

The background is a deep purple gradient. On the right side, there is a large, faint, glowing blue 'X' shape formed by thin lines. On the left side, there are several curved, overlapping lines that resemble a stylized leaf or a series of overlapping arcs, also in a lighter purple/blue hue.

MICROBA

Microba Life Sciences Limited
and controlled entities

Financial Report for the half-year ended 31 December 2021

ABN 82 617 096 652

Microba Life Sciences Limited and controlled entities

Contents

For the half-year ended 31 December 2021

Directors' report	3
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	18
Independent auditor's review report to the members of Microba Life Sciences Limited	19

Microba Life Sciences Limited and controlled entities
Directors' report
For the half-year ended 31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Microba Life Sciences Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors and Company Secretaries names

The names of the Directors in office at any time during or since the end of the half-year are:

Pasquale Rombola
Ian Frazer
Blake Wills (Resigned: 5 July 2021)
Gene Tyson
Richard Bund
Hyungtae Kim
Caroline Popper
Mark Capone (Resigned: 7 October 2021)

The Directors have been in office since the start of the period to the date of this report unless otherwise stated.

The names of the Company Secretaries in office at any time during or since the end of the half-year are:

James Heath
Peter Webse (Appointed: 1 January 2022)

The Company Secretaries have been in office since the start of the period to the date of this report unless otherwise stated.

Results

The loss for the group after providing for income tax amounted to \$6,030,461 (31 December 2020: \$2,183,498).

Review of operations

The group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The COVID-19 pandemic continued to impact businesses globally through the half year ended 31 December 2021. The group's operations continued to be affected with sales impacted as a result of government-imposed mandatory lockdowns.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial half-year, other than those referred to elsewhere in this report.

Principal activities

The principal activity of the group during the year was providing world class microbiome testing and analysis as well as developing new pathology services, therapeutics and diagnostics based on the microbiome.

No significant change in the nature of these activities occurred during the year.

After balance date events

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this Directors' report.

Microba Life Sciences Limited and controlled entities
Directors' report
For the half-year ended 31 December 2021

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'P. R.', followed by a long horizontal stroke.

Pasquale Rombola
Chairman

02 February 2022
Brisbane, Queensland

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Microba Life Sciences Limited
Level 10, 324 Queen Street
Brisbane, QLD 4000

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Microba Life Sciences Limited and the entities it controlled during the period.



PITCHER PARTNERS



CHERYL MASON
Partner

Brisbane, Queensland
2 February 2022

Brisbane Sydney Newcastle Melbourne Adelaide Perth

Pitcher Partners is an association of independent firms.

An Independent Queensland Partnership ABN 84 797 724 539. Liability limited by a scheme approved under Professional Standards Legislation.

Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

 **bakertilly**
NETWORK MEMBER

pitcher.com.au

NIGEL FISCHER	PETER CAMENZULI	KYLIE LAMPRECHT	BRETT HEADRICK	COLE WILKINSON	JEREMY JONES	JAMES FIELD	ROBYN COOPER	CHERYL MASON	MURRAY GRAHAM
MARK NICHOLSON	JASON EVANS	NORMAN THURECHT	WARWICK FACE	SIMON CHUN	TOM SPLATT	DANIEL COLWELL	FELICITY CRIMSTON	KIERAN WALLIS	ANDREW ROBIN

Microba Life Sciences Limited and controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$	31 Dec 2020 \$
Revenue			
Revenue from contracts with customers	3	2,198,808	1,692,937
Cost of sales		<u>(1,026,030)</u>	<u>(797,081)</u>
Gross profit		<u>1,172,778</u>	<u>895,856</u>
Other income			
Subsidies and grant income		1,604,668	1,929,304
Interest income		30,727	50,585
Expenses			
Employee benefits and other related costs		(3,905,986)	(2,577,923)
Research and development expense		(2,596,254)	(457,383)
Depreciation and amortisation expense	4	(685,018)	(617,127)
Data storage and processing expense		(222,144)	(287,098)
Consulting fees		(305,482)	(246,267)
Advertising expense		(126,407)	(192,491)
Legal fees		(262,828)	(49,837)
Finance costs		(26,832)	(16,094)
Travel expense		(12,857)	(5,069)
Other expenses		<u>(694,826)</u>	<u>(609,954)</u>
Total expenses		<u>(8,838,634)</u>	<u>(5,059,243)</u>
Loss before income tax expense		<u>(6,030,461)</u>	<u>(2,183,498)</u>
Income tax expense		-	-
Loss after income tax expense for the half-year		<u>(6,030,461)</u>	<u>(2,183,498)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(3,722)</u>	<u>(34,678)</u>
Other comprehensive income for the half-year, net of tax		<u>(3,722)</u>	<u>(34,678)</u>
Total comprehensive income for the half-year		<u><u>(6,034,183)</u></u>	<u><u>(2,218,176)</u></u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Microba Life Sciences Limited and controlled entities
Consolidated statement of financial position
As at 31 December 2021

	Note	31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	10,132,737	13,028,906
Receivables	6	2,057,451	1,649,918
Financial assets	7	435,091	513,281
Other assets	9	583,104	1,028,340
Total current assets		13,208,383	16,220,445
Non-current assets			
Financial assets	8	204,436	-
Property, plant and equipment	10	832,094	1,062,952
Right-of-use assets	11	960,357	133,257
Intangible assets	12	957,916	1,071,056
Total non-current assets		2,954,803	2,267,265
Total assets		16,163,186	18,487,710
Liabilities			
Current liabilities			
Payables	13	2,963,002	1,596,603
Borrowings	14	38,016	108,888
Lease liabilities	15	366,278	93,367
Employee benefits	16	367,670	356,281
Other liabilities	18	101,110	85,112
Contract liabilities	19	959,328	1,113,328
Total current liabilities		4,795,404	3,353,579
Non-current liabilities			
Lease liabilities	15	669,578	66,763
Employee benefits	16	59,658	43,673
Provisions	17	13,656	-
Other liabilities	18	96,125	87,593
Total non-current liabilities		839,017	198,029
Total liabilities		5,634,421	3,551,608
Net assets		10,528,765	14,936,102
Equity			
Issued capital	20	34,788,965	33,482,960
Reserves	21	1,502,315	1,185,196
Retained earnings		(25,762,515)	(19,732,054)
Total equity		10,528,765	14,936,102

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Microba Life Sciences Limited and controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	19,289,292	622,912	(12,208,302)	7,703,902
Loss after income tax expense for the half-year	-	-	(2,183,498)	(2,183,498)
Other comprehensive income for the half-year, net of tax	-	(34,678)	-	(34,678)
Total comprehensive income for the half-year	-	(34,678)	(2,183,498)	(2,218,176)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	7,962,566	-	-	7,962,566
Share-based payments	-	273,468	-	273,468
Balance at 31 December 2020	<u>27,251,858</u>	<u>861,702</u>	<u>(14,391,800)</u>	<u>13,721,760</u>
	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	33,482,960	1,185,196	(19,732,054)	14,936,102
Loss after income tax expense for the half-year	-	-	(6,030,461)	(6,030,461)
Other comprehensive income for the half-year, net of tax	-	(3,722)	-	(3,722)
Total comprehensive income for the half-year	-	(3,722)	(6,030,461)	(6,034,183)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	1,306,005	-	-	1,306,005
Share-based payments (note 22)	-	320,841	-	320,841
Balance at 31 December 2021	<u>34,788,965</u>	<u>1,502,315</u>	<u>(25,762,515)</u>	<u>10,528,765</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Microba Life Sciences Limited and controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2021

	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,925,321	1,172,448
Payments to suppliers and employees (inclusive of GST)		(6,637,252)	(4,505,460)
		(4,711,931)	(3,333,012)
Interest received		30,727	83,955
Subsidies and grants received		914,317	1,027,932
Interest and other finance costs paid		(26,832)	(16,095)
Net cash used in operating activities		(3,793,719)	(2,237,220)
Cash flows from investing activities			
Payments to term deposits		(204,436)	-
Payments for property, plant and equipment		(54,278)	(84,081)
Payments for intangibles		(118,895)	(219,263)
Subsidies and grants received		190,474	149,972
Proceeds from disposal of property, plant and equipment		8,750	-
Net cash used in investing activities		(178,385)	(153,372)
Cash flows from financing activities			
Proceeds from issue of shares	20	1,250,005	8,499,978
Repayment of borrowings		(70,872)	(69,787)
Repayment of leases		(103,198)	(92,602)
Share issue transaction costs		-	(537,412)
Net cash from financing activities		1,075,935	7,800,177
Net increase/(decrease) in cash and cash equivalents		(2,896,169)	5,409,585
Cash and cash equivalents at the beginning of the financial half-year		13,028,906	6,897,308
Cash and cash equivalents at the end of the financial half-year	5	<u>10,132,737</u>	<u>12,306,893</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 1. General information

The financial statements cover Microba Life Sciences Limited as a group consisting of Microba Life Sciences Limited and the entities it controlled at the end of, or during, the half-year.

Microba Life Sciences Ltd is a company limited by shares, incorporated and domiciled in Australia. Microba Life Sciences Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars, which is Microba Life Sciences Limited's functional and presentation currency.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021.

The half-year financial report was approved by the directors as at the date of the directors' report.

Note 2. Significant accounting policies

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', and the requirements of the members and Directors. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

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

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. The group incurred a loss from ordinary activities of \$6,030,461 during the half year ended 31 December 2021 (2020: loss of \$2,183,498) and has a net cash outflow from operating activities of \$3,793,719 (2020: net cash outflows of \$2,237,220). The group held cash and cash equivalents of \$10,132,737 at period end.

Management's budget for the next 12 months from the date of this report, continues to fund the current operations and planned business expansion, but is dependent on the group's ability to generate revenue from the commercialisation of the group's products and services and the continued success in future capital raising initiatives. Should this not occur, there is a material uncertainty whether the group will be able to continue as a going concern and whether it will realise its assets and settle its liabilities and commitments in the normal course of business at the amounts stated in the financial report. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

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 Australian Accounting Standards Board ('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.

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 3. Revenue

Disaggregation of revenue from contracts with customers is as follows:

	31 Dec 2021	31 Dec 2020
	\$	\$
Microbiome testing services	813,753	829,515
Revenue from services transferred over time	1,385,055	859,646
Sale of goods	-	3,776
	<u>2,198,808</u>	<u>1,692,937</u>

Note 4. Depreciation and amortisation expense

	31 Dec 2021	31 Dec 2020
	\$	\$
Depreciation	452,982	416,119
Amortisation	232,036	201,008
	<u>685,018</u>	<u>617,127</u>

Note 5. Cash and cash equivalents

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Cash at bank	10,132,737	12,978,604
Cash on deposit	-	50,302
	<u>10,132,737</u>	<u>13,028,906</u>

Note 6. Receivables

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Receivables from contracts with customers	416,144	264,751
Other receivables	33,239	301,505
Research & Development Tax Incentive receivable	1,608,068	1,083,662
	<u>1,641,307</u>	<u>1,385,167</u>
	<u>2,057,451</u>	<u>1,649,918</u>

Note 7. Financial assets

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Raw materials and consumables at cost	<u>435,091</u>	<u>513,281</u>

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 8. Financial assets

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Term deposits	204,436	-

Note 9. Other assets

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Prepayments	582,995	1,028,231
Other current assets	109	109
	<u>583,104</u>	<u>1,028,340</u>

Note 10. Property, plant and equipment

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Laboratory equipment at cost	2,554,076	2,526,840
Accumulated depreciation	(1,805,459)	(1,568,727)
	<u>748,617</u>	<u>958,113</u>
 Furniture, fixtures and fittings at cost	 32,186	 69,483
Accumulated depreciation	(11,799)	(21,032)
	<u>20,387</u>	<u>48,451</u>
 Computer equipment at cost	 218,519	 194,481
Accumulated depreciation	(155,429)	(138,093)
	<u>63,090</u>	<u>56,388</u>
	<u>832,094</u>	<u>1,062,952</u>

Note 11. Right-of-use assets

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	1,574,628	832,839
Accumulated depreciation	(614,271)	(699,582)
	<u>960,357</u>	<u>133,257</u>

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 12. Intangible assets

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Capitalised system development at cost	1,747,602	1,637,933
Accumulated amortisation	<u>(1,013,136)</u>	<u>(813,169)</u>
	734,466	824,764
Intellectual property at cost	396,782	387,556
Accumulated amortisation	<u>(173,332)</u>	<u>(141,264)</u>
	223,450	246,292
	<u>957,916</u>	<u>1,071,056</u>

Note 13. Payables

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Trade creditors	1,411,196	353,525
Employee payables and accruals	750,939	797,424
Sundry creditors and accruals	<u>800,867</u>	<u>445,654</u>
	2,963,002	1,596,603

Note 14. Borrowings

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Equipment loan	62,536	135,886
Credit card liability	<u>(24,520)</u>	<u>(26,998)</u>
	38,016	108,888

Note 15. Lease liabilities

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>366,278</u>	<u>93,367</u>
<i>Non-current liabilities</i>		
Lease liability	<u>669,578</u>	<u>66,763</u>
	1,035,856	160,130

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 16. Employee benefits

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Employee benefits	367,670	356,281
<i>Non-current liabilities</i>		
Employee benefits	59,658	43,673
	<u>427,328</u>	<u>399,954</u>

Note 17. Provisions

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current liabilities</i>		
Lease make good	13,656	-

The provision represents the present value of the estimated costs to make good the premises leased by the group at the end of the respective lease terms.

Note 18. Other liabilities

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Deferred Government Grants - R&D Tax Incentive	101,110	85,112
<i>Non-current liabilities</i>		
Deferred Government Grants - R&D Tax Incentive	96,125	87,593
	<u>197,235</u>	<u>172,705</u>

Note 19. Contract liabilities

	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Contracts with customers where services are transferred at a point in time	278,159	335,428
Contracts with customers where services are transferred over time	681,169	777,900
	<u>959,328</u>	<u>1,113,328</u>

Contract liabilities relate to contracted services where revenue is to be recognised in a future period.

Note 20. Issued capital

	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares	<u>207,691,332</u>	<u>204,426,332</u>	<u>34,788,965</u>	<u>33,482,960</u>

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 20. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2021	204,426,332	33,482,960
Ordinary shares issued on 13 July 2021 at \$0.40		2,500,000	1,000,000
Ordinary shares issued on 13 October 2021 at \$0.40		625,000	250,005
Ordinary shares issued on 11 November 2021 at \$0.40		140,000	56,000
Balance	31 December 2021	<u>207,691,332</u>	<u>34,788,965</u>

Rights of each type of share

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

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

Note 21. Reserves

	31 Dec 2021 \$	30 Jun 2021 \$
Foreign currency reserve	(9,463)	(5,741)
Share-based payments reserve	<u>1,511,778</u>	<u>1,190,937</u>
	<u>1,502,315</u>	<u>1,185,196</u>

Refer to note 22 for details of the fair value of options granted.

Note 22. Share-based payments

(a) Equity-settled share-based payments

(i) Employee option plan

The Group has approved an employee share and option plan titled the 'Microba Employee Share and Option Plan' (ESOP) designed, to provide eligible persons with the opportunity to participate at the discretion of the directors. The options are subject to vesting conditions and disposal restrictions. Options under the ESOP are issued at a premium to the last share issuance price.

Details of the options granted are provided below:

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 22. Share-based payments (continued)

31 December 2021

Grant date	Expiry date		Balance at 1 Jul 2021	Granted during the period	Expired during the period	Balance at 31 Dec 2021
15/10/2018	15/10/2023	\$0.18	6,900,000	-	-	6,900,000
15/02/2019	15/10/2023	\$0.18	400,000	-	-	400,000
01/03/2019	15/10/2023	\$0.18	150,000	-	-	150,000
05/04/2019	15/10/2023	\$0.18	400,000	-	-	400,000
25/11/2019	24/11/2024	\$0.30	5,100,000	-	-	5,100,000
13/01/2020	24/11/2024	\$0.26	400,000	-	-	400,000
31/01/2020	24/11/2024	\$0.30	200,000	-	-	200,000
30/06/2020	29/06/2024	\$0.30	400,000	-	-	400,000
01/04/2021	04/04/2023	\$0.34	3,650,000	-	-	3,650,000
			<u>17,600,000</u>	<u>-</u>	<u>-</u>	<u>17,600,000</u>

Fair value of options granted:

The assessed fair value of the options at grant date is:

- \$0.099 for options vesting within 1 year;
- \$0.103 for options vesting within 2 years;
- \$0.212 for options vesting within 3 years; and
- \$0.179 for options vesting within 4 years.

Fair value was determined using the Binomial option pricing model. The following inputs were utilised:

- Exercise prices and expected lives as disclosed above
- Expected price volatility of the group's shares: 95% (30 Jun 2021: 95%)
- Expected dividend yield 0% (30 Jun 2021: 0%)
- Risk-free interest rate 0.7% (30 Jun 2021: 0.7%)

Expected volatility was determined by the share price volatility of Australian listed biotechnology companies.

(ii) Expenses recognised from share-based payment transactions

The expenses recognised in relation to the share-based payment transactions were recognised within the employee benefits expense within the statement of profit or loss. The expenses recognised were as follows:

	31 Dec 2021 \$	31 Dec 2020 \$
Options issued under employee option plan	320,841	273,468
Shares issued under employee share plan	56,000	-
Total expenses recognised from share-based payment transactions	<u>376,841</u>	<u>273,468</u>

Microba Life Sciences Limited and controlled entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2021

Note 23. Interests in subsidiaries

Subsidiaries of Microba Life Sciences Limited

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2021 %	30 Jun 2021 %
Microba Pty Ltd Incorporated 6 September 2019	Australia	100%	100%
Microba Services Pty Ltd Incorporated 6 September 2019	Australia	100%	100%
Microba IP Pty Ltd Incorporated 6 September 2019	Australia	100%	100%
Microba US, Inc. Incorporated 14 January 2020	United States of America	100%	100%

Note 24. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Microba Life Sciences Limited and controlled entities
Directors' declaration
For the half-year ended 31 December 2021

The Directors of the company declare that:

- the attached financial statements and notes comply with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*';
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'P. R.', followed by a long horizontal stroke.

Pasquale Rombola
Chairman

02 February 2022
Brisbane, Queensland

Independent Auditor's Review Report To the Members of Microba Life Sciences Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Microba Life Sciences Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$6,030,461 during the half year and had net cash outflow from operating activities of \$3,793,719 for the period ending 31 December 2021. The group is dependent on the continued commercialisation of its product and services and success in future capital raising initiatives. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that causes us believe that the half-year financial report is not presented fairly in accordance with the Australian Auditing Standards. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that causes us believe that the half-year financial report of the Group does not give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance and its cash flows for the period ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.



PITCHER PARTNERS



CHERYL MASON
Partner

Brisbane, Queensland
2 February 2022