ASX Announcement
29 January 2025

Q2 FY25 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Strong Sales & Clinical Adoption Continues in Australia. UK MetaXplore Access Accelerating.

Microba Life Sciences Limited (ASX: MAP) ("Microba" or the "Company), a company at the forefront of microbiome diagnostics & therapeutics, is pleased to provide a summary of its activities for the quarter ended 31 December 2024.

Key Highlights

- **Financial Performance**[1]
  - **Cash receipts of $3.87m, up 109% vs Previous Corresponding Period (PCP)**
  - **H1 FY25 revenue of $8.08m, up 147% vs PCP**
  - **Q2 FY25 Revenue of $4.43m, up 102% vs PCP**
    - **Personal Testing & Supplements revenue of $3.50m, up 132% vs PCP**
    - **Research Testing revenue of $0.92m, up 35% vs PCP, in line with transition to Clinical Microbiomics**

- **Testing Business**
  - **Australia: Continued strong sales momentum for MetaXplore**
    - **Q2 sales of 2,560, up 195% vs PCP. Growth underpinned by growth in both ordering clinicians and orders per clinician**
    - **Q2 annualised run-rate of 10,240 tests sold, up 195% vs PCP, sales momentum exceeded the anticipated seasonal decline typically seen in December**
    - **Strong start to Q3, as at 28 January, sales already ahead of December**

  - **Australia: MetaPanel sales continuing to build across all major states through Sonic Healthcare (ASX: SHL) network**
    - **December was a record sales month; January has seen a strong start to Q3 FY25**
    - **Total sales of 575 tests since launch as at December 31 2024**

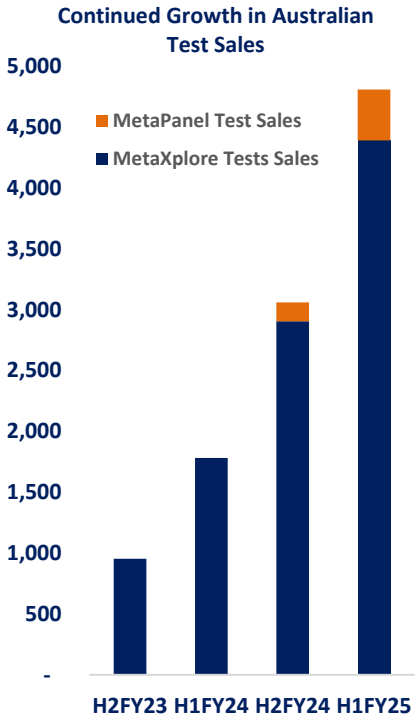
  - **United Kingdom: Invivo Clinical continues transition to new growth phase for testing business**
    - **MetaXplore early access program delivering clinician referral rates consistent with Australia, providing validation to accelerate towards full market access**

- **Strong balance sheet with $17.3m in Cash or Equivalents at 31 December 2024**

- **To realise the value of the Company's therapeutic assets, and progress MAP 315 to a Phase 2 clinical trial in IBD, the Company is continuing to be active in a range of non-dilutive strategic opportunities**

- **Continued to make positive progress on the pathway to securing US reimbursement for MetaPanel**

- **The Quarterly Investor Video Presentation is now available via the Company's Investor Hub. View the webinar and ask questions of management via this link: Q2 FY25 Quarterly Investor Webinar**



[1] Financials are preliminary and unaudited.

JOIN MICROBA'S INTERACTIVE INVESTOR HUB
For more Company information and to engage with management by asking questions about Microba's latest announcements and updates, visit **ir.microba.com/welcome**

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Commenting on the quarter, Microba's CEO, Dr Luke Reid, said:

"We continue to see positive sales momentum for our testing business led by MetaXplore test sales in Australia. MetaPanel adoption continued to grow setting a sales record in December, the overall growth momentum for both tests exceeded the historical sales decline typically seen in December due to seasonality and fewer trading days."

"In the United Kingdom, the MetaXplore early access program is delivering test referral metrics consistent with Australia. This has provided validation to accelerate the program to include more healthcare professionals, setting up for full market access in H2FY25".

"Microba remains intensively focused on executing its testing and therapeutic business strategies. This quarter's continued strong results, exemplified by the break-out growth in Australia MetaXplore sales, demonstrates the traction we are gaining in the market, giving us confidence in the opportunity and growth profile ahead ."

TESTING BUSINESS

Australia - MetaXplore™ Gastrointestinal Disorder Test

Strategic clinician education, targeted sales activities and product enhancements (such as *Expert Summary* and *Report Sharing*) delivered strong growth momentum again in Q2FY25 for MetaXplore in Australia. This growth was driven by an increase in both the number of ordering clinicians and the volume of orders per clinician.

Sales momentum exceed the anticipated seasonal decline typically seen in December, which is traditionally the slowest month for the industry due to seasonality and reduced trading days, further highlighting the success of the quarter.

	Q2 FY25	vs Q2 FY24 (PCP)	vs Q1 FY25 (QoQ)
Tests Sold	2,560	869, up 195%	1,832, up 40%
Ordering Clinicians	544	266, up 105%	487, up 11%

Australia - MetaPanel™ - Gastrointestinal Pathogen Test

In Q2 FY25, we passed a milestone of 500 MetaPanel™ tests sold since launch, and made significant progress in driving adoption with general practitioners and gastroenterologists across Australia together with our partners at Sonic Healthcare. Active field sales efforts continued to gain traction with lunch and dinner event series held throughout the quarter, these saw strong clinician attendance, engagement and conversion to ordering clinicians.

As at the end of the quarter, 575 MetaPanel tests had been sold since launch, December sales delivered a record month and January has seen a strong start to Q3 FY25.

	Q2 FY25	vs Q2 FY24 (PCP)	vs Q1 FY25 (QoQ)
Tests Sold	236	Not yet in market.	184, up 28%

United Kingdom - Invivo Clinical

Executing on our growth plan, MetaXplore sales commenced in October through an Early Access Program to key clinician accounts.

Clinician accounts participating in the Early Access Program have delivered test referral rates similar to Australia, demonstrating healthy initial traction and market acceptance. This has provided confidence to expand the program to additional clinicians, and accelerate towards full market access in 2H FY25.

As stated in the previous quarter, the transition to a new growth testing phase has impacted sales for existing testing products, however the considered focus on MetaXplore is expected to translate into growth in H2 FY25 as adoption gains momentum.

Supplement sales remained robust, delivering growth for the period.

	Q2 FY25	vs Q2 FY24 (PCP)	vs Q1 FY25 (QoQ)
Sales	$2.1m	$2.1m	$2.1m
Tests Sold	1,504	1,684, down 11%	1,740, down 14%
Supplements Sold	32,833	30,298, up 8%	31,944, up 3%
Ordering Clinicians	722	732, down 2%	771, down 7%

Growth strategy

Stage 0 – Complete, expected to impact results in Q3 FY25

Stage 0 Strategy: Bolster sales resourcing for the UK team with recruitment of new talent and experience to unlock latent growth potential

- Field sales force doubled with new senior and mid-level hires

Stage 1 **–** Commenced, expected to impact results in H2 FY25

Stage 1 Strategy: Launch Microba's MetaXplore™ product into the UK to drive testing growth

- Early Access Program commenced providing select clinician accounts with access to order MetaXplore, and first orders received.
- Early Access Program progressively opened to more clinicians, supporting full market access in 2025.

THERAPEUTICS BUSINESS

Inflammatory Bowel Disease Program – Advancing MAP 315 for Phase 2

As noted at the Trading update on 28 November, on the back of recent progress across the Company's therapeutic programs, and as we progress MAP 315 to a Phase 2 clinical trial in IBD, the Company is active in a range of partnering activities evaluating various non-dilutive strategic opportunities.

Immuno-Oncology Program – Clinical data and sample set grown to over 5,500 patients

During the quarter Microba's clinical data and sample set grew to over 5,500 patients. These additional clinical insights provide a powerful data package in support of potential future clinical development.

Autoimmune Disease Program – Successful completion of discovery program

During the quarter, the 6 leads from the discovery program were further advanced through pre-clinical development activities and validation models towards securing the IP filings for these assets ahead of clinical development.

International Flavors & Fragrances (NYSE:IFF)

Microba continued to advance its multistage research program with IFF to develop novel microbiome-based treatments for multiple forms of allergy. The isolation campaign completed in H1 FY25 with 6 of the target lead species successfully isolated. The scheduled safety and manufacturability assessments of the lead strains has now been completed. Custom assays relevant to allergic responses were established at Microba and the ability of the lead species to modulate these responses is currently underway. These experiments are expected to be completed in Q3

FY25.

Financial Update

Unaudited revenue for the December 2024 quarter totalled $4.43m, representing 102% growth vs PCP with Personal Testing & Supplements up 132% vs PCP to $3.5m, and Research Testing up 35% vs PCP to $0.92m. Cash receipts for the December 2024 quarter totalled $3.87m, up 109% vs PCP. The cash receipts compared to the prior quarter (Q1 FY25) of $5.07m were 24% lower, primarily due to the strong delivery and finalisation of Research projects in Q2 FY25 aligned with the transition to Clinical Microbiomics, these projects were paid for in Q1 FY25 but completed with revenue recognised in Q2 FY25.

As at 31 December 2024, Microba had $17.3m in cash or equivalents

In accordance with Listing Rule 4.7C, payments made during the quarter to related parties and their associates included in item 6.1 of Appendix 4C was $161,480 and included Director fees.

This announcement has been authorised for release by the Board.

For further information, please contact:
Dr Luke Reid
Chief Executive Officer
luke.reid@microba.com
https://ir.microba.com/welcome

About Microba Life Sciences Limited

Microba Life Sciences is a precision microbiome company driven to improve human health. With world-leading technology for measuring the human gut microbiome, Microba is driving the discovery and development of novel therapeutics for major chronic diseases and delivering gut microbiome testing services globally to researchers, clinicians, and consumers. Through partnerships with leading organisations, Microba is powering the discovery of new relationships between the microbiome, health and disease for the development of new health solutions. For more information visit www.microba.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Microba Life Sciences Limited, and controlled entities	
ABN	**Quarter ended ("current quarter")**
82 617 096 652	31 December 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	3,874	8,941
1.2	Payments for		
	(a) research and development	(554)	(1,074)
	(b) product manufacturing and operating costs	(2,264)	(4,424)
	(c) advertising and marketing	(268)	(528)
	(d) leased assets	(239)	(480)
	(e) staff costs	(3,611)	(7,512)
	(f) administration and corporate costs	(1,322)	(3,120)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	220	460
1.5	Interest and other costs of finance paid	(30)	(54)
1.6	Income taxes paid	-	(5)
1.7	Government grants and tax incentives	5,993	5,993
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**1,799**	**(1,803)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(138)	(1,525)
	(d) investments	-	-
	(e) intellectual property	(544)	(1,064)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(682)**	**(2,589)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	1,298
3.6	Repayment of borrowings	(245)	(498)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(245)**	**801**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	16,426	20,890
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,799	(1,803)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(682)	(2,589)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(245)	801

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
4.5	Effect of movement in exchange rates on cash held	18	17
4.6	**Cash and cash equivalents at end of period**	**17,316**	**17,316**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	16,316	15,426
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)*	1,000	1,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**17,316**	**16,426**

*A term deposit of $1,000,000 was classified as restricted cash as stipulated under the NovaSeqX funding agreement (referred to at Section 7 of this document). The term deposit will be held for the duration of the agreement (36 months). The term deposit rolls over every 3 months and is subject to an interest rate review on rollover.

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(161)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: Payments included in item 6.1 above relate to Director Fees and Consulting Fees paid to Directors of Microba Life Sciences Limited during the period.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	(1,196)	(1,196)
7.4	**Total financing facilities**	**(1,196)**	**(1,196)**

7.5	**Unused financing facilities available at quarter end**	0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Insurance Premium Funding Agreement: An unsecured insurance premium funding arrangement was entered into to finance the Group's annual insurance premiums. The balance originally drawn was $494k on 25 May 2024, the balance owing at quarter end was $99k. The funding arrangement is repayable over 10 equal monthly instalments, with a fixed interest rate of 2.69%.

NovaSeqX Plus Funding Agreement: A funding arrangement was entered into to finance the purchase of a state-of-the-art Illumina NovaSeqX Plus sequencing machine. The funding is secured against the machine. The balance originally drawn was $1.298m on 30 July 2024, the balance owing at quarter end was $1.097m. The funding arrangement is repayable over 36 equal monthly instalments, with a fixed interest rate of 8.52%.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	1,799
8.2	Cash and cash equivalents at quarter end (item 4.6)	17,316
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	**17,316**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**N/A**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **29 January 2025**

Authorised by: **The Board of Directors**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.