physical) for distribution by the Company's global partners in their local geographic market. Microba' global distribution partnerships are outlined in detail at Section 3.4.

The below table outlines the products from which Microba derives its Personal Testing revenue.

Product	Direct/Partner	Distribution Partner	Region
Microba Insight™	Direct	Microba	Australia
MetaBiome	Partner	Metagenics	Australia & New Zealand
Gut+	Partner	Psomagen	USA
MyBiome	Partner	SYNLAB	Europe
TBD	Partner	Genova Diagnostics	USA
TBD	Partner	G42 Healthcare	Middle East (GCC countries)

(b) Research Testing

Research revenue is primarily driven by microbiome associated contract research projects undertaken by research institutes, universities, biotechnology companies, pharmaceutical companies, food companies, and other commercial entities wanting to access Microba's Analysis Platform. Microba offers an end-to-end research solution that supports research clients through participant recruitment, sample collection, laboratory processing, metagenomic sequencing, microbiome profiling for species and functions, and complex bioinformatic statistical analysis. These services are supplied on either a fee for service basis; or collaborative 'data share' model where Microba obtains rights to add the research data into its Databank in exchange for discounted services.

(c) Other Income

Other income comprises primarily of Government grants or incentives and interest income.

Government grants that the Company has received during the historical financial information period predominantly relates to the Research & Development Tax Incentive (R&D).

The Company conducts R&D for the purposes of product development, data driven drug discovery and therapeutic development with the aim of developing its intellectual property portfolio. Investments into research and development attract government incentives and this is recorded as grant income.

The Microba Group generates interest income from its cash at bank balances.

4.6.3 Cost of Sales

Cost of sales primarily comprises the costs associated with the delivery of microbiome testing and analysis services. The key drivers of this expense are laboratory consumables and costs associated with performing high throughput DNA sequencing using the Illumina NovaSeq 6000 system, cloud computing and storage, product packaging, postage, together with wages, salaries and related expenses of Microba's employees directly associated with delivery of services to clients.

The single largest line item in Microba's cost of sales is the Illumina DNA sequencing consumables used in the Illumina NovaSeq6000 DNA sequencing system. Across the past three years, the price of DNA sequencing consumables have reduced which has resulted in a reduced cost of sales.

4.6.4 Gross Profit

Microba's gross profit is calculated as revenue from contracts with customers less cost of sales.

Microba has made significant investment in scaling and optimising its processes and Analysis Platform, and as a result, has been able to grow revenue at significantly faster rate than cost of sales during FY2020, FY2021, H1-FY2021 and H1-FY2022.

Microba's gross margin increased 14.5% from FY2020 to FY2021 from 40.8% to 55.3%. The increase in gross margin from FY2020 to FY2021 was achieved through the Company being successful in increasing revenue from high margin research services contracts and personal testing distribution partnerships which have low associated cost of sales. These high margins are due to the underlying services being based largely on the intellectual property value associated with Microba's Analysis Platform.

Table 4J: Gross Profit

$'000	FY2020 Statutory	FY2021 Statutory	H1-FY2021 Statutory	H1-FY2022 Statutory
Revenue from contracts with customers	2,909	3,732	1,693	2,199
Cost of Sales	(1,723)	(1,668)	(797)	(1,026)
Gross Profit	**1,186**	**2,064**	**896**	**1,173**
Gross Margin %	**40.8%**	**55.3%**	**52.9%**	**53.3%**

4.6.5 Operating expenses

An explanation of key operating expense categories is as follows:

(a) **Employee benefits expense** – Personnel-related expenses are Microba's largest expense item, representing 48% (net of capitalised development costs and net of direct labour costs) of total operating expenses based on the pro forma H1-FY2022 consolidated statement of financial performance, and are allocated across cost categories according to their functions. As at 31 December 2021, 21% of Microba's staff were in product development functions, 36% within laboratory, science & therapeutic development, 9% within global partnerships, 24%, within sales & marketing and 10% within general and administration. 25 of Microba's employees have PhDs in specialist technical areas.

When an activity is directly related to intangible asset development, and where assessment is made that future economic benefit is probable, the costs related to that activity are capitalised instead of being treated as expenses (see Sections 4.2.3 and 4.2.5).

(b) **Research & development** – Represents increased investment in the Company's human first data-driven drug discovery and development efforts. This includes costs associated with bioprospecting Microba's Databank to discover novel therapeutic leads and, preclinical and clinical drug development activities.

(c) **Advertising expense** – costs associated with external marketing which is primarily undertaken digitally.

(d) **Legal fees** – fees paid to legal advisors of the business.

(e) **Data storage costs** – costs relating to the provision of cloud-based infrastructure and storage where the Company's proprietary bioinformatic pipelines and databank are housed.

(f) **Other expenses** – includes audit and tax fees, travel expenses, utilities, business development, insurance, IT, and general and administrative expenses.

(g) **Depreciation and amortisation expense** – expense related to the use of fixed and intangible assets over their useful lives, depreciation primarily relates to Microba's laboratory equipment and amortisation relates to Microba's intangible assets.

Microba incurs expenses in several currencies as discussed in Section 4.9.2, although most of Microba's operating expenses are incurred in Australian dollars, reflecting the primary location of Microba's staff.

4.6.6 Working Capital

Working capital relates primarily to the trade and other receivables, other current assets, costs to fulfil contracts, trade and other payables, contract liabilities and provisions. Microba operates in a negative net working capital position primarily as a result of the level of contract liabilities (representing customer payments received in advance of revenue being recognised).

4. Financial Information

4.6.7 Capitalised development costs and other net capital expenditure

Microba capitalises costs related to the development of its platforms or significant enhancements to its platforms. This is done on the basis that it is probable that the platform, when completed, will generate economic benefit in accordance with AASB 138 Intangible Assets. All other development costs are expensed through the statement of financial performance. Capitalised Development Costs of $0.49m and $0.26m were recognised in FY2020 and FY2021 respectively, and $0.22m and $0.11m for FY2021-H1 and FY2022-H1 respectively.

4.6.8 Pro forma Historical Financial Performance – FY2020 to FY2021

Table 4K: Comparison of FY2020 to FY2021 Pro forma Historical Financial Performance

$'000	FY2020 Pro Forma	FY2021 Pro Forma
Revenue	2,909	3,732
Cost of sales	(1,723)	(1,668)
Gross profit	**1,186**	**2,064**
Grant income	960	1,612
	2,146	**3,676**
Employee benefits expense	(4,603)	(6,605)
Advertising expense	(225)	(306)
Consulting fees	(901)	(758)
Data storage expense	(496)	(556)
Legal fees	(133)	(184)
Research and development expense	(163)	(1,539)
Other operating expenses	(1,273)	(888)
EBITDA	**(5,648)**	**(7,160)**
Depreciation and amortisation	(1,091)	(1,218)
EBIT	**(6,739)**	**(8,378)**
Interest income	102	102
Interest expense	(37)	(23)
NPBT	**(6,674)**	**(8,299)**
Income tax expense	7	–
NPAT	**(6,667)**	**(8,299)**

4.7 Management Discussion and Analysis of the Historical Statement of Financial Performance FY2020 to FY2021

Revenue

Total revenue increased from $2.91m in FY2020 to $3.73m in FY2021 despite the challenges created by COVID-19 pandemic primarily impacting personal testing sales as a result of partner laboratories and workforces being deployed for COVID-19 testing, lockdowns, and supply chain disruptions. The revenue growth throughout the period was primarily driven by:

(a) Growth in sales of Research Testing (87% increase) and maintenance of Personal Testing (5% increase) revenue;

(b) Launch of MyBiome product in Europe with distribution partner SYNLAB; and

(c) Strong increase in demand for access to Microba's proprietary Analysis Platform from Research Testing clients.

Cost of sales

(a) Cost of sales decreased from $1.72m (59% of revenue) in FY2020 to $1.67m (45% of revenue) in FY2021. This decrease was principally driven by:

  (i) a reduction in the variable cost of laboratory consumables and variable cloud computing and storage costs; and

  (ii) a higher proportion of total sales from product and service formats which have a lower or no attributable cost of sales and therefore higher gross profit margins.

Operating Expenses

(a) Employee benefits expense increased across the period primarily from increased employee headcount and remuneration increases for employees.

(b) Research and development expenses increased across the period as the Company undertook increased bioprospecting and therapeutic development activities in its Microbiome Therapeutics division.

(c) Consulting fees reduced significantly as a result of cost management initiatives implemented in response to COVID-19.

(d) Other operating expenses decreased across the period primarily resulting from reduced travel and conference expenses as a result of COVID-19.

(e) Depreciation and amortisation primarily related to depreciation of laboratory equipment and amortisation of Microba's bioinformatic pipeline intangible assets

EBITDA

EBITDA decreased during the period as a result of increased operating expenses primarily relating to the increased investment into research and development expenditure in the Microbiome Therapeutics division and increasing employee expenses associated with the recruitment of key roles to support the Company's growth initiatives.

Pro forma Historical Financial Performance – H1-FY2021 to H1-FY2022

Table 4L: Comparison of H1-FY2021 to H1-FY2022 Pro forma Historical Financial Performance

$'000	H1-FY2021 Pro Forma	H1-FY2022 Pro Forma
Revenue	1,693	2,199
Cost of sales	(797)	(1,026)
Gross profit	**896**	**1,173**
Grant income	687	74[1]
	1,583	**1,247**
Employee benefits expense	(2,828)	(4,118)
Advertising expense	(192)	(126)
Consulting fees	(294)	(318)
Data storage expense	(287)	(222)
Legal fees	(62)	(181)
Research and development expense	(457)	(2,596)
Other operating expenses	(418)	(742)
EBITDA	**(2,955)**	**(7,056)**
Depreciation and amortisation	(617)	(685)
EBIT	**(3,572)**	**(7,741)**
Interest income	51	31
Interest expense	(16)	(27)
NPBT	**(3,537)**	**(7,737)**
Income tax expense	(35)	(4)
NPAT	**(3,572)**	**(7,741)**

Note:

1. The Company has not included an estimate for the H1-FY2022 period as the Company is not in a position at this time to reliably determine the expected R&D Tax Incentive income based on eligible expenditure for this period.

4. Financial Information

4.8 Management Discussion and Analysis of the Historical Statement of Financial Performance H1-FY2021 to H1-FY2022

Revenue

Total revenue increased from $1.69m in H1-FY2021 to $2.2m in H1-FY2022. The revenue growth throughout the period was primarily driven by:

(a) Strong growth in Research Services revenue (71% increase from H1-FY2021) both domestically and internationally; and

(b) Marginal growth in Personal Testing (6% increase from H1-FY2021) due to prolonged COVID-19 lockdowns which impacted healthcare practitioners' ability to operate their clinics, and, distribution partner laboratories and workforces being deployed for COVID-19 testing.

Cost of sales

(a) Cost of sales has remained consistent at 47% of revenue across both periods despite manufacturing and supply chain challenges arising as a result of COVID-19.

Operating Expenses

(a) Research and development expenses increased across the period as the Company increased investment in therapeutic development activities through its Microbiome Therapeutics business, primarily relating to the IBD and Immuno-oncology programs described in Sections 3.14 and 3.15.

(b) Employee benefits expense increased across the periods as the Company attracted new talent to fulfil key roles to unlock growth and enable future distribution partnerships.

(c) Other operating expenses increased during the period due to attendance at industry conferences and additional accounting and audit services required to support the expanding activities and growing operations of the business.

(d) Depreciation and amortisation primarily related to depreciation laboratory equipment and amortisation of Microba's bioinformatic pipeline intangible assets.

EBITDA

(a) EBITDA decreased during the period as a result of decreased Other income, this has principally resulted as the Company has not included an estimate for the H1-FY2022 period as the Company is not in a position at this time to reliably determine the expected R&D Tax Incentive income based on eligible expenditure for this period. EBITDA also decreased as a result of increased operating expenses primarily relating to the increased investment into research and development expenditure in the Microbiome Therapeutics division and increasing employee expenses associated with the recruitment of key roles to support the Company's growth initiatives.

4.9 Quantitative and Qualitative Disclosures about Market Risk

4.9.1 Interest rate risk

Microba is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The primary financial liabilities impacted by interest rate movements include cash balances, loans and borrowings. Interest rate exposure is monitored and analysed, and consideration is given to potential renewals of existing positions, uses of funds and alternative financing options as well as the mix of fixed and variable interest rates.

4.9.2 Foreign exchange risk

Microba transacts in various currencies other than the Australian dollar reporting currency, including the United States dollar, Euros, United Kingdom pound, Swiss franc, Canadian Dollars, and the New Zealand dollar. Microba has not historically hedged its foreign currency exposure and as a result earnings are exposed to the net impact of movements in foreign exchange on sales, employee expenses and purchases in the foreign currencies in which the transactions occur.

Microba has foreign currency bank accounts, receivables and payables that are denominated in a currency other than the Australian dollar reporting currency and holds investments in overseas subsidiaries which are not hedged. Any foreign exchange rate movements in respect to the transactional currency in which the net investment in foreign subsidiaries are held are recognised in the foreign currency translation reserve.

4.10 Dividend policy

The Directors do not provide any assurance of the future level of dividends paid by the Company. The Company intends to retain future earnings to fund the development and growth of the business. The Company does not anticipate paying dividends to Shareholders for the foreseeable future.

The payment of a dividend by the Company, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Directors), including the general business environment, the operating results, cash flows and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

The Directors intend to frank future dividends to the maximum extent possible, having regard to the level of the Company's available franking credits at the time of the future dividend payment. The extent to which a dividend can be franked will depend upon the Company's franking account balance (which is currently nil), its deferred franking account balance (which is currently $3,410,177) and its level of distributable profits. The Company's franking account balance will depend on the amount of Australian income tax paid by the Company.

To the extent that a dividend is unfranked or partially franked, the Directors intend to declare the unfranked portion to be conduit foreign income to the maximum extent possible, having regard to the level of the Company's available conduit foreign income at the time of the future unfranked dividend payment. The extent to which an unfranked or partially franked dividend can be declared to be conduit foreign income will depend on the Company's conduit foreign income balance (which is currently nil or nominal) and its level of distributable profits. The Company's conduit foreign income balance will depend, among other things, on the amount of dividends received by the Company from its non-Australian subsidiaries.

No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking or conduit foreign income on any such dividend.

4.11 Research and Development Tax Incentive

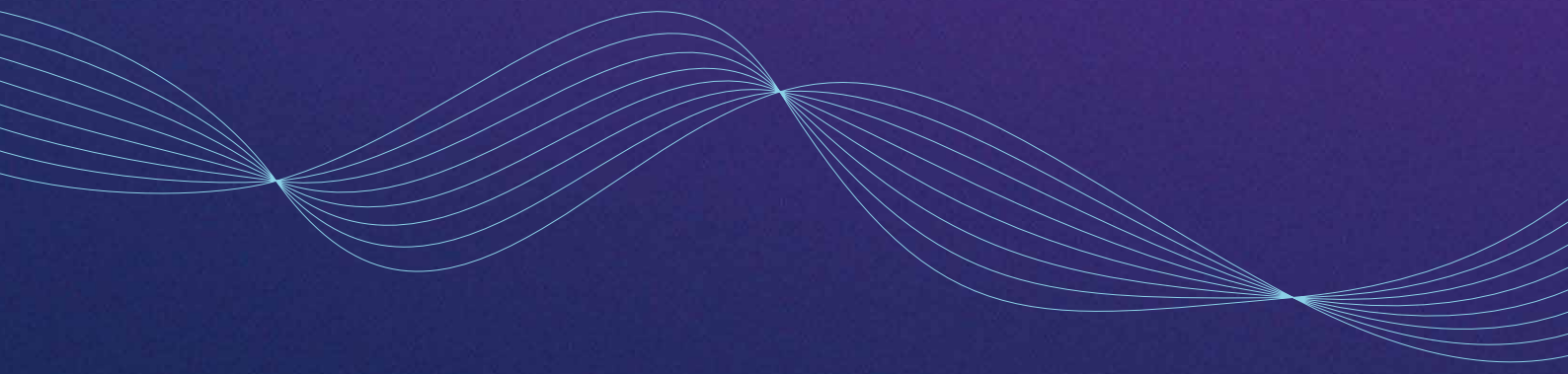
Microba has made a claim on behalf of the Microba Group under the research and development tax incentive provided by the Australian Government (R&D Tax Incentive) relating to FY2021. The R&D Tax Incentive allows eligible entities to claim a refundable tax offset at the rate of 43.5% where its turnover is less than $A20m. The R&D Tax Incentive is claimed by way of self-assessment by Microba.

The Microba Group's research and development activities have been assessed by Management and professional advisers to determine the appropriate level of the R&D Tax Incentive that should be claimed.

4.12 COVID-19

Microba's business depends on healthcare spending, which has been, and may continue to be, impacted by the outbreak of COVID-19. The extent of any ongoing impact of COVID-19 on Microba's business will depend on future developments, including the duration and future spread of COVID-19 within the United States, Europe, Australia, New Zealand, and the Gulf Cooperation Council countries, the effectiveness of vaccines, and the related impact on general economic conditions, business confidence and healthcare spending, all of which are highly uncertain.

5.
Risk Factors



5. Risk Factors

5.1 Introduction

The New Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares and to consult their professional advisors before deciding whether to apply for New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.2 Company specific risks

5.2.1 Early stage risk

Microba was incorporated in 2017 and given it has only recently commenced commercial operations, there are uncertainties surrounding the rate of growth and prospects of Microba. Further, Microba has operated at a loss since inception in January 2017. In the financial years ending 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021, Microba had net losses of $0.78m, $4.73m, $6.65m and $7.52m respectively. In the half year ended 31 December 2021, Microba had a net loss of $6.03m. Please refer to the Financial Information in Section 4 for further details.

Microba is subject to risks common to early stage companies, including increasing market share and brand recognition, developing its product pipeline, competition risk and satisfying regulatory requirements imposed on Microba and its products.

Investors should consider the Company's business and prospects in light of the risks that it may face as an early-stage business with limited history. An investment in Microba is highly speculative, and risks associated with investments in early stage companies, such as Microba, are generally considered high. If Microba is not successful in addressing such risks, the Company's business prospects and financial performance may be materially and adversely affected and the Company may never become profitable.

5.2.2 Uncertainty of future revenue and profitability

Future sales of products including but not limited to Microba Insight™ (including any white-labelled versions or products derived from it) by Microba and Microba's future profitability are contingent on, amongst other things, Microba's ability to enter into appropriate distribution and partner arrangements, being able to maintain anticipated prices for products being acquired as well as certainty of supply, being able to set favourable prices for products being sold, market demand for products being sold, general economic conditions, the results of further research and clinical trials in relation to microbial genomics.

Consequently, Microba cannot provide any guarantee that future sales estimates will be achieved. Even if future sales estimates are achieved, they may not result in Microba being profitable.

5.2.3 Failure to effectively manage growth

Microba has experienced recent growth in revenue, employee numbers and customer base. Microba expects further growth in the future which could place significant strain on current management, operational and financial resources as well as the infrastructure supporting Microba.

Microba's future success depends on its ability to effectively manage this growth. In particular, Microba will be required to effectively support its distribution partners in multiple jurisdictions. If the Company were unable to provide effective support, the Company's ability to achieve its growth objectives by geographic expansion of sales into new jurisdictions may be materially impacted. Further, failure to appropriately manage growth could result in failure to retain existing distribution partners and customers and a failure to attract new distribution partners and customers which could adversely affect Microba's operating and financial performance.

5.2.4 Loss of adoption by customers

Microba is reliant on consumers and healthcare practitioners recommending and purchasing its products. Healthcare practitioners play a significant role in influencing the types of tests and products used by patients, in addition to being purchasers themselves.

To achieve commercial success, Microba is reliant on healthcare practitioners accepting the scientific validity and usefulness of its current and planned testing products. Healthcare practitioners may be slow to adopt and recommend Microba products to their patients for the following reasons (without limitation):

(a) preference for the products of competitors due to familiarity or sufficiency of those products;

(b) lack of long-term clinical data illustrating the benefits of Microba's products; and

(c) lack of willingness to invest the time required to understand Microba's products.

While Microba has strong relationships with healthcare practitioners, distribution partnerships with Metagenics, Genova Diagnostics and SYNLAB regarding a healthcare practitioner products and a course designed to help healthcare practitioners better understand Microba's products, these do not guarantee sufficient adoption of Microba's products domestically and in international markets necessary to achieve profitability.

5. Risk Factors

5.2.5 Loss of key distribution and partner relationships or inability to enter into such relationships

Microba (including through its wholly owned subsidiary) has a number of distribution and partnership arrangements in place. Microba's key distribution and partner relationships are documented by way of the following:

(a) Psomagen Binding Heads of Agreement with Psomagen Inc (a subsidiary of Macrogen, Inc.);

(b) Metagenics Collaboration and Distribution Agreement with Metagenics (Aust) Pty Ltd;

(c) SYNLAB Distribution Agreement with SYNLAB International GmbH;

(d) G42 Collaboration Agreement with G42 Laboratory LLC;

(e) Genova Commercial Development Agreement and Equipment Supply Agreement with Genova Diagnostics; and

(f) Bacthera Manufacturing Proposal with Bacthera AG.

There can be no guarantee that the relationships with any other partner or distributor will continue or if they do continue, that they will continue to be successful for Microba. The Psomagen Binding Heads of Agreement ends on 17 April 2022. It is anticipated that the Psomagen Binding Heads of Agreement will either be extended or a new agreement entered into prior to the end of the term. The new agreement, once signed, may be on terms different, to that summarised in Section 9.3.

5.2.6 COVID 19 risk

The Microba Group may face additional difficulty in achieving business growth, as well as creating and maintaining a competitive advantage over other competitors during the COVID 19 pandemic. COVID 19 may create business risks for the Microba Group in reducing consumer demand for the Microba Group products, delaying supply and distribution timeframes and increasing the cost of supply. Further, COVID 19 may create changed global economic conditions which may prevent or delay the Microba Group's successful expansion. COVID 19 may also affect Microba personnel as Microba will be required to adhere to health recommendations from local, state and federal authorities, which may include reductions in available employees, lower production and revenue, and increased costs or reduced profitability.

5.2.7 Loss of key management personnel

The successful operation of Microba in part relies on Microba's ability to attract and retain experienced and high performing key management personnel, in particular those with relevant scientific expertise.

The Company's founders – Professors Hugenholtz and Tyson – are experts in metagenomics and their expertise, continued research and development efforts, and scientific input underlies the Company's scientific operations across both Microbiome Services (insofar as it utilises the MAP) and Microbiome Therapeutics. Microbiome Therapeutics is also reliant on the relevant subject matter expertise of Associate Professor Lutz Krause and Dr Paraic O'Cuiv.

The loss of any key members of management or other personnel, or the inability to attract additional skilled individuals to key management roles, may adversely affect Microba's ability to develop and implement its business strategies.

5.2.8 Access to sequencing technology, sufficient commercial manufacturing capability, and cloud infrastructure

Microba's testing services are dependent on:

(a) uninterrupted operation of the sequencing machine provided and maintained by Illumina Inc;

(b) manufacture and provision to the Company of testing swabs by COPAN;

(c) costs of items in (a) and (b) being appropriate; and

(d) uninterrupted operation of cloud data storage and computing infrastructure such as Google Cloud Platform.

Failures in respect of any of the above could adversely impact the Company's supply chain or cost of goods sold and require the Company to source and engage new providers for the above goods and services.

5.2.9 Ownership and protection of intellectual property

The business of Microba depends on its ability to commercially exploit its intellectual property. Microba relies on laws relating to patents, trade secrets, copyrights and trade marks to assist in protecting its proprietary rights. There is a risk that unauthorised use or copying of the secure documentation (electronic laboratory books), business data or intellectual property will occur.

There is a risk that Microba may be unable to detect the unauthorised use of its intellectual property rights in all instances.

A breach of Microba's intellectual property may result in the need to commence legal action, which could be costly and time consuming. A failure or inability to protect the Company's intellectual property rights could have an adverse impact on operating and financial performance.

Patents and trade marks

As noted in Section 10, the Company currently holds a number of international patent applications. As detailed in Section 10, the Company also holds a number of registered trade marks.

There is a risk that this these patent applications will not be granted. There is a further risk that the claims of this these patent applications may change in scope when subject to examination of the patent applications by each individual jurisdiction's patent office.

The Company's success, in part, depends on its ability to obtain patents, and trade marks, maintain trade secret protection and operate without infringing the proprietary rights of third parties. If patents are not granted, or if granted only for limited claims, the Company's intellectual property may not be adequately protected and may be able to be copied, reproduced or otherwise circumvented by third parties. The Company may not be able to achieve its objectives, commercialise its products or generate revenue or other returns if it is unable to properly use or commercialise its intellectual property.

Intellectual property infringement of patent and trade mark claims

The Company has engaged patent attorneys, James & Wells Intellectual Property Attorneys, to assist in obtaining trade mark protection and patent protection in respect of inventions developed by and on behalf of the Company.

There is always a risk of third parties claiming an involvement in scientific discoveries and, if disputes arise, such claims or disputes can adversely affect the Company. Further, competition in retaining and sustaining protection of intellectual property, and the complex nature of intellectual property and its protection, can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. In the event of a dispute, the Company's potential competitors may be able to sustain costs of litigation or proceedings more effectively than the Company because of comparatively greater financial resources.

In addition, parties making claims against the Company may obtain injunctive or other relief to prevent the Company from further developing or commercialising its products. In the event a successful claim of infringement is made against the Company, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, or at all, it may encounter delays in its business operations and lose substantial resources while seeking to develop alternative products.

There is also a risk that a third party may claim that Microba is infringing one or more of its patents. In the event a successful claim of infringement is made against the Company, the Company may be required to pay damages and obtain one or more licences from the claimant third party. If it is not able to obtain these licenses at a reasonable cost, or at all, Microba may be restricted from conducting a component of its business and encounter delays and lose substantial resources while seeking to develop alternative products.

Trade secrets and confidentiality

The Company may, from time to time, rely on trade secrets. The protective measures employed by the Company may not provide adequate protection of its trade secrets which may erode any competitive advantage and harm its business.

There can be no assurance employees, consultants or third parties will not breach confidentiality, infringe and/or misappropriate the Company's intellectual property. The Company seeks to mitigate the risk of unauthorised use of its intellectual property by limiting disclosure of sensitive material to particular employees, consultants and others on a need to know basis. Where appropriate, parties having access to such sensitive information will be required to provide written commitments to confidentiality and ownership of intellectual property.

5.2.10 Risk of delay and continuity of operations

Microba may experience delays in achieving a number of critical milestones, including completion of trials, obtaining regulatory approvals, manufacturing, product launches and sales. Any material delay may adversely impact Microba, including the timing of any revenue under milestone or sales payments.

Microba may also experience business continuity problems arising from extreme events. As with most businesses, Microba is reliant on IT systems in its day-to-day operations. An inability to operate such systems would impact the business. This might result, for example, from a computer virus or other cyber-attacks or from a physical event at its offices and/or laboratory.

5.2.11 Failure to realise benefits from product research and development

An important aspect of Microba's business is to continually invest in innovation and product development opportunities. Microba may not realise benefits from investments in research and development relating to both of its business divisions for several years, or may not realise benefits at all in some cases. Microba makes assumptions about the expected future benefits generated by investment in research and development and the expected timeframe in which the benefits will be realised. These assumptions are subject to change and involve both known risks and risks that are beyond Microba's control. Any change to the assumptions Microba has made about development of a certain product may have an adverse impact on Microba's ability to realise a benefit from investment in the development of that product.

Microbiome Services

The development and commercialisation of Microba's technology platform and products leveraging it including Microba Insight™, MetaBiome, MyBiome, research services and potential future products is expensive and often involves an extended period of time to achieve return on investment. There is no guarantee that a positive return on investment will be achieved.

5. Risk Factors

Microbiome Therapeutics

Microba is and will continue to be reliant on the results generated by the process adopted by its Microbiome Therapeutics business. This process can be expensive, time consuming and may involve delays.

There is no certainty the candidates identified by Microbiome Therapeutics' process will be suitable candidates for drug development, or will be of interest to large pharmaceutical partners.

Separately, there is the potential that the results of the process adopted by Microbiome Therapeutics, or preferences of potential large pharmaceutical partners, will require a change in strategy (refer also general risk in Section 5.2.23 below) which, in particular may include, any one or more of the following:

(a) a decision to focus on different target disease states other than those selected by Microba as at the Prospectus Date;

(b) a decision to revise the process adopted by Microbiome Therapeutics resulting in additional research and development and greater than anticipated complexity or cost in commercialisation;

(c) candidates failing manufacturing;

(d) candidates failing to enter, or experiencing a material delay in entering, clinical trials;

(e) clinical trials involving the candidates failing to progress; or

(f) unsuccessful efforts to identify novel bacteria relevant to target disease states.

5.2.12 Market acceptance and competitor risk

Market acceptance depends on numerous factors, including convincing potential consumers and agents of the attractiveness of Microba's products and its ability to manufacture those products to a sufficient quality and quantity to meet commercial demand at an acceptable cost.

There is a risk that Microba's products may not gain widespread market acceptance, and this may adversely affect the financial performance of Microba.

Notwithstanding the number of participants in a market, there is always a risk that there will be new entrants into the market and that existing competitors will introduce new products or technologies that are superior or more favourable with the market. Competition in the market has the potential to disrupt Microba's business and market share.

An overview of the competitive landscape is set out in Section 2.8. There may be aggressive, fast-moving, early stage, start-up companies that are developing comparable or competing products. Microba intends to maintain a close watch on existing and emerging products within the industry as well new patent applications relevant to the field as they are published.

5.2.13 Effective management of contracts and the risks of disputes

Effective ongoing contract management seeks to ensure, among other things, appropriate distribution partners and customer selection, as well as the effective management of distribution partners and customers expectations and contract terms. There is a risk that Microba may fail to manage its existing distribution, partner and customer relationships, and may therefore be subject to disputes with distributor, partner and customer relationships. Such disputes can be costly, result in further liability to Microba or absorb significant amounts of management time. A failure or inability to protect Microba from contract related risks could have an adverse impact on operating and financial performance.

5.2.14 General regulatory risks

The regulatory requirements applicable to Microba's current and planned products are detailed in Sections 3.8 (in respect of regulatory risks relating to Microbiome Services) and 3.20 (in respect of regulatory risks relating to Microbiome Therapeutics).

The Company operates and intends to operate in regulated industries including but not limited to:

(a) medical devices (including software as a medical device) and diagnostics; and

(b) therapeutics,

in Australia and internationally (including but not limited to Europe, Gulf Cooperation Council countries, New Zealand and the United States).

Microba transfers, to the maximum extent possible at law, risk for regulatory non-compliance arising from the marketing, sale and distribution of Microba's products to its contractual partners operating in geographic markets and jurisdictions other than Australia. Relevantly, Microba's contracts with marketing and distribution partners generally include:

(a) Representations and warranties – given by the counterparty in favour of the contracting Microba Group entity relating to compliance with applicable laws and regulations.

(b) Notification process – a notification process to be undertaken by the counterparty by which it will notify Microba of any regulatory matters relevant to the marketing and sale of Microba's products in the relevant jurisdiction that require Microba to support compliance.

(c) Indemnities – to the extent able to be commercially negotiated and valid at law in the relevant forum, indemnities in favour of the contracting Microba Group entity in relation to any claims arising from regulatory non-compliance in the relevant jurisdiction.

For further information regarding Microba's distribution strategy and partners see Section 3.4 and for relevant material contracts see Sections 9.3 – 9.7 (inclusive).

Given Microba's international expansion plans, the effectiveness of this risk transfer strategy, and (where sought) securing and maintaining the necessary regulatory approvals and licences for its products and services in all markets in which they are sold and offered will be critical to the performance of Microba.

There is a risk that this risk transfer strategy is ineffective, or (where sought) regulatory approvals for Microba's products and services will fail to be obtained or maintained in some or all of the markets in which they are sold and offered respectively. These may have adverse impacts on the financial performance of Microba and expose it to potential liabilities or third party claims. Additionally, given Microba's intention to partner with large pharmaceutical companies for drug development, there is a risk that partner companies will fail to obtain or maintain the necessary regulatory approvals which may have an adverse impact on the financial performance of Microba and expose it to potential liabilities or third party claims.

Further, the failure by Microba to comply with the laws and regulations in the jurisdictions in which it operates could result in the loss of access to those and other markets. In addition, compliance with government regulations may also subject Microba to additional fees and costs. Further, changes to these laws and regulations (including interpretation and enforcement), or the failure by Microba to remain current with those changes, could adversely affect Microba's business and financial performance.

5.2.15 Arrangements with third party collaborators

Microba may pursue collaborative arrangements with life science companies, pharmaceutical companies, academic institutions or other partners to assist with the development and commercialisation of the Company's:

(a) *Microbiome Services*; and

(b) Microbiome Therapeutics.

These collaborators may be asked to assist with funding or performing trials, manufacturing, obtaining regulatory approvals or product marketing. While confidentiality agreements may be in place with a number of these parties in respect of possible collaborative or partnership arrangements, there is no assurance that Microba will attract and retain appropriate strategic partners or that any such collaborations will perform and meet commercialisation goals. A material risk for Microbiome Therapeutics is a failure to enter into a commercially acceptable deal with a large pharmaceutical partner (see Section 2.9 for a general description of the type of deals with large pharmaceutical partners contemplated by Microbiome Therapeutics as at the Prospectus Date).

Further, Microba's arrangements with third party collaborators are subject to mutual undertakings of confidentiality. There is no guarantee that third party collaborators will abide by their confidentiality obligations. There is a risk that third party collaborators may seek commercial exploitation of Microba's intellectual property that has been shared under any collaboration arrangement. Protecting the Company's intellectual property in circumstances such as this may result in the need to commence legal action, which could be costly and time consuming.

5.2.16 Sufficiency of funding and additional requirements for capital

Microba has provided an indication of how it intends to apply its existing funds, including funds raised under the Offer in Section 7.4.

There is a risk that the costs of operations may be higher than anticipated or increase as a result of unforeseen circumstances (which may include circumstances related to other key risk factors set out in this Section 5).

Microba may also be required to raise additional equity or debt capital in the future. There is no assurance that Microba will be able to raise that capital when it is required or that it will be able to raise that capital on such terms satisfactory or favourable to the Company.

If Microba is unsuccessful in obtaining funds when required, it may need to delay or cease its research and development, commercialisation, manufacturing activities, or other components of its business. In the event of insufficient capital, Microba may also have to licence or sell its technologies on unfavourable terms, or scale down or cease operations. No assurance can be given that future funding will be available to the Company, on any particular terms, or at all.

5.2.17 Shareholder dilution

In the future, Microba may elect to issue shares to fund or raise proceeds for specific research and development, acquisitions, to repay debt, or for other reasons.

While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12-month period (without obtaining Shareholder approval), Shareholder interests may be diluted and Shareholders may experience a loss in value of their equity as a result of such issues of Shares and fundraising.

5.2.18 Liquidity and realisation risk

Restriction obligations (escrow) will be applied to Shares held by existing shareholders. The remaining "free float" (shares that are tradeable during any restriction period) may be limited, resulting in a decrease in active or potential sellers or buyers at any given time, which may result in an inactive or illiquid market for the Company's Shares, potentially increasing the volatility of the market price of the Company's Shares.

Following confirmation of the restriction obligations that will be imposed by the ASX and the agreement on voluntary escrow, the restricted shares would represent approximately 58% of the Company's Shares on issue on the Listing Date. This would leave approximately 42% of the Company's Shares free trading until this escrow period(s) ends.

Refer to Section 12.8 for further detail on escrow.

Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be significant sell down by holders of those Shares which may negatively affect the Company's Share price.

The potential limited free float (tradeable Shares during any restriction period) and potential sell down may affect the prevailing market price at which shareholders are able to sell their Shares. There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of Shares.

5.2.19 Product risks and liability

As Microba successfully develops and markets new products and obtains the relevant regulatory approvals, there is no assurance that unforeseen adverse events or manufacturing defects will not arise. Adverse events or defects could expose the Company to product liability claims, litigation or withdrawal of regulatory approvals.

Adverse events or defects could result in damages being awarded against the Company, a requirement for further investment in improved manufacturing processes or withdrawal of products from the market. In such event, the Company's liability may exceed the Company's insurance coverage.

5.2.20 Insurance risks

Although the Company maintains insurance, no assurance can be given that adequate insurance will continue to be available to the Company in the future on commercially acceptable terms.

5.2.21 Litigation risk

In the ordinary course of business, Microba may be involved in litigation disputes from time to time. Litigation disputes brought by third parties, including but not limited to customers, suppliers, business partners, and employees, and may adversely impact the financial performance and industry standing of Microba.

5.2.22 Absence of dividends

The ability of Microba to pay dividends in the future is dependent on many factors including the results of the Company's research and its ability to develop and commercialise its products. Where the Company is in a position to pay dividends, the amount, timing and payment of future dividends is dependent on a range of factors including future capital and research and development requirements, as well as the overall financial position of the Company. There will be factors outside of the control of the Company and its Directors that may affect the ability of the Company to pay dividends. The Company does not expect to pay dividends in the short or medium term. The Directors are unable to give any assurance regarding the payment of dividends in the future.

5.2.23 Change in strategy

Microba's plans and strategies may evolve over time due to review and assessment of, amongst other things, trial results and data, market trends, the outcome of its intellectual property registrations and applications, changes in policy or regulations, the level of acceptance in particular markets and the emergence of new technologies or improvements in existing technology.

As a result, the current strategies, approaches, and plans of Microba may not reflect the strategies, approaches, plans and products pursued at a later date. Any such changes have the potential to expose the Company to additional risks.

As noted in Sections 3.7 (in respect of Microbiome Services) and 3.19 (in respect of Microbiome Therapeutics), while the Company's key focuses are:

(a) the growth of the operations and market share of its Microbiome Services business in key geographies (including the United States, Europe, Australia, New Zealand and Gulf Cooperation Council countries) via distribution partnerships; and

(b) the discovery by its Microbiome Therapeutics business of novel bacteria for use in therapeutic products to be developed in partnership with large pharmaceutical partners,

it may in the future look at opportunities for diversification.

5.2.24 Renewal of lease agreements

Microba operates its offices and facilities from leased premises. There is a risk that the lease may not be renewed on terms that are acceptable to the Company. If this were to occur, Microba may be required to cease operating from its current premises and move to a new premises. Microba's operations rely on the maintenance of high quality laboratory and manufacturing facilities. Moving to a new premises and constructing new laboratory and manufacturing facilities would involve significant costs and business disruption that may impact the financial performance of the Company.

5.3 General Risks

5.3.1 General economic conditions

The Microba Group may be negatively impacted by changes in the Australian or other international economies. In particular, there are risks from continued volatility in the US and Europe, international debt issues, impacts from currency and interest rate shifts and the potential for a contraction in the availability of debt or capital.

These macro-economic factors may adversely impact Microba through reduced future revenues, reduced demand for Microba's products and services, increased costs, foreign exchange losses, impacts of government responses to macroeconomic issues and impacts on equity markets. These factors are beyond the control of the Microba Group and the impact cannot be predicted.

Furthermore, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance.

5.3.2 Financial market volatility

A fall in global or local equity/bond markets may discourage investors from moving money in or out of equity markets. This may have a negative effect on the price at which the Shares trade on ASX.

5.3.3 Franking of dividends

There is no guarantee that the Company will have sufficient franking credits in the future to fully frank dividends or that the franking system will not be varied or abolished. The value and availability of franking credits to a shareholder will depend on their particular tax circumstances and Shareholders should seek independent professional advice.

Shareholders should be aware that the ability to use franking credits, as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each shareholder.

5.3.4 Regulatory risk

In addition to industry regulatory risks, the Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ATO, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time, depending on changes in the laws and the policies of the governments and regulatory authorities.

The Microba Group is exposed to:

(a) the risk of changes to applicable laws and/or the interpretation of existing laws, which may adversely impact the Microba Group. This could include changes affecting the ability to leverage tax rebates in connection with research and development; or

(b) the risks associated with non-compliance with these laws (including reporting or other legal obligations).

Non-compliance may result in financial penalties being levied against the Microba Group.

5.3.5 Changes in taxation laws and policies

Tax laws are in a continual state of change which may affect the Company and its Shareholders.

Changes to rules relating to R&D Tax Incentives, including changes to the eligibility requirements or refund levels could adversely affect the Company's financial performance and cash flows.

R&D Tax Incentives, concessions and grants are subject to policy review and discretion and there can be no guarantee that any concession or grant will be awarded to the Company.

Changes to tax laws may adversely affect the Microba Group's financial performance and/or the returns achieved by investors. Dividends paid to certain investors may not be recognised as frankable by the ATO.

There may be tax implications arising from ownership of the Shares, the receipt of franked and unfranked dividends (if any) from the Company receiving returns of capital and the disposal of the Shares.

The Microba Group is not responsible for either taxation implications or penalties incurred by investors. These tax implications should be considered carefully and potential investors should obtain advice from an accountant or other professional tax advisor in relation to the application of the tax legislation to your investment in the Company.

5.3.6 Interest rate risk

Microba is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The primary financial liabilities impacted by interest rate movements include cash balances, loans and borrowings. Interest rate exposure is monitored and analysed, and consideration is given to potential renewals of existing positions, use of funds and alternative financing options as well as the mix of fixed and variable interest rates.

5. Risk Factors

5.3.7 Foreign currency and exchange rate fluctuations

Microba transacts in various currencies other than the Australian dollar reporting currency, including United States Dollars, Canadian Dollars, Swiss Francs, Euros, United Kingdom Pounds, and New Zealand Dollars. Microba has not historically hedged its foreign currency exposure and as a result earnings are exposed to the net impact of movements in foreign exchange on sales, employee expenses and purchases in the foreign currencies in which the transactions occur.

Microba has foreign currency bank accounts, receivables and payables that are denominated in a currency other than the Australian dollar reporting currency and holds investments in overseas subsidiaries which are not hedged. Any foreign exchange rate movements in respect to the transactional currency in which the net investment in foreign subsidiaries are held are recognised in the foreign currency translation reserve.

5.3.8 Force majeure

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, pandemics (including COVID-19), epidemics or quarantine restrictions.

5.3.9 Acquisitions

As part of its business strategy, Microba may make acquisitions of, or significant investments in, companies, technologies and/or products that are complementary to Microba's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of or investments in companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

5.3.10 Other

There are a range of other general risks, which may impact on Microba's business or an investment in the Shares, which include but are not limited to:

(a) industrial action directly or indirectly impacting the business; and

(b) government policies generally (in addition to taxation noted above).

6.

Key Individuals, Interests and Benefits and Corporate Governance

6. Key Individuals, Interests and Benefits and Corporate Governance

6.1 Board composition

The business and affairs of the Microba Group are managed directly by the Board. In particular, the Board:

(a) establishes the long-term goals of the Microba Group and strategic plans to achieve those goals;

(b) manages risk by ensuring that the Microba Group has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and

(c) works with management to create Shareholder value.

The Board is composed of experienced executives, with a broad and diverse range of business experience. The composition of the Board is set out below.

At the date of listing (**Listing Date**) the Board will comprise 6 members, consisting of three independent Non-executive Directors (with one being the Chair) and three non-independent Non-Executive Directors.

Name	Appointment date	Position	Independence[1]
Pasquale Rombola	23 June 2017	Chair Non-Executive Director	Independent
Professor Ian Frazer	31 January 2017	Deputy Chair Non-Executive Director	Independent
Dr Caroline Popper	29 January 2020	Non-Executive Director	Independent
Richard Bund	8 February 2018	Non-Executive Director	Non-independent
Professor Gene Tyson	31 January 2017	Non-Executive Director	Non-independent
Dr Hyungtae Kim	16 June 2019	Non-Executive Director	Non-independent

Note:

1. Microba considers that a Director is an independent Director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. Microba has also assessed the independence of its Directors regarding the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles.

The composition of the Board committees and details of its key corporate governance polices are set out in Section 6.14 and 6.15.

Each Director above has confirmed to the Company that they anticipate being able to perform their duties as a Non-Executive Director or Executive Director of the Company, as the case may be, without constraint from other commitments.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills.

6.2 Details of Directors

Details of each of the Directors are set out below:

Director & Experience

Pasquale Rombola

Role: Chair, Non-Executive Director

Expertise: Mr Rombola has over 30 years' corporate and financial experience in Australia, Asia and the United Kingdom. He spent 19 years in senior positions with Morgan Stanley and Deutsche Bank, including 7 years in the role of Managing Director. Mr Rombola is a current Non-executive Director of Audeara Limited, a leading hearing health company (ASX: AUA), he is the Chair of Advantage Agriculture Pty Ltd, a private agribusiness company. He was also formerly the Chair and Director of Helix Resources Limited (ASX: HLX).

Mr Rombola holds a Bachelor of Economics from the University of Western Australia.

Independence: Independent

Interest in Shares and Options: Refer to Section 6.7.

Director & Experience

Professor Ian Frazer

Role: Deputy Chair, Non-Executive Director

Expertise: Professor Frazer is a clinician scientist, trained as a clinical immunologist. He is a Professor at the University of Queensland and is the current Chair of the Australian Federal Government's Medical Research Future Fund. He is recognised as co-inventor of the technology enabling Gardasil – the leading vaccine currently used worldwide to help prevent cervical cancer.

Professor Frazer holds a Doctor of Medicine from the University of Melbourne and the following degrees from the University of Edinburgh: Bachelor of Medicine, Bachelor of Surgery and Bachelor of Science (Hons).

Independence: Independent

Interest in Shares and Options: Refer to Section 6.7.

Dr Caroline Popper

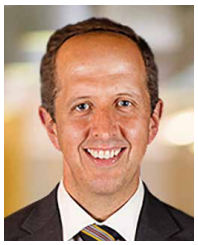
Role: Non-Executive Director

Expertise: Dr Popper is a US-based pathologist and business consultant with more than 20 years' experience in the international diagnostics, medical devices and drug discovery fields, including 10 years in senior management and marketing roles at the leading medical technology firm, Becton Dickson & Company. Dr Popper has served in senior managerial and advisory positions at various Fortune 500 and start-up companies, including bioMerieux and MDS Proteomics.

She holds a Bachelor of Medicine from the University of the Witwatersrand, Johannesburg; Master of Public Health – Health Policy and Health Economics from Johns Hopkins University, Baltimore.

Independence: Independent

Interest in Shares and Options: Refer to Section 6.7.



Richard Bund

Role: Non-Executive Director

Expertise: Mr Bund is a Chartered Accountant and Director of Equipe Advisory accounting firm. Mr Bund has more than 20 years' experience in accounting and corporate finance and is the director of several private Australian companies.

Mr Bund is a Member of the Institute of Chartered Accountants Australia & and New Zealand. He holds a Bachelor of Commerce (Accounting) from the University of Adelaide and a Graduate Diploma in Chartered Accounting from the Institute of Chartered Accountants Australia (**ICAA**).

Independence: Non-independent

Interest in Shares and Options: Refer to Section 6.7.

Professor Gene Tyson

Role: Non-Executive Director

Expertise: Professor Tyson is a Professor of Microbial Genomics at The Queensland University of Technology and was formerly the Deputy-Director of the Australian Centre for Ecogenomics, Australia's leading centre for genomic research.

Whilst at the University of California, Berkeley he was involved in publishing the first paper regarding the use of metagenomic-sequencing for assessing microbial communities. Professor Tyson is also considered a world leading expert in microbial analysis.

Professor Tyson holds a Bachelor of Science (Hons) from the University of Queensland and a PhD from the University of California, Berkeley.

Independence: Non-independent

Interest in Shares and Options: Refer to Section 6.7.

6. Key Individuals, Interests and Benefits and Corporate Governance

Director & Experience

Dr Hyungtae Kim

Role: Non-Executive Director

Expertise: Dr Hyungtae Kim is an internationally experienced leader in the genomics field having held the positions of Chief Executive Officer of Macrogen, Inc., (Macrogen) from 2008 to 2014 and Chief Executive Officer of Macrogen Europe from 2015 to 2017. Macrogen is a company listed on the Korean Securities Dealers Automated Quotations (KOSDAQ).

Dr Kim is now a Director of the Gongwu Genome Information Foundation.

Dr Kim holds a PhD in molecular biology from The George Washington University.

Independence: Non-independent.

Dr Hyungtae Kim is a nominee Director of Macrogen, Inc. An entity that, as at the Prospectus Date, has a 8.58% interest in Microba.

Macrogen, Inc. has a right of nomination for so long as it holds an interest of 10% or more of the Shares in Microba. For more information on the right of nomination, refer to Section 12.3.

Interest in Shares and Options: Refer to Section 6.7.

6.3 Senior management team

The table below provides detail of the senior management team and Company Secretaries of Microba.

Manager & Experience

Dr Luke Reid

Chief Executive Officer

Dr Reid is an experienced research and technology commercialisation executive. His deep knowledge of the biotechnology sector has underpinned Microba's growth into a global biotechnology company delivering on its mission to improve human health with precision microbiome science. Dr Reid's expertise in translational research, technology commercialisation, commercial partnerships, licensing and intellectual property management uniquely places him to lead Microba as Chief Executive Officer. Previously, Dr Reid was Associate Director at UniQuest Pty Ltd, one of the global leaders in commercialisation of university technology. Prior to UniQuest Dr Reid held roles working with the world's leading developer of advanced plant genetics, Dupont Pioneer, and the world leader in bioinnovation of enzymes, proteins and microorganisms, Novozymes. Dr Reid holds a PhD in molecular biology from The University of Adelaide and a Bachelor of Science (Biotechnology (Hons)) from Flinders University.

Mr James Heath

Chief Financial Officer

Mr Heath is Microba's Chief Financial Officer and Joint Company Secretary. He is a Chartered Accountant who prior to joining Microba, was a management consultant and auditor at Deloitte Australia.

He has over 9 years' experience in accounting, finance and operations advisory across a broad range of industries.

Mr Heath is a member of Chartered Accountants Australia and New Zealand, holding a Graduate Diploma in Chartered Accounting. He also holds a Bachelor of Business Management and a Bachelor of Commerce (Accounting) from the University of Queensland.

Dr Nicola Angel

Head of Laboratory Operations

Dr Angel is a molecular biologist with previous projects focusing on immunology in human disease processes and the identification of pathways that could be used in novel drug design. She is skilled in the management of multiplatform high throughput sequencing services.

Dr Angel holds a Bachelor of Science (Hons 1) and a PhD in Biochemistry and Molecular Biology from the University of Queensland.

Manager & Experience

Assoc Prof. Lutz Krause

Chief Scientific Officer

Associate Professor Krause is an internationally recognised expert in the application of big data methods to understand molecular biology.

As Chief Scientific Officer, his expertise in identifying therapeutic leads and developing diagnostics using artificial intelligence plays an integral role in meeting clinical needs with diagnostic and therapeutic assets. Associate Professor Krause received his PhD in Bioinformatics and Genome Research from Bielefeld University, Germany and has worked with numerous high impact research teams, including the Nestlé Research Institute where he studied the role of the gut microbiota in health and disease.

Following his research at Nestlé he was recruited to QIMR Berghofer to head the Bioinformatics team and in 2014 he joined The University of Queensland as Principal Research Fellow. Associate Professor Krause continues to lead diagnostic and therapeutic work in key areas of human health and disease.

Dr Kylie Ellis

Head of Research Partnerships

Dr Ellis is a specialist in business and research partnerships, with a strong scientific research background that allows her to leverage knowledge for project design and management.

Dr Ellis has a PhD in neuroscience and regenerative medicine from The University of Adelaide and a background in research commercialisation at two Group of Eight Universities. Through this experience, she has honed her skills in identifying scientific inventions and partnering them with real-world applications with an end goal of market introduction.

Dr Ellis utilises this experience and skill for project design to develop bespoke solutions for research clients and identify global commercial partnership opportunities. She has built a successful and influential business model that services clients internationally and continues to increase in growth and opportunity.

Mark Parker

Global Business Development

Mr Parker has a broad depth of experience in biosciences spanning more than 30 years. He has performed sales, marketing, operations, business development and general management for ASX listed and global biotechnology companies including CSL, Roche, Baxter Healthcare and Terumo. Mark is responsible for Microba's global business development activities.

Mr Parker holds a Bachelor of Applied Science from the Royal Melbourne Institute of Technology.

Dr Jean Phillipe Laine

Global Business Development Executive – US

Dr Laine is a business development professional, with a strong scientific background in molecular biology. He brings more than 13 years of experience in consultative selling of technologies supporting academic institutions, pharmaceuticals and biotechnology companies in research and development and biomarker discovery efforts to his role at Microba. Dr Laine has a range of experience across the pre-clinical and clinical space in the area of genomics, metabolomics and microbiome for biomarker discovery and development.

He received his PhD in molecular biology with a minor in immunology and physiology from the University Louis Pasteur in Strasbourg, France, in collaboration with the National Institute on Aging (NIA) in Baltimore, MD, USA. His Doctorate, Post-Doctoral, and subsequent career resulted in 14 peer-reviewed publications and reviews.

Bernie Woodcroft

Senior Vice President, Platform Solutions

Mr Woodcroft is a leader in technology innovation, he has supported over 200 new start-ups during his tenure as Director of the University of Queensland's start-up incubator, "ilab", with over $90m being raised as investment and grants from those founders. He brings a unique experience blend across innovation, university, government and the corporate sectors both nationally and globally as well across numerous industries including health, sports, energy and finance.

He holds a Bachelor of Engineering (Honours) from the University of Queensland and is a Graduate of the Australia Institute of Company Directors course.

6. Key Individuals, Interests and Benefits and Corporate Governance

6.4 Joint Company Secretaries

	Company Secretary & Experience
	**James Heath** *Joint Company Secretary* See Section 6.3.
	**Peter Webse** *Joint Company Secretary* Mr Webse is a Joint Company Secretary of Microba. He is a Director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. He is a Fellow of the Governance Institute of Australia (FGIA), a Fellow of the Chartered Governance Institute (GCI), a Fellow of CPA Australia (FCPA), a Member of the Australian Institute of Company Directors (MAICD) and has a Bachelor of Business (Accounting and Finance) from Edith Cowan University. Mr Webse has over 27 years of ASX listed company secretarial experience.

6.5 Interests and benefits – General

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer.

Other than as set out in this Prospectus, no:

(a) Director of the Company;

(b) person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(c) promoter of the Company; or

(d) Underwriters to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of the Prospectus with ASIC, or has held in the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) The formation or promotion of the Company; or

(b) Property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or

(c) The Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director to induce them to become, or qualify as, a Director of the Company.

6.6 Interests and benefits – Interests of advisors

The Company has engaged the following professional advisors in relation to the Offer:

(a) Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited have acted as Joint Lead Managers and Underwriters to the Offer and the fees payable to the Joint Lead Managers and Underwriters pursuant to the Underwriting Agreement are described in Section 9.1.

In addition to the above, in the past two years, Microba has paid Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited an additional $916,578 for advisory services.

(b) Pitcher Partners Corporate Finance Limited has acted as the Investigating Accountant and has performed financial, accounting due diligence services and provided the Independent Limited Assurance Report in Section 8 in relation to the Financial Information. The Company has paid, or has agreed to pay a total of approximately $29,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Pitcher Partners Corporate Finance Limited under time-based charges.

In addition to the above, in the past two years, Microba has paid Pitcher Partners Corporate Finance Limited an additional $113,500 for corporate finance services.

(c) Pitcher Partners has performed tax due diligence services. The Company has paid, or has agreed to pay a total of approximately $16,750 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Pitcher Partners Corporate Finance Limited under time-based charges.

In addition to the above, in the past two years, Microba has paid Pitcher Partners an additional $82,620 for tax advisory services.

(d) Pitcher Partners has acted as Microba's auditor for the purposes of the Offer. For this work, Pitcher Partners has received fees amounting to approximately $129,696 excluding GST and disbursements over the past 2 years.

(e) Thomson Geer has acted as Australian Legal Advisor to the Company in relation to the Offer. The Company has paid, or agreed to pay, up to $150,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Thomson Geer in accordance with its normal time-based rates.

In addition to the above, in the past two years, Microba has paid Thomson Geer an additional $217,176 for legal advisory services.

(f) James & Wells Intellectual Property Attorneys have acted as patent attorneys to the Company in relation to the Intellectual Property Report on Patents. The Company has paid, or agreed to pay, up to $5,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to James & Wells Intellectual Property Attorneys in accordance with its normal time-based rates.

In addition to the above, in the past two years, Microba has paid James & Wells Intellectual Property Attorneys an additional $133,341 for advisory services.

(g) Davis Wright Tremaine LLP has acted as United States Legal Advisor to the Company in relation to limited aspects of the legal due diligence on the Company's United States subsidiary, Microba US, Inc. The Company has paid, or agreed to pay, up to $5,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Davis Wright Tremaine LLP in accordance with its normal time-based rates.

In addition to the above, in the past two years, Microba has paid Davis Wright Tremaine LLP an additional $46,312 for advisory services.

(h) PharmaLex Pty Ltd have acted as a regulatory adviser to the Company. The Company has paid, or agreed to pay, up to $9,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to PharmaLex Pty Ltd in accordance with its normal time-based rates.

In addition to the above, in the past two years, Microba has paid PharmaLex Pty Ltd (formerly Brandwood CKC Pty Ltd) an additional $11,878 for advisory services.

(i) Effectuate Consulting Pty Ltd trading as Lifecycle Medical have acted as a regulatory adviser to the Company. The Company has paid, or agreed to pay, up to $1,500 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Effectuate Consulting Pty Ltd trading as Lifecycle Medical in accordance with its normal time-based rates.

(j) Silvertongue Consulting have acted as a corporate advisor to the Company. The Company has paid, or agreed to pay, up to $90,300 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Silvertongue Consulting in accordance with its normal time-based rates.

In addition to the above, in the past two years, Microba has paid Silvertongue Consulting an additional $59,150 for advisory services.

The Company will pay these amounts, and other expenses relating to the Offer, out of funds raised under the Offer or cash otherwise available to the Company (or its Subsidiaries). Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.4.

6. Key Individuals, Interests and Benefits and Corporate Governance

6.7 Interests and benefits – Directors

6.7.1 Directors' fees and remuneration

Under the Constitution, the Directors decide the total amount paid to each Director as remuneration for their services as a Director to the Company. However, under the ASX Listing Rules, the total amount paid to all Non-executive Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company's general meeting. This aggregate amount is currently $450,000 and was approved by the Company on 23 November 2021.

Below is a table detailing the amount of remuneration each Director of Microba is entitled to receive per annum at the Listing Date.

Name	Position/s	Amount per annum	Other compensation
Pasquale Rombola	Chair, Non-Executive Director	$75,000 Plus $10,000 to be paid for membership of the Audit and Risk Management Committee and Nomination and Remuneration Committee	300,000 Director Options to be issued on IPO Completion on the terms detailed in Section 12.4
Professor Ian Frazer	Deputy Chair, Non-Executive Director	$75,000 Plus $5,000 to be paid for membership of the Audit and Risk Management Committee	300,000 Director Options to be issued on IPO Completion on the terms detailed in Section 12.4
Dr Caroline Popper	Non-Executive Director	$50,000	Nil
Richard Bund	Non-Executive Director	$50,000 Plus $10,000 to be paid for membership of the Audit and Risk Management Committee and Nomination and Remuneration Committee	200,000 Director Options to be issued on IPO Completion on the terms detailed in Section 12.4
Professor Gene Tyson	Non-Executive Director	$50,000 Plus $5,000 to be paid for membership of the Nomination and Remuneration Committee	200,000 Director Options to be issued on IPO Completion on the terms detailed in Section 12.4
Dr Hyungtae Kim	Non-Executive Director	$50,000	200,000 Director Options to be issued on IPO Completion on the terms detailed in Section 12.4

Each Director is also entitled to be reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board and any committee on which they serve.

The terms of appointment of each of the Non-Executive Directors are customary for appointments of this nature.

Refer to Section 9.11 of this Prospectus for a summary of the Letters of Appointment of each of the Directors.

6.7.2 Directors' interests in Shares and Options

Directors are not required under the Constitution to hold any Shares in the Company.

The Directors (and their associates) are entitled to apply for New Shares in the Offer. The Directors reserve their rights as at the Prospectus Date as to whether they will participate in the Offer. This this Prospectus details the New Shares the Director propose to acquire under the Offer.

Nothing in this Prospectus will be taken to preclude Directors, officers, employees or advisors of Microba, from applying for New Shares on the same terms and conditions as offered pursuant to this Prospectus.

(a) Table of Shares and Options

The table below sets out the interests of the Directors as at the Prospectus Date and IPO Completion and their percentage interest in Microba following completion of the Offer.

Refer to Section 12.2 for further details on the capital structure.

Director	Shares and Options held directly or indirectly on the Prospectus Date	Director Options to be issued at IPO Completion Shares proposed to be acquired under the IPO	% of Shares at the Prospectus Date	% of Shares on IPO Completion (assuming no Options are exercised)	% of Shares on IPO Completion (assuming all Directors exercise 100% of their Options and no other Options are exercised)	% of Shares on IPO Completion (assuming all Options are exercised)
Mr Pasquale Rombola	4,500,000 held through Rombola Family Pty Ltd[1]	555,555 New Shares proposed to be acquired under the Offer by Rombola Family Pty Ltd 300,000 Director Options to be issued to Rombola Family Pty Ltd	2.17%	1.84%	1.94%	1.83%
Professor Ian Frazer	934,144 held through Frazer Services Pty Ltd[2]	222,222 New Shares proposed to be acquired under the Offer by Frazer Services Pty Ltd 300,000 Director Options to be issued to Frazer Services Pty Ltd	0.45%	0.42%	0.53%	0.50%
Dr Caroline Popper	1,000,000 Existing Options held directly	Nil	Nil	Nil	0.36%	0.34%
Mr Richard Bund	30,413,166 held through SA Microba Holdings Pty Ltd[3]	1,111,111 New Shares proposed to be acquired under the Offer by SA Microba Holdings Pty Ltd 200,000 Director Options to be issued directly to Mr Bund	14.64%	11.49%	11.46%	10.82%
Professor Gene Tyson	17,100,000 held through Genenika Pty Ltd[4]	200,000 Director Options to be issued to Genenika Pty Ltd	8.23%	6.23%	6.25%	5.9%
Dr Hyungtae Kim	17,828,431 held through Macrogen, Inc.[5]	200,000 Director Options to be issued to Dr Hyungtae Kim	8.58% (held by Macrogen, Inc) 0% (held by Dr Hyungtae Kim)	6.50% (held by Macrogen, Inc) 0% (held by Dr Hyungtae Kim)	6.47% (held by Macrogen, Inc) 0.07% (held by Dr Hyungtae Kim)	6.08% (held by Macrogen, Inc) 0.07% (held by Dr Hyungtae Kim)

Notes:

1. Rombola Family Pty Ltd is controlled by Pasquale Rombola, Director.
2. Frazer Services Pty Ltd is controlled by Professor Ian Frazer, Director.
3. SA Microba Holdings Pty Ltd is controlled by Richard Bund, Director.
4. Genenika Pty Ltd is controlled by Professor Gene Tyson, Director.
5. Dr Hyungtae Kim is the nominee to the Board of Macrogen, Inc. Dr Hyungtae Kim does not, however, control Macrogen, Inc. For more information relating to the right of nomination of Macrogen, Inc. contained in the Constitution, refer to Section 12.3.

6. Key Individuals, Interests and Benefits and Corporate Governance

(b) Existing Options held by Directors

The only Director that holds Existing Options is Dr Caroline Popper. These Existing Options are issued on the following terms:

Exercise price	$0.336		
	Options	**Exercise price**	**Exercise period**
Exercise details	1,000,000 Existing Options held by Dr Caroline Popper, Director	$0.336	23/04/2021 – 22/04/2026
Exercise ratio	1 Share for every Existing Option		
Why the Existing Options were issued	The Existing Options were issued to Dr Caroline Popper as a component of her remuneration on appointment and to assist with the motivation, reward and retention of Dr Caroline Popper.		
Value of the Existing Options	$0.179 per option, the fair value has been determined by using the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.		
Remuneration package of the holder of the Existing Options	Refer to Section 6.7		
Terms applicable to the Existing Options	The Existing Options were issued under the 2018 Employee Incentive Plan and are otherwise subject to the terms detailed in Section 12.4.1.		
Any loan made in relation to the issue of the Existing Options	No		

These Existing Options are likely to be subject to ASX imposed escrow for a period of 24 months commencing from date of Quotation. Refer to Section 12.8 for a summary of the proposed escrow over Shares and Options.

(c) Directors Options proposed to be issued Directors at IPO Completion

It is proposed that Director Options will be issued to all Directors at IPO Completion. These Director Options are to be issued on the following terms:

Director	Options	Exercise price	Vesting Date	Exercise period
Exercise details				
Pasquale Rombola	100,000	The IPO price plus 50%, being $0.675	12 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	100,000		24 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	100,000		36 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
Professor Ian Frazer	100,000		12 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	100,000		24 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	100,000		36 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
Richard Bund	66,666		12 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	66,666		24 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	66,668		36 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
Professor Gene Tyson	66,666		12 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	66,666		24 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	66,668		36 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
Dr Hyungtae Kim	66,666		12 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	66,666		24 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
	66,668		36 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
Total: 1,200,000				
Exercise ratio				
1 Share for every 1 Option				
Why the Director Options are being issued				
The Director Options are proposed to be issued to the Directors as detailed above, as a component of her remuneration and to assist with the motivation, reward and retention.				
Value of the Director Options				
$0.229 per option, the fair value has been determined by using the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.				
Remuneration package of the holder of the Director Options				
Refer to Section 6.7				
Terms applicable to the Director Options				
The Director Options are otherwise subject to the terms of the 2021 Employee Incentive Plan detailed in Section 12.4.2.				
Any loan made in relation to the issue of the Director Options				
No				

Notes:

1. All Director Options will be issued to the Directors under ASIC Corporations (Disclosure Relief—Offers to Associates) Instrument 2017/737.

These Director Options are likely to be subject to ASX imposed escrow for a period of 24 months commencing from date of Quotation. Refer to Section 12.8 for a summary of the proposed escrow over Shares and Options.

(d) Securities issued to Directors following admission

Following the admission of Microba to the Official List of the ASX, any issue of securities to a related party (which includes a Director), will require prior shareholder approval under ASX Listing Rule 10.14 or ASX Listing Rule 10.11 and, subject to their terms, approval under Chapter 2E of the Corporations Act.

6.8 Deeds of Access, Insurance and Indemnity for Directors

The Company has entered into deeds of access, insurance and indemnity with each Director which contain rights of access to certain books and records of the Company.

Under the Constitution, the Company is required to indemnify all Directors and officers, past and present, against all liabilities allowed under law. Under the deed of access, insurance and indemnity, the Company indemnifies parties against all liabilities to another person that may arise from their position as an officer of the Company or its Subsidiaries to the extent permitted by law. The deed stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Under the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law and under the deed of access, insurance and indemnity, the Company must maintain insurance cover for each Director for the duration of the access period.

6.9 Employee incentive arrangements

On 27 September 2021, Microba established the 2021 Employee Incentive Plan to assist in the motivation, reward and retention of its Directors, executive staff and other selected employees. This 2021 Employee Incentive Plan will be used for the issue of incentives on and from the Prospectus Date.

The key elements of the 2021 Employee Incentive Plan are detailed in Section 12.5.

Details of all securities issued under the 2021 Employee Incentive Plan or Shares issued on exercise of convertible securities issued under the 2021 Employee Incentive Plan will be published in each annual report of Microba relating to the period in which the Options or underlying Shares are issued.

6.10 Management interests and remuneration

The Company's Chief Executive Officer and other members of senior management are employed under individual contracts of employment with the Company.

The contracts set out the individual's total fixed compensation, eligibility to participate in any incentive scheme (e.g. annual bonuses or securities ownership plans) which may be implemented by the Company, notice and termination provisions and employee entitlements including leave. The Company makes contributions with respect to the senior executives to complying superannuation funds in accordance with relevant superannuation legislation and the individual contracts of employment.

Refer to Section 9.11 of this Prospectus for a summary of the Executive Services Agreements of Microba and Luke Reid and Microba and James Heath.

6.11 Corporate governance

This Section explains how the Board will oversee the management of Microba's business. The Board is responsible for the overall corporate governance of the Microba Group. The Board monitors the operational and financial position and performance of Microba and oversees its business strategy, including approving the strategic goals of Microba and considering and approving its annual business plan and the associated budget. The Board is committed to maximising performance, generating appropriate level of Shareholder value and financial return and sustaining the growth and success of Microba. In conducting Microba's business with these objectives, the Board seeks to ensure that Microba is properly managed to protect and enhance Shareholder interests and that Microba, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board have developed and adopted a framework of corporate governance policies and practices, risk management practices and internal controls that it believes appropriate for Microba's business.

The main polices and charters adopted by Microba are summarised below. In addition, many governance elements are contained in the Constitution. Details of Microba's key policies and the charters for the Board and each of its committees will be available at https://www.microba.automicipo.com.au/.

Microba is seeking a listing on the ASX. In order to promote investor confidence and to assist companies to meet stakeholder expectations, the ASX Corporate Governance Council has developed and released Corporate Governance Principles and Recommendations.

The Company has adopted its corporate governance policies having regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX Recommendations**).

The ASX Recommendations are not mandatory or prescriptive and the Board is entitled not to adopt a particular recommendation if it considers it inappropriate in the context of the business. However, under the ASX Listing Rules Microba will be required to provide a corporate governance statement in its annual report (or by reference in its annual report to the URL of the page on its website where the statement can be viewed), disclosing the extent to which it has followed the ASX Recommendations within the reporting period. Where Microba does not follow a recommendation for any part of a reporting period, it must identify the recommendation and provide its reasons for not doing so and what (if any) alternative governance practices it adopted in lieu of the recommendation.

Except as set out in Section 6.16 below, the Board does not anticipate that it will depart from the recommendations of the ASX Corporate Governance Council; however it may do so in the future if it considers such a departure would be reasonable.

6.12 Microba's statement of values

Microba's purpose is to create a community of greater health, built on leading scientific research. Microba's values represent what the Company stand for as an organisation and articulate the behaviours and standards expected at Microba in the pursuit of that purpose. Microba acknowledges that its long-term success is dependent on maintaining the respect, trust, and confidence of its shareholders and the market.

The Company's values are:

(a) **Thought leadership** – Microba will continue to stay at the cutting edge of research and be trusted leaders in applying evidence-based microbiome theory to human health.

(b) **Accuracy** – Precision and process care will underpin the quality of results Microba achieves. We will only promise what is proven and possible.

(c) **Empathy** – Microba staff will put themselves in the shoes of people with less knowledge and health challenges, always taking the time to understand and respond to their needs.

(d) **Passion** – Microba wants to make a difference for everyone who interacts with it and for the future health of humanity. This is a goal worth being passionate about.

6.13 Board Appointment and composition

It is the Board's policy that there should, where practicable, be a majority of independent Directors and that the office of Chair of the Board be held by an independent Non-executive Director.

The Board Charter sets out guidelines for the purpose of determining independence of Directors in accordance with the ASX recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board considers an independent Director to be a non-executive Director who is not a member of Microba's management and who is free of any business or other relationship that could materially interfere with the independent exercise of their judgement. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board considers that Professor Ian Frazer, Dr Caroline Popper and Mr Pasquale Rombola are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and are able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Richard Bund and Professor Gene Tyson are currently considered by the Board not to be independent as both are Substantial Shareholders. Dr Hyungtae Kim is considered by the Board not to be independent as he represents Macrogen, Inc., Microba's fourth largest Shareholder.

The Board is cognisant of the value of having a Board with a majority independent directors and will strive to achieve this in the future as Microba grows.

The Board is responsible for the overall corporate governance of Microba and has adopted the following charters and policies detailed in Section 6.15. A summary of the key terms of these charters and policies is set out below. Copies can be obtained from Microba's website https://www.microba.automicipo.com.au/.

6.14 Board committees

The Board may from time to time establish committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee. Membership of Board committees will be based on the needs of Microba, relevant legislation, regulatory and other requirements, and the skills and experience of Board members, as relevant to the committees.

Each committee has the responsibilities described in its respective committee charter which has been prepared with regard to the ASX Listing Rules and the ASX Corporate Governance Principles.

6. Key Individuals, Interests and Benefits and Corporate Governance

6.15 Governance policies

The governance policies set out in this Section have been adopted by the Board and will be made available on the Microba Group's website prior to its admission to the Official List.

Governance policy	Summary
Board Charter	The Board Charter provides a framework for the effective operation of the Board and sets out: • the role and responsibilities of the Board, Chair and Joint Company Secretaries; • delegations of authority to committees and management; • the size and composition of the Board; and • Board processes, including the ability of Directors to seek independent professional advice and review of Board performance. Please see the Corporate Governance Statement at Section 6.16 for further information on the role of the Board.
Audit and Risk Committee Charter	The Audit and Risk Committee Charter sets out the role, responsibilities, membership and operation of the Audit and Risk Committee. The charter notes that the role of the Audit and Risk Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of the: • integrity of Microba's financial reporting systems, internal and external financial reporting and financial statements; • appointment, remuneration, independence and competence of Microba's external auditors; • performance of the external audit functions and review of their audits; • effectiveness of Microba's system of risk management and internal controls; and • Microba's systems and procedures for compliance with applicable legal and regulatory requirements. The charter also sets out: • the size and composition of the Audit and Risk Committee; and • committee processes, including the ability of the committee to seek independent professional advice. From Listing, the Audit and Risk Committee will comprise Professor Ian Frazer (Chair), Pasquale Rombola and Richard Bund. All three members are Non-Executive Directors. The majority are independent Directors.
Nomination and Remuneration Committee Charter	The Nomination and Remuneration Committee Charter sets out the role, responsibilities, membership and operation of the Nomination and Remuneration Committee. The committee assists and advises the Board on: • nomination matters, including Board, CEO and senior executive succession planning, performance evaluation and the recruitment, appointment and re-election of directors; and • remuneration matters, including assisting and advising on remuneration policies and practices for the Board, the CEO and senior executives. The charter also sets out: • the size and composition of the Nomination and Remuneration Committee; and • committee processes, including the ability of the committee to seek independent professional advice. From Listing, the Nomination and Remuneration Committee will comprise Pasquale Rombola, Richard Bund (Chair) and Professor Gene Tyson. All three members will be Non-Executive Directors on the Listing Date. The majority will not be independent Directors.

Governance policy	Summary
Code of Conduct	The Code of Conduct applies to all Directors as well as all officers, employees, contractors, consultants, other persons that act on behalf of Microba, and associates of Microba. Please see the Corporate Governance Statement at Section 6.16 for further information on the Code of Conduct. Among other matters, the Code of Conduct sets out how related party transactions are to be managed, including requiring that all related party transactions be: • notified to the Joint Company Secretaries prior to their execution; • on arm's length terms; and • approved by the Board. Related party transactions not on arm's length terms must be approved by Microba's shareholders unless another exception in the Corporations Act applies. The Code of Conduct sets out the process for referring proposed related party transactions. The Code of Conduct notes that compliance with the code will be monitored and any known or suspected breaches will be investigated. If a breach is found to have occurred, legal or disciplinary action may be taken.
Trading Policy	The Trading Policy governs the buying and selling of any securities in Microba that are able to be traded on a financial market. The policy summarises insider trading laws and confidentiality requirements as well as the rules that apply to all Directors, officers, key management personnel, Microba employees, and other designated persons (and their families and associates) in relation to specific matters, including: • the periods during which such persons may deal in Microba's securities and the exceptions to dealing outside of those periods; and • restrictions in relation to margin lending, short-term or speculative trading and hedging.
Diversity Policy	The Diversity Policy applies to the Board, as well as senior management, employees and contractors of Microba. The Board believes that the Company is not currently of a relevant size to justify the establishment of specific targets relating to gender diversity in the Company. However, Microba is committed to promoting diversity within the Company and recognises the value of diversity in achieving Microba's corporate objectives and maximising value to shareholders. As such, the Board will periodically review the need for specific and measurable targets. The Diversity Policy sets out the objectives of Microba in relation to diversity and notes that the Board is responsible for designing and overseeing the implementation of the policy, with employees being required to act in a manner that supports diversity within the workplace and promotes the objectives of the policy. The policy also deals specifically with gender diversity and non-inclusive or discriminatory behaviour.
Disclosure and Communication Policy	The Disclosure and Communication Policy applies to the Board as well as officers, employees and consultants of Microba. The policy deals with: • Microba's continuous disclosure obligations in line with Chapter 3 of the Listing Rules; • the roles and responsibilities of the Board, the Joint Company Secretaries and other employees in relation to disclosure obligations; • disclosure processes; • market communications; and • shareholder communications.
Whistleblower Policy	The Whistleblower Policy encourages employees to raise any concerns and report instances of illegal, unacceptable, or undesirable conduct within the Company. The policy deals with (among other things): • how employees can make reports about any of the above behaviours anonymously and/or confidentially, securely, and outside of business hours; • the procedures following disclosure by an employee; • how investigations will be conducted by the Company; • reporting of the outcome of the investigation; and • communications to whistleblowers.

6. Key Individuals, Interests and Benefits and Corporate Governance

Governance policy	Summary
Anti-Bribery and Corruption Policy	The Anti-Bribery and Corruption Policy sets out the Company's stance in relation to bribes, corruption, or other improper payments or benefits received or given by the Company and its personnel and the damage to the Company's reputation and good standing in the community. The policy provides a framework under which gifts or benefits over $500 are either to be rejected by the receipt or recorded in Microba's gift and entertainment register that is maintained by the CFO.

6.16 Corporate governance statement

Subject to its admission to the Official List of the ASX, Microba will be required to report any departures from the ASX Recommendations in its annual financial report. Microba's compliance and departures from the ASX Recommendations as at the Prospectus Date are as follows:

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Principle 1 – Lay solid foundations for management and oversight *A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.*		
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: • the respective roles and responsibilities of its board and management; and • those matters expressly reserved to the board and those delegated to management.	Yes	Microba has adopted a formal charter (**Board Charter**) clearly setting out the respective roles and responsibilities of the Board, the Chair, and Joint Company Secretaries. Responsibilities reserved to the Board include: • providing leadership and setting the strategic objectives of Microba; • appointing the chair; • appointing and, when necessary, replacing the CEO; • approving the appointment and, when necessary, replacement of other senior executives of Microba; • overseeing management's implementation of Microba's strategic objectives and its performance generally; • through the chair, overseeing the role of the Joint Company Secretaries; • approving operating budgets and major capital expenditure; • overseeing the integrity of Microba's accounting and corporate reporting systems, including the external audit; • overseeing Microba's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of Microba's securities; • ensuring that Microba has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; • approving Microba's remuneration framework; and • monitoring the effectiveness of Microba's governance practices. A copy of the Board Charter is available on Microba's website.

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 1.2 A listed entity should: • undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and • provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Board undertakes appropriate checks relating to each individual's character, experience, education, criminal record, and bankruptcy history before appointing or nominating Board candidates. All information relevant to a decision to elect or re-elect a Director will be provided to Shareholders in any notice of meeting pursuant to which a resolution to elect or re-elect a Director will be voted upon. In addition, Microba has established a Nomination and Remuneration Committee to identify and make recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise and the results of appropriate checks.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company's Board Charter requires that the terms and conditions of appointment of a Director be confirmed in a formal letter of appointment or a service contract. Specifically: • the Non-Executive Directors have each executed a letter of appointment setting out the terms and conditions of their appointment; and • the senior executives of Microba have entered into service contracts, setting out the terms and conditions of their employment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Joint Company Secretaries are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Microba has adopted a formal charter (**Board Charter**) setting out the Joint Company Secretaries' responsibilities. Under the Board Charter, the Joint Company Secretaries are responsible for: • advising the Board and its committees on governance matters; • monitoring the Board and committee policy and procedures are followed; • coordinating the timely completion and dispatch of Board and committee papers; • ensuring the business at Board and committee meetings is accurately captured in the minutes; and • helping to organise and facilitate the induction and professional development of Directors and the Joint Company Secretaries.

6. Key Individuals, Interests and Benefits and Corporate Governance

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 1.5 A listed entity should: • have a diversity policy; • through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and • disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	Partial	Microba has a diversity policy (**Diversity Policy**) in place which promotes diversity and inclusive regardless of employees' experiences, perspectives, professional skills, gender, gender identity, age, sexual orientation, marital or family status, disabilities, ethnicity, religious beliefs, cultural and socioeconomic backgrounds. The Board considers that the Company is currently too small and new to incorporate specific gender diversity targets into its hiring process. However, Microba values, recognises, and respects diversity in all respects and its workforce is made up of individuals with diverse skills, backgrounds, perspectives, and experiences. The Board will continue to monitor Microba's growth and needs for specific gender diversity targets periodically. The Diversity Policy entrusts the Board with the responsibility for designing and overseeing the implementation of the Diversity Policy. Under the Diversity Policy, the Board is: • required to develop initiatives that will promote and achieve diversity goals; • responsible for reviewing this diversity policy and will assess the status of diversity within Microba and the effectiveness of this policy in achieving the measurable objectives which have been set to achieve diversity; • responsible for assessing the need for specific and measurable gender diversity targets periodically, and if required, setting those targets; and • responsible for assessing the effectiveness of Microba's diversity objectives each year.
Recommendation 1.6 A listed entity should: • have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and • disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.	Yes	The Nomination and Remuneration Committee is responsible for the development and implementation of a process for annually evaluating the performance and professional development needs of the Board. Under the Board Charter, each Director's performance is also assessed when standing for re-election. Before each annual general meeting, the Chair of the Board assesses the performance of any Director standing for re-election and the Board will determine their recommendation to Shareholders on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chair) will conduct the review of the Chair.

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 1.7 A listed entity should: • have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and • disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.	Yes	Under the Board Charter, senior executives' performance will be considered by the Nomination and Remuneration Committee. The Chair is responsible for ensuring independent Director meetings take place on a regular basis.
Principle 2 – Structure the board to be effective and add value *The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.*		
Recommendation 2.1 The board of a listed entity should: • have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Partially	The Board has appointed a dedicated Nomination and Remuneration Committee, which will have authority and power to exercise the roles and responsibilities granted to it under a nomination and remuneration committee charter (**Nomination and Remuneration Committee Charter**), and any other resolutions of the Board from time to time. The committee is comprised of three Directors all of whom are non-executive Directors and the majority are not independent. At Listing the members of the Nomination and Remuneration Committee are: • Chair: Richard Bund; • Member: Pasquale Rombola; and • Member: Professor Gene Tyson. The Nomination and Remuneration Committee is chaired by a non-independent Director. The Board notes the recommendation that the Chair be an independent Director and the majority of members be independent Directors and will consider this annually with a view to moving to full compliance in the medium term. The Nomination and Remuneration Committee Charter is available on Microba's website.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	The Board has adopted a board skills matrix, which is available on Microba's website. The Board intends on reviewing and updating the board skills matrix periodically as Microba grows and the needs of the Company change.

6. Key Individuals, Interests and Benefits and Corporate Governance

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 2.3 A listed entity should disclose: • the names of the directors considered by the board to be independent directors; • if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX CG Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and • the length of service of each director.	Yes	The Board considers that Professor Ian Frazer, Dr Caroline Popper and Mr Pasquale Rombola and are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and are able to fulfil the role of independent Director for the purpose of the ASX Recommendations. The Board will regularly assess the independence of each Director in light of the interests disclosed by them. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election to the Board, and each independent Director is required to provide the Board with all relevant information for this purpose. If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely fashion. All Directors' interests, position, association, relationships, and length of service have been disclosed in this Prospectus, and will be disclosed by Microba to the market periodically.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	No	Given Microba's age, the Board considers that Microba cannot have a Board where the majority of members are independent Directors. The Board is cognisant of the value of having a Board with a majority of independent Directors and will strive to achieve this in the future as Microba grows.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the Chief Executive Officer of the entity.	Yes	The Chair of the Board is Pasquale Rombola who is an independent, Non-Executive Director. Luke Reid is the Chief Executive Officer.
Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Under the Board Charter, the Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them. The Joint Company Secretaries are responsible for facilitating the induction and professional development of Directors.
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly *A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.*		
Recommendation 3.1 A listed entity should articulate and disclose its values.	Yes	Microba's Statement of Values is contained in the code of conduct (**Code of Conduct**). The Code of Conduct is available on Microba's website.
Recommendation 3.2 A listed entity should: • have and disclose a code of conduct for its directors, senior executives and employees; and • ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	The Board has adopted a code of conduct (**Code of Conduct**) which sets out the values, commitments, ethical standards and policies of Microba and outlines the standards of conduct expected of Microba's business and people, taking into account Microba's legal and other obligations to its stakeholders. The Code of Conduct applies to all Directors, as well as all officers, employees, contractors, consultants, other persons that act on behalf of Microba, and associates of Microba. The Code of Conduct is available on Microba's website.

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 3.3 A listed entity should: • have and disclose a whistleblower policy; and • ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	Microba has adopted a Whistleblower Policy. This policy encourages employees to raise any concerns and report instances of illegal, unacceptable, or undesirable conduct within the Company. The policy deals with (among other things): • how employees can make reports about any of the above behaviours anonymously and/or confidentially, securely, and outside of business hours; • the procedures following disclosure by an employee; • how investigations will be conducted by the Company; • reporting of the outcome of the investigation; and • communications to whistleblowers. The Whistleblower Policy is available on Microba's website.
Recommendation 3.4 A listed entity should: • have and disclose an anti-bribery and corruption policy; and • ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes	Microba has adopted an Anti-Bribery and Corruption Policy. This policy outlines Microba's stance in relation to bribes, corruption, and other improper payments or benefits received or given by the Company and its personnel and the damage to Microba's reputation and good standing in the community. The policy provides a framework under which gifts or benefits over $500 are either to be rejected by the recipient or recorded in Microba's gift and entertainment register that is maintained by the CFO. The Board will be informed of any material breaches as appropriate. The Anti-Bribery and Corruption Policy is available on Microba's website.
Principle 4 – Safeguard integrity in corporate reports *A listed entity should have appropriate processes to verify the integrity of its corporate reports.*		
Recommendation 4.1 The board of a listed entity should: • have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes	The Board has established an Audit and Risk Committee. This committee is responsible for, amongst other things, appointing Microba's external auditors and overseeing the integrity of Microba's financial reporting systems and financial statements. At Listing, the members of the Audit and Risk Committee are: • Chair: Professor Ian Frazer; • Member: Pasquale Rombola; and • Member: Richard Bund, all of whom are Non-Executive Directors and the majority who are also independent. The Chair is an independent Director. Microba has also adopted an Audit and Risk Committee Charter which governs the responsibilities and powers of the Audit and Risk Committee which is available on Microba's website. Microba intends to disclose, at the relevant time, the number of times the Audit and Risk Committee has met, and the attendance at those meetings, at the end of each relevant reporting period.

6. Key Individuals, Interests and Benefits and Corporate Governance

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board will implement a process to receive written assurances from its Chief Executive Officer and Chief Financial Officer that the declarations that will be provided under section 295A of the Corporations Act are founded on a system of risk management and internal control and that the system is operating in all material respects in relation to financial reporting risks. The Board will seek these assurances prior to approving the annual financial statements for all half year, full year and quarterly results that follow.
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	In addition to reviewing regulatory filings and decisions as they relate to Microba's financial statements, the Audit and Risk Committee will review any reports that are to be released to the market that are not audited or reviewed by an external auditor, including quarterly reports. In doing so, the Audit and Risk Committee will also disclose its process for verifying the integrity of any such reports. Additionally, Microba has adopted a formal Disclosure and Communication Policy, where there is an express requirement that the external auditor will attend the AGM and be available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.
Principle 5 – Make timely and balanced disclosure *A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.*		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	Consistent with the Board's commitment to improving its disclosure policy, the Board has adopted a Disclosure and Communication Policy, which sets out Microba's commitment to the objective of promoting investor confidence and the rights of Shareholders by: • complying with the continuous disclosure obligations imposed by law; • ensuring that company announcements are presented in a factual, clear and balanced way; • ensuring that all Shareholders have equal and timely access to material information concerning Microba; and • communicating effectively with Shareholders and making it easy for them to participate in general meetings. The Disclosure and Communication Policy is available on Microba's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Microba has adopted a Disclosure and Communication Policy which specifically requires that all material market announcements be provided to the Board promptly after release to the market.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Microba has adopted a Disclosure and Communication Policy which specifically requires that all substantive investor or analyst presentations be released to the market prior to the relevant presentation.

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Principle 6 – Respect the rights of security holders *A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.*		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Microba recognises the rights of its Shareholders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the Microba Group. Information concerning Microba and its governance practices is available on its website. Additionally, Microba will strive to communicate with Shareholders and other stakeholders in a regular manner as outlined in Principle 5 of this statement.
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	As mentioned above under Recommendation 5.1, the Board has adopted a Disclosure and Communication Policy, which supports its commitment to effective two-way communication with its Shareholders. In addition, Microba intends to communicate with its Shareholders: • by making timely market announcements; • by posting relevant information on its website; • by inviting Shareholders to make direct inquiries to Microba; and • through the use of general meetings.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Board encourages participation of Shareholders at the Annual General Meeting or any other Shareholder meetings to ensure a high level of accountability and identification with Microba's strategy and goals. Upon the dispatch of any notice of meeting to Shareholders, the Joint Company Secretaries will send out material with that notice stating that Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	Microba's Constitution provides Microba with the ability to decide any resolution, save for procedural resolutions, on a poll. Further, a poll may also be demanded by Shareholders. Microba will endeavour to decide all resolutions on a poll. Microba considers that these requirements adequately protect the interests of Shareholders.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Microba's Shareholders may elect to receive information from Microba and its registry electronically. Otherwise, Microba and its registry will communicate by post with Shareholders who have not elected to receive information electronically.

6. Key Individuals, Interests and Benefits and Corporate Governance

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Principle 7 – Recognise and manage risk *A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*		
Recommendation 7.1 The board of a listed entity should: • have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	The Board has adopted a formal Audit and Risk Committee to, amongst other things, ensure Microba has an effective risk management system in place and to manage key risk areas. As noted above, at Listing the members of the Audit and Risk Committee are: • Chair: Professor Ian Frazer; • Member: Pasquale Rombola; and • Member: Richard Bund, all of whom are Non-Executive Directors and the majority who are independent. The Chair is one of the independent, Non-Executive Directors. The relevant qualifications and experience of the members of the Audit and Risk Committee are disclosed on Microba's website but will not be disclosed in the Audit and Risk Committee Charter. Microba intends to disclose, at the relevant time, the number of times the committee has met, and the attendance at those meetings, at the end of each reporting period. Microba has adopted an Audit and Risk Committee Charter which is available on Microba's website.
Recommendation 7.2 The board or a committee of the board should: • review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and • disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Under the Board Charter, the Board will ensure that Microba has in place an appropriate risk management framework and will set the risk appetite within which the Board expects management to operate. Further, it is intended that the Audit and Risk Committee will, among other things, regularly review and update the risk profile and ensure that Microba has an effective risk management system. As part of this process, the Board will review, at least annually, Microba's risk management framework in order to satisfy itself that it continues to be sound. Microba intends to disclose, at the relevant time, whether a review of Microba's risk management framework was undertaken during the relevant reporting period.
Recommendation 7.3 A listed entity should disclose: • if it has an internal audit function, how the function is structured and what role it performs; or • if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	No	Due to the current scope and size of Microba's operations, it does not currently have an internal audit function. Microba relies on external auditors to undertake this function in compliance with relevant laws and requirements of the ASX. However, the Audit and Risk Committee is responsible for reviewing the need for an internal audit function and for implementing an internal audit function if it deems one necessary. In addition, the Audit and Risk Committee will be responsible for preparing a risk profile which describes the material risks facing Microba, regularly reviewing and updating this risk profile, and assessing and ensuring that there are internal controls in place for determining and managing key risks.

ASX Recommendations	Compliance (Yes/No)	Compliance by Microba
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	Microba has disclosed all material risks facing Microba and how it intends to manage those risks in Section 5 of this Prospectus, including exposure to economic, environmental and social sustainability risks. Microba will continue to disclose these material risks in the future in its annual report or elsewhere as appropriate.
Principle 8 – Remunerate fairly and responsibly *A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.*		
Recommendation 8.1 The board of a listed entity should: • have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; • disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Partially	Microba has established a Nomination and Remuneration Committee. The committee is responsible for developing, reviewing and making recommendations on: • the remuneration framework for Directors, including the process by which any pool of Directors' fees approved by security holders is allocated to Directors; • the remuneration packages to be awarded to senior executives; • equity-based remuneration plans for senior executives and other employees; and • superannuation arrangements for Directors, senior executives and other employees. As noted above, at Listing the members of the Nomination and Remuneration Committee are: • Chair: Richard Bund; • Member: Professor Gene Tyson; and • Member: Pasquale Rombola, all of whom are Non-Executive Directors and the majority who are not independent. The Nomination and Remuneration Committee is chaired by a non-independent Director. The Board notes the recommendation that the Chair be an independent Director and the majority of members be independent Directors and will consider this annually with a view to moving to full compliance in the medium term. Microba intends to disclose, at the relevant time, the number of times the committee has met, and the attendance at those meetings, at the end of each reporting period. Microba has adopted a Nomination and Remuneration Committee Charter which is available on Microba's website.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Each Director and senior executive has entered into a separate agreement with Microba. The remuneration of Directors and senior executives is to be reviewed annually. As noted above, a Nomination and Remuneration Committee Charter is in place and this committee is responsible for reviewing remuneration. The Nomination and Remuneration Committee is responsible for establishing a process for remuneration reviews and amending that process as it sees fit.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: • have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and • disclose that policy or a summary of it.	Yes	Microba's Trading Policy is a code that is designed to minimise the risk of insider trading. The Trading Policy explains when options or rights under an employee incentive scheme can be exercised and also outlines Microba's restrictions around margin lending, short-term or speculative trading in Microba and hedging. The Trading Policy is available on Microba's website.

6. Key Individuals, Interests and Benefits and Corporate Governance

6.17 Joint Company Secretaries

The Joint Company Secretaries are responsible for ensuring that Board procedures and policies are followed and providing advice to the Board on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Joint Company Secretaries. As at the Prospectus Date, Peter Webse and James Heath are the Joint Company Secretaries.

6.18 Independent professional advice

To fulfil their duties and responsibilities as Directors, each Director (with the prior approval of the Chair) may seek independent legal or other professional advice about any aspect of the Company's operations. The Chair's approval may not be unreasonably withheld or delayed. The cost of the advice is borne by the Company.

7.

Details of the Offer

7. Details of the Offer

7.1 The Offer

This Prospectus relates to an initial public offering in Microba at an Offer Price of $0.45 per Share (**Offer Price**).

The Offer contained in this Prospectus is an invitation to apply for 66,666,666 New fully paid ordinary shares (**New Shares**) in the Company at $0.45 per New Share (the **Offer**).

The total number of Shares on issue at completion of the Offer will be 274,357,998 and all Shares will, once issued, rank equally in all respects with the Existing Shares currently on issue. Detail of the capital structure of Microba is contained in Section 12.2. A summary of the rights attaching to the Shares is set out in Section 12.3.

7.2 Subscription Amount

The Subscription Amount for the Offer is 66,666,666 New Shares at the Offer Price of $0.45 per New Share to raise approximately $30 million. No New Shares will be allotted or issued until the Offer has reached the Subscription Amount of 66,666,666 New Shares.

If:

(a) the Subscription Amount of the Offer of 66,666,666 New Shares has not been achieved within four months after the Prospectus Date (or any longer period as ASIC and ASX may permit); or

(b) ASX approval of the ASX Application is not given within three months after such ASX Application is made (or any longer period as ASIC and ASX may permit),

all Application Money will be refunded without interest in accordance with Corporations Act.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.3 Structure of the Offer

The Offer comprises:

Structure of the Offer details	Eligibility	More information
Broker Firm Offer	The Broker Firm Offer is open to investors with a registered address in Australia who have received an invitation from their Broker to participate.	Section 7.11
Institutional Offer	The Institutional Offer consists of an invitation to apply for New Shares made to Institutional Investors in the Permitted Jurisdictions.	Section 7.12
Chairman's List Offer	The Chairman's List Offer is open to selected investors in Australia and a number of other eligible jurisdictions who have received an invitation to participate in the Chairman's List Offer.	Section 7.13

No general public offer of New Shares will be made under the Offer.

The Offer has been underwritten by the Joint Lead Managers and Underwriters. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers and Underwriters to terminate the Underwriting Agreement, is set out in Section 9.1.

7.4 Application of proceeds

In satisfaction of the specific requirements of ASX Listing Rule 1.3.2(b) regarding the indicative future application of cash expected to be available to Microba following completion of the Offer, the use of proceeds relating to the Offer is detailed below:

Based on the Subscription Amount of $30 million, Microba expects to receive approximately $27.5 million of net proceeds from the Offer. The table below sets out the proposed use of funds from the Offer.

Uses of proceeds[1]	Estimated spend A$	% of funds raised
Global market penetration and sales growth		
Partnership development activities in the US, EU and other target markets including business development, product management, implementation, support and education of partner sales representatives.[2]	$7,200,00	24%
Data driven drug discovery		
Acceleration of Microba's therapeutic programs in targeted disease states including data-driven lead identification, isolation, preclinical experiments, disease models, advancement of artificial intelligence computational capabilities, regulatory affairs, manufacturing and clinical trials.[3]	$13,100,000	44%
Platform technology advancement		
Further development of Microba's platform technologies including bioinformatics tools, software development, data management and lab processes.[4]	$2,500,000	8%
Administrative and working capital		
Administration costs and working capital.[5]	$4,700,000	16%
Costs of the Offer		
Payment of costs of the Offer.[6]	$2,500,000	8%
Total uses	**$30,000,000**	**100%**

Notes:

1. Amounts included in the use of proceeds table above exclude inflows from potential revenues (and the associated cost of goods sold and distribution costs), interest earned and other credits.
2. For further information, see Sections 3.4, 3.6 and 3.7.
3. For further information, see Sections 3.12, 3.13, 3.17 and 3.18. Of this amount, US$7.0 million is allocated for payment of the Ginkgo R&D Consideration (noting that US$3.5 million will be held in escrow for payments by Microba Pty Ltd under the Ginkgo Technical Development Agreement and up to US$3.5 million of the balance may potentially be paid by way of the issue of Shares, subject to the share cap not being exceeded). Refer to Section 9.10 for further information.
4. For further information regarding the Analysis Platform technology advancement see Section 3.5.
5. Working capital expenditure is to be applied towards funds required to expand the business, and towards administration costs associated with Microba. These costs include costs for wages and salaries, occupancy costs, professional consultants' fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration costs.
6. The total outstanding costs of the Offer (excluding GST) are estimated to be approximately $2.5 million, comprising amongst other things, legal expenses, accounting, audit and tax advisory fees, underwriter fees, ASIC and ASX fees and prospectus design and printing costs. Please refer to Section 12.10 for a detailed breakdown of the total costs of the Offer.

The estimated spend in the above table covers the period to early to mid-2024, being the expected duration over which the objectives in the table will be satisfied.

The use of funds set out above represents Microba's current intentions based upon its present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of Microba's development efforts.

The above table is a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the level of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The use of further equity funding or share placements will be considered by the Board where it is appropriate to accelerate a specific project, transaction or expansion.

It is possible that future projects, transactions or expansions that may be contemplated may exceed the current projected financial resources of Microba and it is expected that these activities would be funded by project finance and/or subsequent equity issues (subject to required Shareholder approvals, if any).

7. Details of the Offer

7.5 Purpose of the Offer

The Offer is being conducted to:

(a) raise funds to strengthen the Microba statement of financial position and provide working capital to meet the proposed expenses as set out in Section 7.4;

(b) provide Microba with additional financial flexibility through improved access to capital markets;

(c) provide a liquid market for Shares and an opportunity for others to invest in the Company; and

(d) provide Microba with the benefits of an increased profile that comes from being a Listed company.

7.6 Pro Forma historical consolidated statement of financial position

Microba's pro forma statement of financial position following completion of the Offer, including details of the pro forma adjustments, is set out in Section 4.5.

7.7 Capital structure

Refer to Section 12.2 for detail of the capital structure. Details of the Shares and Options that will be subject to escrow arrangements are set out in Section 12.8.

7.8 Control implications of the Offer

Refer to Section 12.6 for detail on section 606 of the Corporations Act and the potential control implications for the Underwriters. The Directors do not expect any Shareholder to control Microba on completion of the Offer (as defined in section 50AA of the Corporations Act).

7.9 Potential effect of the Offer on the future of the Company

The Directors believe that, on IPO Completion, Microba will have sufficient working capital available from the cash proceeds of the Offer to fulfil the purposes of the Offer and meet Microba's stated business objectives as described in this Prospectus.

7.10 Key terms and conditions of the Offer

The key terms and conditions that apply to the Offer are summarised in the table below:

What is the type of security being offered?	New Shares, being fully paid ordinary New Shares in the capital of Microba.
What are the rights and liabilities attached to the security being offered?	A description of the New Shares, including the rights and liabilities attaching to them, is set out in Section 12.3.
What consideration is payable for each Share under the Offer?	The Offer Price is $0.45 per New Share under the Broker Firm Offer, Chairman's List Offer and Institutional Offer.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in the Key Offer Information. This timetable is indicative only and may change. The Company, in consultation with the Lead Manager, reserves the right to vary both of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Money will be refunded in full (without interest) as soon as possible and in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens. No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of lodgement of the Original Prospectus.
What cash proceeds to be raised under the Offer?	$30 million will be raised from the proceeds of the Offer.
Is the Offer underwritten?	Yes, the Offer is underwritten.

What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, Institutional Offer and Chairman's List Offer will be determined by the Joint Lead Managers and the Company. Refer to the information in Sections 7.11, 7.12 and 7.13 for specific detail on allocation policies within the Broker Firm Offer, Institutional Offer and Chairman's List Offer.
Valid Application Forms	Refer to the information in Sections 7.11, 7.12 and 7.13 for specific detail on how to apply under the Broker Firm Offer, Institutional Offer and Chairman's List Offer.
Application Money	All Application Money will be held by the Company (including through its Registry) on trust in a separate account until the Offer Shares are issued to successful Applicants. Microba reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Offer for whom Applications are not accepted, or who are allocated a lesser number of New Shares than the amount for which they applied, will receive a refund of all or part of their Application Money, as applicable. Interest will not be paid on any monies refunded. Applicants whose Applications are accepted in full will receive the whole number of New Shares calculated by dividing the Application Money provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Money, the number of Shares to be allocated will be rounded down and any excess refunded (without interest). If the amount of your Application Money that you pay is less than the amount specified on your online Application Form, you may be taken to have applied for such lower Australian dollar amount of New Shares as for which your cleared Application Money will pay (and to have specified that amount on your online Application Form) or your Application may be rejected. If necessary, Application Money will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Money.
Will the Shares be quoted?	Microba will apply to the ASX for admission to the Official List and Quotation of Shares on the ASX under the code "MAP". The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit Microba to the Official List is not to be taken as an indication of the merits of Microba or the New Shares offered for subscription.
When are the Shares expected to commence trading?	It is expected that the New Shares will commence trading on the date detailed in the Key Offer Information. **It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.** Microba and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.
When will I receive confirmation that my Application has been successful?	It is expected that initial Holding Statements will be despatched by standard post on the date detailed in the Key Offer Information. If you sell your New Shares before receiving an initial Holding Statement, you do so at your own risk.
Are there any escrow arrangements?	Yes. Details are provided in Section 12.8.
Is there brokerage, commission or duty considerations?	No brokerage, commission or duty is payable by Applicants on acquisition of New Shares under the Offer. See Section 9.1 for details of various commissions, fees and expenses payable by Microba to the Joint Lead Managers.
Tax implications of investing in the Company	Please refer to Section 11 and note that it is recommended that all potential investors consult their own independent tax advisers regarding the income tax (including capital gains tax) and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.
FIRB issues	For the purposes of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), the Company is an Australian entity. As such, any proposed investment in the Company by an Applicant who is a "foreign person" or a "foreign government investor" for the purposes of the FATA may have additional compliance requirements under the FATA. Please refer to Section 12.6 for further information. It is the responsibility of each Applicant to confirm whether the FATA applies to them before accepting the Offer and to comply with the FATA.

7. Details of the Offer

Acknowledgements	Each Applicant under the Offer will be deemed to have: • agreed to become a Shareholder of the Company and to be bound by the Constitution and the terms and conditions of the Offer; • acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full; • declared that all details and statements in their Application Form are complete and accurate; • declared that the Applicant(s), if a natural person, is/are over 18 years of age; • acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn; • applied for the number of New Shares at the Australian dollar amount shown on the front of the Application Form; • agreed to being allocated and issued the number of New Shares applied for (or a lower number allocated in a way described in this Prospectus) or no New Shares at all; • authorised the Company and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for New Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form; • acknowledged that the Company may not pay dividends, or that any dividends paid may not be franked; • acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that New Shares are suitable for Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s); • if they are a Retail Investor, declared that the Applicant(s) is/are a resident of Australia; • if they are an Institution Investor from Australia, New Zealand, Hong Kong, the United States, Singapore, the United Kingdom, declared they are eligible to receive an Offer as detailed in Section 7.21; • acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and • acknowledged and agreed that if Listing does not occur for any reason, the Broker Firm Offer, Institutional Offer and Chairman's List Offer will not proceed. Each Applicant under the Institutional Offer will also be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to Microba's Offer Information Line on 1300 288 664 (within Australia) or +61 (2) 9698 5414 (from outside Australia) between 8:30am and 5.00pm Melbourne time, Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in Microba is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, tax adviser, financial adviser or other independent professional adviser before deciding whether to invest.

7.11 Broker Firm Offer

Who may apply	The Broker Firm Offer is open to persons who have received a firm allocation of New Shares from their Broker and who have a registered address in Australia. If you have received a firm allocation of New Shares from your Broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer. Microba may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.
Minimum and maximum application size	The minimum Application under the Broker Firm Offer is $2,000.25 (equivalent to 4,445 New Shares at the Offer Price). There is no maximum number or value of New Shares that may be applied for under the Broker Firm Offer. Microba and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person.
How to apply and pay	If you have received an invitation to participate from your Broker and wish to apply for New Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Broker Firm Offer Application Form and for payment instructions. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Offer Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry. Applicants under the Broker Firm Offer should contact their Broker or the Offer Information Line on 1300 288 664 (within Australia) or +61 (2) 9698 5414 (from outside Australia) to request a Prospectus and Broker Firm Offer Application Form. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Broker Firm Offer Application Form and Application Money are received before 5.00pm (Melbourne time) on the Closing Date or any earlier closing date as determined by your Broker. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your invitation to participate. Applicants under the Broker Firm Offer must pay their Application Money in accordance with the instructions received from their Broker. Microba, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.
Acceptance of Applications	An Application in the Broker Firm Offer is an offer by an Applicant to Microba to apply for Shares specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding Quotation on ASX in Section 7.14 and the acknowledgements in Section 7.10). To the extent permitted by law, an Application by an Applicant is irrevocable. An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. The Lead Manager, in agreement with Microba, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who it believes is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application.
Allocation policy	The allocation of Shares to Brokers was determined by Microba and the Joint Lead Managers. Shares which have been allocated to Brokers for allocation to their retail clients with a registered address in Australia will be issued to the Applicants who have received a valid allocation of Shares from those Brokers. It will be a matter for each Broker as to how they allocate firm Shares among their retail clients, and they (and not Microba or the Lead Manager) will be responsible for ensuring that retail clients who have received a firm allocation from them, receive the relevant Shares.

7. Details of the Offer

7.12 Institutional Offer

Who may apply	The Institutional Offer consisted of an invitation to certain Institutional Investors in the Permitted Jurisdictions to apply for New Shares under this Prospectus and, for Institutional Investors in the United States, under the US Offering Circular, which includes this Prospectus. The Joint Lead Managers have separately advised Institutional Investors of the application procedures for the Institutional Offer.
Minimum and maximum application size	The minimum Application under the Institutional Offer is $2,000.25 (equivalent to 4,445 New Shares at the Offer Price). There is no maximum number or value of New Shares that may be applied for under the Institutional Offer. The Joint Lead Manager, in consultation with Microba, reserves the right to reject any Application or to allocate a lesser number of New Shares than that applied for. Microba and the Joint Lead Managers also reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person.
How to apply and pay	You must complete the Institutional Offer Application Form and deliver it with your Application Money in accordance with the instructions in the Institutional Offer Application Form.
Acceptance of Applications	An Application in the Institutional Offer is an offer by an Applicant to Microba to apply for Shares specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding Quotation on ASX in Section 7.14 and the acknowledgements in Section 7.10). To the extent permitted by law, an Application by an Applicant is irrevocable. An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. The Joint Lead Managers, in agreement with Microba, reserves the right to reject any Application which is not correctly completed or which is submitted by a person who it believes is ineligible to participate in the Institutional Offer, or to waive or correct any errors made by the Applicant in completing their Application.
Allocation policy	The allocation of New Shares among Applicants in the Institutional Offer was determined by the Joint Lead Managers in consultation with Microba. Microba Australia and the Joint Lead Managers had absolute discretion regarding the basis of allocation of New Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any New Shares, or the number of New Shares for which it had bid. Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy was influenced, but not constrained, by a number of factors including: • number of New Shares bid for by particular Applicants; • the timeliness of the bid by particular Applicants; • Microba's desire for an informed and active trading market following Listing; • Microba's desire to establish a wide spread of institutional Shareholders; • overall level of demand under the Broker Firm Offer and Institutional Offer; • the size and type of funds under management of particular Applicants; • the likelihood that particular Applicants will be long-term Shareholders; and • any other factors that Microba and the Joint Lead Managers considered appropriate.

7.13 Chairman's List Offer

Who may apply	The Chairman's List Offer is open to Applicants who reside in Australia.
Minimum and maximum application size	The minimum Application under the Chairman's List Offer is $2,000.25 (equivalent to 4,445 New Shares at the Offer Price). Applicants under the Chairman's List Offer must apply in accordance with the instructions provided in their personalised invitation to participate in the Chairman's List Offer. Microba and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person. Microba may determine a person to be eligible to participate in the Chairman's List Offer.
How to apply and pay	If you have received a personalised invitation to apply for New Shares under the Chairman's List Offer and you wish to apply for all or some of those New Shares, you should follow the instructions on your personalised invitation for how to apply under the Chairman's List Offer.
Acceptance of Applications	An Application in the Chairman's List Offer is an offer by an Applicant to Microba to apply for New Shares in the amount specified on the Chairman's List Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Chairman's List Application Form (including the conditions regarding Quotation on ASX in Section 7.14 and the acknowledgements in Section 7.10). To the extent permitted by law, an Application by an Applicant is irrevocable. An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. Microba reserves the right to reject any Application which is not correctly completed or which is submitted by a person which it believes is ineligible to participate in the Chairman's List Offer, or to waive or correct any errors made by the Applicant in completing their Application.
Allocation policy	Chairman's List Offer Applicants may be eligible to receive a guaranteed allocation up to and including the amount indicated on their Chairman's List Offer Invitation or such lesser amount for which they applied. Beyond this, the allocations under the Chairman's List Offer will be at the absolute discretion of Microba in consultation with the Joint Lead Managers. The Company reserves the right in its absolute discretion not to issue any New Shares to Applicants under the Chairman's List Offer and may reject any Application or allocate a lesser number of Securities than those applied for at its absolute discretion.

7.14 The Offer is conditional

The Offer set out in this Prospectus is conditional on permission being granted for the Quotation of the New Shares on the ASX.

Within 7 days after the date of this Prospectus, Microba will lodge an application with the ASX for admission of Microba to the Official List of the ASX and Quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX. Microba's ASX code will be "MAP".

If Microba's application for listing is accepted by the ASX, it is anticipated that Microba will be listed on the ASX on or about 5 April 2022.

It is the responsibility of the Applicants to check their allocation of New Shares prior to trading.

No issue of New Shares will be made until permission is granted for Quotation of the New Shares on the ASX. If the New Shares are not admitted for Quotation within 3 months after the date of this Prospectus or if any of the other conditions precedent to the Offer are not met, no funds will be raised pursuant to this Prospectus. Therefore, the Offer will not proceed, no New Shares will be issued pursuant to the Offer and Applications received for New Shares may need to be dealt with in accordance with section 724 of the Corporations Act.

7. Details of the Offer

7.15 Offer is fully underwritten

The Offer is fully underwritten by the Joint Lead Managers, Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited. If the Company does not receive valid applications for the full amount of 66,666,666 New Shares under the Offer, the Underwriters will subscribe for, or procure subscriptions for, any shortfall.

The Company and the Underwriter have entered into an Underwriting Agreement with respect to the Offer, details of which are set out in Section 9.1.

The Company has agreed to pay a fee to the Underwriters equal to 4.5% of the gross proceeds of the Underwritten Offer in connection with their role as Joint Lead Managers and Underwriters. In addition, Microba will also pay to Bell Potter a financial adviser fee equal to 1.5% (exclusive of GST) of the gross Offer proceeds (**Underwriting Fee**).

The Underwriting Fee will be payable to the Joint Lead Managers on the settlement date for the Offer. The terms of the Underwriting Agreement are summarised more fully in Section 9.1. Refer to Section 12.6 with respect to implications on control in the event of a shortfall under the Offer.

7.16 Issue of New Shares

Conditional on the matters referred to in Section 7.10 of this Prospectus, Microba expects to issue the New Shares in accordance with the indicative timetable set out in Key Offer Information.

The New Shares, from the time they are issued, will be fully paid Shares and will rank equally with Existing Shares. Full details of the rights attaching to the New Shares are contained in the Corporations Act and Microba's Constitution. A summary of Microba's Constitution is set out in Section 12.3. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

This Prospectus does not constitute an offer in any place outside Australia where, or to any person to whom, it would not be lawful to make such offer. No action has been taken to register or qualify the New Shares or the Offer, or to otherwise permit a public offer of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those in the following Section. Any failure to comply with such restrictions could constitute a violation of applicable securities laws. In particular, this Prospectus may only be distributed in the United States to Institutional Investors by the Joint Lead Managers through their respective registered US broker-dealers and only if this Prospectus is accompanied by the US Offering Circular.

Each person, to whom the Offer is made under this Prospectus, will be taken to have represented, warranted and agreed that such person:

(a) understands that the New Shares (i) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States; and (ii) may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and any other applicable US state securities laws;

(b) is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor; and

(c) has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia.

7.17 Escrow arrangements

Refer to Section 12.8 for a summary of the escrow arrangements.

7.18 Discretion regarding the Offer

Microba reserves the right to waive strict compliance with or vary any provision of the terms of the Offer, or to vary, suspend or terminate the Offer at any time without notice. If the Offer does not proceed, Application Money will be refunded. No interest will be paid on any Application Money refunded as a result of the withdrawal or termination of the Offer. Failure to notify Shareholders or investors of changes to, suspension or termination of the Offer or the terms of the Offer will not invalidate the change, suspension or termination.

Microba reserves the right to issue no New Shares or fewer New Shares than for which an Applicant applies under the Offer if the Board believes the issue of those New Shares would contravene an ASIC Class Order, requirements or policies, any law or any ASX Listing Rule.

7.19 CHESS and issuer sponsored holdings

Microba will apply to participate in the ASX's Clearing House Electronic Sub-register System (**CHESS**) and will comply with ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form. When the Shares become approved financial products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer-sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following completion of the Offer, Shareholders will be sent a Holding Statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Shareholder Reference Number (**SRN**) of issuer sponsored holders. Certificates will not be issued.

Shareholders will receive subsequent statements at the end of each month or if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Share Registry may charge a fee for these additional statements.

7.20 Normal settlement trading and selling Shares on market

It is expected that trading of the Shares on the ASX will commence on a normal settlement basis on or about the date detailed in the timetable in the Key Offer Information. It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a Holding Statement, Successful Applicants do so at their own risk. The Company, the Share Registry, the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a Holding Statement, even if the Shareholder obtained details of their holding through the Joint Lead Managers or their Broker.

7.21 Foreign selling restrictions

This Prospectus does not constitute an offer or invitation to subscribe for New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

No action has been taken to register or qualify this Prospectus, the New Shares or the Offer or otherwise to permit a public offering of the New Shares in any jurisdiction outside Australia. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong – WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Prospectus may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

New Zealand – This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore – This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

7. Details of the Offer

This Prospectus has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom – Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

United States – This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States under the US Offering Circular to:

(a) "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and

(b) dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

8.

Independent Limited Assurance Report

8. Independent Limited Assurance Report

Pitcher Partners Corporate Finance Limited

ABN 99 054 784 619

AFS LICENCE NO.255516

Real Estate
Licence (QLD) No. 3668087

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

11 February 2022

Board of Directors
Microba Life Sciences Limited
Level 10,
324 Queen Street
BRISBANE QLD 4000

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

This report has been prepared at the request of the directors of Microba Life Sciences Limited and its controlled entities ("Microba" or "the Company") to report on certain financial information to be included in the Prospectus for an Initial Public Offering ("the Offer") and admission to the Australian Securities Exchange.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Statutory Historical Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review the Microba:

- audited statutory historical Statements of Financial Performance for the years ended 30 June 2020 ("FY2020") and 30 June 2021 ("FY2021");
- reviewed historical Statements of Financial Performance for the six months ended 31 December 2020 ("H1-FY2021") and 31 December 2021 ("H1-FY2022");
- audited statutory historical Statements of Cash Flows for FY2020 and FY2021;
- reviewed historical Statement of Cash Flows for H1-FY2021 and H1-FY2022; and
- reviewed historical Statement of Financial Position as at H1-FY2022;

as set out in Tables 4D, 4G and 4H of the Prospectus (together referred to as the 'Statutory Historical Financial Information').

The Statutory Historical Financial Information has been derived from the audited financial statements of the Company and its controlled entities for FY2020 and FY2021, and the reviewed financial statements of the Company and its controlled entities for H1-FY2021 and H1-FY2022.

These financial statements were audited by Pitcher Partners Partnership (ABN 84 797 724 539) for FY2020 and FY2021 in accordance with Australian Auditing Standards and reviewed by Pitcher Partners Partnership for H1-FY2021 and H1-FY2022 in accordance with Australian Standards on Review Engagements. Pitcher Partners Partnership issued unmodified opinions on these financial statements. The FY2021 and H1-FY2022 financial statements included emphasis of matter paragraphs with respect to going concern.

The Statutory Historical Financial Information is presented in the Prospectus is in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review the Mircoba:

- pro forma historical Statements of Financial Performance for FY2020 and FY2021, H1-FY2021 and H1-FY2022;
- pro forma Statements of Cash Flows for FY2020, FY2021, H1-FY2021 and H1-FY2022; and
- pro forma historical Statement of Financial Position, shown with Pro Forma Adjustments to reflect the effect of certain subsequent events and transactions related to the capital raising and listing as if they had occurred at H1-FY2022 ("Pro Forma Statement of Financial Position");

as set out in Tables 4A, 4E and 4H respectively (together referred to as the "Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of Pro Forma adjustments described in Tables 4C, 4F and 4H of the Prospectus (the 'Pro Forma Adjustments'). The stated basis of preparation are the recognition and measurement principles contained in Australian Accounting Standards applied to historical financial information and the events or transactions to which the Pro Forma Adjustments relate. The Pro Forma Adjustments reflect the impact of certain transactions as if they occurred from 1 July 2019 onwards in the case of the Pro Forma Statements of Financial Performance and Pro Forma Statements of Cash Flows, and as at 31 December 2021 in the case of the Pro Forma Statement of Financial Position. Due to its nature, the Pro Forma Historical Financial Information does not represent Microba's actual or prospective financial position, financial performance, and/or cash flows.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of Pro Forma Adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information, and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Statutory Historical Financial Information and Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information*.

A review 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 reasonable 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.

Our procedures did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We disclaim any assumption of responsibility for any reliance on this report, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Microba, that all material information concerning the Statutory Historical Financial Information and the Pro Forma Financial Information and historical operations of Microba has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

8. Independent Limited Assurance Report

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information as set out in the above Scope paragraph and comprising:

- historical Statements of Financial Performance for FY2020, FY2021, H1-FY2021 and H1-FY2022;
- historical Statements of Cash Flows for FY2020, FY2021, H1-FY2021 and H1-FY2022; and
- historical Statement of Financial Position as at H1-FY2022;

are not prepared and presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as set out in the above Scope paragraph and comprising:

- pro forma historical Statements of Financial Performance for FY2020, FY2021, H1-FY2021 and H1-FY2022;
- pro forma historical Statement of Cash Flows for FY2020, FY2021, H1-FY2021 and H1-FY2022; and
- pro forma historical Statement of Financial Position, shown with Pro Forma Adjustments to show the effect of certain subsequent events and transactions related to the capital raising and listing as if they had occurred at H1-FY2022;

are not prepared and presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in Microba, which are detailed in Section 5 of the Prospectus. Accordingly, prospective investors should have regard to the risk factors set out in Section 5 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to the Important Notices of the Prospectus, which describes the purpose of the Statutory Historical Financial Information, and the Pro Forma Historical Financial Information, being for inclusion in the Prospectus. As a result, the Limited Assurance Report may not be suitable for use for another purpose.

Consent

Pitcher Partners Corporate Finance Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of Pitcher Partners Corporate Finance Limited is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate Finance Limited makes no representation regarding, and has no liability, for any other statement or other material in, or any omissions from the Prospectus.

Pitcher Partners Corporate Finance Limited
ABN 99 054 784 619 AFS LICENCE NO.255516
Liability limited by a scheme approved under Professional standards Legislation.

Disclosure of Interest

Pitcher Partners Corporate Finance Limited does not have any interest in the outcome of the Offer other than the preparation of this report for which normal professional fees will be received. Pitcher Partners Partnership (ABN 84 797 724 539) is the auditor of Microba.

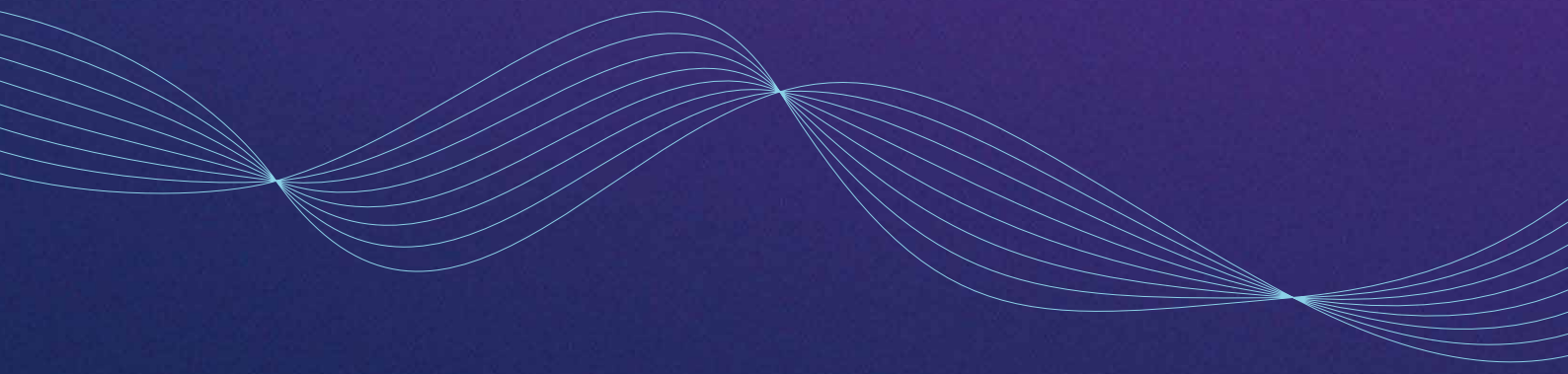
Yours faithfully

PITCHER PARTNERS CORPORATE FINANCE LIMITED

Warwick Face
Executive Director
Authorised Representative of
Pitcher Partners Corporate Finance Limited

9.

Material Contracts



9. Material Contracts

9.1 Underwriting Agreement

The Joint Lead Managers have agreed to manage and underwrite the Offer pursuant to the terms of the underwriting agreement signed by the Joint Lead Managers and the Company on the Prospectus Date (**Underwriting Agreement**).

The following are the key terms of the Underwriting Agreement:

(a) (**Fees, costs and expense**) Subject to the terms of the Underwriting Agreement, Microba has agreed to pay the Joint Lead Managers a selling fee equal to 4.5% (exclusive of GST), comprising a management fee equal to 0.9% and an underwriting fee equal to 3.6% of the gross Offer proceeds (**Gross Proceeds**). In addition, Microba will also pay to Bell Potter a financial adviser fee equal to 1.5% (exclusive of GST) of the gross Offer proceeds. In addition to the fees described above, Microba has agreed to pay or reimburse the Joint Lead Managers for the reasonable costs and expenses incurred by the Joint Lead Managers in respect of the Underwriting Agreement and the Offer.

(b) (**Shortfall**) Subject to certain notice and review requirements to be performed by Microba, the Joint Lead Managers are required to apply and make payment for any New Shares under the Offer that did not receive valid applications (**Shortfall Shares**).

(c) (**Termination Events**) The Joint Lead Managers may at any time terminate the Underwriting Agreement, without cost or liability to itself, by notice to Microba if any of the following events occurs before 9am on the date that the Institutional Offer, Broker Firm Offer, and Chairman's List Offer are settled (**Settlement Date**):

(i) (**Offer documents**) The Joint Lead Managers reasonably form the view that a statement contained in this Prospectus is untrue, inaccurate, misleading or deceptive (including by omission) or is likely to mislead or deceive, or becomes misleading or deceptive, or the Prospectus does not contain all information required to comply with all applicable laws;

(ii) (**Supplementary or replacement prospectus**) The Company lodges a Supplementary Prospectus with ASIC in a form and substance that has not been approved by the Joint lead Managers, or the Joint Lead Managers reasonably form the view that a supplementary prospectus must be lodged with ASIC under the Corporations Act and Microba fails to do so within a reasonable time;

(iii) (**Index fall**) The S&P/ASX 200 Index is, at any time, and for two consecutive Business Days, at a level that is 10% or more below the level it was at on close of trade on the Business Day immediately preceding the date of the Underwriting Agreement;

(iv) (**ASIC action**) ASIC issues a stop order (including an interim order) or commences an investigation or hearing, or applies for a court order, or gives notice of an intention, or commences proceedings to prosecute the Company or any of its officers, employees, or agents, in relation to the Offer;

(v) (**Withdrawal of consent**) Any person who consented to the issue of this Prospectus or any relevant supplementary Prospectus withdraws their consent or a person (other than the Joint Lead Managers) who has previously consented to the inclusion of their name in this Prospectus or any supplementary Prospectus withdraws that consent;

(vi) (**Withdrawal**) Microba withdraws this Prospectus or the Offer;

(vii) (**Offer of refund to investors**) Any circumstance arises after lodgement of this Prospectus that result in the Company either repaying the money received under Applications for New Shares, or offering those who have applied for New Shares an opportunity to withdraw their Application and receive a refund;

(viii) (**ASX approvals**) An ASX approval obtained in satisfaction of the condition precedent outlined in Section 9.1(d)(iii) is withdrawn, qualified (other than by condition acceptable to the Lead Joint Managers, acting reasonably) or withheld, or the ASX indicates to Microba or the Joint Lead Managers that the approval is likely to be withdrawn, qualified or withheld;

(ix) (**ASIC and ASX waivers**) any waivers required from the ASX or ASIC in satisfaction of the conditions precedent outlined in Section 9.1(d) is either withdrawn, qualified, revoked, withheld, or amended without the Joint Lead Managers' written approval;

(x) (**Section 730 notice**) A person gives a notice to Microba under section 730 of the Corporations Act;

(xi) (**insolvency**) An insolvency event (such as administration, liquidation, or receivership) occurs with respect to Microba or any other material member of the Microba Group, or an act occurs or an omission is made which, in the reasonable opinion of the Joint Lead Managers, may result in a member of the Microba Group being affected by an insolvency event;

(xii) (**Timetable**) Any event set out in the timetable in this Prospectus is delayed for more than five Business Days, unless the Joint Lead Managers consents to a variation (that consent not to be unreasonably withheld or delayed);

(xiii) (**Debt facilities**) Microba or any other member of the Microba Group breaches, defaults, or a review results in a review event under any material agreement relating to debt or financing arrangements which may have a material adverse effect on the Microba Group;

(xiv) (**Directors and senior management**) Other than as previously disclosed, a Director or senior executive of Microba is charged with any offences relating to any financial or corporate matter under any law, or they are disqualified under the Corporations Act from managing a corporation;

(xv) (**Illegality**) A government authority commences any public action against Microba or any of its Directors or any member of its senior management, or announces that it intends to take any such action; and

(xvi) (**Listing and quotation**) Approval to Microba's admission to the official list to the ASX or quotation of shares on the ASX, is refused, not granted or is approved subject to conditions other than customary conditions, or if granted, is subsequently withdrawn, qualified (other than by customary conditions) or withheld.

The Joint Lead Managers are also entitled to terminate on the occurrence of certain standard events if the Joint Lead Managers have reasonable grounds to believe that the event has or is likely to have a materially adverse effect on the success or outcome of the Offer, or the ability of the Joint Lead Managers to settle the Offer; or will, or is likely to, give rise to a liability of the Joint Lead Managers under, or a contravention by the Joint Lead Managers of, any applicable law. Such events include (amongst others):

(i) any material contracts, including those contracts disclosed in Section 9 of this Prospectus or the escrow agreements being terminated, breached or varied without the Joint Lead Manager's consent or the material contracts become void, voidable, illegal or unenforceable;

(ii) Microba fails to comply with any of its obligations under the Underwriting Agreement, and that default is either incapable of remedy or is not remedied by Microba within two Business Days after being given written notice to do so by either one of the Joint Lead Managers;

(iii) there is a material adverse change or disruption to the political or economic conditions or financial markets of Australia, Japan, the Peoples Republic of China, the United Kingdom, the United States or the international financial markets; or that there is a general moratorium on commercial banking activities in Australia, Japan, the Peoples Republic of China, the United Kingdom, the United States is declared by the relevant central banking authority of that country; or trading in all securities quoted or listed on ASX, the London Stock Exchange, or the New York Stock Exchange is suspended or limited in a material respect for one trading day;

(iv) any one or more of Australia, the United States, any member states of the European Union, United Kingdom, Indonesia, Japan, Ukraine, Russia, Hong Kong, the Peoples Republic of China, Singapore, India, North Korea or South Korea commence or become involved in hostilities not existing at the date of the Underwriting Agreement, a major escalation in hostilities occurs, or a significant act of terrorism is perpetrated against any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

(v) there is a material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets and liabilities, financial position and performance, profits and losses or prospects of the Microba Group form that described in the Prospectus;

(vi) a statement in any Certificate is false, misleading, inaccurate or untrue, incorrect, or deceptive;

(vii) there is a change in the senior management or the Directors of Microba, or a Director or any member of the senior management of the Company is no longer able to carry out the role they undertook in that position as at the date of the Underwriting Agreement; and

(viii) the share capital, constitution or any member of the Microba Group is altered without the prior written consent of the Joint Lead Managers, which is not to be unreasonably delayed or withheld.

In the event the Joint Lead Managers terminate their obligations under the Underwriting Agreement, the Joint Lead Managers will be immediately relieved of their obligations under the Underwriting Agreement, but the termination of their obligations under the Underwriting Agreement will not limit or prevent the exercise of any other rights or remedies which any of the parties may otherwise have under the Underwriting Agreement.

(d) (**Conditions precedent**) The Underwriting Agreement contains a number of common conditions precedent that Microba must satisfy, including (amongst others):

(i) The due diligence process being properly implemented and carried out as agreed by the due diligence committee;

(ii) the receipt by the Joint Lead Managers of the final, signed due diligence committee report;

(iii) all necessary ASX waivers being obtained;

(iv) lodgement of this Prospectus with ASIC;

(v) no material contracts in Section 9 of this Prospectus having been terminated and no counterparty to any such material contract indicating that it intends to or will terminate;

(vi) Microba obtaining all other necessary regulatory approvals required to enable the Offer to proceed; and

(vii) the ASX indicating that it will grant permission for quotation of Shares on the ASX.

(e) (**Representations, warranties and undertakings**) The Underwriting Agreement contains certain standard representations, warranties and undertakings given by Microba to the Joint Lead Managers.

The representations and warranties given by Microba relate to matters such as the conduct of the Microba Group, power and authorisations, information provided by Microba, information in this Prospectus and compliance with laws and the ASX Listing Rules. Microba also provides additional representations and warranties in connection with the business and affairs of the Microba Group, including in relation to historical financial performance, litigation, assets, compliance with laws and authorisations, and eligibility for listing.

Microba's undertakings include (amongst others) that it will:

(i) notify the Joint Lead Managers of any breaches of a representation, warranty, or undertaking;

(ii) ensure that no member of the Microba Group will, before the completion of the Offer, breach the Corporations Act, the Listing Rules, the Constitution, any legally binding requirement of ASIC or the ASX, or any other applicable law relevant to the Offer in any jurisdiction;

(iii) it will not, without the prior consent of the Joint Lead Managers, prior to the expiration of 3 months following completion of the Offer, agree to issue any shares, units, options, convertible or exchangeable securities or other securities of Microba or a member of the Microba Group;

(iv) it will not withdraw the Offer of the Prospectus after the Settlement Date;

(v) it will carry on its business in the ordinary course will do not dispose of or agree to dispose of the whole or part of its business or its property or take any action that may cause a substantial or onerous obligation for the Microba Group;

(vi) it will promptly notify and obtain the prior written consent of the Joint Lead Managers to the form and substance of, and any amendments to, the Prospectus;

(vii) it will not appoint a liquidator, provisional liquidator, receiver, receiver and manager or other similar official for Microba or to their property without the prior written consent of the Joint Lead Managers, which is not to be unreasonably withheld;

(viii) it will, as soon as practicable after the Prospectus or any relevant supplementary Prospectus is lodged with ASIC, ensure that an electronic copy of that document is available on Microba's website;

(ix) it will not lodge or issue a supplementary Prospectus for the Offer without the prior written consent of the Joint Lead Managers, which is not to be unreasonably withheld;

(x) provide to the Joint Lead Managers notice no later than one Business Day following becoming aware of any action being taken against the Microba Group in relation to the Offer or any person who has previously consented to the inclusion of the name (other than the Joint Lead Managers) withdrawing their consent;

(xi) provide the reasonable support of and access to the Microba Group's senior executives in the marketing of the Offer at its own expense; and

(xii) will not vary any term of the Constitution or the constitution of any Group member, the composition of the Board, or alter its share capital other than as described in this Prospectus without the prior consent of the Joint Lead Managers (which is not to be unreasonably withheld or delayed).

(f) (**Indemnity**) Subject to certain exclusions relating to, among other things, fraud, wilful misconduct or gross negligence of any indemnified party, Microba agrees to keep the Joint Lead Managers and its representatives indemnified from losses suffered by them in connection with the Offer and the Underwriting Agreement.

9.2 UniQuest Deed of Assignment

On 3 October 2017, Microba Pty Ltd and UniQuest Pty Ltd, the commercialisation company of the University of Queensland entered into a deed of assignment (**Uniquest Deed of Assignment**). A summary of the material terms of the Uniquest Deed of Assignment are set out below:

(a) (**Purpose and Assignment**) Under the terms of the Uniquest Deed of Assignment, UniQuest assigned the intellectual property detailed in Section 9.2(b) below to Microba Pty Ltd. The intellectual property assigned to Microba Pty Ltd was foundational to the Analysis Platform.

(b) (**Intellectual property**) Under the Microba Pty Ltd, UniQuest assigned the following to Microba (**Assigned IP**):

(i) raw sequencing data from the Illumina sequencers located in the University's Australian Centre for Ecogenomics (**ACE**) in the form of compressed FASTQ files (a text-based format for storing both a biological sequence and its corresponding quality scores);

(ii) analysed sequencing data which are data files resulting from the analysis software created by ACE applied to the raw sequencing data described in Section 9.2(b)(i) above;

(iii) software (including all source codes). Specifically:

(A) the specification/schema of the database as at 28 October 2016. This is the code that defines the structure of the database and how the data is stored;

(B) code and created content as at 24 November 2016 which implements the web portal that facilitates participants' registration, providing of residential and delivery addresses, answering of questionnaires, sample tracking and result delivery;

(C) codes and created content as at 16 March 2017, that implements the results page and the Application Programming Interface (**API**) that provides controlled access to the database that allows participants to explore and review their results with an interactive results widgets;

(D) the code that as at 8 June 2017 performs the analyses on the raw sequencing data, described in Section 9.2(b)(i); and

(E) the code, which as at 29 June 2017 summarises into percentile ranges the taxonomic and functional results produced by the code described in Section 9.2(b)(iii)(D).

(iv) the domain name www.microba.com.au;

(v) the trade mark 'MICROBA';

(vi) the copyright subsisting in any works or other matter embodying any of the above contained in Section 9.2(b); and

(vii) any patentable subject matter in connect with any of the above contained in Section 9.2(b).

(c) (**Licence**):

(i) Microba Pty Ltd grants to UniQuest and the University of Queensland a perpetual, irrevocable, non-exclusive, royalty free, worldwide licence to use the Assigned IP for research and teaching purposes.

(ii) Under this licence, UniQuest and the University of Queensland have the right to grant sublicenses provided that no third party will be given the right to use the Assigned IP for commercial purposes.

(d) (**Representations and warranties**) The Uniquest Deed of Assignment contains customary warranties and representations for the assignment of intellectual property.

(e) (**Indemnity**) Microba Pty Ltd indemnifies UniQuest and the University of Queensland and their respective officers, employees, and agents, from all and against all actions proceedings, demands or claims against UniQuest by an unrelated third party which may be brought against it arising out of Microba Pty Ltd's use of the Assigned IP.

9.3 Psomagen Binding Heads of Agreement – US distribution

On 9 August 2019, Microba Pty Ltd and Psomagen, Inc. (a subsidiary of Macrogen, Inc.) (**Psomagen**) entered into a binding heads of agreement (**Psomagen Binding Heads of Agreement**). A summary of the material terms of the Psomagen Binding Heads of Agreement is set out below:

(a) (**Term**) The Psomagen Binding Heads of Agreement commenced on 9 August 2019 and ends on 17 April 2022. It is anticipated that the Psomagen Binding Heads of Agreement will either be extended or a full form agreement entered into prior to the end of the term.

(b) (**Purpose and Obligations**) The Psomagen Binding Heads of Agreement provides that Microba Pty Ltd is to provide microbiome analysis services to Psomagen to assist Psomagen's launch of a microbiome testing product direct to consumers in the US market. Psomagen is responsible for contractual relationships with its customers, sales and marketing, production of sample kits, logistics and product delivery and laboratory processing of customer samples. Microba Pty Ltd is responsible for completing the analysis services within agreed timeframes, processing the raw data provided to it by Psomagen, and making available the agreed set of outputs to Psomagen. This arrangement is non-exclusive but Microba Pty Ltd agrees to act in good faith if engaging with parties in the US which may be competitors of Psomagen.

(c) (**Payments**) The Psomagen Binding Heads of Agreement provides for total payments to be made by Psomagen to Microba Pty Ltd from November 2019 to 10 April 2021. If Microba Pty Ltd is required to perform additional tests beyond 7,500 per year during the two years from 18 April 2020, Psomagen agrees to pay for these at a volume discounted rate per test.

(d) (**Intellectual Property**) Under the Psomagen Binding Heads of Agreement, Microba Pty Ltd is the owner of its own background intellectual property rights, along with all the intellectual property rights associated with the microbiome analysis process and in the processed data (being any transformation of the raw data including sample-associated transformation, non-sample-associated transformation, or results transformation) and grants Psomagen a non-exclusive, perpetual and royalty-free licence to use the processed data so that it may perform its obligations under the Psomagen Binding Heads of Agreement. Psomagen is the owner of all the intellectual property rights in the raw data (being BCL or FASTQ files as provided to Microba Pty Ltd by Psomagen) and in the Meta data (being any customer data collected from customers, excluding contact information). Psomagen grants Microba Pty Ltd a non-exclusive, perpetual, royalty-free and assignable licence to use and commercialise the raw data and Meta data.

(e) (**Regulatory**) Psomagen is responsible for ensuring that all of its activities are compliant with all laws and regulations, and indemnifies Microba Pty Ltd for all claims losses and expenses incurred with respect to any non-compliance with such laws and regulations under the Psomagen Binding Heads of Agreement.

(f) (**Termination**) The Psomagen Binding Heads of Agreement may be terminated by mutual agreement, or for breach if the other party materially breaches a term of the agreement, and that breach remains un-remedied within 30 days of the party receiving written notice.

(g) (**Responsibility and Liability**) Psomagen is solely responsible for all dealings with its patients, customers, and clients, and solely liable with respect to any claims or action by its patients, customers, and clients. Microba Pty Ltd is solely responsible for the provision of its services to Psomagen under the Psomagen Binding Heads of Agreement. However, its services are dependent on the data and material provided by Psomagen and as such, Microba Pty Ltd is not liable for any errors or inaccuracies in its services that are based on the data and materials provided by Psomagen.

9.4 Metagenics Collaboration and Distribution Agreement – Australia and New Zealand distribution

On 8 March 2019, Metagenics (Aust) Pty Ltd (**Metagenics**) and Microba entered into a collaboration and distribution agreement which was subsequently varied by the Metagenics Variation Agreement (**Metagenics Collaboration and Distribution Agreement**). A summary of the material terms of the Metagenics Collaboration and Distribution Agreement are set out below:

(a) (**Term**) The Metagenics Collaboration and Distribution Agreement commenced on 8 March 2019 and ends on 1 July 2022.

(b) (**Purpose and Obligations**) Under the Metagenics Collaboration and Distribution Agreement, Metagenics provides distribution services to Microba to market, promote and procure sales of co-branded products and services and Microba's associated services, facilitate training sessions, evaluate sale opportunities, and provide customer support to acupuncturists, homoeopaths, naturopaths, chiropractors, nutritionists or nurses, herbalists and osteopaths (**Specified Healthcare Practitioners**) throughout Australia and New Zealand. Microba must obtain Metagenics' written consent prior to engaging with any other third party to provide services substantially similar to the co-branded products and solutions to Specified Healthcare Practitioners within Australia and New Zealand.

However, Microba may directly sell or supply non-cobranded products and solutions (such as its Microba Insight™ kit), to third parties, including to Specified Healthcare Practitioners.

(c) (**Payments**) The Metagenics Collaboration and Distribution Agreement provides that Metagenics must order a defined minimum number of sample kits from Microba per contract year at an agreed price per kit. Microba must pay an 'Activation Commission' to Metagenics monthly in arrears at agreed rates per 'Activation' of a Microba product by a practitioner which relevantly occurs when the 'Activation Fee' is received by Microba from the practitioner. In respect of each eReferral Product, Microba must pay Metagenics a commission for each eReferral order.

(d) (**Intellectual Property**) The Metagenics Collaboration and Distribution Agreement provides that the parties agree to develop a trade mark for the product solution, which will be 'MetaBiome' unless otherwise agreed or this trade mark is unavailable. The trade mark will be registered in the joint names of the parties, and all intellectual property rights in the trade mark will be owned by the parties jointly. This trade mark has been registered and is detailed in Section 10. Additionally, Metagenics acknowledges that all intellectual property rights in the co-branded products and solutions supplied under the Metagenics Collaboration and Distribution Agreement, or associated with the Microba services, or in any material supplied by Microba belong to Microba. Metagenics may not attempt to modify or copy the co-branded products and solutions, or encourage a third party to do so without the consent of Microba. All intellectual property rights to patient data and data reports created under the agreement are owned by Microba. The parties own their own background intellectual property rights created prior to the Metagenics Collaboration and Distribution Agreement.

(e) (**Regulatory**) Microba is solely responsible for ensuring that all activities performed by Microba under the Metagenics Collaboration and Distribution Agreement comply with all applicable laws. Metagenics is responsible for ensuring all activities it performs under the Metagenics Collaboration and Distribution Agreement comply with applicable laws. Metagenics has an obligation to notify Microba of any relevant information known to Metagenics concerning the market for the supply of the products in the territory or the field of the agreement, and is also obliged to ensure that any distribution complies with the *Therapeutic Goods Act 1989* and the Health Practitioner Regulation National Law Act in each State and Territory in Australia. Metagenics and Microba each indemnify the other for any breach by them of the Metagenics Collaboration and Distribution Agreement or any law.

(f) (**Termination**) Metagenics may terminate the Metagenics Collaboration and Distribution Agreement if it is not satisfied, acting reasonably, that the solution has passed the repeated 'acceptance tests' to ensure the item produced by Microba complies materially with the specifications, performance requirements, and that it is materially free from defects. Microba may terminate the Metagenics Collaboration and Distribution Agreement if Metagenics fails to meet or a number of prescribed Activations in any contract year or number of contract years.

9.5 SYNLAB Distribution Agreement – Europe and South America distribution

On 5 May 2020, Microba Pty Ltd and SYNLAB International GmbH (**SYNLAB**) entered into the distribution agreement (**SYNLAB Distribution Agreement**). A summary of the material terms of the SYNLAB Distribution Agreement are set out below:

(a) (**Term**) The SYNLAB Distribution Agreement commenced on 5 May 2020 and ends on 5 May 2025.

(b) (**Purpose and Obligations**) SYNLAB will distribute, market, promote and sell Microba's tests and services, beginning in Spain and Colombia during an exclusive 2-year pilot phase, and then expand non-exclusively to Europe, the Middle East, Africa and Latin America. A local country agreement was executed to commence distribution within Spain on 28 October 2020. SYNLAB is responsible for being the contact point for healthcare professionals and patients, promotion and sales, collection of samples, and transmission of results to healthcare professionals and patients whereas Microba Pty Ltd is responsible for performing genetic and data analysis on the samples, reporting on the results to SYNLAB, and providing professional advice in relation to the products and services (being the laboratory processing of samples, data analysis, production of a patient PDF report and patient online report) to SYNLAB.

(c) (**Payments**) During the pilot phase of the SYNLAB Distribution Agreement, SYNLAB will pay Microba Pty Ltd a fee per test, and this amount will be adjusted during subsequent stages in accordance with market feedback.

(d) (**Intellectual Property**) The SYNLAB Distribution Agreement provides that Microba Pty Ltd will own all intellectual property rights associated with its own products and services, and any materials developed or discovered by Microba Pty Ltd during the course of the SYNLAB Distribution Agreement. While SYNLAB owns all raw data it contributes directly to Microba Pty Ltd, Microba Pty Ltd will own all intellectual property rights in the processed data it produces as a result of carrying out the analysis services on the raw data. Separately, SYNLAB will own all intellectual property in the SYNLAB summary report generated by the analysis undertaken by Microba Pty Ltd. The products and services distributed under the SYNLAB Distribution Agreement will be co-branded under SYNLAB's MyBiome trade mark, and if this is not available, and a new trade mark is required, SYNLAB will own any new trade mark developed.

(e) (**Regulatory**) The SYNLAB Distribution Agreement provides that SYNLAB and Microba Pty Ltd will determine whether Microba Pty Ltd's products are required to be CE-marked (a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area), and agree on the nature of which tests are required to be CE-compliant, and who will bear the responsibility for ensuring compliance. Further, Microba Pty Ltd's privacy policies must comply with Global Data Protection Regulation and European data protection legislation and Microba Pty Ltd must retain any samples from SYNLAB patients for at least 6 months for quality assurance and control purposes.

(f) (**Termination**) Either party may terminate the distribution agreement without cause upon 6 months' written notice, or SYNLAB may terminate the agreement during the initial pilot and send-out phases upon 3 months' written notice to Microba Pty Ltd. Both parties have termination rights where certain insolvency events occur or where a party undergoes a change of control such that, the control of the party vests with a competitor of the other party. Where there is a serious risk with regard to the proficiency or the safety of the tests or services provided or where the regulatory requirements are no longer able to be met, either party may terminate the SYNLAB Distribution Agreement in respect of that country.

(g) (**Responsibility and Liability**) Each party provides certain indemnities under SYNLAB Distribution Agreement to the other. Microba Pty Ltd's indemnities relate to intellectual property infringement or government or regulatory action in connection with the products and services. SYNLAB's indemnities relate to negligent or wrongful sample handling or reporting, or the wrongful or negligent promotion or distribution of Microba Pty Ltd's products and services by SYNLAB.

9.6 G42 Collaboration Agreement – Countries of the Gulf Cooperation Council distribution

On 1 February 2022, Microba Pty Ltd and G42 Laboratory LLC (**G42**) entered into the collaboration agreement (**G42 Collaboration Agreement**). A summary of the material terms of the G42 Collaboration Agreement are set out below.

(a) (**Term**) The G42 Collaboration Agreement is for an initial three year term commencing on 1 February 2022 (**Commencement Date**).

(b) (**Purpose and Obligations**) The provision services (**Services**) by Microba Pty Ltd to enable G42 to launch a commercial microbiome gut analysis service based on sample genome sequencing analysis directed to customers in the GCG (**Territory**), being, the supply to G42 (or joint manufacture of) microbiome sampling kits, the deployment in the United Arab Emirates and in G42's facilities, of Microba's data analysis platform for use by G42 to generate genomics consumer reports, and provide to G42 microbiologic information analysis services of the raw data, (**Specific Use**). Provision of the Services within the Territory are exclusive as between Microba Pty Ltd and G42 as they relate to the Specific Use, however Microba Pty Ltd will not be obliged to provide any Services to G42 with respect to any microbiome tests performed on customers not located in the Territory, or requested by a healthcare practitioner or healthcare facility.

(c) (**Payment**) The G42 Collaboration Agreement provides for payment to Microba Pty Ltd of an implementation fee on the Commencement Date and a contribution towards all or part of the implementation costs to establish a local cloud infrastructure in the GCG (if required). G42 will make payment of an annual fee calculated with regard to the minimum order quantity, prices and volume based discounts set out in the G42 Collaboration Agreement.

(d) (**Intellectual Property**) Each party are the sole owner of all its background intellectual property rights and grants the other a non-exclusive, non-assignable licence and non-sublicensable licence for the Term to use the respective background intellectual property as is necessary to complete the project. G42 will own all rights in the raw data and meta data and provides Microba Pty Ltd with a limited licence for the exclusive purpose of allowing Microba Pty Ltd to perform the Services. Microba Pty Ltd and G42 will co-own the microbiome profile data and the microbial sequences in equal proportions, and grant each other a limited licence to use the microbiome profile data and the microbial sequences within the Territory during the Term.

(e) (**Regulatory**) Microba Pty Ltd and G42 must comply with applicable legal requirements (being all local and federal laws and conventions and all regulations, orders, codes of practice or other codes procedures so enacted or issued within the Territory that apply to Microba Pty Ltd or G42, the Services or the G42 Collaboration Agreement, and the requirements of any by-laws of any governmental authority (**Legal Requirements**)). Microba Pty Ltd and G42 shall cooperate in good faith to agree any required amendments should Legal Requirements change after the Commencement Date.

(f) (**Termination**) The G42 Collaboration Agreement may be terminated by mutual consent in writing. Further, 18 months after the service launch date, G42 may terminate by 60 calendar days' prior written notice. Either party may immediately terminate in the event of uncured material breaches, certain insolvency events, or where there is any change in Legal Requirements (see regulatory information above) causing a party to violate or prejudice its ability to comply with any Legal Requirements if the G42 Collaboration Agreement continued.

(g) (**Responsibility and Liability**) Subject to certain limitations, each party shall defend, hold harmless and indemnify the other party from and against any and all losses and expenses incurred as a result of all claims or proceedings made, brought or threatened against the other party by any person, arising from or in connection with the party's gross negligence, wilful act or default, or that of its officers, employees or contractors, in connection with the performance of its obligations under the G42 Collaboration Agreement and a breach of the party's representations and warranties under the G42 Collaboration Agreement.

9.7 Genova Commercial Development Agreement and Equipment Supply Agreement

On 23 December 2021, Microba US and a leading clinical laboratory in the United States of America, Genova Diagnostics, Inc. (**U.S. Lab**) entered into a commercial development agreement (**Commercial Development Agreement**), which comprised an equipment supply agreement (**Equipment Supply Agreement**) for the supply of an analytical instrument (**Equipment**) to the U.S. Lab. A summary of the material terms of the Commercial Development Agreement is set out below:

(a) (**Term**) The Commercial Development Agreement commenced on 23 December 2021 and ends on 22 December 2026.

(b) (**Purpose and Obligations**) The Commercial Development Agreement and Equipment Supply Agreement were executed to:

(i) provide for the delivery and installation of the Equipment in the U.S. Lab's existing laboratory facilities located in the United States of America; and

(ii) develop a solution for the distribution of a branded metagenomics test using technology from the Microba Insight™ testing and reporting platform (**Solution**), and to market and such Solution within the U.S. Lab's designated territory in United States of America and its territories or as otherwise agreed (**Territory**).

Microba US is responsible for the provision of advice to the U.S. Lab in relation to the development and creation of the Solution, as well as development of a report template, API specifications and development for the report and results, as well as provision of reasonable assistance to the U.S. Lab to establish a healthy clinical reference range in the U.S. Lab's Territory and for the U.S. Lab to obtain any necessary regulatory approvals for the Solution to be marketed and distributed in the U.S. Lab's Territory. The U.S. Lab is responsible for the development and creation of the Solution, and for any associated customer purchasing systems and for the integration of any APIs relating to the reports and results to be generated as part of the Solution. The Solution is exclusive to the U.S. Lab during the Term for distribution within the U.S. Lab's field and Territory.

(c) (**Equipment Supply Agreement**) Microba US agrees to supply to the U.S. Lab the Equipment for the Term. The U.S. Lab is responsible for the maintenance, repair and upkeep of the Equipment and must maintain a service contract for the Equipment following expiry of any manufacturer's warranty. The Equipment Supply Agreement provides:

  (i) U.S. Lab with an option to purchase the Equipment from Microba for a purchase price representing a pre-agreed depreciated rate for the Equipment at the relevant time.

  (ii) U.S. Lab with a licence to utilise Microba US intellectual property rights to install and use any software made available to U.S. Lab with the Equipment as necessary to enable U.S. Lab to utilise the Equipment.

(d) (**Payments**) The Commercial Development Agreement provides for a staggered implementation fee to be paid to Microba US on completion of certain contractual milestones. Thereafter, the U.S. Lab agrees to pay Microba US an annual fee calculated to represent a per test fee for an agreed minimum order quantity (Test Fees). Microba US agrees to pay U.S. Lab an agreed rate to perform tests on its behalf relating to a "Microba Research Testing Service", which U.S. Lab is entitled to offset as against the Test Fees payable to Microba US.

(e) (**Intellectual Property**) Under the Commercial Development Agreement, Microba US is the owner of its own background intellectual property rights, along with all the intellectual property rights associated with the microbiome analysis process and in the processed data and grants U.S. Lab a non-exclusive, perpetual and royalty-free licence to use the processed data so that it may perform its obligations under the Commercial Development Agreement, and conduct limited internal research. U.S. Lab is the owner of all the intellectual property rights in the raw data and in sample data (being any customer data collected from customers, excluding contact information). U.S. Lab grants Microba US a non-exclusive, perpetual, royalty-free licence to use the raw data to comply with its obligations under the Commercial Development Agreement.

(f) (**Regulatory**) U.S. Lab is responsible for ensuring that all of its activities are compliant with all laws and regulations, and indemnifies Microba US for all claims losses and expenses incurred with respect to any non-compliance with such laws and regulations.

(g) (**Termination**) The Commercial Development Agreement may be terminated for breach if the other party breaches a material term of the agreement, and that breach remains un-remedied within 30 days of the party receiving written notice, or, on 30 days' written notice in the event of a breach of any regulatory requirements or there is a serious risk with regard to the proficiency or safety of the Solution.

(h) (**Responsibility and Liability**) U.S. Lab and Microba US broadly indemnify one another for losses arising from the Commercial Development Agreement, up to an agreed liability cap. The liability cap does not apply in limited circumstances, including in the instance of fraud, or where a claim is in connection with a breach of certain applicable laws or regulations.

9.8 PPD Global Master Services Agreement

On 11 March 2021, Microba Pty Ltd and PPD Global Ltd (**PPD Global**) entered into the master services agreement (**PPD Global Master Services Agreement**). A summary of the material terms of the PPD Global Master Services Agreement are set out below:

(a) (**Term**) The PPD Global Master Services Agreement commenced on 11 March 2021 and ends on 10 March 2026.

(b) (**Purpose and Obligations**) PPD Global agrees to provide certain services, to Microba Pty Ltd in connection with clinical research programs and other programs Microba is conducting (individually, a **Project**). Each Project will be subject to an addendum setting out the services to be performed or provided to Microba Pty Ltd (**Addendum**), which will incorporate the terms of the PPD Global Master Services Agreement. An Addendum dated 17 March 2021 was executed relating to Microba Pty Ltd's study of microbiome-based biomarkers in late stage melanoma, which was subsequently varied on 27 August 2021 to account for additional costs associated with the extended study timeline extending eight additional months. Each parties' obligations in relation to a Project will be set out in the specific Addendum.

(c) (**Payments**) The fees, direct costs and any out of pocket expenses for each Project will be agreed by Microba Pty Ltd and PPD Global and set out in an Addendum.

(d) (**Termination**) The PPD Global Master Services Agreement may be terminated without cause by either party upon 30 days' written notice or, in respect of medical information contact centre services, upon 120 days' written notice for the relevant Addendum. An Addendum, or the PPD Global Master Services Agreement, may also be terminated by 30 days' written notice in the event of a material breach of the provisions of the PPD Global Master Services Agreement or an Addendum, if such breach is not remedied. Immediate termination is permitted in the event of an insolvency event.

(e) (**Intellectual Property**) Nothing in the PPD Global Master Services Agreement, nor the delivery of any information to a party shall be deemed to grant the receiving party any right or licence under any patent applicable or to any know-how, technology or invention of the disclosing party. PPD Global assigns to Microba all rights PPD Global, PPD Global's affiliates or its associates may have in all data, information or materials as part of the services, including all records and any invention, technology, know-how or other intellectual property relating directly or indirectly to the Project which is a direct result of PPD Global 's provision of the services and set forth as a deliverable under an addendum, except to the extent that such data, information or material constitutes "PPD Property" for the purposes of the PPD Global Master Services Agreement.

(f) (**Regulatory**) PPD Global warrants that it will process personal data in compliance with all Data Protection and Privacy Laws, as well as applicable regulatory guidance, including the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use, and Good Laboratory Practice. Further, each party agrees to promptly notify the other party of a regulatory inspection in which the Project is within the scope of the inspection.

(g) (**Responsibility and Liability**) Each party indemnifies the other party from any and all losses arising or incurred in connection with any third party claim directly or indirectly relating to or arising from the PPD Global Master Services Agreement, except to the extent such claim arises from negligence, intentional misconduct, breach of applicable law or regulation or a material breach of the PPD Global Master Services Agreement by the other party.

9.9 Bacthera Manufacturing Proposal

On 17 September 2021, Microba and Bacthera AG, c/o Lonza AG (**Bacthera**) entered into the manufacturing proposal (**Bacthera Manufacturing Proposal**). Until the parties execute the intended manufacturing services agreement the terms of the Bacthera Manufacturing Proposal govern the relationship between the parties. A summary of the material terms of the Bacthera Manufacturing Proposal is set out below:

(a) (**Term**) The Bacthera Manufacturing Proposal commenced on 17 September 2021 and ends on 16 September 2026.

(b) (**Purpose and Obligations**) Bacthera is to perform services as set out in work schedule relating to the following specific activities (**Bacthera Services**), research cell bank (**RCB**) production for up to three leading candidate systems, drug substance (**DS**) and drug product (**DP**) process screening for up to three leading candidate strains to select the top candidate based on a variety of factors (including manufacturability performance), DS and DP process development for the top candidate strain, Master Cell Bank (**MCB**) production for the top candidate strain, and production of DS and enterically protected encapsulated DP of the top candidate strain for use in a Phase I clinical trial in Australia (**Products**).

(c) (**Payments**) Fees payable by Microba for the Services to be supplied by Bacthera are on an as agreed basis, with any additional items separately charged throughout the Term.

(d) (**Intellectual Property**) The Bacthera Manufacturing Proposal provides that each party retains ownership of its background intellectual property. Microba will own all intellectual property developed which is solely a direct derivative of, or improvement to Microba's materials or background intellectual property, or relates specifically to Microba's materials (**New Microba IP**). Bacthera shall, subject to limitations, own all intellectual property developed in the course of the performance of the Services or, is an improvement of, or a direct derivative of, Bacthera's background intellectual property and does not relate in any way to Microba's background intellectual property (**New Bacthera IP**). Subject to certain pre-conditions, Bacthera agrees to licence New Bacthera IP to Microba to enable a third party to use the Products for clinical studies. The Bacthera Manufacturing Proposal contemplates a technology transfer and license agreement being negotiated and executed in certain conditions where Microba provides notice to Bacthera that it wishes to commercially manufacture Products or any subsequent versions of the Products.

(e) (**Regulatory**) The Bacthera Manufacturing Proposal provides that all materials intended for human use need to be produced and compliant with GMP and comply with local regulatory and internal quality requirements.

(f) (**Termination**) The parties may terminate the Bacthera Manufacturing Proposal where a breach of the Bacthera Manufacturing Proposal remains uncured for 90 days' following written notice, immediately in the event of an insolvency event, or, if it becomes apparent that the Services cannot be completed due to scientific or technical reasons. Further, Microba may terminate the Bacthera Manufacturing Proposal if it is no longer seeking the production of an enterically protected, encapsulated candidate strain for use in a Phase I clinical trial, or, after completion of Stage DS2 of the work schedule.

(g) (**Responsibility and Liability**) Microba and Bacthera indemnify each other for losses (including reasonable attorney fees) the other may suffer as a result of any third party claim arising directly out a material breach by Microba or Bacthera of their respective warranties under the Bacthera Manufacturing Proposal, and except in limited circumstances, for any claims alleging that the Services infringe the intellectual property rights of a third party. Further, Bacthera indemnifies Microba for any claims of product liability to the extent they relate to the drug substance or drug product developed by Bacthera in the provision of the Services (except to the extent the claim relates to Microba's materials) and Microba indemnifies Bacthera for any claims of product liability to the extent they relate to the manufacture, use, sale or distribution of any Products. The indemnification obligations as well as the liability obligations for both parties are capped.

9.10 Ginkgo Technical Development Agreement

On 20 January 2022, Microba Pty Ltd, and Ginkgo Bioworks, Inc. (**Ginkgo Bioworks**) entered into a technical development agreement (**Ginkgo Technical Development Agreement**), which relates to the undertaking and delivery of collaborative projects relating to the development of live bio-therapeutics for lupus, psoriatic arthritis and certain autoimmune liver diseases pursuant to agreed technical development plans (**TDPs**). A summary of the material terms of the Ginkgo Technical Development Agreement is set out below:

(a) (**Term**) The Ginkgo Technical Development Agreement commences on the date the Ginkgo Subscription Shares (defined below) are issued under this Prospectus (**Effective Date**) and, unless otherwise terminated earlier in accordance with its terms, ends on the latest of; (a) ten years following the Effective Date; (b) the date that all development activities under all approved TDPs have been concluded (provided that no TDP is in the process of being proposed, drafted or negotiated by the parties); and (c) the expiration of the royalty term (being, the period of time expiring ten years after the last recordable net sale of any Product or OOF Product (as defined below)).

(b) (**Purpose and Obligations**) For Ginkgo Bioworks to conduct screening or other analyses of certain whole-cell, intact microbial strains controlled by Microba Pty Ltd as provided to Ginkgo Bioworks and specified in a TDP (**Development Activities**) to generate exclusive and non-exclusive data packages to enable Microba Pty Ltd's development, production, manufacturing and commercialisation of microbial products (**Products**) for distribution worldwide (for the initial TDP) (**Territory**). The Products will be focused toward the prevention or treatment of lupus, psoriatic arthritis, and the autoimmune liver diseases primary biliary cholangitis and primary sclerosing cholangitis or such other field(s) determined in a TDP (**Field**). Certain other specified products outside the Field (**OOF Products**) may be developed for distribution in the specified Territory. The activities to be performed by the parties will be agreed by the parties and provided for in TDPs.

(c) (**Payments**) The Ginkgo Technical Development Agreement provides for a number of payments (and acknowledges that, subject to certain terms and conditions, Ginkgo Bioworks has agreed to subscribe for 10,886,385 Shares in Microba under the Prospectus (**Ginkgo Subscription Shares**)), namely:

  (i) US$7,000,000 payable by Microba Pty Ltd to Ginkgo Bioworks for the provision of the Development Activities under the initial TDP referred to in paragraph (b), noting that:

    (A) US$3.5 million will be held in an escrow account controlled by an escrow agent, Microba Pty Ltd and Ginkgo Bioworks pending cash payments for the Development Activities within the first 12 months of the Effective Date; and

    (B) up to US$3,500,000 of that amount potentially payable by way of Shares in Microba with such number of Shares calculated by dividing the relevant payment amount by the then current 20-day VWAP ending on the second business day before the date on which the relevant payment is to be made and capped at 10,886,385 Shares (**Ginkgo Deferred Shares**) with any shortfall payable in cash by Microba Pty Ltd),

  the majority of which is anticipated to be payable within twenty four months of the Effective Date. The Ginkgo Deferred Shares will, if issued, be subject to a 6-month voluntary escrow commencing on their respective dates of issue;

  (ii) additional milestone payments payable in cash by Microba Pty Ltd to Ginkgo Bioworks on satisfaction of specified development, production, manufacturing and commercialisation milestones on a per Product and per indication basis; and

  (iii) royalties payable to Ginkgo Bioworks during the Term to be calculated with reference to annual net sales of all Products and OOF Products during the Term.

  Refer to Section 12.2.3 for detail of the Ginkgo Subscription Shares to be acquired under the Offer, the number of Ginkgo Deferred Shares that may be issued and the impact that will have on Microba's capital structure.

(d) The right to any Ginkgo Deferred Shares in lieu of cash payments is (i) not a right that will be quoted; (ii) is not independently transferrable; (iii) does not confer any right to vote; (iv) does not permit Ginkgo Bioworks to participate in new issues of capital such as bonus issues and entitlement issues; or (v) do not carry an entitlement to a dividend.

(e) (**Intellectual Property**) Each party remains the owner of its background intellectual property (being intellectual property in existence before the Effective Date or not in connection with this collaboration (**Background IP**)). Further, Microba Pty Ltd retains title to any intellectual property forming part of the Microba Pty Ltd's technology (being, any know-how, technology, information, materials or samples, including as identified on a case by case basis in any TDP,) controlled by and contributed to or made available to Ginkgo Bioworks by Microba Pty Ltd for the purposes of performing the obligations under a TDP (**Company Technology IP**) and Ginkgo Bioworks will be the owner of any intellectual property rights arising from work performed pursuant to any TDP, including intellectual property rights in any exclusive or non-exclusive data packages or other deliverables. Separately, Microba Pty Ltd provides Ginkgo Bioworks with a non-exclusive, worldwide, royalty-free, limited sublicensable licence to use Microba Pty Ltd's Background IP and Company Technology IP for the purpose of conducting Ginkgo Biowork's activities under each TDP. In turn, Ginkgo Bioworks provides Microba Pty Ltd with an exclusive (even as to Ginkgo Bioworks), royalty-bearing, non-transferable (except in limited circumstances), limited sublicensable licence for any exclusive data package, and a non-exclusive, royalty-bearing, non-transferable (except in limited circumstances), limited sublicensable licence for any non-exclusive data package, in each case, solely to develop, produce and manufacture Products in the Field within the Territory. Similar intellectual property licences are afforded to Microba Pty Ltd by Ginkgo Bioworks in respect of OOF Products, subject to satisfaction of preconditions as to notice and identification of such OOF Products to Ginkgo Bioworks.

(f) (**Regulatory**) Microba Pty Ltd is obliged to use commercially reasonable efforts to secure necessary regulatory approvals for Products and OOF Products it intends to develop or produce.

(g) (**Termination**) The Ginkgo Technical Development Agreement may be terminated by either party in the event of an insolvency event, or any material breach of any material obligation under the Ginkgo Technical Development Agreement which remains uncured for a period of 60 days following written notice (except where the breach relates to the failure to make payment when due (in which case, the cure period is 30 days), or there is a violation of intellectual property rights of the non-breaching party, in which case, an immediate right of termination applies), and in certain limited circumstances should a change of control event occur. Separately, any TDP may be terminated by mutual agreement for technical or commercial infeasibility, 60 days after such determination.

(h) (**Responsibility and Liability**) The parties indemnify one another for third party losses arising from the Ginkgo Technical Development Agreement with respect to their primary activities thereunder.

The Board is of the view that the Ginkgo Technical Development Agreement (and each arrangement contemplated by the Ginkgo Technical Development Agreement) does not materially prejudice the interests of Microba, Microba Pty Ltd or their Shareholders or the ability of Microba or Microba Pty Ltd to pay their creditors (and is in fact in the best interest of Microba, Microba Pty Ltd and their Shareholders) given both Microba and Microba Pty Ltd have limited debt and the Ginkgo Technical Development Agreement will allow Microba and Microba Pty Ltd to leverage the capabilities of Ginkgo Bioworks in synthetic and industrial biology, manufacturing and product development.

9.11 Key employment and appointment agreements (all related party contracts)

Luke Reid, Chief Executive Officer

On 3 February 2022, Microba and Luke Reid entered into an executive employment agreement for the role of Chief Executive Officer.

Luke Reid is paid a salary package of the following:

(a) $220,000 per annum, excluding statutory superannuation.

(b) This will increase to $260,000 per annum, excluding statutory superannuation, following IPO Completion.

Luke will also be eligible for a short term incentive payments of $50,000 (based on performance) for the financial years ending 30 June 2022 and 30 June 2023 plus a further $50,000 payable for the admission of Microba to the official list of the ASX.

Luke's appointment is not for a fixed term.

The agreement is subject to a mutual twelve (12) week notice period (but which may be immediately terminated by Microba in the event of serious misconduct). Microba may elect to make a lump sum payment in lieu of notice.

Luke's executive employment agreement also includes a 6-month post-employment non-compete and 12-month non-solicitation restraint of trade, which operates worldwide (as the maximum area) from the date on which his employment ceases (as the maximum period).

James Heath, Chief Financial Officer and Joint Company Secretary

On 3 February 2022, Microba and James Heath entered into a new executive employment agreement for the role of Chief Financial Officer.

James Heath is paid a salary package of the following:

(a) $140,000 per annum, excluding statutory superannuation.

(b) This will increase to $200,000 per annum, excluding statutory superannuation, following IPO Completion.

James will also be eligible for a short term incentive payments of $30,000 (based on performance) for the financial year ending 30 June 2022, $40,000 (based on performance) for the financial year ending 30 June 2023 plus a further $25,000 payable for the admission of Microba to the official list of the ASX.

James' appointment is not for a fixed term.

The agreement is subject to a mutual twelve (12) week notice period (but which may be immediately terminated by Microba in the event of serious misconduct). Microba may elect to make a lump sum payment in lieu of notice.

James' executive employment agreement also includes a 6-month post-employment non-compete and 12-month non-solicitation restraint of trade, which operates worldwide (as the maximum area) from the date on which his employment ceases (as the maximum period).

Pasquale Rombola, Non-Executive Director and Chair

On 20 January 2022, Pasquale Rombola entered into a Letter of Appointment to serve as a Non-Executive Director and Chair of Microba.

Pasquale's Letter of Appointment provides for, amongst other things:

(a) Pasquale's appointment as a Non-Executive Director and Chair of Microba.

(b) Pasquale is to be paid an annual Director's fee of $50,000 plus an additional $25,000 for his role as Chair. Pasquale will also receive a fee of $5,000 for each Board committee of which he may be a member. Further, Pasquale has been offered 300,000 Director Options under the terms of the 2021 Employee Incentive Plan, to be issued on IPO Completion. The terms of the Director Options are detailed in Section 12.4.

(c) The Letter of Appointment is effective from the date of Pasquale's appointment as Non-Executive Director of Microba and continues until the date that Pasquale ceases to hold office as a Director of Microba.

(d) Pasquale may resign as a Director of Microba at any time by written notice.

The Letter of Appointment otherwise contains provisions that are usual for appointment letters of this nature.

Professor Ian Frazer, Non-Executive Director

On 28 January 2022, Professor Ian Frazer entered into a Letter of Appointment to serve as a Non-Executive Director and Deputy Chair of Microba.

Ian's Letter of Appointment provides for, amongst other things:

(a) Ian's appointment as a Non-Executive Director and Deputy Chair of Microba.

(b) Ian is to be paid an annual Director's fee of $50,000 plus an additional $25,000 for his role as Deputy Chair. Ian will also receive a fee of $5,000 for each Board committee of which he may be a member. Further, Ian has been offered 300,000 Director Options under the terms of the 2021 Employee Incentive Plan, to be issued on IPO Completion. The terms of the Director Options are detailed in Section 12.4.

(c) The Letter of Appointment is effective from the date of Ian's appointment as Non-Executive Director of Microba and continues until the date that Ian ceases to hold office as a Director of Microba.

(d) Ian may resign as a director of Microba at any time by written notice.

The Letter of Appointment otherwise contains provisions that are usual for appointment letters of this nature.

Dr Caroline Popper, Non-Executive Director

On 25 January 2022, Dr Caroline Popper entered into a Letter of Appointment to serve as a Non-Executive Director of Microba.

Caroline's Letter of Appointment provides for, amongst other things:

(a) Caroline's appointment as a Non-Executive Director of Microba.

(b) Caroline is to be paid an annual Director's fee of $50,000. Caroline will also receive a fee of $5,000 for each Board committee of which she may be a member.

(c) The Letter of Appointment is effective from the date of Caroline's appointment as Non-Executive Director of Microba and continues until the date that Caroline ceases to hold office as a Director of Microba.

(d) Caroline may resign as a Director of Microba at any time by written notice.

The Letter of Appointment otherwise contains provisions that are usual for appointment letters of this nature.

Richard Bund, Non-Executive Director

On 27 January 2022, Richard Bund entered into a Letter of Appointment to serve as a Non-Executive Director of Microba.

Richard's Letter of Appointment provides for, amongst other things:

(a) Richard's appointment as a Non-Executive Director of Microba.

(b) Richard is to be paid an annual Director's fee of $50,000. Richard will also receive a fee of $5,000 for each Board committee of which he may be a member. Further, Richard has been offered 200,000 Director Options under the terms of the 2021 Employee Incentive Plan, to be issued on IPO Completion. The terms of the Director Options are detailed in Section 12.4.

(c) The Letter of Appointment is effective from the date of Richard's appointment as Non-Executive Director of Microba and continues until the date that Richard ceases to hold office as a Director of Microba.

(d) Richard may resign as a Director of Microba at any time by written notice.

The Letter of Appointment otherwise contains provisions that are usual for appointment letters of this nature.

9. Material Contracts

Professor Gene Tyson, Non-Executive Director

On 17 January 2022, Professor Gene Tyson entered into a Letter of Appointment to serve as a Non-Executive Director of Microba.

Gene's Letter of Appointment provides for, amongst other things:

(a) Gene's appointment as a Non-Executive Director of Microba.

(b) Gene is to be paid an annual Director's fee of $50,000. Gene will also receive a fee of $5,000 for each Board committee of which he may be a member. Further, Gene has been offered 200,000 Director Options under the terms of the 2021 Employee Incentive Plan, to be issued on IPO Completion. The terms of the Director Options are detailed in Section 12.4.

(c) The Letter of Appointment is effective from the date of Gene's appointment as Non-Executive Director of Microba and continues until the date that Gene ceases to hold office as a Director of Microba.

(d) Gene may resign as a Director of Microba at any time by written notice.

The Letter of Appointment otherwise contains provisions that are usual for appointment letters of this nature.

Dr Hyungtae Kim, Non-Executive Director

On 19 January 2022, Dr Hyungtae Kim entered into a Letter of Appointment to serve as a Non-Executive Director of Microba.

Hyungtae's Letter of Appointment provides for, amongst other things:

(a) Hyungtae's appointment as a Non-Executive Director of Microba.

(b) Hyungtae is to be paid an annual Director's fee of $50,000. Hyungtae will also receive a fee of $5,000 for each Board committee of which he may be a member. Further, Hyungtae has been offered 200,000 Director Options under the terms of the 2021 Employee Incentive Plan, to be issued on IPO Completion. The terms of the Director Options are detailed in Section 12.4.

(c) The Letter of Appointment is effective from the date of Hyungtae's appointment as Non-Executive Director of Microba and continues until the date that Hyungtae ceases to hold office as a Director of Microba.

(d) Hyungtae may resign as a Director of Microba at any time by written notice.

The Letter of Appointment otherwise contains provisions that are usual for appointment letters of this nature.

10.

Intellectual Property Report

Intellectual Property Report

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JAMES & WELLS CHAMPIONS OF INNOVATION.

Intellectual Property Report – Microba IP Pty Limited
Prepared by James & Wells Intellectual Property

About James & Wells

James & Wells is one of Australia and New Zealand's leading intellectual property firms. It specialises in providing advice relating to protecting and enforcing intellectual property rights. James & Wells has over 50 professionals and staff working for the firm and can trace its history over 40 years.

The services provided by James & Wells cover aspects of intellectual property including patents, registered designs, copyright and plant breeders' rights, and is provided by attorneys possessing a diverse range of technical skills in areas including life sciences, chemistry and materials, clean energy, engineering, physics and electronics, information technology, pharmaceuticals, medical devices, nanotechnology and plant innovation.

Intellectual Property Overview

Intellectual property is a collective term used to refer to a number of different rights including patents, registered designs, trade marks, copyright and trade secrets.

James & Wells is currently engaged to manage intellectual property-related matters on behalf of Microba IP Pty Limited ("Microba"), and this report will focus on patent and trade mark rights only. This report is being prepared for inclusion in the prospectus to be lodged as part of Microba's initial public offering (IPO).

Patents

A patent is a legally enforceable and exclusive right to commercially exploit an invention for a defined period time in a particular territory.

In Australia, where the invention is a product, exploitation includes making, hiring, selling, or otherwise disposing of the product, or offering to make, sell, hire, or otherwise dispose of the product, or keeping the product for the purpose of doing any of those things. For a method or process, exploitation includes using the method or process or exploiting a product resulting from performing the method or process. Other countries have their own laws regarding the rights afforded by a granted patent, and advice should be sought on a country by country basis if further information is required.

A patent is granted for inventions that meet defined criteria. The laws of different countries generally have different criteria, and hence each country generally makes their own independent assessment as to the patentability of an invention. In general, the requirements for patentability include that the claimed invention is novel, involves an inventive step and meets subject matter eligibility requirements.

Patent Application Process

In order to obtain patent protection, it is ultimately necessary for an application to be filed with a Patent Office in each country where protection is to be sought. However, international conventions exist that enable a patent

application to be initially filed in a single country, with subsequent applications being filed individually in each country within a defined time limit.

For example, the Paris Convention provides a mechanism that allows patent applications to be filed to cover additional countries within 12 months of the date of lodging a first patent application. Thus, one or more provisional patent applications can be filed in a single country, and then subsequent applications can be filed covering other countries within 12 months of the earliest provisional patent application, using a process known as claiming priority.

The subsequent applications can be separate applications in each country of interest. Alternatively, a single International Patent Cooperation Treaty ("PCT") application can be filed covering a number of contracting states. The PCT application does not ultimately get ranted as a patent, but rather allows the filing of national patent applications in individual countries to be deferred up to a set date, typically 30 months from the filing date of the first patent application, such as the first provisional patent application.

Once filed, the PCT application undergoes a preliminary assessment process, in which a designated patent office performs a search and issues an International Search Report and associated International Search Opinion, providing preliminary observations on whether the patent application meets novelty, inventive step and industrial applicability requirements. Responses to the International Search Opinion can be optionally filed during a subsequent examination process, before an International Preliminary Report on Patentability (IPRP) issues, providing an opinion of patentability.

It should be noted, however, that the opinion provided in the IPRP is not binding and subsequent independent assessments are typically performed by patent offices in each country, after individual national patent applications have been filed. In this regard, each country will typically perform an independent search, and then assess whether the patent application meets the patentability requirement, additionally taking into account their own local law.

Whilst most countries require a local patent application to be filed, in some cases regional patent applications can be filed covering a group of individual countries. For example, a European patent application can be filed, which can allow subsequent patents to be granted in over 35 countries.

Assuming any objections are overcome, a patent can then be granted on the application allowing this to be subsequently enforced to prevent third parties exploiting the invention.

Trade Marks

A trade mark is a recognisable sign that differentiates a particular product or business in the marketplace. Trade marks are informational signals from producers to consumers, for example, to convey information about the origin or a product or its quality. To be registrable, a trade mark must be graphically representable, such is the case for brand names, logos, colours and musical jingles.

In order to register a trade mark, it is ultimately necessary for the mark to be filed with a Trade Mark Office in each country or region where protection is to be sought. However, international conventions exist that enable a trade mark application to be initially filed in a single country, with subsequent applications being filed individually in each country within a defined time limit.

10. Intellectual Property Report

For example, the Paris Convention provides a mechanism that allows trade mark applications to be filed to cover additional countries within six months of the date of lodging a first trade mark application. Thus, a trade mark application can be filed in a single country, and then subsequent applications can be filed covering other countries within six months of the first trade mark application, using a process known as claiming priority.

The Madrid Protocol provides a separate process that can be used to file a single international trade mark application that can then be extended to many foreign counties. In this regard, the Madrid Protocol streamlines the international application process so that a trade mark owner may filed an international application through the trade mark office in their residing country, based upon the independent home country trade mark application or registration. Once the international registration is approved, that international registration is then the basis of further trade mark applications in each foreign country/region that is designated in the initial application.

A Madrid Protocol application undergoes a formality examination by WIPO's International Bureau, during which it is ensured that the trade mark meets all administrative requirements. If WIPO approves the mark, it will be recorded on the International Register and published in the "WIPO Gazette of International Marks."

WIPO then notifies the Trade Mark Offices in all the countries designated by the trade mark applicant. Each specific country or region conduct substantive examination to determine the scope of the protection for the mark in their respective countries or region. This final substantive examination is governed by the specific laws of the designated countries and is typically completed within 12 to 18 months.

Trade marks can be renewed indefinitely, with maintenance fees payable every 10 years.

Microba Intellectual Property Portfolio

Details of the patent applications owned by Microba ("the Patent Portfolio") are provided in the Patent Schedule below. Similarly, details of the trade mark registrations and applications owned by Microba ("the Trade Mark Portfolio") are provided in the below Trade Mark Schedule.

The information has been prepared based on our records and on information supplied by overseas IP firms and Intellectual Property Offices in relevant jurisdictions. James & Wells cannot take responsibility for missing or erroneous data that is provided by any third party.

Summary of Patent Portfolio

In summary, the Patent Portfolio includes two families of related patents and applications. Note that patents and patent applications where instructions have been provided by Microba Life Sciences Pty Ltd to abandon these specific applications, are not reported in the Patent Schedule.

Family 1 – Methods for Sample Preparation and Microbiome Characterisation

This patent family derives from an Australian provisional patent application, AU2018902147, filed on 15 June 2018. PCT application PCT/AU2019/050618, claiming priority from this provisional application, was filed on 15 June 2019.

The abstract of the PCT application states that the invention relates to methods and kits for performing microbiome analysis in the field of microbiology. More specifically, the invention is stated to cover methods and

kits for remote sample collection and sample preservation so that analysis may be performed on the sample in a laboratory.

A period of either 30 or 31 months is allowed for a PCT application to enter the national/regional phase of particular countries/regions of interest. At the date of this letter this family includes twelve pending applications as shown in the Schedule.

Family 2 – Compositions and Methods for Treating Disease

This patent family comprises a number of Australian provisional applications, filed in 2021. The applications are broadly directed to Microba's therapeutic assets. The contents of the applications are unpublished and remain confidential.

A period of 12 months is allowed for a complete application (typically an International PCT Application) to claim priority to a provisional application. Therefore, at least one complete patent application may be filed from 23 May 2022.

Limitations

Patent Office Information
The Schedules have been prepared based on information supplied by Patent Offices in relevant jurisdictions, either through official communications or through publication on official databases. We cannot take responsibility for missing or erroneous data that is provided by the Patent Offices and as such, James & Wells is not responsible for the accuracy of the information provided.

Scope of Patents
James & Wells can provide no assurance that any of the patent applications listed in the Schedule will result in the grant of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the claims in an application as originally filed.

Validity of Patents and Trade Marks
It is important to understand that granting of a patent or trade mark is not a guarantee of validity. Patents and trade marks can be held subsequently unenforceable, for example during court proceedings or third part oppositions in some jurisdictions. James & Wells can provide no assurance as to the validity of the patent applications or any patent granted based thereon.

Commercial Activities
James & Wells can provide no assurance that any patents or patents grated on the patent applications listed in the Schedule, even if valid, will cover the commercial activities of Microba, or that exploitation of the inventions described and claimed in the patent applications listed in the Schedule, or any patents granted thereon, will not infringe any rights held by third parties.

It is important to understand that granting of a patent provides a monopoly right to prevent exploitation of the invention by third parties, bur provides no guarantee that the invention can be commercialised without infringing other third party rights. James & Wells can therefore provide no assurances as to Microba's freedom to operate in respect to their commercial activities.

10. Intellectual Property Report

Patent Searches
Searches may be conducted in respect of patents or patent applications to ascertain their validity or to identify other third party patent rights. No search can provide completely comprehensive results and it is not possible to guarantee the accuracy of any such results, conducted by any parties, due to a range of limitations. James & Wells cannot therefore provide assurances to the accuracy of any searches that may have been performed.

JAMES & WELLS INTELLECTUAL PROPERTY

DR ANDREW CLARKE
Partner

MICROBA IP PTY LIMITED
PATENT PORTFOLIO SCHEDULE
FEBRUARY 2022

FAMILY 1 – Methods for Sample Preparation and Microbiome Characterisation

Owner: Microba IP Pty Ltd

Country	Application No.	Priority Date	Filing Date	Status
Australia	2019285381	15 June 2018	15 June 2019	Application pending.
Canada	3,103,836	15 June 2018	15 June 2019	Application pending.
China	201980053696.5	15 June 2018	15 June 2019	Application pending.
Europe	19818966.4	15 June 2018	15 June 2019	Application pending.
Israel	279470	15 June 2018	15 June 2019	Application pending.
Japan	2021-518834	15 June 2018	15 June 2019	Application pending.
Republic of Korea	10-2021-7001102	15 June 2018	15 June 2019	Application pending.
New Zealand	771609	15 June 2018	15 June 2019	Application pending.
Singapore	11202013035U	15 June 2018	15 June 2019	Application pending.
United States	17/252375	15 June 2018	15 June 2019	Application pending.
South Africa	2021/00054	15 June 2018	15 June 2019	Application pending.
Hong Kong	62021040917.8	15 June 2018	15 June 2019	Application pending.

FAMILY 2 – Compositions and Methods for Treating Disease

Owner: Microba IP Pty Ltd

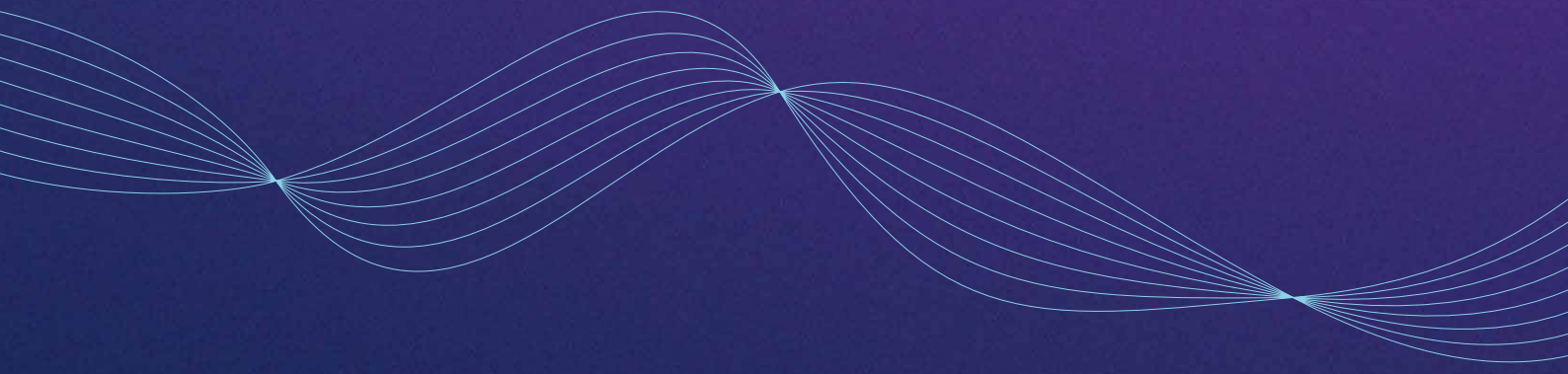
Country	Application No.	Priority Date	Filing Date	Status
Australia	2021901387	10 May 2021	10 May 2021	Application pending.
Australia	2021902122	10 July 2021	10 July 2021	Application pending.
Australia	2021902960	13 September 2021	13 September 2021	Application pending.
Australia	2021903624	11 November 2021	11 November 2021	Application pending.
Australia	2022900261	9 February 2022	11 November 2021	Application pending.

MICROBA IP PTY LIMITED
TRADE MARK PORTFOLIO SCHEDULE
DECEMBER 2021

	TRADE MARK	COUNTRY	TRADE MARK NO.	EARLIEST PRIORITY DATE	CLASSES/ GOODS	STATUS
Microba IP Pty Ltd	MICROBA	Australia	1908213	20 Feb 2018	5, 9, 10, 42, 44	Registered
Microba IP Pty Ltd		Australia	1908250	20 Feb 2018	5, 9, 10, 42, 44	Registered
Microba IP Pty Ltd	MICROBA INSIGHT	Australia	1908255	20 Feb 2018	10, 42, 44	Registered
Microba IP Pty Ltd	MICROBA DISCOVERY PLATFORM	Australia	1908258	20 Feb 2018	9, 42, 44	Registered
Microba IP Pty Ltd **AND** Metagenics (Aust) Pty Ltd	METABIOME	Australia	2004861	23 Apr 2019	9, 10, 42	Registered
Microba IP Pty Ltd	METAPANEL	Australia	2009489	15 May 2019	5, 9, 10, 42, 44	Examination
Microba IP Pty Ltd	MICROBA	New Zealand	1111314	20 Feb 2018	10, 42, 44	Registered
Microba IP Pty Ltd		New Zealand	1111378	20 Feb 2018	5, 10, 42, 44	Registered
Microba IP Pty Ltd	MICROBA INSIGHT	New Zealand	1111381	20 Feb 2018	10, 42, 44	Registered
Microba IP Pty Ltd	MICROBA	United States	(79/249,396)	20 Feb 2018	10, 42, 44	Accepted
Microba IP Pty Ltd		United States	5,934,617	20 Feb 2018	5, 10, 42, 44	Registered
Microba IP Pty Ltd	MICROBA INSIGHT	United States	5,952,267	20 Feb 2018	10, 42, 55	Registered
Microba IP Pty Ltd	MICROBA	European Union	(1443871)	20 Feb 2018	10, 42, 44	Accepted – *under opposition*

Microba IP Pty Ltd		European Union	(1444362)	20 Feb 2018	5, 10, 42, 44	Accepted – *under opposition*
Microba IP Pty Ltd	MICROBA INSIGHT	European Union	(1444373)	20 Feb 2018	10, 42, 44	Accepted – *under opposition*
Microba IP Pty Ltd	MICROBA	China	32,980,683	20 Feb 2018	10, 42, 44	Examination
Microba IP Pty Ltd		China	32,980,684	20 Feb 2018	5, 10, 42, 44	Examination
Microba IP Pty Ltd	MICROBA INSIGHT	China	32,980,682	20 Feb 2018	10, 42, 44	Registered

11.
Taxation



11. Taxation

11.1 Australian tax considerations

This Section provides a general overview of the Australian tax consequences for investors who acquire New Shares through the Offer. The comments in this Section are based on current Australian taxation legislation (including established interpretations of such legislation) in force at the Prospectus Date, which may change.

This Section is general in nature and is not intended to be an authoritative or a complete statement of Australian taxation legislation. It should be noted that Australian taxation legislation is complex and the Shareholders' own circumstances will affect the taxation outcomes of making an investment in New Shares through the Offer. It is recommended that investors seek independent professional advice, having regard to their own specific circumstances, in considering an investment in New Shares through the Offer.

The categories of Shareholders considered in this summary are limited to individuals, companies and trusts (other than superannuation or pension funds), each of whom holds their shares on capital account and are residents of Australia for tax purposes.

This summary does not consider the consequences for Shareholders who are partnerships, complying superannuation or pension funds, insurance companies, banks, Shareholders that hold their shares on revenue account (or any deemed revenue holding rules) or carry on a business of trading in shares, Shareholders who acquired shares in connection with an employee share scheme, Shareholders who are exempt from Australian tax or Shareholders who are non-residents of Australia for tax purposes. This summary also does not cover the consequences for Shareholders who are subject to Division 230 of the *Income Tax Assessment Act 1997* (the Taxation of Financial Arrangements/TOFA regime).

Pitcher Partners has provided the tax comments below. In providing these comments Pitcher Partners is not providing financial product advice. Taxation issues, such as those covered by this Section, are only some of the matters you need to consider when making a decision about a financial product. You should consider taking advice from the holder of an Australian Financial Services Licence before making such a decision.

11.2 Dividends on a Share – Australian tax residents

Dividends may be paid to Shareholders in respect of their Shares. Franking credits may be attached to such dividends.

Franking credits broadly represent the extent to which a dividend is paid out of profits that have been subject to Australian corporate income tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

Generally, Australian tax resident Shareholders are required to include dividends in their assessable income in the income year in which the dividends are received. To the extent that the dividends are franked, subject to the comments below, the franking credits attached to the dividends should also be included in the Shareholder's assessable income (i.e. the dividends are required to be "grossed-up"). In such circumstances, Shareholders are subject to tax at their marginal rate of tax on the grossed-up dividends received (and may be entitled to a tax offset for the associated franking credits, subject to the limitations discussed below).

To the extent that the dividends are unfranked, Australian tax resident Shareholders should be subject to tax at their marginal rate of tax on the unfranked dividends received with no tax offset.

More specifically, the tax treatment in respect of the dividends will vary depending on the nature of the Shareholder as follows.

Australian tax resident individuals

To the extent that the Shareholders are Australian tax resident individuals, such Shareholders should include both the dividend amount and any associated franking credits in their assessable income and may be entitled to a tax offset equal to the franking credit received.

Subject to the below noted integrity rules being satisfied, the tax offset should apply to reduce the income tax payable on the Shareholder's taxable income. Where the tax offset exceeds the amount of total income tax payable on the Shareholder's taxable income in an income year, such Shareholders should be entitled to a tax refund equal to the excess. Where the franking credits are less than the tax payable on the dividends, those Shareholders should be required to pay an additional amount of tax ("top-up tax") on the excess.

Trusts

Shareholders who are trustees (other than trustees of complying superannuation entities or trusts treated as companies for tax purposes), should include any dividends and associated franking credits as assessable income in determining the net income of the trust. The relevant beneficiary who is made presently entitled to the income of the trust may then be entitled to a corresponding tax offset equal to the beneficiary's share of franking credits received, subject to certain requirements being satisfied, including being a "qualified person" in respect of the dividend (see further below).

In relation to trusts, the legislation surrounding the taxation of dividends is complex and independent professional advice should be sought to confirm the appropriate tax considerations and treatment based on the beneficiary's particular circumstances.

Corporate Shareholders

Shareholders that are Australian tax resident companies (including those which are deemed to be companies for income tax purposes) should include both the dividend amount and any associated franking credits in their assessable income and may be entitled to a tax offset equal to the amount of franking credits received on dividends.

However, unlike non-corporate Shareholders, they are unable to claim tax refunds for any excess franking credits. Where excess franking credits exist, a corporate Shareholder may be able to convert the surplus franking credits into carry forward tax losses.

11. Taxation

Corporate Shareholders (including those which are deemed to be companies for income tax purposes) should also be entitled to a credit in their franking accounts equal to the franking credits received in respect of the dividends. A corporate Shareholder may be able to subsequently pass on the benefit of the franking credits by making franked distributions to its own Shareholders.

Integrity rules

Certain limitations exist which, if applicable, may prevent a Shareholder from obtaining the benefit of franking credits. In this regard, Shareholders seeking to claim tax offsets for franking credits must be "qualified persons" in respect of the relevant dividends.

Broadly, to satisfy the qualified person rule, a Shareholder must satisfy the holding period rule or, if necessary, the related payment rule.

The holding period rule broadly requires Shareholders to have held their Shares continuously "at risk" for at least 45 days, excluding the dates of acquisition and disposal, at some time during the period of ownership of the Shares. Very broadly, Shares should be considered to be held "at risk" to the extent that no material "positions" are adopted in relation to the Shares which have the effect of diminishing the economic exposure associated with holding the Shares (for example, certain option and derivative agreements, or agreements to sell the Shares).

Under the related payment rule, a different testing period applies where a Shareholder or an associate of the Shareholder has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where a Shareholder or their associate effectively passes on the benefit of the dividend to another person.

The related payment rule requires the Shareholder to have held the Shares continuously at risk for at least 45 days during the period starting at least 45 days before and ending at least 45 days after the shares go ex-dividend (excluding the dates of acquisition and disposal).

Practically, the related payment rule should not affect Shareholders who do not pass the benefit of the dividend to another person. Shareholders should seek independent advice to determine if the related payment rule applies in their particular circumstances.

In the event that no related payments are made with respect to a particular dividend, an individual Shareholder may satisfy the qualified person rule on an alternative basis, provided that the Shareholder satisfies the small holdings exemption. This exemption should generally be satisfied where the Shareholder is entitled to total franking credit offsets (from all sources) of no more than $5,000 in the relevant year of income.

Special rules apply to trusts and beneficiaries in order to be considered a qualified person. Shareholders should seek independent professional advice to determine if the qualified person requirements, as they apply to them, have been satisfied.

In addition, special integrity measures (for example, dividend washing rules) can apply such that no franking credit offset is available for a dividend received.

For completeness, in the event that a franking credit offset is denied as a result of the application of these rules, the equivalent amount of the offset that would otherwise available should not be included in the relevant Shareholder's assessable income.

Australian Shareholders should consider the impact of the "qualified person" rule as well as other integrity measures which may apply to the claiming of franking credit offsets, having regard to their own facts and circumstances.

11.3 Taxation on disposal of Shares – Australian tax resident Shareholders

The disposal of a Share by a Shareholder should constitute a capital gains tax (**CGT**) event. A capital gain should arise to the extent that the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus certain non-deductible transaction costs). In the case of an arm's length on-market sale, the capital proceeds should generally equal the cash proceeds from the sale.

A CGT discount may be applied against any capital gain (after reduction of the capital gain by applicable capital losses) where the entity which realises the capital gain is an individual or trustee. The CGT discount may be applied in these circumstances, provided that the Shares have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been satisfied. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%, after offsetting current year or prior year capital losses.

If the Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not corporate entities (with the exception of corporate entities in their capacity as trustee of a trust). The ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss may be realised to the extent that the reduced cost base of a Share (which should generally be calculated in a similar manner to the cost base) exceeds the capital proceeds from its disposal. Generally capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

Australian tax resident investors who hold Shares on revenue account should seek separate independent professional advice.

11.4 Tax File Number and Australian Business Number

An Australian tax resident Shareholder is not obliged to quote a Tax File Number (**TFN**), or where relevant, an Australian Business Number (**ABN**), to the Company. However, if a TFN or ABN is not provided to the Company and no exemption is applicable to the Shareholder, pursuant to the TFN withholding rules, income tax may be required to be withheld by the Company at the highest marginal rate (including where relevant the Medicare levy) on unfranked dividends and/or other applicable distributions. Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld in their income tax returns.

No withholding requirements should apply in respect of fully franked dividends paid in respect of the Shares.

11.5 Stamp duty

On the basis that the Company is not a landholder in any Australian jurisdiction, no stamp duty should be payable on the Listing of the Company on the ASX.

Under current stamp duty legislation, stamp duty should also not ordinarily be payable on any subsequent acquisition of Shares in the Company by a Shareholder and, even if the Company is a landholder for stamp duty purposes, provided the Company remains listed on the ASX and less than 90% of the shares are acquired, no landholder duty should be payable on any subsequent acquisition of Shares in the Company by a Shareholder.

Shareholders should seek their own independent advice as to the impact of stamp duty in their own particular circumstances.

11.6 Goods and services tax (GST)

Under current Australian GST legislation, GST should not be applicable to the acquisition or disposal of any Shares. The ability of Shareholders to recover any GST incurred as an input tax credit in relation to costs associated with the Offer (such as costs relating to professional advice obtained by Shareholders regarding the Offer) would vary according to individual circumstances and as such, Shareholders should seek GST advice in this respect.

No GST should be payable by Shareholders on receiving dividends (or other distributions) paid by the Company.

12.
Additional Information

12. Additional Information

12.1 Registration

Microba Life Sciences Limited ACN 617 096 652, was registered in Queensland on 31 January 2017.

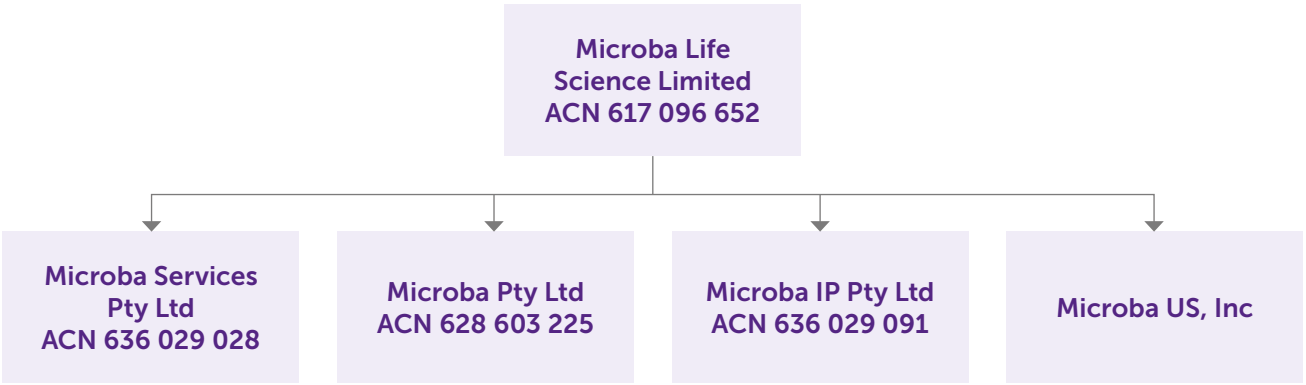
Microba is the parent company of the following:

(a) Microba Services Pty Ltd ACN 636 029 028 (payroll subsidiary), registered in Queensland on 6 September 2019;

(b) Microba Pty Ltd ACN 628 603 225 (operating subsidiary), registered in Queensland on 5 September 2018;

(c) Microba IP Pty Ltd ACN 636 029 091 (intellectual property subsidiary), registered in Queensland on 6 September 2019; and

(d) Microba US, Inc (United States subsidiary), registered in the State of Delaware, United States on 13 January 2020.



12.2 Capital structure

The capital structure of the Company, as at the Prospectus Date, and completion of the Offer and in the event the Ginkgo R&D Consideration is paid in Shares is set out in the tables below.

12.2.1 Capital structure – Undiluted

Shares

Shares	Shares held on the Prospectus Date	Shares held on IPO Completion	Percentage held on IPO Completion
Existing Shares	207,691,332	207,691,332	75.70%
New Shares issued under the Offer	Nil	66,666,666	24.30%
Total	**207,691,332**	**274,357,998**	**100%**

Refer to Section 12.3 for a summary of the rights attaching to the Shares. Refer to Section 6.7 for a summary of the interests in the Shares held by Directors.

Options

Options	Options held on the Prospectus Date	Options held on IPO Completion	Percentage of Options held on IPO Completion
Existing Options	17,600,000	17,600,000	93.62%
Director Options	Nil	1,200,000	6.38%
Total	**17,600,000**	**18,800,000**	**100%**

Refer to Section 12.4.1 for a summary of the rights attaching to the Existing Options and Director Options. Refer to Section 6.7 for a summary of the interests in the Existing Options and Director Options held by Directors.

12.2.2 Capital structure – Diluted

The below table depicts the number of Shares that will be held assuming all Options (being the Existing Options and the Director Options) are exercised into Shares.

Refer to Section 6.7 for a summary of the interests held by Directors.

Shares	Total Shares held on the Prospectus Date on a fully diluted basis	Total Shares held on IPO Completion on a fully diluted basis	Percentage held on IPO Completion on a fully diluted basis
Existing Shares	207,691,332	207,691,332	70.85%
New Shares issued under the Offer	Nil	66,666,666	22.74%
Shares on exercise of Existing Options[1]	17,600,000	17,600,000	6.00%
Shares on exercise of Director Options[2]	Nil	1,200,000	0.41%
Total	225,291,332	293,157,998	100%

Notes:

1. The Existing Options are exercisable into Shares on a 1:1 basis. Refer to Section 12.4.1 for further detail on the Existing Options. Of these Existing Options, 1,000,000 are held by Directors or by entities related to the Directors.
2. The Director Options are to be issued on IPO Completion and exercisable into Shares on a 1:1 basis. Refer to Section 12.4.2 for further detail on the Director Options. Of these Director Options, 100% are to be held by Directors or by entities related to the Directors.

12.2.3 Capital structure – Assuming issue of Shares to Ginkgo Bioworks

As detailed in Section 9.10, up to US$3.5 million in Ginkgo R&D Consideration may potentially be paid in either cash or Shares between approximately 15 and 24 months following IPO Completion. The number of Shares (**Ginkgo Deferred Shares**) to be issued:

(a) is calculated by dividing the relevant amount of the payment by the then current 20-day volume weighted average market price of Shares in Microba (**VWAP**) ending on the second business day before the date on which the relevant payment is to be made;

(b) will be subject to a 6-month voluntary escrow commencing on their respective dates of issue; and

(c) will be capped at 10,886,385 Shares. Given the cap, any shortfall (if any) between the value of the Ginkgo Deferred Shares issued (based on the 20-day VWAP calculation) and the Ginkgo R&D Consideration, will be paid by Microba Pty Ltd to Ginkgo Bioworks in cash.

A snapshot of the maximum dilutive impact of the Ginkgo Deferred Shares is provided below:

Shares	Shares – IPO Completion	Shares – post issue of Ginkgo Deferred Shares (undiluted)	Shares – post issue of Ginkgo Deferred Shares (diluted)	% of Shares – post issue of Ginkgo Deferred Shares (undiluted)	% of Shares – post issue Ginkgo Deferred Shares (diluted)
Existing Shares	207,691,332	207,691,332	207,691,332	72.81%	68.31%
New Shares issued under the Offer	66,666,666	66,666,666[1]	66,666,666	23.37%	21.93%
Shares issued on exercise of Existing Options	Nil	Nil	17,600,000	0.00%	5.79%
Shares issued on exercise of Director Options	Nil	Nil	1,200,000	0.00%	0.39%
Ginkgo Deferred Shares issued to Ginkgo Bioworks	Nil	10,886,385	10,886,385	3.82%	3.58%
Total	274,357,998	285,244,383	304,044,383	100%	100%

Note:

1. On IPO Completion it is anticipated that Ginkgo Bioworks will hold 10,886,385 Shares, acquired under the Offer.

Based on the Shares to be acquired by Ginkgo Bioworks at IPO Completion and the maximum number of Ginkgo Deferred Shares that may be issued as payment for the Ginkgo R&D Consideration, Ginkgo Bioworks could have a maximum interest of 7.63% in the Company.

This assumes that:

(a) no additional Shares are issued in Microba between IPO Completion and the date of issue of the Shares to Ginkgo Bioworks; and

(b) Ginkgo Bioworks does not separately acquire any additional Shares in Microba following IPO Completion.

Microba considers the number of Ginkgo Deferred Shares to be appropriate and equitable given the Ginkgo Deferred Shares are ordinary shares in Microba and may be issued in lieu of fixed cash payments calculated on a 20-day VWAP and subject to a cap of 10,886,385 Shares, allowing the maximum dilutive impact of the Ginkgo Deferred Shares to be readily determined.

12.3 Shares and rights attaching to Shares

12.3.1 Top 10 Shareholders

The top 10 registered Shareholders of the Company as at the Prospectus Date is set out in the below table. The table also sets out the percentage of Shares in the Company that will be held at IPO Completion (on an undiluted basis). The table below assumes that the Existing Shareholders listed below will not apply for and receive New Shares under the Offer.

Rank	Existing Shareholder	Shareholding as at the Prospectus Date	% issued capital – as at the Prospectus Date	% issued capital – at IPO Completion
1	SA Microba Holdings Pty Ltd[1]	30,413,166	14.64%	11.09%
2	Macrogen, Inc.[2]	17,828,431	8.58%	6.50%
3	Boysenholtz Pty Ltd	17,178,431	8.27%	6.26%
4	Genenika Pty Ltd[3]	17,100,000	8.23%	6.23%
5	Dempsey Capital Pty Ltd[4]	14,985,993	7.22%	5.46%[4]
6	BNP Paribas Noms Pty Ltd[6]	12,482,493	6.01%	4.55%[6]
7	Tiga Trading Pty Ltd[5]	7,334,734	3.53%	2.67%
8	Mainstream Funds Services Pty Ltd <Peren Prvt to Pub OP/F A/C>[6]	6,992,297	3.37%	2.55%[6]
9	Mainstream Fund Services Pty Ltd <Perennial Priv of No. 3 a/c>[6]	6,375,000	3.07%	2.32%[6]
10	Mainstream Fund Services Pty Ltd <Perennial Priv of No. 2 a/c>[6]	5,357,142	2.58%	1.95%[6]
Total		**136,047,687**	**65.50%**	**49.59%**
	All other Existing Shareholders	71,643,645	34.50%	26.11%
Grand Total		**207,691,332**	**100%**	**75.70%**

Notes:

1. This entity is controlled by Director, Richard Bund. This entity will have a total relevant interest in Microba of 11.49% at IPO Completion on the basis of the 1,111,111 New Shares to be acquired under the Offer.
2. Macrogen, Inc. has a right of nomination to the Board contained in the Constitution. Director, Dr Hyungtae Kim is the Macrogen, Inc. nominee appointed to the Microba Board. For more information on this right of nomination, refer to Section 12.3.
3. This entity is controlled by Director, Professor Gene Tyson.
4. This entity will have a total relevant interest in Microba of 7.24% at IPO Completion on the basis of the 4,888,889 New Shares to be acquired under the Offer.
5. This entity, along with Thorney Technologies Limited and Jasforce Pty Ltd have a total relevant interest in Microba of 5.00% (as at the Prospectus Date) and 3.79% on a post Offer basis assuming they do not take-up any New Shares in the Offer.
6. Perennial Value Management Limited controls the following holdings Mainstream Funds Services Pty Ltd <Peren Prvt to Pub OP/F A/C>, Mainstream Fund Services Pty Ltd <Perennial Priv of No. 3 a/c>, BNP Paribas Noms Pty Ltd, Mainstream Fund Services Pty Ltd <Perennial Priv of No. 2 a/c> and have a total relevant interest in Microba of 15.03% (as at the Prospectus Date) and 14.82% at IPO Completion on the basis of the 9,444,444 New Shares to be acquired under the Offer by entities controlled by Perennial Value Management Limited.

This table does not take into account any New Shares that may be acquired by the above parties under the Offer.

Details of the Shares that will be subject to escrow arrangements are set out in Section 12.8.

12.3.2 Rights attaching to Shares

Detailed provisions relating to the rights attaching to the Shares are set out in the Constitution and the Corporations Act. A copy of the Constitution can be inspected during office hours at the registered office of the Company and Shareholders can obtain a copy of the Constitution, free of charge and is available on the website https://www.microba.automicipo.com.au/.

The following is a summary of the principal rights of Shareholders. It is not intended to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders which can involve complex questions of law arising from the interaction of the Company's Constitution with statutory and common law requirements.

If you wish to seek a definitive assessment of the rights and liabilities that attached to your Shares in any specific circumstance, you should seek independent legal advice.

12. Additional Information

Voting:	At a meeting of Shareholders, except where otherwise provided by the Corporations Act or the Constitution or to comply with governance recommendations of the ASX Corporate Governance Council in respect of when a poll is to be demanded, resolutions are to be decided by a show of hands. However, the Chair may request a poll immediately after a show of hands, and, subject to conditions, Members may request a poll. A Shareholder is not entitled to vote at a general meeting unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. The Chair does not have a casting vote.
Proxy:	An instrument appointing a proxy or any power of attorney is to be forwarded to the company no less than 48 hours before the meeting is held. Any instrument deposited outside the timeframe is invalid.
General meetings and notices:	The Company shall call an annual general meeting in accordance with the Corporations Act. The Directors shall convene a meeting of the Company on requisition of a majority of Directors, on requisition by a person entitled to call a meeting under the law, or by resolution of the Board. Ordinary shareholders and preference shareholders are entitled to receive notice of and attend meetings, and receive all documents required to be sent to shareholders under the Company's Constitution and the Corporations Act. Ordinary shareholders are entitled to vote at meetings in the ordinary course, and preference shareholders can only vote on the limited issues outlined in the Constitution. The quorum for a meeting of Shareholders is three Shareholders present in person.
Virtual meetings and electronic signatures	The Constitution permits meetings to be held wholly or partly online, virtually or electronically (though, does not permit a meeting where attendees cannot engage and participate), and permits an individual to be "present" or "in attendance" at such meeting electronically or via the use of any technology. Further, where a document is required to be signed by a Chair, Director, Secretary, Shareholder, a person consenting to be or resigning as a Director, Secretary or public officer of the Company, or a Shareholder's proxy, attorney or body corporate representative, the electronic signature, whether digital or encrypted, of that person has the same force and effect as his or her manual 'wet ink' signature.
Macrogen rights	Macrogen, Inc. has a right to nominate to the Company the appointment, removal or replacement of one Director for so long as it holds at least 10% of the issued ordinary share capital of the Company. Upon ceasing to hold at least 10% of the issued ordinary share capital of the Company, and if requested by the Company, Macrogen, Inc. is obliged to use its best endeavours to ensure its nominee Director resigns.
Dividends and share plans:	Subject to the Corporations Act and the Constitution, the Directors may pay to Shareholders any final or interim dividends as they see justified by the equity of the Company. Payment of dividends may be by cheque or electronic funds transfer, or as otherwise determined by the Directors. Any unclaimed dividends may be invested and used by Directors for the benefit of the Company until claimed or required by law to be transferred to ASIC. The Company is not a trustee in respect of unclaimed dividends. The Board may adopt a Dividend reinvestment plan at its discretion whereby ordinary shareholders may forego their right to share in Dividends and instead receive an issue of fully paid shares in the Company.
Issue of Shares:	Subject to the Corporations Act, the Listing Rules and the Constitution, the issue of shares in the Company is under the control of the Directors who may issue, allot or dispose of shares in the company on the terms and conditions and with such rights and privileges as they see fit. Subject to the Constitution and any resolution made with respect to the alteration of capital, the Directors may issue new shares with or without special conditions, preferences or priority. Subject to the Corporations Act and the Listing Rules, the Company may issue preference shares or shares with special privileges or voting rights on such terms as the Directors shall determine. Such preference shares may be, or at the option of the Company be, liable to be redeemed or converted into other shares.

Transfer of Shares:	Generally, all shares are freely transferrable subject to the procedural requirements of the Constitution and to the provisions of the Listing Rules. If permitted by the Listing Rules or the Operating Rules, the Directors may decline to register an instrument of transfer received.
Shareholder liability:	As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture. The Company may, in the future, issue Shares that are partly paid and issue a call on those Shares. Any such obligations will be outlined at the time the Shares are offered.
Proportional takeover provisions:	The registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.
Winding up:	If the Company is wound up and assets remain after the payment of debts and liabilities of the Company and the costs of winding up, these assets (**Surplus Assets**) can be distributed by the liquidator in accordance with the procedure set out in the Constitution and outlined below. They are to be distributed first, in repayment of paid-up capital in accordance with the respective rights of the Members and, second, the balance remaining shall be distributed among the ordinary Members in Proportion to the paid-up capital or which ought to have been paid up at the commencement of the winding up (other than amounts paid in advance of calls). If the Surplus Assets are insufficient to repay the whole of the paid up capital, those assets are to be distributed so that the losses shall be borne by the Members in proportion to the capital paid-up or which ought to have been paid up at the commencement of the winding up (disregarding amounts paid in advance of calls).
Variation of rights:	If share capital is divided into different classes of Shares, preference capital (other than redeemable preference capital) shall not be repaid. Further, the rights attaching to any class cannot be varied without the written consent of the holders of 75% of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.
Directors – appointment, retirement and removal:	The Company may by resolution increase or decrease the number of directors, with the minimum number of directors being three (3) and the maximum being nine (9). Directors may appoint another person qualified to be a director to either fill a casual vacancy or as an addition to the Board. A director who is so appointed only holds office until the next annual general meeting, where they are eligible for re-election. At a general meeting the Company may, by resolution, remove a director before the end of their term, appoint another qualified person as director, or remove any director before the expiration of their term and appoint a qualified person in their stead. A director must not continue in office in excess of three (3) consecutive years until the third annual general meeting following their appointment without submitting to re-election.
Decisions of Directors:	The quorum for a meeting of Directors is two (2). Questions arising at any meeting of Directors shall be decided by a majority of votes. A determination of a majority of Directors is for all purposes taken to be a determination of the Directors. The Chair of the meeting, when more than two directors including the Chair are present, has a second casting vote.
Alteration to the constitution:	The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting or by a court order pursuant to the Corporations Act.

12. Additional Information

12.4 Options and rights attaching to Options

12.4.1 Existing Options

The 17,600,000 Existing Options were issued throughout October 2018, February 2019, March 2019, April 2019, November 2019, January 2020, June 2020 and April 2021 under the previous 2018 Employee Incentive Plan.

The following is a summary of the principal details and principal rights of the Existing Options:

Number on issue:	17,600,000 Existing Options[1]
Issue price:	Nil
Exercise price:	$0.180, $0.255, $0.300, $0.336 The ASX indicated on 9 December 2021 that it will likely grant a waiver to allow 7,850,000 Options to have an exercise price of less than $0.20. Refer to Section 12.11 for further information.

Exercise period:

Options	Exercise Period		Exercise Price
7,850,000 Existing Options	6,900,000 Existing Options	15 October 2018 – 15 October 2023	$0.180
	400,000 Existing Options	15 February 2019 – 15 October 2023	
	150,000 Existing Options	1 March 2019 – 15 October 2023	
	400,000 Existing Options	5 April 2019 – 15 October 2023	
400,000 Existing Options	13 January 2020 – 24 November 2024		$0.255
5,700,000 Existing Options	5,100,000 Existing Options	25 November 2019 – 24 November 2024	$0.300
	200,000 Existing Options	31 January 2020 – 24 November 2024	
	400,000 Existing Options	30 June 2020 – 24 November 2024	
3,650,000 Existing Options	2,150,000 Existing Options	5 April 2021 – 4 April 2026	$0.336
	1,500,000 Existing Options	23 April 2021 – 22 April 2026	
TOTAL 17,600,000 Existing Options			

Exercise ratio:	1:1
Lapse of Existing Options	An Existing Option lapses, to the extent it has not been exercised, on the earlier of: (a) the expiry of the option period; (b) if an Eligible Person's employment or engagement with the Company ceases because of an Uncontrollable Event (i.e. a death serious injury, disability, forced early retirement etc.) or a Controllable Event (i.e. cessation of employment), the last day of (i) the expiry of the option period; or (ii) 3 months for a Controllable Event or 6 months for an Uncontrollable Event (or such other period as the board shall determine, in its absolute discretion) from the date on which the Eligible Person ceased that employment or engagement, unless the board determined otherwise.
Participation in new issues:	The Existing Option does not confer any right on the Option Holder to participate in a new issue of securities without exercising the Existing Option.
Shares issued on exercise:	Shares issued as a result of the exercise of the Existing Option will rank pari passu in all respects with all other ordinary shares then on issue.
Dividend:	The Existing Option does not confer any rights to dividends. Shares issued upon the exercise of the Existing Option will only carry an entitlement to receive a dividend if they were issued on or before the 'record date' for the dividend.

Adjustment for bonus issue and rights issue:	If there is a bonus issue to Shareholders, the number of Shares over which the Existing Option is exercisable will be not be increased. If there is a pro-rata issue of new Shares to Shareholders, the Exercise Price or number of underlying Shares into which one Existing Option is exercisable will, in the case of a pro-rata issue, be adjusted.
Adjustment for reorganisation of capital:	If the Company reorganises its capital, the rights of the Existing Option Holder (and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital, at the time of the reorganisation.
Not quoted:	The Company will not apply for quotation of the Existing Option on the ASX.
Transferability:	The option is only transferable up until it lapses, in the following circumstances: (a) a participant disposes to a nominee or trustee for that participant; (b) a participant disposes to the trustee or trustees of a family trust set up for the benefit of that participant's family; or (c) a disposal is consented to by the board.
Cashless settlement:	The Option Holder may elect to set off the exercise price for the Existing Options against the number of Shares they are entitled to receive upon exercise, in which case the holder would receive Shares to the value of the surplus after the Exercise Price has been set off (**Cashless Exercise Facility**). For the avoidance of doubt, if the Cashless Exercise Facility is elected, the Option Holder will only be issued the number of Shares equal in value to the difference between the total Exercise Price otherwise payable on the Options being exercised and the then market value of the Shares. If the difference is zero or negative, then an Option Holder will not be entitled to use the Cashless Exercise Facility.

Notes:

1. All Existing Options were issued under section 708 of the Corporations Act.

For detail on the Existing Options held by Directors, refer to Section 6.7. It is proposed that after the Prospectus Date, all employee incentives will be issued under the 2021 Employee Incentive Plan detailed in Section 12.5.

12.4.2 Director Options

It is proposed that at IPO Completion, 1,200,000 Director Options will be issued to the Directors of Microba under the 2021 Employee Incentive Plan.

The following is a summary of the principal details and principal rights of the Director Options:

Options	Exercise price	Vesting Date	Exercise period
Director Option details			
399,998	The IPO price plus 50%, being $0.675	12 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
399,998		24 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
400,004		36 months following the issue date	Commencing on the Vesting Date and ending 37 months following the issue date
TOTAL 1,200,000			
Exercise ratio			
1 Share for every Option			
Terms applicable to the Director Options			
The Director Options are otherwise subject to the terms of the 2021 Employee Incentive Plan detailed in Section 12.5.			

Note:

1. Director Options will be issued to the Directors under ASIC Corporations (Disclosure Relief—Offers to Associates) Instrument 2017/737.

For detail on the Director Options proposed to be issued to each Director at IPO Completion, refer to Section 6.7.

12. Additional Information

12.5 2021 Employee Incentive Plan

On 27 September 2021, Microba adopted the 2021 Employee Incentive Plan to assist in the motivation, reward and retention of its Directors, executive staff and other selected employees.

The key terms of the 2021 Employee Incentive Plan are detailed below. As at the Prospectus Date, other than with respect to the Director Options proposed to be issued on IPO Completion (See Section 12.4.2), no other incentives have been issued, or approved by the Board to be issued, under the 2021 Employee Incentive Plan.

It is proposed that after the Prospectus Date, all incentives will be issued under the 2021 Employee Incentive Plan.

Terms	Description
Purpose	The purpose of the Employee Incentive Plan (**Plan**) is to reward, motivate and retain 'Eligible Employees' for creating value for the shareholders of the Company (**Shareholders**) by providing Eligible Employees with an opportunity to gain an equity interest in Microba Life Sciences Limited (**Company**).
Eligibility	An offer under the Plan may be made to any eligible employee, being a Director, employee or consultant of the Company or related body corporate of the Company who is declared by the board to be eligible or any other person who is declared to be eligible by the board (**Eligible Employee**).
Form of equity	The following incentives may be issued under the Employee Incentive Plan: • Options or Performance Rights; • Share(s) in the Company (**Shares**) issued pursuant to the exercise of an Option or conversion of a Performance Rights; or • Incentive Shares, (each an **Incentive**).
Maximum allocation	An Offer of Options, Performance Rights or Incentive Shares may only be made under the Plan if the aggregation of the following: • number of Shares that may be issued if each outstanding Option and Performance Right were exercised; plus • the number of Incentive Shares issued, pursuant to the Plan or any other group employee incentive scheme during the previous 3 years does not exceed 5% of the total number of Shares on issue at the time of the proposed issue.
Offer	The Board may make an offer to the determined Eligible Employee (**Offer**). The Board must give each Eligible Employee who is invited to apply for the Incentives under the Plan an offer letter which may specify the following information in relation to the Offer: • the number of Options, Performance Rights or Incentive Shares; • the conditions on the Offer (**Offer Conditions**); • the date on which the Incentives are granted to a Participant (**Grant Date**); • the fee payable by a Participant on the grant of the Incentives (**Fee**) (if any); • the performance requirements (as specified in the offer letter) which must be met prior to the vesting of an Incentive (**Performance Criteria**) (if any); • the time-based requirements or conditions (as specified in the Offer) which must be met prior to Incentives (as applicable) vesting in a Participant (**Vesting Conditions**) (if any); • the exercise price payable (if any) by a Participant to acquire a Share upon the exercise of an Option as specified in the Offer (**Exercise Price**); • the date when the an Offer lapses (**Expiry Date**) and the period commencing on the Grant Date and ending on the Expiry Date (**Term**) (if applicable); • the period up to the Expiry Date during which a vested Option may be exercised (**Exercise Period**) (if applicable); and • the period in which the Performance Criteria must be satisfied in respect of an Incentive (**Performance Period**) (if applicable). An Offer must be accompanied by an application by an Eligible Employee to participate in the Plan (**Application**), the terms and conditions of the relevant Incentive and a copy of the Plan. Once the Application has been returned to the Company, the Eligible Employee becomes a participant in the Plan (**Participant**). A person to whom an Offer is made may accept the Offer by completing the Application.

Terms	Description
Rights attaching to Shares	Any Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer in respect of all rights, bonus issues and dividends which have a record date for determining entitlements on or after the date of allotment, issue, or transfer of those Shares.
Lapse and forfeiture	An Employee's Options or Performance Rights will automatically lapse and be cancelled for no consideration at the earliest of the following to occur: • Subject to the good and bad leaver provisions, 10 business days after the cessation of employment, contractual engagement or office of a Participant with the Company or any member of the group such that the Participant is no longer an employee, contractor or officer of any member of the group or the Company; • where fraudulent or dishonest actions have occurred or where the board has determined that the Participant has, by any act or omission, brought the group into disrepute or acted contrary to the interests of the Company or the group; • if applicable Performance Criteria and/or Vesting Conditions are not achieved by the relevant time; • the expiry date specified in the offer letter; • where the board has determined that the Participant has, by any act or omission, brought the group into disrepute or acted contrary to the interests of the Company or the group; • the receipt by the Company of notice from the Participant, after a death or total and permanent disablement of the Participant, that the Participant has elected to surrender the Incentives; or • any other circumstances specified in any offer letter pursuant to which the Incentives were issued. An Offer of Options, Performance Rights and/or Incentive Shares can lapse before any of the securities detailed in such Offers are issued in the absolute discretion of the Board. The Board retains the discretion to determine the treatment of Options in the event that the Vesting Conditions or Performance Criteria have not been satisfied and the treatment of Performance Rights in the event that the Performance Period has expired or the Participant has failed to satisfy the Performance Criteria or Vesting Conditions.
Good Leaver and Bad Leaver	**Good Leaver** Where a Participant who holds Incentives becomes a 'Good Leaver' (determined at the discretion of the board): • all vested Options which have not been exercised in accordance with the Rules will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the board determines otherwise in its sole and absolute discretion, after which the Options will lapse; and • the board may at any time, in its sole and absolute discretion (subject to the Corporations Act and ASX Listing Rules), do one or more of the following: – permit unvested Incentives held by the Good Leaver to vest; – permit such unvested Incentives held by the Good Leaver or his or her nominee(s) to continue to be held by the applicable holder, with the board having the discretion to amend the vesting criteria (including any offer conditions, Performance Criteria or Vesting Conditions) or reduce the exercise period of such unvested Incentives; or – determine that the unvested Incentives will lapse. **Bad Leaver** Where a Participant who holds Incentives becomes a 'Bad Leaver' (determined at the discretion of the board and includes fraudulent or dishonest actions) unless the board determines otherwise, in its sole and absolute discretion, all vested and unvested Incentives will lapse and the board may determine to buy back any Shares issued upon exercise of an Option or conversion of a Performance Rights in accordance with the terms of the Plan.
Buy-back	Incentives issued pursuant to the Plan will be subject to the Company's right to buy-back and may at any time be immediately bought-back by the Company: • if the Participant holding the Incentives ceases employment or office where the Offer Conditions, Performance Criteria and/or Vesting Conditions attaching to the Incentives have not been met by the time of cessation; • the Bad Leaver provisions set out in the Plan apply; • the fraudulent or dishonest actions provisions set out in the Plan apply; or • the Options, Performance Rights or offer of Incentive Shares have lapsed.

12. Additional Information

Terms	Description
Assignment	Unless otherwise determined by the Board or required by law, Options and Performance Rights held under the Plan may not be transferred or assigned.
Amendment, Termination and suspension	The Board may at any time amend the Rules or the terms and conditions upon which any Incentives have been issued under the Plan. Other than to comply with any law or the ASX Listing Rules, no amendment to the Rules may be made if the amendment, in the opinion of the board, materially reduces the rights of any Participant in respect of Incentives granted to them prior to the date of the amendment. The Board may at any time terminate or suspend the operation of the Plan for such period or periods as it thinks fit.
Terms and conditions of Options	(**Entitlement**) Each vested Option entitles the Participant holding the Option to subscribe for, or to be transferred, one Share on payment of the Exercise Price. (**Exercise Period**) The Exercise Period will be determined by the board. (**Conditions for Vesting and Exercise**) The Board will determine prior to an Offer being made and specify in the Offer any Performance Criteria and/or Vesting Conditions attaching to the Options. Upon receiving a vesting notification from the Company that the Participant's Incentives have vested and are exercisable, the Participant may exercise the Options within the Exercise Period by delivering a signed notice of exercise and the applicable payment to the Company, subject to the cashless exercise of the Options. (**Cashless settlement**) The Participant may elect to set off the exercise price for the Options against the number of Shares they are entitled to receive upon exercise, in which case the holder would receive Shares to the value of the surplus after the Exercise Price has been set off (**Cashless Exercise Facility**). For the avoidance of doubt, if the Cashless Exercise Facility is elected, the Participant will only be issued the number of Shares equal in value to the difference between the total Exercise Price otherwise payable on the Options being exercised and the then market value of the Shares. If the difference is zero or negative, then a Participant will not be entitled to use the Cashless Exercise Facility. (**Adjustments**) – • **Reorganisation** – In the event of any variation in the share capital (such as a consolidation, subdivision, reduction or capital return), the number of Incentives held will be adjusted in accordance with the applicable ASX Listing Rules so that the Participant does not suffer any material detriment following any variation in the share capital as allowed under the ASX Listing Rules. • **Rights Issue** – If there is a pro-rata issue of new Shares to Shareholders, the Exercise Price or number of underlying Shares into which one Option is exercisable will, in the case of a pro-rate issue, be adjusted in accordance with the ASX Listing Rules. • **Bonus Issue** – If the Company makes a bonus issue of Shares or other securities to existing Shareholders, the number of Shares which must be issued on the exercise of a Participant's Options will be increased to the number of Shares which the Participant would have received if the Participant had exercised those Options before the record date for the bonus issue. (**New issue and other rights**) A participant who holds Options is not entitled to: • notice of, or to vote or attend at, a meeting of the Shareholders; • receive any dividends declared by the Company; • participate in any new issues of securities offered to Shareholders during the term of the Options; or • cash for the Options or any right to participate in surplus assets of profits of the Company on winding up, unless and until the Options are exercised and the Participant holds Shares. (**Change of Control**) Where the Company announces a change of control event (i.e. approval of a scheme of arrangement, a takeover bid, a person acquiring more than 50.1% of the issued Shares or the sale of the business (**Change of Control Event**)) has occurred or is likely to occur: • a Participant may exercise their Options regardless of the Vesting Conditions having been satisfied; and • where the an offer has been made to the Participants on like terms to the terms proposed in relation to issued Shares under the Change in Control Event and this offer has not been accepted by the end of the offer period, the Options will lapse within 10 days of the end of that offer period.

Terms	Description
Terms and conditions of Performance Rights	(**Entitlement**) The Board may offer Performance Rights to any Participant in its sole discretion. Each Performance Right confers an entitlement to be provided with one Share. (**Performance Criteria/Vesting Conditions and satisfaction and variation to Performance Criteria/ Vesting Conditions**) The board will determine prior to an Offer being made and specify in the Offer any Performance Criteria, Vesting Conditions, Performance Period or Expiry Date attaching to the Performance Rights. The board will determine at its sole discretion whether the Performance Criteria and/or Vesting Conditions have been satisfied. (**Lapse of Performance Rights**) Where Performance Rights have not satisfied the Performance Criteria by the end of the Performance Period or the Expiry Date (whichever occurs earlier), those Performance Rights will automatically lapse. (**Adjustment for reorganisation**) If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Participant who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation as allowed under the ASX Listing Rules. (**Bonus Issue**) If, during the term of any Performance Rights, Shares are issued pro rata to Shareholders generally by way of bonus issue, the number of Performance Rights to which the Participant is then entitled, shall be increased to a number equal to the number of Shares which the Participant would have been entitled to receive if the Performance Rights then held by the Participant had vested immediately prior to the record date for the bonus issue. (**New issue and other rights**) A Participant who holds Performance Rights is not entitled by virtue of holding those Performance Rights to: • notice of, or to vote or attend at, a meeting of the Shareholders; or • receive any dividends declared by the Company; or • participate in any new issues of securities offered to Shareholders during the term of the Performance Rights; or • cash for the Performance Rights or any right to participate in surplus assets of profits of the Company on winding up, unless and until the Performance/Vesting Conditions are satisfied and the Participant holds Shares. (**Change of Control**) Where the Company announces a Change of Control Event has occurred or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria or Vesting Conditions have been satisfied.

As detailed above, Directors are entitled to participate in the 2021 Employee Incentive Plan. For detail on the Director Options to be issued to Directors under the 2021 Employee Incentive Plan, refer to Section 6.7.

As at the Prospectus Date, no Shares, Options or Performance Rights (other than the Director Options proposed to be issued at IPO Completion) are proposed to be issued to any Director under the 2021 Employee Incentive Plan. Following the Listing Date, any issue of Options to a Director under an incentive plan will require prior Shareholder approval under ASX Listing Rule 10.14.

12.6 Ownership restrictions

12.6.1 Corporations Act

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in voting shares if, because of that acquisition, a person's voting power in the company:

(a) increases from under 20% to over 20%; or

(b) increases from a starting point that is over 20% and below 90%.

Subject to the below, no New Shares will be issued to an Applicant if the issue would contravene the takeover prohibition in section 606 of the Corporations Act.

There are a number of exceptions to the prohibition in section 606 of the Corporations Act, including acquisitions that result from an issue, under a prospectus, of shares in a company if the issue is to a person as underwriter to the issue or sub-underwriter and the document disclosed the effect that the acquisition would have on the person's voting power in the company (section 611, item 13).

Under the Underwriting Agreement, the Underwriters are obliged to subscribe (50% each) for all of the shortfall shares (maximum of 66,666,666 New Shares). The relevant interest of the Underwriters will vary depending on the take-up of investors and the placing of shortfall shares. The table below outlines the Underwriters' interests in the Company where there is 100%, 50%, and 0% take-up of Application under the Offer.

	100% take-up by Applicants under this Prospectus	50% take-up by Applicants under this Prospectus	0% take-up by Applicants under this Prospectus
Relevant interest of Bell Potter Securities Limited	0%	6.07%	12.15%
Relevant interest of Canaccord Genuity (Australia) Limited	0%	6.07%	12.15%

The Underwriters have confirmed that on the facts and circumstances presently known to them, they are supportive of the current direction and objectives of the Company and they do not currently intend to make any changes to the Company's direction and objectives.

The voluntary escrow arrangement comply with the requirements of ASIC Class Order 13/520 and consequently Microba does not have a relevant interest in those voting shares.

Microba is relying on ASIC Class Order 13/520 to facilitate the voluntary escrow of shares held by certain Shareholders.

12.6.2 *Foreign Acquisitions and Takeovers Act 1975* (Cth) and Australian Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of a "substantial interest" in an Australian entity by a "foreign person" and its associates, where the acquisition meets a threshold value (which varies by investor type, industry and at times, economic conditions). A "substantial interest" is an interest of 20% in the entity.

In addition, the FATA applies to:

(a) acquisitions of a "direct interest" in an Australian entity by a foreign government and its related entities, irrespective of the acquisition value; and

(b) acquisitions of a "direct interest" in a "national security business" by a "foreign person" and its associates or by a foreign government and its related entities, irrespective of the acquisition value.

A direct interest is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity.

There are exemptions or different criteria which can apply to certain acquisitions.

Where the FATA requires notification of the proposed acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting. An acquisition to which the FATA applies, may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a no objection notification or expiry of a statutory period without objection, has occurred.

It is the responsibility of each investor to comply with the FATA and to confirm whether the FATA applies to them before acquiring securities in a company. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

12.7 Litigation

As at the Prospectus Date, no members of the Microba Group are involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Microba Group.

12.8 Escrow

Microba has a number of Shares in which the holders will be restricted from dealing. These restrictions are either imposed by the ASX or have been agreed to voluntarily.

In respect to ASX imposed restrictions, the ASX Listing Rules require that certain persons such as seed capitalists and related parties enter into restriction agreements under which they are restricted from dealing in a specified number of Shares or Options in Microba held by them, including all of their Shares, for up to 24 months from the date of Quotation of those Shares. The restriction agreements or restriction notice will be in the form required by the ASX Listing Rules over a number of Shares and/or Options and a period determined by the ASX and will restrict the ability of those persons to dispose of, create any security interest in or transfer effective ownership or control of the Shares or Options.

In respect to voluntary restrictions, a number of entities have also agreed to voluntary restrictions for a specific period of time.

Restricted Shareholders

The table below sets out the periods during which the Existing Shareholders will be restricted from dealing in their Shares pursuant to ASX restrictions (subject to confirmation from the ASX) and voluntary restrictions. The percentages are provided assuming the Offer is completed.

	Escrow Period							
	ASX restriction				Voluntary restriction[1]			
	24 months commencing from date of Quotation	%	12 months commencing from date of issue	%	24 months commencing from date the relevant escrow agreements were entered into	%	6 months commencing from date of Quotation	%
Escrowed Existing Shares	48,031,315	17.51%	798,215	0.29%	54,500,296	19.86%	56,904,924	20.74%

Note:

1. In addition to the above, 140,000 Existing Shares issued under the 2018 Employee Incentive Plan, being 0.05% on a post Offer basis, are subject to a 3 year transfer restriction commencing from the date of issue of the 140,000 Shares, being 11 November 2021 and ending on 11 November 2024, in order to comply with minimum holding tax requirements.

The Company expects that at Listing, 160,374,750 Shares will be subject to escrow arrangements, representing 77% of Existing Shares, and 58% of all shares on Listing.

Restricted option holders

The table below sets out the periods during which holders of Options will be restricted from dealing in their Options pursuant to ASX restrictions and (subject to confirmation from the ASX) voluntary restrictions (and then the Shares on exercise of the Options).

	Escrow Period			
Number of Escrowed Securities	ASX restriction		Voluntary restriction	
	24 months commencing from date of Quotation	12 months commencing from date of issue	24 months commencing from date the relevant escrow agreements were entered into	12 months commencing from date of Quotation
Escrowed Existing Options	1,500,000	Nil	8,250,000	7,850,000
Escrowed Director Options	1,200,000	Nil	Nil	Nil

If a restricted Option holder exercises their Options while they are subject to mandatory ASX-imposed escrow, they will enter into a restriction agreement in relation to Shares issued on exercise of those Options for the remainder of the Escrow Period. Where voluntary escrow has been placed over the Options, the escrow also restricts the Shares issued on exercise of the Options for the balance of the Escrow Period.

Microba is relying on ASIC Class Order 13/520 to facilitate the voluntary escrow of Shares held by certain Existing Shareholders. Subject to the ASX Listing Rules and, in the case of mandatory ASX-imposed escrow, ASX's consent, the escrow arrangements do not preclude a holder of Escrowed Securities from transferring their securities in certain circumstances, including pursuant to a transaction which results in an individual or entity acquiring more than 50% of the total fair market value of voting power of Microba's Shares, provided that the holders of at least 50% of Microba's Shares that are not subject to escrow arrangements have accepted the Offer.

Key management personnel, officers or Directors of Microba, employees, and certain others, and their family and associates will be restricted from dealing in Shares in accordance with Microba's Trading Policy. Microba's Trading Policy can be found on the Company's website.

12.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed Directors, any Underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be held responsible for certain statements contained in it.

12. Additional Information

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) to the maximum extent permitted by law, each of the parties named in this Section:

(i) states that it has not authorised or caused the issue of this Prospectus;

(ii) is not taken to have made, or purported to have made, any representation or warranty in relation to any member of the Microba Group either express or implied or any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and

(iii) expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by that party.

Capacity in relation to Microba	Consenting party
Joint Lead Managers and Underwriters to the Offer	Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited
Australian Legal Advisor for the Offer	Thomson Geer
Investigating Accountant and inclusion of its Independent Limited Assurance Report in Section 8	Pitcher Partners Corporate Finance Limited
Auditor	Pitcher Partners
Provider of tax due diligence and inclusion of its tax summary in Section 11	Pitcher Partners
Provider of financial due diligence	Pitcher Partners Corporate Finance Limited
Share Registry	Automic Pty Ltd
Patent Attorney that prepared the Intellectual Property Report in Section 10	James & Wells Intellectual Property Attorneys
Regulatory advisor – Australia	Effectuate Consulting Pty Ltd trading as LifeCycle Medical
Regulatory advisor – Australia, New Zealand, USA, UAE, Europe	PharmaLex Pty Ltd
United States Legal Advisor for the limited aspects of the legal due diligence on the Company's United States operations	Davis Wright Tremaine LLP
Corporate Advisor	Silvertongue Consulting

12.10 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $2.5 million and are expected to be applied towards the items set out in the table below:

Item of Expenditure[3]	($)
ASIC fees	$3,206
ASX fees	$184,960
Joint Lead Manager Fees	$1,800,000
Legal Fees[1]	$230,000
Patent Attorney's Fees	$3,500
Regulatory advisory fees	$10,500
Audit Fees	$19,500
Tax Fees	$16,750
Investigating Accountant's Fees	$29,000
Corporate Advisor Fees	$90,300
Design, Printing and Distribution	$30,000
Miscellaneous[2]	$82,284
TOTAL	$2,500,000

Notes:

1. This includes the fees of both the Australian and US advisors
2. This includes Share Registry costs, marketing, roadshow costs and IPO related costs.
3. This table is a statement of current intentions as at the Prospectus Date. Actual breakdown of expenses of the Offer may differ from the budgeted expenses.

12.11 Regulatory advice, waivers and relief

Microba has relied on relief under ASIC Class Order 13/520 to facilitate voluntary escrow arrangements under the IPO so that the relevant interests of Microba arising from the escrow agreement is disregarded for the purposes of the takeover provisions, but not the substantial holding provisions, in the Corporations Act.

Microba has received in-principle advice from the ASX as part of the Offer process as follows:

(a) On 16 November 2021, the Company received in-principle advice from the ASX that based solely on the information provided and the facts known as at the time, ASX is not aware of any reasons that would cause Microba not to have a structure and operations suitable for a listed entity for the purposes of ASX Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse admission to the official list under ASX Listing Rule 1.19. The receipt of this advice is not a guarantee that Microba will be admitted to the Official List – it must still meet all of the requirements for admission and quotation set out in Chapters 1 and 2 of the ASX Listing Rules to ASX's satisfaction.

(b) On 9 December 2021, the Company received in-principle advice from the ASX that on receipt of an application for admission to the official list of ASX Limited ('ASX') from Microba Life Sciences Limited (the 'Company'), ASX would be likely to grant a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue, 7,850,000 options ('Incentive Options') with an exercise price of less than $0.20.

(c) On 31 January 2022, the Company received in-principle advice from the ASX that based solely on the information provided, on receipt of an application for admission to the Official List, ASX would be likely to confirm that the terms of up to US$3.5 million worth of fully paid ordinary shares with such number calculated at the IPO price proposed to be issued by Microba to Ginkgo Bioworks following the IPO (**Ginkgo Deferred Shares**) are appropriate and equitable for the purposes of listing rule 6.1, on the condition that Microba discloses in its Prospectus:

   (i) details of the services being provided by Ginkgo Bioworks and details of all fees and other consideration (including securities) Ginkgo Bioworks may receive for those services;

   (ii) if Ginkgo Bioworks or any of its associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;

   (iii) an explanation why it is considered necessary or appropriate to further reward Ginkgo Bioworks with an issue of Ginkgo Deferred Shares;

   (iv) details of how Microba determined the number of Ginkgo Deferred Shares to be issued to Ginkgo and why it considers that number to be appropriate and equitable;

   (v) the material terms and conditions of the Ginkgo Deferred Shares including rights until the Ginkgo Deferred Shares are issued; and

   (vi) the number of Ginkgo Deferred Shares that may be issued if the applicable performance milestone is met and the impact that will have on the entity's capital structure including the formula on which the number of Ginkgo Deferred Shares will be calculated.

   Information relating to the above is contained in Sections 1.5, 9.10, and 12.2.3.

12.12 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. Price sensitive information will be publicly released through the ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.13 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the offer website at https://www.microba.automicipo.com.au/.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.14 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in Queensland, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

12. Additional Information

12.15 Supplementary information

A supplementary prospectus will be issued if Microba becomes aware of any of the following between the issue of this Prospectus and the date the Shares are quoted which is materially adverse from the point of view of an investor:

(a) a material statement in this Prospectus is misleading or deceptive;

(b) there is a material omission from this Prospectus; or

(c) there has been a significant change affecting a matter included in this Prospectus or a significant new circumstance has arisen and it would have been required to be included in this Prospectus.

12.16 Documents available for inspection

Copies of the Director's consent for the lodgement of this Prospectus, Constitution, Director's and consents referred to in Section 12.9 of this Prospectus are available for inspection during normal office hours free of charge at the registered office of Microba for a period of not less than 12 months from the date of this Prospectus.

13.

Directors' Authorisation

13. Directors' Authorisation

The Directors state that they have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect of any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in the Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of New Shares pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is authorised by each of the Directors of Microba, pursuant to a resolution of the Board.

Signed for and on behalf of:

Microba Life Sciences Limited

Pasquale Rombola
Chair

For and on behalf of Microba Life Sciences Limited

14.

Corporate Directory

14. Corporate Directory

Directors and CEO

Pasquale Rombola – Chair – Non-Executive Director
Professor Ian Frazer – Deputy Chair – Non-Executive Director
Richard Bund – Non-Executive Director
Professor Gene Tyson – Non-Executive Director
Dr Hyungtae Kim – Non-Executive Director
Dr Caroline Popper – Non-Executive Director
Dr Luke Reid – Chief Executive Officer

Joint Company Secretaries

Peter Webse
James Heath

Share Registry

Automic Pty Ltd

Level 5, 126 Phillip Street
Sydney NSW 2000

Regulatory advisors (Australia)

Effectuate Consulting Pty Ltd trading as LifeCycle Medical

PO Box 500
Newport NSW 2106

Patent Attorneys for the Intellectual Property Report

James & Wells Intellectual Property Attorneys

Suite 5, Level 22
345 Queen Street
Brisbane QLD 4001

Joint Lead Managers and Underwriters

Bell Potter Securities Limited
AFSL 243480

Level 29, 101 Collins Street
Melbourne VIC 3000

Canaccord Genuity (Australia) Limited
AFSL 234666

Level 4, 60 Collins Street
Melbourne VIC 3000

Financial Advisor

Bell Potter Securities Limited
AFSL 243480

Level 29, 101 Collins Street
Melbourne VIC 3000

Auditor

Pitcher Partners

Level 38, 345 Queen Street
Brisbane QLD 4000

Registered Office

Microba Life Sciences Limited

Level 10, 324 Queen Street
Brisbane QLD 4000
Telephone: +61 1300 974621
Email: investor@microba.com
Website: https://www.microba.com/

Proposed ASX Code

MAP

Solicitor for the Offer

Thomson Geer

Level 28, 1 Eagle Street
Brisbane QLD 4000

Regulatory advisors (International)

PharmaLex Pty Ltd

Suite 4, Level 10, 1 Chandos Street
St Leonards NSW 2065

Solicitor for the Due Diligence of Microba US

Davis Wright Tremaine LLP

920 Fifth Avenue, Suite 3300
Seattle WASHINGTON 98104

Investigating Accountant

Pitcher Partners Corporate Finance Limited

Level 38, 345 Queen Street
Brisbane QLD 4000

15.
Glossary

15. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

$ means an Australian dollar;

2018 Employee Incentive Plan means the incentive plan for employees of the Company adopted by the Board on 17 July 2018;

2021 Employee Incentive Plan means the new ASX Listing Rule-compliant incentive plan for employees of the Company adopted by the Board on 27 September 2021. This replaces the 2018 Employee Incentive Plan as the incentive plan of Microba. Refer to Section 12.5 for detail;

16S rRNA gene sequencing this is where DNA is extracted from a stool sample and a small portion of the bacterial 16S ribosomal RNA gene is targeted and amplified with polymerase chain reaction, and the amplified gene sections are sequenced;

AAS means the Australian Accounting Standards;

AASB means the Australian Accounting Standards Board;

Analysis Platform means Microba's proprietary analysis platform uses metagenomic sequencing technology detailed in Section 3.5;

API means Application Project Interface;

Applicant means a person who submits an Application Form under the Offer;

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer (including the electronic form) consisting of any of the Chairman's List Offer Application Form, Broker Firm Offer Application Form and Institutional Offer Application Form;

ASX Application means the application to the ASX to be made within seven days of the Prospectus Date, for admission to the Official List and quotation of the New Shares on ASX;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it as the context requires;

ASX Listing Rules means the official listing rules of ASX;

ATO means the Australian Taxation Office;

Bacthera means Bacthera AG, c/o Lonza AG;

Bacthera Manufacturing Proposal means the manufacturing proposal dated 17 September 2021 between Bacthera and Microba to manufacture a novel single strain live bio-therapeutic product derived from the human gut microbiome, a summary of which is contained in Section 9.9;

Broker means an ASX participating organisation selected by the Company to act as a broker to the Offer;

Broker Firm Applicants means Applicants under the Broker Firm Offer;

Broker Firm Offer means the offer of New Shares under this Prospectus to Brokers, or, following lodgement of this Prospectus, to Australian resident investors who are professional or sophisticated investors or retail investors and who have received a firm allocation from their Broker described in Section 7.11;

Broker Firm Offer Application Form the Application Form in respect of the Broker Firm Offer;

Board means the board of Directors as constituted from time to time;

CAGR means compound annual growth rate;

CGMP means Current Good Manufacturing Practice;

Chairman's List Offer means the offer described in Section 7.13;

Chairman's List Offer Application Form means the Application Form in respect of the Chairman's List Offer;

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information (subject to the Company reserving the right to extend the Closing Date or close the Offer early);

Company or **Microba** means Microba Life Sciences Limited ACN 617 096 652;

Constitution means the constitution of the Company;

Corporations Act means the *Corporations Act 2001* (Cth);

Databank means the growing, proprietary databank generated by Microbiome Services as detailed in Section 3.10;

Director Option means the options to be issued to the Directors at IPO Completion to acquire a Share issued on the terms detailed in Section 12.4;

Directors means the directors of the Company at the Prospectus Date;

DNA "deoxyribonucleic acid", is the molecule that contains the genetic code of organisms. This includes animals, plants, protists, archaea and bacteria;

Eligible US Fund Manager means a dealer or other professional fiduciary organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which they have and are exercising investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act;

EMA means the European Medicines Agency;

Escrowed Securities means the securities of the Existing Shareholders and Optionholders that are subject to the escrow arrangements detailed in Section 12.8;

Escrowed Shareholders means the Shareholders who are subject to the escrow arrangements detailed in Section 12.8;

Existing Option means an existing option to acquire a Share issued on the terms detailed in Section 12.4;

Existing Option Holder means a holder of an Existing Option;

Existing Share means a Share on issue as at the Prospectus Date and 'Existing Shares' means all of them;

Existing Shareholders means the owners of Shares as at the Prospectus Date;

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act;

FDA means the United States Food and Drug Administration;

Financial Information means the Statutory Historical Financial Information and the Pro Forma Historical Financial Information;

FMT means Faecal Microbiota Transplantation;

FY2019 means the 12-month period ended 30 June 2019;

FY2020 means the 12-month period ended 30 June 2020;

FY2021 means the 12-month period ended 30 June 2021;

G42 means G42 Laboratory LLC;

G42 Collaboration Agreement means the collaboration agreement dated 1 February 2022 between G42 and Microba Pty Ltd relating to the provision of commercial microbiome gut analysis services based on sample genome sequencing analysis to customers within the GCG, a summary of which is contained in Section 9.6;

GCG means the countries of the Gulf Cooperation Market;

Genova means Genova Diagnostics, Inc.;

Genova Commercial Development Agreement and Equipment Supply Agreement means the commercial development agreement entered into between Genova and Microba US on 23 December 2021 relating to the supply of an Illumina Sequencing Device (Model, Illumina Novaseq® 6000) and the development of a solution for the distribution of a Genova-branded metagenomics test using Microba Insight™ testing and reporting platform within the field and territory, a summary of which is contained in Section 9.7;

GI means gastrointestinal;

Ginkgo Bioworks means Ginkgo Bioworks, Inc;

Ginkgo Deferred Shares has the meaning given to that term in Section 12.2.3;

15. Glossary

Ginkgo R&D Consideration means the US$7,000,000 payable by Microba Pty Ltd to Ginkgo Bioworks for the provision of development activities under the terms of the Ginkgo Technical Development Agreement (with up to US$3,500,000 of that amount potentially payable by way of Shares in Microba with such number of Shares calculated by dividing the relevant payment amount by the then current 20-day VWAP ending on the second business day before the date on which the relevant payment is to be made and capped at 10,886,385 Shares with any shortfall payable in cash by Microba Pty Ltd). A summary of the Ginkgo Technical Development Agreement is contained in Section 9.10;

Ginkgo Technical Development Agreement means the technical development agreement entered into between Ginkgo Bioworks and Microba Pty Ltd on 20 January 2022 (as varied from time to time), a summary of which is contained in Section 9.10;

Group Company means each entity within the Microba Group;

Historical Financial Information means the Statutory Historical Financial Information and the Pro Forma Historical Financial Information;

Holding Statements means the holding statements to be issued to Successful Applicants as set out in the indicative timetable in the Key Offer Information of this Prospectus (subject to the Company reserving the right to vary the Opening Date);

HY2021 means the 6-month period ended 31 December 2021;

IASB means the International Accounting Standards Board;

IBD means inflammatory bowel disease;

ICI means immune checkpoint inhibitors;

IFF means Dupont Nutrition Biosciences APS;

IFRS means the International Financial Reporting Standards;

Illumina means Illumina, Inc;

Illumina Co-Marketing Agreement means the co-marketing agreement dated 21 December 2020 between Microba Pty Ltd and Illumina relating to a non-exclusive marketing arrangement in respect of sales referrals in Australia and New Zealand and co-promotional activities in Australia, New Zealand, Japan, Singapore, India, Thailand, Vietnam, Indonesia and Malaysia;

Intellectual Property Report means the report on intellectual property contained in Section 10;

Institutional Investors means an Applicant (and any person for whom it is acting) who is an institutional or professional investors in the Permitted Jurisdictions to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), and in particular:

(a) if in **Australia**, it (and any such person) is a person to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA);

(b) if in **Hong Kong**, it (and any such person) is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;

(c) if in **New Zealand**, it (and any such person) is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the *Financial Markets Conduct Act 2013* (New Zealand) (the "FMC Act"), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);

(d) if in **Singapore**, it (and any such person) is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore);

(e) if in the **United Kingdom**, it (and any such person) is (i) a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; and

(f) if in the **United States**, it (and any such person) is (i) an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act) or (ii) an Eligible US Fund Manager;

Institutional Offer Applicants means Applicants under the Institutional Offer;

Institutional Offer means the invitation to bid for New Shares made to Institutional Investors under this Prospectus to acquire New Shares as described in Section 7.12;

Institutional Offer Application Form means the Application Form in respect of the Institutional Offer separately provided by the Joint Lead Managers to Institutional Investors;

Investigating Accountant means Pitcher Partners Corporate Finance Limited;

Independent Limited Assurance Report means the report on Independent Limited Assurance Report contained in Section 8;

IO means Immuno-Oncology;

IPO Completion means the date of completion of the:

(a) Issue of Director Options; and

(b) Issue of New Shares under the Offer;

Joint Company Secretaries means each of Mr James Heath and Mr Peter Webse;

Joint Lead Managers means Bell Potter Securities Limited ACN 006 390 772 and Canaccord Genuity (Australia) Limited ACN 137 980 520;

Key Offer Information means the information at page 4 of this Prospectus;

LBP means live bio-therapeutic products;

Listing means completion of all of the admission of the Company to the Official List, quotation of the Shares on the ASX and commencement of unconditional trading of the Shares on the ASX;

Listing Date means the date of Listing;

MetaBiome means a white-labelled version of Microba Insight™ distributed to healthcare practitioners in partnership with Metagenics (Aust) Pty Ltd;

Metagenics means Metagenics (Aust) Pty Ltd;

Metagenics Collaboration and Distribution Agreement means the collaboration and distribution agreement dated 8 March 2019 between Metagenics and Microba (as varied by the Metagenics Variation Agreement) relating to distribution services within Australia and New Zealand, a summary of which is contained in Section 9.4;

Metagenics Variation Agreement means the written variation dated 13 March 2020 to the Metagenics Collaboration and Distribution Agreement;

metagenomic sequencing this is where DNA is extracted from a stool sample and all the genes from the microorganisms present in the sample are sequenced;

MCP means Microba's community profiler;

Microba or **Company** means Microba Life Sciences Limited ACN 617 096 652, the issuer of this Prospectus;

Microba Group means each of Microba, Microba IP, Microba Pty Ltd, Microba Services and Microba US;

Microba Insight™ means Microba's consumer microbiome health and wellness test;

Microba IP means Microba IP Pty Ltd ACN 636 029 091, a wholly owned subsidiary of Microba incorporated in Australia;

Microba Pty Ltd means Microba Pty Ltd ACN 628 603 225, a wholly owned subsidiary of Microba incorporated in Australia;

Microba Services means Microba Services Pty Ltd ACN 636 029 028, a wholly owned subsidiary of Microba incorporated in Australia;

Microba US means Microba US, Inc., a wholly owned subsidiary of Microba incorporated in Delaware, United States;

Microbiome Services or **Services** means the services pillar of Microba as detailed in Section 3.4;

Microbiome Therapeutics or **Therapeutics** means the therapeutics pillar of Microba as detailed in Section 3.12;

New Shares means Shares issued pursuant to the Offer;

Notified Body means a third-party organization that has been designated by a European Union member country to carry out procedures set out under relevant regulatory instruments including various European Union directives such as *Medical Device Directives* (EC 93/42);

15. Glossary

Offer means the offer of 66,666,666 New Shares under this Prospectus at the Offer Price to raise approximately $30 million, comprising the Broker Firm Offer, the Institutional Offer and the Chairman's List Offer;

Offer Information Line means the Microba Offer Information Line on 1300 288 664 (within Australia) +61 (2) 9698 5414 (from outside Australia);

Offer Price means the price per New Share (being $0.45 per New Share);

Official List means the official list of ASX;

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Key Offer Information (subject to the Company reserving the right to vary the Opening Date);

Option means an option to acquire a Share issued on the terms detailed in Section 12.4 and includes the Existing Options and the proposed Director Options;

Option Holder means a holder of an Option;

OTC means over the counter;

Permitted Jurisdictions mean Australia, Hong Kong, New Zealand, Singapore, United Kingdom and the United States as well as any other jurisdiction where the Company and the Joint Lead Managers may agree the New Shares may be offered and sold to institutional or professional investors without any local prospectus, registration or other formality;

Personal Testing a component of Microbiome Services as detailed in Section 3.4;

PPD Global means PPD Global Ltd;

PPD Global Master Services Agreement means the master services agreement dated 11 March 2021 between PDD Global and Microba Pty Ltd relating to the provision of certain services by PPD Global to Microba Pty Ltd in connection with clinical research program and other research programs Microba Pty Ltd is conducting, a summary of which is contained in Section 9.8;

Pro Forma Historical Financial Information has the meaning provided in Section 4.1;

Prospectus means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document;

Prospectus Date means the date of this Prospectus detailed under 'Important Information' on the inside front cover;

Protist means any member of a group of diverse eukaryotic, predominantly unicellular microscopic organisms;

Psomagen means Psomagen, Inc. (a subsidiary of Macrogen, Inc.);

Psomagen Binding Heads of Agreement means the binding heads of agreement between Psomagen and Microba Pty Ltd dated 9 August 2019 relating to the provision of microbiome analysis services within the United States of America, a summary of which is contained in Section 9.3;

Quotation means official quotation by ASX in accordance with the ASX Listing Rules;

QUT means Queensland University of Technology ABN 83 791 724 622;

Research Testing a component of Microbiome Services as detailed in Section 3.4;

Section means a section of this Prospectus;

Share means a fully paid ordinary share in the capital of the Company;

Share Registry means Automic Pty Ltd;

Shareholder means a holder of Shares;

Statutory Historical Financial Information has the meaning provided in Section 4.1;

Subscription Amount means the amount of the Offer, namely 66,666,666 New Shares under this Prospectus at the Offer Price to raise approximately $30 million;

Substantial Shareholder means a Shareholder with a 'substantial holding' in the Company as defined in the Corporations Act;

Successful Applicants means Applicants who are issued New Shares under the Offer;

Subsidiaries has the meaning given in the Corporations Act;

SYNLAB means SYNLAB International GmbH;

SYNLAB Distribution Agreement means the distribution agreement dated 5 May 2020 between SYNLAB and Microba Pty Ltd relating to distribution services within Europe and South America, a summary of which is contained in Section 9.5;

Therapeutic Platform means Microba's human first data-driven therapeutics platform developing multiple novel drug candidates as detailed in Section 3.13;

TGA means the Australian Therapeutic Goods Administration;

UC means ulcerative colitis;

Underwriters means Bell Potter Securities Limited ACN 006 390 772 and Canaccord Genuity (Australia) Limited ACN 137 980 520;

Underwriting Agreement means the agreement between the Company and the Underwriters in respect of the Offer, a summary of which is included in Section 9.1;

Underwriting Fee means the fees payable to the Underwriters under the Underwriting Agreement detailed in Section 9.1;

UniQuest Deed of Assignment means the deed of assignment between UniQuest Pty Ltd and Microba dated 3 October 2017, a summary of which is contained in Section 9.2;

UQ means the University of Queensland;

US Offering Circular means the offering circular that must accompany any distribution of the Prospectus in the United States to Institutional Investors;

US Securities Act means the US Securities Act of 1933 (as amended); and

VWAP means volume weighted average market price.

Annexure A –

Significant Accounting Policies

Annexure A – Significant Accounting Policies

A.1 Basis of preparation

The financial statements of the Microba Group have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

A.1.1 Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation to fair value of certain classes of assets and liabilities as described in the accounting policies.

A.1.2 Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the Financial Section.

A.1.3 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Microba Life Sciences Limited ('company' or 'parent entity') and the results of all subsidiaries.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the group and are derecognised from the date that control ceases.

A.1.4 New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

A.1.5 Comparative information

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

A.1.6 Going concern

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

A.1.7 Foreign currency translation

The financial statements are presented in Australian dollars, which is the group's functional and presentation currency.

A.2 Significant accounting policies

A.2.1 Foreign currency transactions and balances

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

A.2.2 Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income ('FVtOCI') in accordance with the relevant criteria in AASB 9 Financial instruments.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss ('FVtPL') on the basis of both:

(a) the group's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

A.2.3 Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the group are subsequently measured at amortised cost.

Annexure A – Significant Accounting Policies

A.2.4 Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 to 90 days, dependent on the payment terms offered to the group's customers.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

A.2.5 Revenue recognition

The group recognises revenue as follows:

A.2.5.1 Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group:

(a) Identifies the contract with a customer.

(b) Identifies the performance obligations in the contract.

(c) Determines the transaction price which takes into account estimates of variable consideration and the time value of money.

Allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered.

Recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

A.2.5.2 Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

A.2.5.3 Microbiome testing services

Revenue from microbiome testing services is recognised at the point in time when the customer obtains the final testing results report.

A.2.5.4 Research and other partner platform services

Revenue from contracts to provide research and partner platform services is recognised over time as the services are rendered and performance obligations are satisfied.

A.2.5.5 Receivables from contracts with customers

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e. only the passage of time is required before the payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

A.2.5.6 Contract liabilities

A contract liability represents the group's obligation to transfer goods or services to the customer for which the group has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the group transfers the contracted goods and services to the customer.

A.2.5.7 Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

A.2.6 Other Income

A.2.6.1 Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

A.2.6.2 Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received, and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Such periods will depend on whether costs are capitalised or expensed as incurred.

The group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. The R&D Tax Incentives for the group are recognised as Government Grant Income and are recognised when there is a reasonable expectation that the group will be able to realise the benefit and when the amount can be reliably estimated.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme which provide temporary subsidies to eligible businesses affected by COVID-19.

The 'COVID-19 Payroll Tax Relief', including the 2-month refund of consolidated payroll tax and 3-month payroll tax holiday, provided by the State Government of Queensland has been recognised in the 'Statement of Profit or Loss and Other Comprehensive Income' as a reduction in the 'employee benefits and other related costs'.

A.2.7 Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(a) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(b) When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

A.2.8 Tax consolidation

The parent entity and its subsidiaries have implemented the tax consolidation legislation and have formed a tax consolidated group. This means that:

(a) each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity; and

(b) the parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

A.2.9 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Annexure A – Significant Accounting Policies

A.2.10 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

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

A.2.11 Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) using their respective allocated rates as follows:

(a)	Furniture, fixtures and fittings at cost	5%-20%
(b)	Computer equipment at cost	25%-50%
(c)	Laboratory equipment at cost	10%-25%

A.2.12 Leases

A.2.12.1 Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

A.2.12.2 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

A.2.13 Intangible assets

A.2.13.1 System development costs and intellectual property

Costs incurred in developing Microba Proprietary Platforms and intellectual property are capitalised when the group can demonstrate all of the following:

(a) the technical feasibility of completing the asset so that it will be available for use or sale;

(b) the intention to complete the asset and use or sell it;

(c) the ability to use or sell the asset;

(d) how the asset will generate probable future economic benefits;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and

(f) the ability to measure reliably the expenditure attributable to the asset during its development.

Capitalised development costs and intellectual property are amortised over their estimated useful lives of 4 years on a straight-line, and 8 years on a diminishing value basis respectively, commencing from the time at which the costs are incurred. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

Capitalised development costs and intellectual property are assessed for impairment annually, or more frequently if events or changes in circumstances indicate that the assets may be impaired.

Subsequent to initial recognition, costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

A.2.14 Research and development expenditure

Expenditure on research activities is recognised as an expense when incurred. Other development expenditure which does not meet the recognition requirements disclosed above is recognised as an expense when incurred.

A.2.15 Impairment of non-financial assets

Non-financial assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measure at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

A.2.16 Finance Costs

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance cost include interest expense calculated using the effective interest method, finance charges in respect of lease arrangement, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

A.2.17 Borrowing costs

Borrowing costs attributable to qualifying assets are capitalised as part of the asset. All other borrowing costs are expensed in the period in which they are incurred.

A.2.18 Employee benefits

A.2.18.1 Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

A.2.18.2 Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

A.2.18.3 Share-based payments

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

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

Annexure A – Significant Accounting Policies

A.2.19 Fair value measurement

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

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

A.2.20 Issued capital

Ordinary Shares are classified as equity.

Incremental costs directly attributed to the issue of new Shares or options are shown in equity as a deduction, net of tax, from the proceeds.

A.2.21 Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

BROKER FIRM OFFER APPLICATION FORM

MICROBA LIFE SCIENCES LIMITED
ACN 617 096 652

Broker Code	Adviser Code

Applicants who received this Offer from their broker must return their Application Form and Application Monies back to their broker

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay. You should read the Microba Life Sciences Limited Prospectus dated 11 February 2022 and any relevant supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

Standard Application and Pay by Cheque

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on page 2 of the form.

1. Number of Shares applied for

, ,

Application payment (multiply box 1 by $0.50 per Share

A$, , .

Applications must be for a minimum of 4,000 New Shares ($2,000) and minimum increments of 1,000 New Shares ($500)

2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)

Post Code:

3. Contact details

Telephone Number

( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the name and address details in section 2 does not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant #1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

6. Cheque Payment details

Cheque or Bank Draft Number

BSB -

Account Number

Total Amount A$, , .

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic Group advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

AUTOMIC GROUP

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS BROKER FIRM OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Microba Life Sciences Limited (ACN 617 096 652) (**Company**) made under the terms of the Broker Firm Offer set out in the Prospectus dated 11 February 2022.

The Broker Firm Offer is open to retail clients of Brokers who have received a firm allocation to apply for Shares under the Broker Firm Offer. If you have been offered a firm allocation by a Broker, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

1. **Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of 4,000 New Shares ($2,000) and minimum increments of 1,000 New Shares ($500).
2. **Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
3. **Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AEST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home
4. **CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.
5. **TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory, and it will not affect your Application.
6. **Payment** - Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section 1.
   If you receive a firm allocation of Shares from your Broker, make your cheque payable to your Broker in accordance with your instructions.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus; and
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Broker Firm Offer opens on 21 February 2022 and is expected to close on 14 March 2022. Microba Life Sciences Limited in consultation with the Lead Manager may elect to extend the Broker Firm Offer.

If you have been contacted by your Broker regarding the Broker Firm Offer, you should ask your Broker for information about how and when to lodge this Application Form, and who to make your cheque payable to. Generally, you will lodge this Application Form and cheque payment with your Broker in accordance with their instructions. Do NOT lodge this Application form with the Share Registry.

Your Broker must receive your completed Application Form and Application Monies (if applicable) in time to arrange settlement on your behalf by the relevant Closing Date for the Broker Firm Offer.

ASSISTANCE

Need help with your application, no problem. Please contact Automic on:

PHONE:
1300 288 664 within Australia
+61 (2) 9698 5414 from outside Australia

EMAIL:
corporate.actions@automicgroup.com.au

BROKER FIRM OFFER APPLICATION FORM

MICROBA LIFE SCIENCES LIMITED
ACN 617 096 652

Broker Code	Adviser Code

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AUTOMIC GROUP

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
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+61 (2) 9698 5414 from outside Australia

EMAIL:
corporate.actions@automicgroup.com.au

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