

ASX ANNOUNCEMENT

30 January 2023

Quarterly Activity Report Q2 FY23

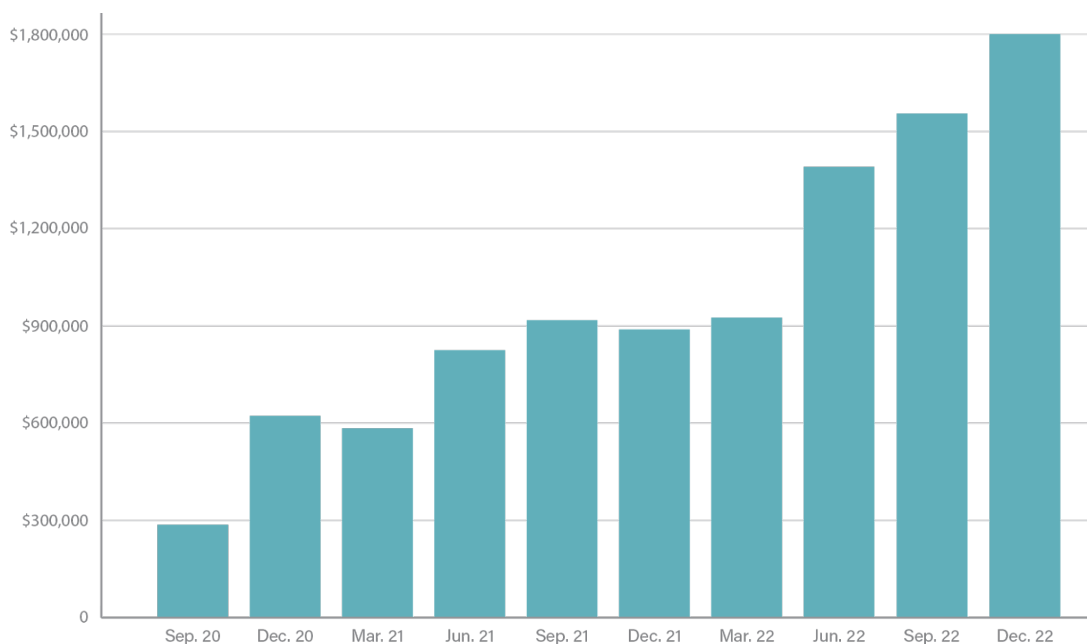
- Record quarterly sales of \$1.8M — up 103% vs the previous corresponding period
- \$1.77M in cash receipts from customers — up 37% vs Q1 FY23
- Cash balance of \$3.73M as of 31 December 2022
- [Watch the video presentation](#)

Microbiome health company, **Biome Australia Limited** (ASX: BIO) ('Biome' or 'the company'), is pleased to provide its Appendix 4C and Activity Report for the quarter ended 31 December 2022.

Biome reports its strongest quarterly revenue to date with sales of \$1.8M for the December 2022 quarter — up 103% on the previous corresponding period. This represents total unaudited revenue for H1 FY23 of \$3.4M — up 87% on H1 FY22, with gross margin maintained above 58%.

The Biome Board is pleased to see H1 unaudited revenue accounting for 48.5% of the \$7M revenue forecast for FY23.

Quarterly Sales Revenue



Company Financial and Corporate Overview

Net cash outflow from operating activities for the quarter was \$349,000 (previous quarter net cash outflow of \$1.1 million).

Cash at the end of the quarter was \$3.73 million (30 Sep 2022: \$4.21 million).

In Q2 FY23 the Company received \$1.77 million (previous quarter \$1.29 million) in cash receipts from customers, an increase of \$480,000.

Business activities expenditure totalled \$2.16 million for the December quarter (previous quarter \$2.38 million), a reduction of \$220,000.

Business activities expenses consist of sales, advertising and marketing costs of \$377,000 (unchanged from previous quarter \$377,000), operating costs of \$654,000 (previous quarter \$726,000) and research and development of \$53,000 (previous quarter \$107,000) with the balance of operating outflows being administration and staff costs totalling \$1,074,000 (previous quarter \$1,169,000).

The Company received \$5,000 in bank interests and \$37,000 in Export Market Development Grant (EMDG) during the Dec quarter.

Investor Hub

Biome has launched a new interactive investor hub. To view a video presentation of this announcement, ask questions or sign up for future company updates, please visit the investor hub via [this link](https://investorhub.biomeaustralia.com/) (<https://investorhub.biomeaustralia.com/>).

The table below illustrates the expenditure comparison against the Company's 'Use of proceeds table' in the Prospectus dated 19 October 2021:

Use of proceeds	Amounted budgeted in Prospectus	Actual amount spent to date
Inventory	\$2.4 million	\$0.95 million
Sales & Marketing	\$2.15 million	\$1.22 million
New Product Development	\$0.5 million	\$0.28 million
Administrative & Working Capital	\$1.95 million	\$0.75 million
Costs of the Offer	\$1 million	\$1.07 million
Total	\$8 million	\$4.27 million

Table 1: Use of funds

The Company notes that in the December 2022 quarter, the Company paid \$150k to Directors of the Company in fees, salaries superannuation and short-term incentive payments.

Appendix 4C

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

Name of entity

BIOME AUSTRALIA LIMITED (BIO)

ABN

51 627 364 014

Quarter ended ("current quarter")

DEC 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (....6...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,767	3,054
1.2 Payments for		
(a) research and development	(53)	(160)
(b) product manufacturing and operating costs	(654)	(1,380)
(c) sales, advertising and marketing	(377)	(755)
(d) leased assets	-	-
(e) staff costs	(884)	(1,844)
(f) administration and corporate costs	(190)	(398)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes & FBT paid	-	-
1.7 Government grants (EMDG) and tax incentives	37	37

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (....6...months) \$A'000
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(349)	(1,439)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets (*leasehold improvements)	(72)	(256)
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 (**bank guarantee)	-	-
2.6 Net cash from / (used in) investing activities	(72)	(256)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (....6...months) \$A'000
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	-	-
3.6	Repayment of borrowings	-	-
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	0	0
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,214	5,493
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(349)	(1,439)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(256)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	(58)	(63)
4.6	Cash and cash equivalents at end of period	3,735	3,735

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	3,735	4,214
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,735	4,214

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	150
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount paid to Directors of the Company during the quarter was \$150,000 in fees and salaries, superannuation and short-term incentive payments.

7.	Financing facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	Nil	n/a
7.2	Credit standby arrangements	Nil	n/a
7.3	Other (please specify)	Nil	n/a
7.4	Total financing facilities	Nil	n/a
7.5	Unused financing facilities available at quarter end		n/a
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(349)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,735
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,735
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.7
	<i>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.</i>	
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?	
	Answer: 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?

Answer:

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?

Answer:

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: 30 JANUARY 2023

Authorised by: By the Board

(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.

Upcoming Activities		
1	Biome Lift clinic trial on subthreshold depression	Preliminary results in Q3 FY23
2	Biome Daily Kids Clinical trial	Recruitment completes in Q3 FY23
3	Half year results	27 February 2023
4	Investor Roadshow	March 2023
5	New novel live biotherapeutic product launch	Launching Q4 FY23
6	Biome Osteo Clinical Trial	Recruitment completes in Q4

-ENDS-

Disclaimer: The information within this document is for educational purposes only, and any information or products described within are not intended to diagnose, treat, cure or prevent any disease. The information contained in this document is in no way intended to be prescriptive or replace medical advice by a healthcare physician.

Approved for release by the Biome Australia board of directors.

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.

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.

To the maximum extent permitted by law, Biome excludes and expressly disclaims all liabilities in respect of, and makes no representation or warranty, express or implied as to the fairness, currency, accuracy, reliability or completeness of information in this release or the accuracy, likelihood of achievement or reasonableness of any Forward Looking Statements (or any event or results expressed or implied in any Forward Looking Statements) contained in, implied by, the information in this release or any part of it, or that this release contains all material information about Biome or which a prospective investor or purchaser may require in evaluating a possible investment in Biome or acquisition of securities in Biome.

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.