

ASX ANNOUNCEMENT

29 November 2022

Biome Australia 2022 Annual General Meeting – Chair and Managing Director’s Address

Microbiome health company **Biome Australia Limited** (ASX: BIO) (‘Biome’ or ‘the company’) is pleased to present a copy of the following address which will be delivered by Biome’s Chair, Ilario Faenza, and Managing Director, Blair Vega Norfolk, at its Annual General Meeting being held in Melbourne at 10am AEDT today.

BIO Chair’s AGM Address

Before we begin formal proceedings, and on behalf of the Board, I would like to welcome fellow shareholders to the Biome Australia AGM and thank you for your support this year.

2022 represents our first year listed on the ASX and what a fantastic year of commercial and operational success it has been, well exceeding prior years and positioning us strongly for continued rapid growth in years to come. Above all, this year Biome cemented itself as one of the fastest growing and most reputable microbiome health companies in Australia with a wide range of clinically validated and condition specific biotherapeutic products. Biome’s flagship range, Activated Probiotics® has developed an enviable position within both community pharmacy and independent practitioner sales channels as a leading practitioner-only probiotic brand.

The operational development of Biome though FY22 has reflected in our financial results, with revenue of \$4.12M for FY22. This represents a 78% increase from \$2.32M in FY21 and is a remarkable achievement amidst a global health crisis with lockdowns and pharmacists taken away from their dispensaries with the national vaccine program.

Despite the time and attention put toward our IPO in late 2021, the Biome team has delivered on all metrics, including gross margins, distribution footprint, new product development and clinical trials. It is not easy for a company to transition from an unlisted to a listed company and on behalf of the Board I would like to thank Biome's management team for their steadfast focus and commitment.

We are now in an extremely strong position to leverage the victories of last year and continue growing. As such we have confidently forecasted revenues of \$7M for FY23.

Considering the strong progress made, it is important to acknowledge that our share price has not performed to our expectation or in line with our operational successes. This is disappointing, however we do not believe it accurately reflects the value of the company, nor its achievements to date. Our focus remains on operational and financial growth, and we look forward to seeing our share price reflect this over the coming periods.

As we continue to deliver on our growth plans, we look forward to updating you on our achievements and reaffirming the opportunity an investment in Biome represents.

The next critical milestone will be break even, with revenue expected to be a minimum of \$7M for FY23. Biome is now achieving scale, resulting in any increases in operational expenses (Opex) slowing substantially. With our gross margin holding at > 58%, we are very focused on achieving profitability.

I would like to thank all shareholders for their past and ongoing support for Biome – those who have been long term supporters, as well as new investors in the Company.

We all look forward to seeing the success that 2023 will bring.

Thank you. I will now pass over to Biome's Founder and Managing Director, Blair Vega Norfolk.

Ilario Faenza
Chair



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BIO Managing Director's AGM Address

Dear Shareholders,

I am pleased to report that Biome's successes in FY22 are continuing to roll over into FY23. You will have seen evidence of this with the reporting of record results in Q1. Pleasingly we are expecting another best quarter for sales revenue in Q2.

Revenue growth continues to be our priority. While we are remaining focused on executing our growth strategy, the team is also working hard to propel and finalise Biome's existing research and development projects to bolster our future growth. As such, we expect to have preliminary results from our Biome Lift clinical trial on patients with sub-threshold depression in Q3 FY23.

We also look forward to strengthening our product range with a novel biotherapeutic product launching in H2 FY23. This is expected to further accelerate our revenue growth and will cement the generation of a minimum of \$7m in revenue (~70% growth vs FY22) for this financial year. I look forward to sharing how this new product will support a new patient category, in Q3.

End of year customer meetings are in full swing and the reports we have received thus far from our key distributors and customers have been extremely positive. These discussions have secured ongoing trading commitments, additional retail shelf space and expanding sales of additional Activated Probiotics® products. Biome's partners have also shared valuable insight with point of sale (scan) consumer data.

Scan data supplied by our largest customer, Symbion Pharmacy Wholesale, for the rolling 12-month period ending 4 September, 2022, highlights that Biome sold \$4.8m (at retail price) of product in retail pharmacy. The data showed sales of Biome's Activated Probiotics® grew 86.5% for the aforementioned 12-month period and 87% for the last rolling quarter. Retail pharmacy represents 62% (Q1 FY23) of Biome's wholesale sales, so this is a fantastic achievement.

Additionally, Terry White Chemmart shared that through their rewards customer database, the average Activated Probiotics® customer purchases 2.1 units per transaction and those customers return to repurchase at a frequency well above the industry average.

I am proud to update you that Biome Australia ran its inaugural Education Symposium, *Women in the New World*, in Hobart in October 2022. The event was designed for health professionals to bolster their knowledge and understanding of



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the gut microbiome and the research behind Activated Probiotics® products. Over 150 natural medicine practitioners and pharmacists attended and according to the post event survey, it was regarded as one of the leading industry events of the year. We expect this to support the continued sales growth of the practitioner distribution channel.

We frequently highlight Activated Probiotics® successful sales growth in community pharmacy, however, our independent practitioner channel is growing at an even higher rate. The Practitioner channel, comprised of general practitioners (GPs), naturopaths, nutritionists as well as other allied health professions in private practice now represents 27.2% of our sales in Q1, up from 25% for FY22. This is not only a valuable distribution channel but also supports mass market adoption due to practitioners' trusted recommendations of the Activated Probiotics® products.

In FY22 Biome has been able to manage our raw material (COGS) inputs through a challenging year that brought global upward price pressures. We have managed to keep gross margin above 58% and have avoided any price increases to customers in FY22.

As an impact-focussed organisation and a Certified B Corporation, we see culture, people and sustainability as vital strategic focuses. We are pleased to say we have 100% staff retention through FY22 and a very strong culture led with high levels of flexibility, responsibility and accountability. Our packaging for Activated Probiotics® is recyclable, and as a Certified B Corporation we are always working to increase our positive impact through our products and education, while always looking for new ways to reduce our carbon footprint.

Again, I would like to thank you for your support and I look forward to sharing our H1 FY23 results in the coming months.

Kind regards,

Blair Vega Norfolk
Managing Director

This announcement was authorised to be given to ASX by the Board of Directors of Biome Australia Limited.

-ENDS-

Approved for release by the Biome Australia board of directors.



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About Biome Australia Limited

Biome Australia develops, licenses, commercialises and markets innovative, evidence-based live biotherapeutics (probiotics) and complementary medicines, many of which are supported by clinical research. Biome aims to improve health outcomes and quality of life, and make its products accessible to all.

Incorporated in Australia in 2018, Biome distributes locally and abroad. In partnership with some of the world's leading organisations in microbiome research and development, Biome produced several unique live biotherapeutic (probiotic) products with innovative delivery technologies that improve their stability and efficacy to create its flagship range of complementary medicines: Activated Probiotics®.

Supported by clinical research, including randomised double-blind placebo-controlled trials, Activated Probiotics help prevent and support the management of various health concerns, including low mood and sleep, bone health, iron malabsorption, mild eczema and IBS. Through practitioner-only distribution, Biome is committed to educating health professionals on the newfound systemic health effects of the gut microbiota, helping them to provide innovative, evidence-based natural medicines for the management of some of humanity's most prevalent and chronic health concerns.

Biome also develops, licenses and distributes a scientifically formulated, organic nutraceutical range, Activated Nutrients® and a sports performance and recovery range, Activated X Performance®, which is made exclusively for professional athletes.

For more information visit: www.biomeaustralia.com

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Forward looking statements

*This release may contain forward looking statements, including but not limited to projections, guidance on future revenues, earnings, other potential synergies and estimates and the future performance of Biome (**Forward Looking Statements**).*

Forward Looking Statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such Forward Looking Statements and any projections and assumptions on which these Forward Looking Statements are based. Such statements may assume the success of Biome's business strategies. You are cautioned not to place undue reliance on Forward Looking Statements.



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The Forward Looking Statements are based on information available to Biome as at the date of this release. Any Forward Looking Statements containing forward looking financial information provided in this release is for illustrative purposes only and is not represented as being indicative of Biome's views on its future financial condition and/or performance. The historic financial information for the September 2021 financial quarter and revenue figures for October and November 2021 have not been audited or reviewed by Biome's auditors. Such information should not be taken as a guide for future performance.

Nothing in this release is a promise or representation as to the future. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any Forward Looking Statements contained in this release. Except as required by law or regulation (including the ASX Listing Rules), Biome does not undertake to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise.

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Investors are strongly cautioned not to place undue reliance on Forward Looking Statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the Covid-19 pandemic.



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