

**BIOME** | AUSTRALIA  
GROUP

# The Microbiome Health Company





## Acknowledgement of Country

We acknowledge the Wurundjeri people as the Traditional Owners on whose Country we are based. We pay respect to their Elders past, present and emerging and acknowledge their continuing connection to land, sea and community. We extend that respect to Traditional Owners throughout Australia where we work and operate.

Biome aims to improve the health and quality of life of Australians suffering from some of the most common and chronic health conditions using evidence-based complementary medicines.

As a microbiome health company that pursues clinical trials, Biome works at the intersection of the natural medicine and pharmaceutical world. Biome Australia develops, licenses, commercialises, and markets innovative, evidence-based live biotherapeutics (probiotics) and complementary medicines, many of which are supported by clinical research.

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 density loss, iron malabsorption, mild eczema and irritable bowel syndrome (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.



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**2018**

JULY

**Biome Australia  
Founded**

6 employees

**2019**

MARCH

**Listing of 10  
Medicines**

On the Australian Register  
of Therapeutic Goods



NOVEMBER

**Activated  
Probiotics Launch**

Biome launches its  
condition-specific  
probiotic range

**2020**

JUNE

**TerryWhite  
Chemmart  
Distribution Deal**

Activated Probiotics  
launches nationally with  
TerryWhite Chemmart  
\$833k FY20 sales revenue

**2023**

JUNE

**Total of 17 Listed  
Medicines on  
the ARTG**

MARCH

**Biome Lift™  
Clinical Trial  
Preliminary  
Results**

On patients with  
subthreshold depression



SEPTEMBER

**Priceline Pharmacy  
Activated Probiotics  
Product Launch**

**2022**

JUNE

**\$4.12m FY22  
Sales Revenue**

**3000 Distribution  
Points**

**2024**

JULY

**\$7.23m FY23 Sales**

JULY

**Activated  
Probiotics Product  
Range Extensions**

At Priceline Pharmacy &  
TerryWhite Chemmart



DECEMBER

**Landmark deal  
for Biome is  
signed for novel  
probiotic strain**

JANUARY

**Activated  
Probiotics Launch  
into UK/Ireland  
Health Retail**

20  
21



**NOVEMBER**  
**UK Practitioner  
Market Launch**

Activated Probiotics launches into the UK Practitioner market

**JANUARY**  
**Biome Osteo™  
Clinical Trial**

Probone21 clinical trial using Biome Osteo™ commences in partnership with La Trobe University and Probi AB

**FEBRUARY**  
**Practitioner  
Market Launch**

Activated Probiotics launches into the Australian practitioner market with Osborne Health Supplies and vital.ly

**FEBRUARY**  
**Biome Daily Kids™  
Clinical Trial**

Biome Daily Kids™ clinical trial commences in partnership with Federation University



**NOVEMBER**  
**B Corporation  
Certification**

**JUNE**  
**\$2.32M FY21  
Sales Revenue**



**MARCH**  
**Biome Lift™  
Clinical Trial**

In partnership with La Trobe University and Probiotal S.p.A.

**MARCH**  
**2000  
Distribution  
Points**



**JANUARY**  
**FY24 Forecast  
increased to  
\$12.5m**

**MARCH**  
**Biome Reaches  
Cashflow and  
EBITDA Positive  
Milestones**  
  
**5000 Distribution  
Points**



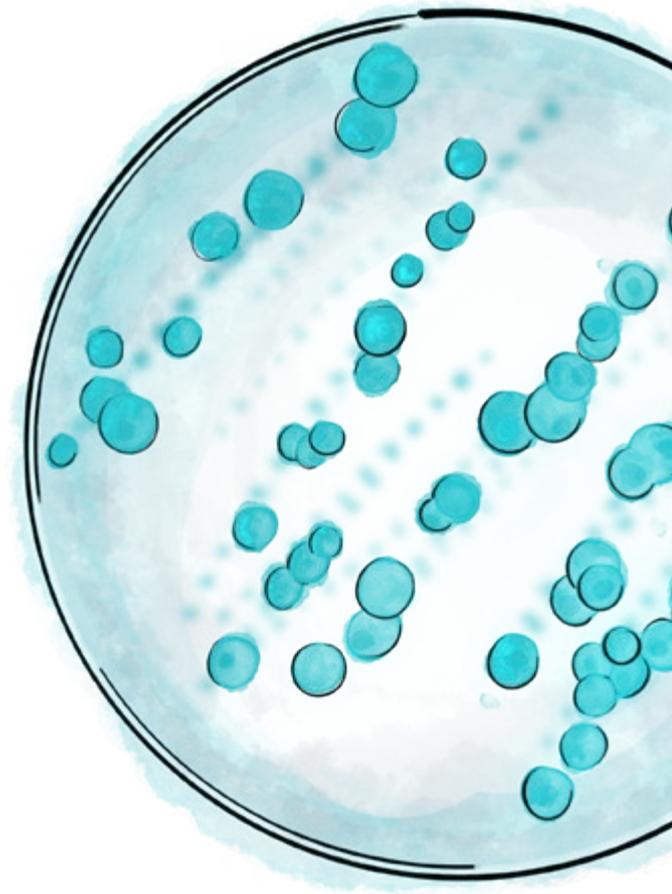
**MAY**  
**Initial products  
listed with  
Health Canada**



**JUNE**  
**\$13.01m FY24  
Sales Revenue**



“The gut microbiome can impact many aspects of human health, and how the health benefits of probiotics can go far beyond the digestive system.”



# Probiotics 101

Probiotics are living microorganisms that have been found to be beneficial to health when taken as a supplement.

In the gut, probiotics that we take and the microorganisms that live there are alive with activity and interact with all kinds of cells in the digestive tract—including cells that are part of our immune system, hormone-secreting cells, nerve cells and more. They also turn our food into energy and produce bioactive compounds called metabolites in the process. We can absorb these metabolites just like nutrients, which then travel through circulation to other parts of the body.

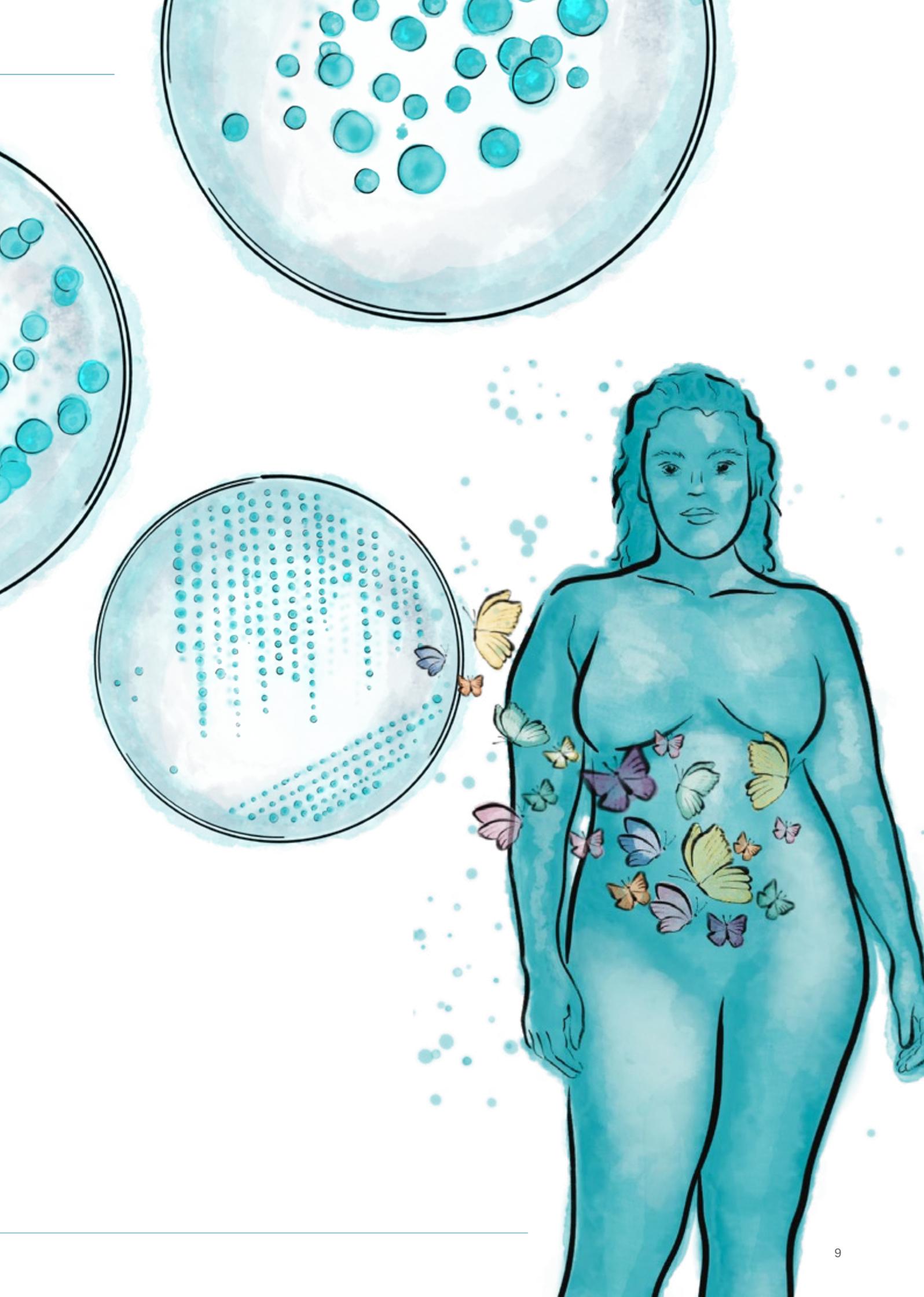
These actions are how the gut microbiome can impact many aspects of human health, and how the health benefits of probiotics can go far beyond the digestive system.

It is well-established that probiotics can improve digestion and the health of our gastrointestinal tract, but the links between the digestive tract and the rest of the body allow probiotics to impact the health of our whole body.

Not all probiotic microorganisms offer the same health benefits.

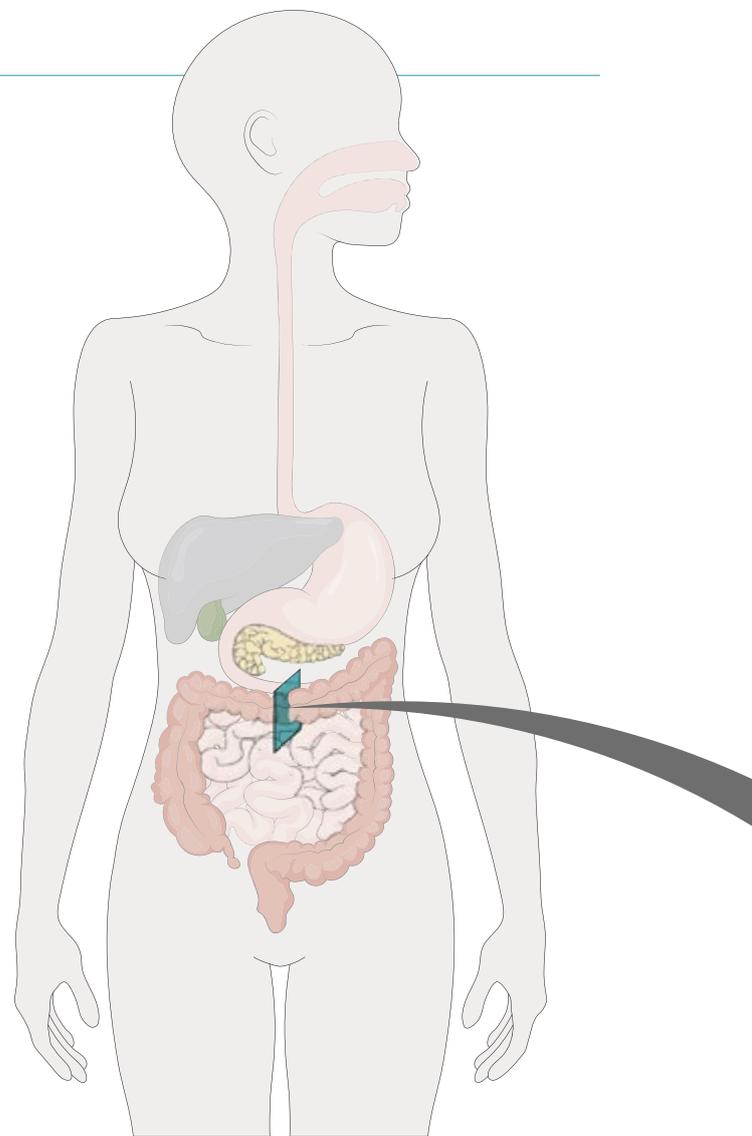
This is because different probiotic strains, even within the same species, perform very different biological functions in the human gastrointestinal tract and, as a result, offer vastly different health benefits.

This is the key to targeting specific health concerns with probiotic supplements, and why it's so important to know exactly which strains are present in a probiotic product.



# The gut microbiome

Demonstrating the proposed links between an unhealthy gut microbiome, inflammation and increased risk of chronic disease.



Scientific research has helped to reveal an additional organ system that has been invisible to the naked eye for much of human history: the gut microbiome. Just like we need lungs to breathe and a heart to pump blood around our bodies, we now know that the community of microorganisms living in our gut operates like a vital organ and is just as crucial for our health.

When the gut microbiome is healthy, the whole body benefits. However, just like any other organ, the gut microbiome can become disrupted and negatively impact our health. This is referred to as 'gut dysbiosis' and it has now been associated with many chronic diseases, including irritable bowel syndrome, depression, asthma, acne, osteoporosis and countless others.

Disruptions to the makeup of the gut microbiome is thought to negatively impact health through a number of different mechanisms. For example, an unhealthy gut microbiome triggers a breakdown of intestinal cell health and a phenomenon known as leaky gut which allows for the gut microbiome to interact with the underlying immune system. The immune system's response to potentially harmful microbes from an unhealthy gut can create inflammation which travels from the gut to the rest of the body via

chemical messengers (e.g. cytokines) circulating in the blood. Chronically raised inflammation stemming from the gut is thought to impact the health of many different organ systems, and contribute to the increasing prevalence of chronic disease.

The rise in gut dysbiosis (and its negative health effects) is thought to be due to several factors. Changing diets with lower intakes of fibre and unrefined plant foods, stressful lifestyles, low activity levels and increased use of antibiotics —these factors reduce the population and change the types of microorganisms found in the gut, creating gut dysbiosis.

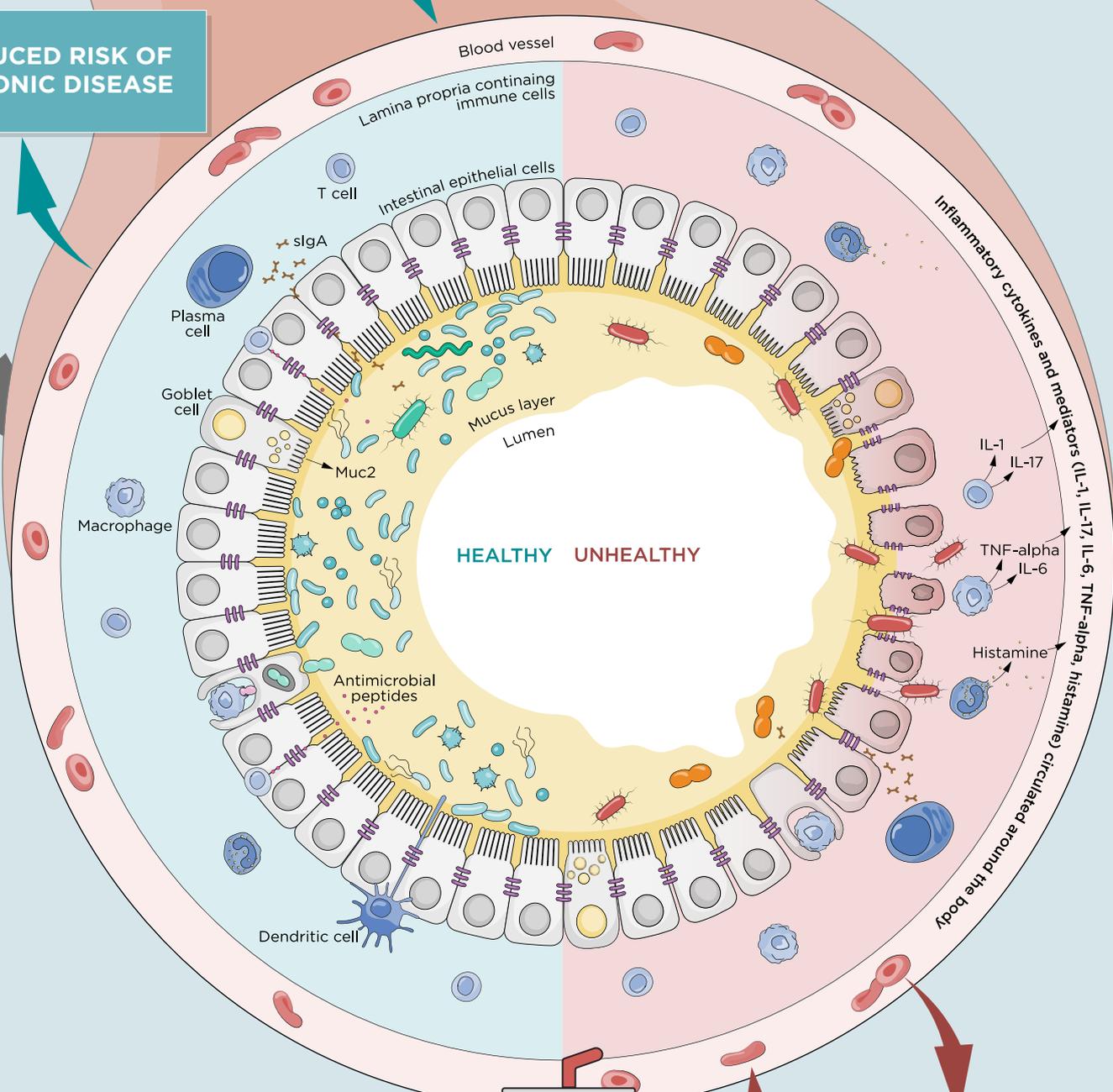
Fortunately, probiotics have emerged as a way to intervene. Beneficial probiotic bacteria represent a new generation of therapeutic agents which may be able to mitigate the negative effects of an unhealthy gut microbiome on different aspects of human health. In human clinical trials, specific strains of beneficial probiotic bacteria have now been shown to improve health outcomes in a number of chronic diseases.

1. Anwar, H., Irfan, S., Hussain, G., Naeem Faisal, M., Muzaffar, H., Mustafa, I., Mukhtar, I., Malik, S., & Irfan Ullah, M. (2020). Gut Microbiome: A New Organ System in Body. In Parasitology and Microbiology Research (pp. 1–20). IntechOpen

DIETARY FIBRES  
TARGETED  
PROBIOTICS

REDUCED RISK OF  
CHRONIC DISEASE

Large intestine



HEALTHY UNHEALTHY

Inflammatory cytokines and mediators (IL-1, IL-17, IL-6, TNF-alpha, histamine) circulated around the body

ANTIBIOTICS  
WESTERN DIET +  
LIFESTYLE

INCREASED RISK OF  
CHRONIC DISEASE:

- Asthma and allergies
- Inflammatory bowel disease (IBD)
- Diabetes
- Obesity
- Depression and anxiety

### Practitioner-only

Elevating the credibility of Biome's products through working with health professionals to support their active recommendation of Biome's products.

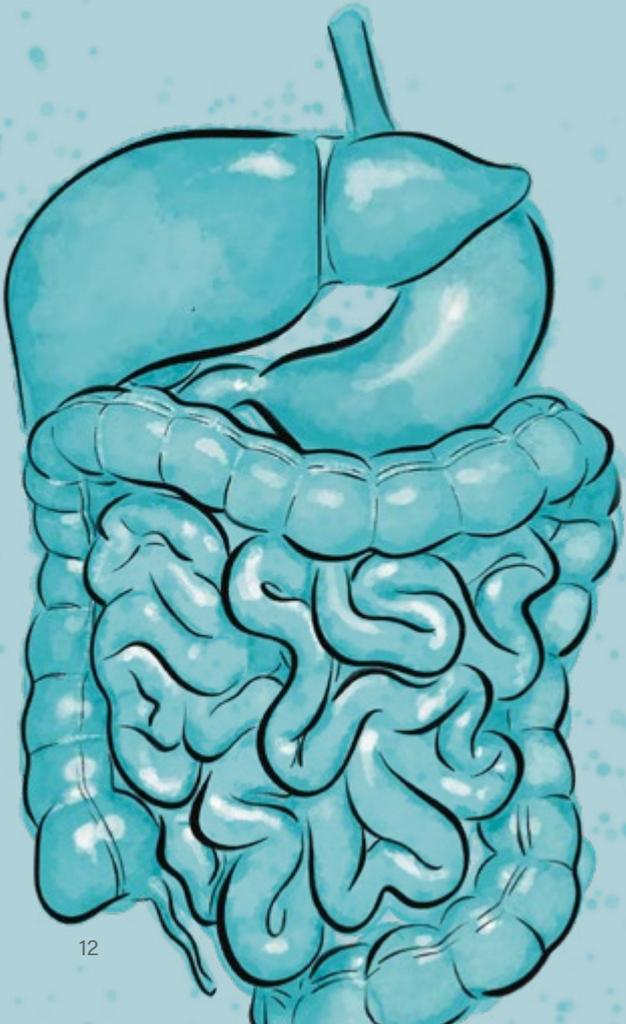
# 50,000+



health professionals educated throughout FY24 by Biome's education team.

### Expertise

The board and management has a strong local and global track record with existing professional networks across the healthcare industry in Australia, Asia and Europe. The expertise and passion of Biome's team sets Biome apart and is a critical and unique differentiator.



# 17

Activated Probiotics currently has 17 products in its portfolio which continue to grow as new products are developed.

### Clinically trialled

Biome Australia's live biotherapeutic products are all supported by clinical evidence of efficacy at a strain level. Biome also has several live biotherapeutic products that are all supported by human clinical trials on the finished product, in many cases these products are first in the world.

# Three

ongoing clinical trials

- Biome Lift™ and subthreshold depression
- Biome Osteo™ and osteopenia
- Biome Daily Kids™ and children's immune health

## Condition specific

Activated Probiotics has produced a range of condition-specific live biotherapeutic probiotic products that may help to prevent osteoporosis, reduce the severity and frequency of asthma attacks, reduce depressive symptoms, reduce cholesterol and increase iron absorption.



# 5000+

Distribution points  
in Australia

## Highest growth complementary medicine brand in Australia

\*Pharmacy scan sales  
data (IVQIA Market  
Performance moving  
annual total to May 2024)

# Probiotics as live biotherapeutic products

Biome denotes probiotic bacteria that target specific therapeutic outcomes in disease states as 'live biotherapeutics.'

This term has been adopted by the company to differentiate probiotic strains with general health benefits often used in fast-moving consumer goods and food supplements, and those that have clinical evidence supporting their therapeutic application in specific health conditions.

Due to the increasing body of evidence supporting the therapeutic application of specific probiotic strains in disease states, live biotherapeutics are increasingly regarded as their own class of therapeutic goods.

The U.S. Food and Drug Administration defines a live biotherapeutic product as a biological product that contains live organisms, such as bacteria, is applicable to the prevention, treatment or cure of a disease or condition of human beings, and is not a vaccine.

Biome's Activated Probiotics range is more aligned with the principles of live biotherapeutic products.

Each of our products has been carefully formulated with specific clinically-trialled probiotic strains at doses known to target a particular health concern, creating a range of condition-specific probiotics products.

We have products that target immune health, irritable bowel syndrome, infant colic, bone density, eczema, acne, dental health, muscle inflammation, mood and sleep, vaginal health, and more.

# Letter to shareholders

Dear fellow shareholders,

The Managing Director and Company Chair are pleased to present Biome Australia's FY24 Annual Report. FY24 was a foundational year for Biome, reaching major milestones in positive cash flow and EBITDA (H2 FY24) for the first time since Biome was founded in 2018. Through the year, sales revenue growth continued its momentum, closing the year with a record quarter of \$3.81m in Q4, up 88% vs PCP and 18.8% vs Q3 and surpassing our forecast, achieving \$13.01m at an increased gross margin of ~61%.

The results achieved were also reinforced by strong support from the market, with Biome's market cap surpassing \$100m for the first time and liquidity significantly increasing throughout the financial year. While we are pleased with the results, it is how the team delivered this performance that is most encouraging.

Biome's flagship brand, Activated Probiotics, has been the key driver of the business's success in FY24. The brand's development has been highlighted through industry leading sales growth, increased ranging with key pharmacy banners and practitioners, and new distribution, reaching more than 5000 distribution points by the end of FY24. This was all achieved through providing one of the industry's leading service, education and support offerings rather than the traditional deal and discount model.

As a leader in clinically proven probiotics, we offer something unique for our distribution partners in community pharmacy and independent practitioners.

Biome has received feedback from the trade throughout the year on successful patient outcomes, with commercial success reinforcing our business model, allowing Biome to continuously improve its service and product offering for the next strategic period ahead.

As Biome's commercial success continues locally, the company's international markets have enjoyed strong growth in FY24 of 95% to \$894k. We have set strong foundations while minimising risk through a proven review and test market expansion model focussed initially on Europe with Canada under late-stage review.

Our UK business has developed a strong foundational team, to support further business ambitions in Western Europe, a key component of the Vision 27 strategic plan that will be released to the market in Q1 FY25.

Research and development continues to be the core foundational strength that underpins Biome's success, with three new product launches into the Activated Probiotics range in FY24 and the development of a new clinically proven product, Biome Cholesterol™ Probiotic is set for launch in Q1 FY25 to support patients lowering their cholesterol with a safe and effective probiotic intervention. The existing clinical development pipeline is close to concluding, with all three existing studies on Biome Lift™ (mental health), Biome Osteo™ (bone loss) and Biome Daily Kids™ (paediatric immune health) all close to completion with results and at least one publication to follow in FY25.

Biome will have updates on all existing studies throughout FY25 and aims to embark on new clinical research and development programs (on both new and existing probiotic products) in partnership with Australian universities

and hospitals in FY25. Biome's future clinical pipeline will support new applications for existing products as well as new product launches over the coming years.

At the close of FY24, Biome set up a new advisory board, the Biome Consultative Committee (BCC). This advisory board, led jointly by the company's Chief Scientist and Managing Director will provide a meaningful contribution to de-risking future initiatives. The BCC board's foundational members are global leaders in probiotics manufacturing, research and development, regulatory environments, education, distribution and health.

As Biome shares its Vision 27 strategic plan with the market, we look forward to continually growing our high impact, patient focussed business to become a leader in the complementary medicines market both locally and internationally.

On behalf of Biome's Management and Board of Directors, we would like to thank you for your ongoing support.



**Blair Vega Norfolk**  
Founder & Managing Director



**Ilario Faenza**  
Non-Executive Chair



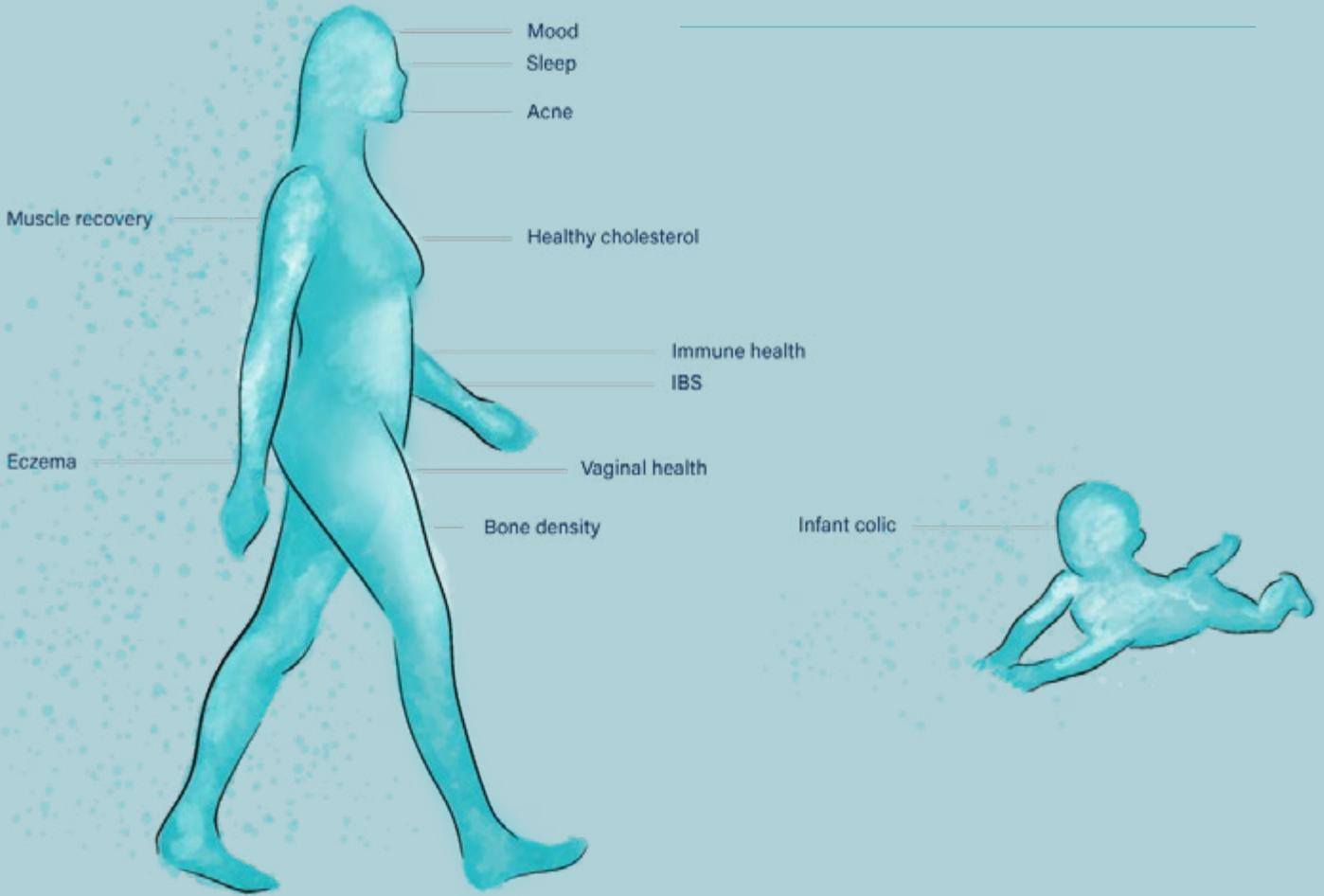


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# Operations Report

Aiming to be a global leader in premium  
evidence-based live biotherapeutic products

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# Targeted products for targeted outcomes

Biome aims to be a global leader in premium evidence-based live biotherapeutic products and complementary medicines.

Biome is changing the probiotic space within the Australian, New Zealand, UK and EU markets through the release of live biotherapeutic products which each target a specific health concern and aim to improve patient health outcomes.

In FY24, Biome Australia launched three new live biotherapeutic products, Biome Dental™, Biome Lax™ and Biome Recovery™ Probiotic. Biome also prepared one new product, Biome Cholesterol™ Probiotic, for launch in FY25. These products have clinical evidence to support their effectiveness for patients struggling with constipation, in Biome Lax™ Probiotic, dental health concerns with Biome Dental™ Probiotic and Biome Recovery™ Probiotic for muscle inflammation into the Activated Probiotics range. These new product launches will allow Biome to support new patient health categories and new types of health professionals and their patients.

## NEW PRODUCT

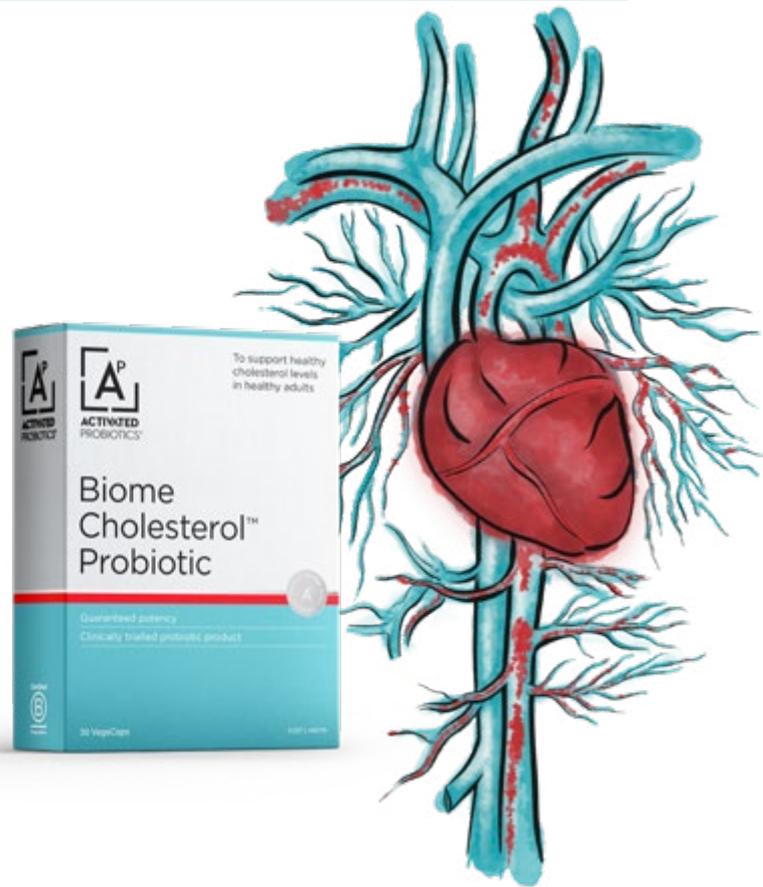
# Biome Cholesterol™ Probiotic

Cardiovascular diseases (CVDs) are the leading cause of death globally and are responsible for 1 in 4 deaths in Australia. With more than 4 million Australians reporting living with CVD, Biome is proud to be launching an evidence-based live biotherapeutic product that may help to address one of the major risk factors of CVD: high cholesterol. It is Biome's hope that our latest product, Biome Cholesterol™ Probiotic, will be able to help the 1 in 3 Australians living with high cholesterol better manage their cholesterol levels and form part of the solution to this critical public health issue.

Across a number of human studies, taking the specific combination of probiotic strains in Biome Cholesterol™ Probiotic once a day for 12 weeks with no other cholesterol-lowering medications has been found to significantly reduce low density lipoprotein (LDL) cholesterol by up to 20%,<sup>1</sup> total cholesterol by up to 19%<sup>1</sup> and triglycerides by up to 16%.<sup>2</sup>

1. Espadaler, J., Audvert, S., Navarro-Tapia, E., & Buj, D. (2019). Demographic and clinical characteristics influencing the effects of a cholesterol lowering probiotic. *Annals of Nutrition & Metabolism*, 74(S1), 6.

2. Fuentes, M. C., Lajo, T., Carrión, J. M., & Cuiñé, J. (2016). A randomized clinical trial evaluating a proprietary mixture of *Lactobacillus plantarum* strains for lowering cholesterol. *Mediterranean Journal of Nutrition and Metabolism*, 9(2), 125-135.



## STRAIN DEVELOPMENT PROGRAM

## *Lactobacillus plantarum* X (placeholder name)

One of Biome's key probiotic research and development partners completed preliminary identification, commercial validation and characterisation of a novel probiotic strain that will be solely owned by Biome. The strain is of the *Lactobacillus* genus and *plantarum* species and has been assigned the unique identifier name, *Lactobacillus plantarum* X.

The transfer of ownership of *Lactobacillus plantarum* X to Biome will mark a significant milestone for the company as it opens the door for significant intellectual property development. Future research is planned in order to determine the strain's more specialised characteristics and its potential to prevent or improve the management of specific health conditions.

# Driven by clinical evidence



Biome’s Activated Probiotics range includes complete product formulations and specific probiotic strains which are backed by a high level of clinical evidence, including many randomised double-blind placebo-controlled clinical trials. As part of our ongoing efforts to strengthen our existing body of evidence, collaboration with key world-leading research partners has continued throughout FY24.

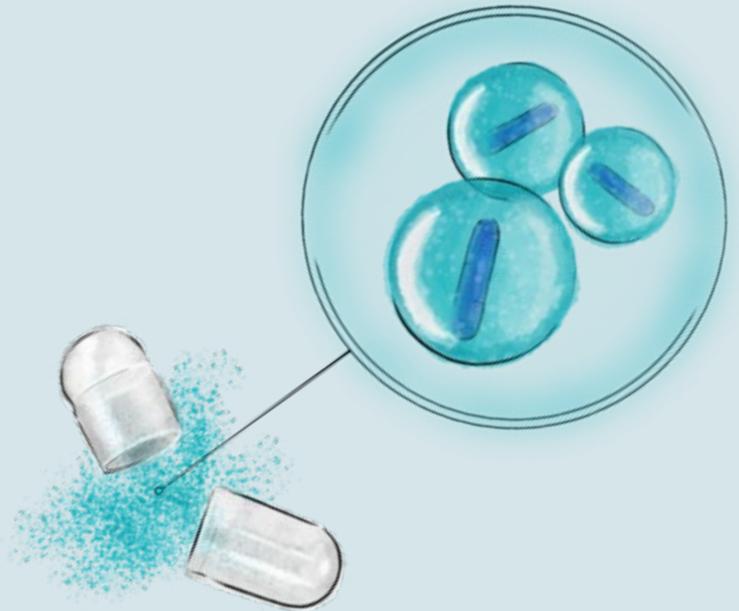
Over the past financial year, three of our probiotic formulations have been the subject of ongoing clinical trials that aim to build upon their existing evidence of efficacy. These trials will help to extend their current body of evidence, while also investigating their efficacy in new applications.

These research projects are currently investigating the application of Biome Lift™ Probiotic for subthreshold depression, Biome Daily Kids™ Probiotic for absenteeism and immune health in children in

daycare, and the probiotic strains within Biome Osteo™ Probiotic for women with osteopenia.

This past year has been highly significant for the development of Biome Lift™ Probiotic, with the completion of the Biome Lift™ trial and receipt of positive pre-publication results. These results have reinforced the positive findings of the two previous studies on this formulation, and provide additional evidence for the effectiveness of Biome Lift™ Probiotic in reducing the severity of depressive symptoms in patients with subthreshold depression. Improvements observed in inflammatory, metabolic and stress-related biomarkers (including serum hs-CRP, glutathione, fasting glucose, and salivary cortisol) are of particular note and provide important insights into the mechanisms underlying the actions of Biome Lift™ on mood and sleep-related outcomes.

# Enhancing the performance of probiotic products with innovative manufacturing and packaging



## Microencapsulation technology

Activated Probiotics uses an innovative microencapsulation technology to protect its probiotic bacteria from the harmful effects of stomach acid, allowing up to 5x more probiotic bacteria to survive transit through the stomach and reach the colon alive, compared to traditional uncoated probiotics.

## Pharmaceutical grade blister packaging

Activated Probiotics capsules are individually sealed in pharmaceutical-grade blister packing. This packaging ensures each serve remains individually sealed until the moment before consumption and better protects probiotic bacteria from the damaging effects of environmental moisture, oxygen and UV light compared to alternative forms of packaging, such as bottles.

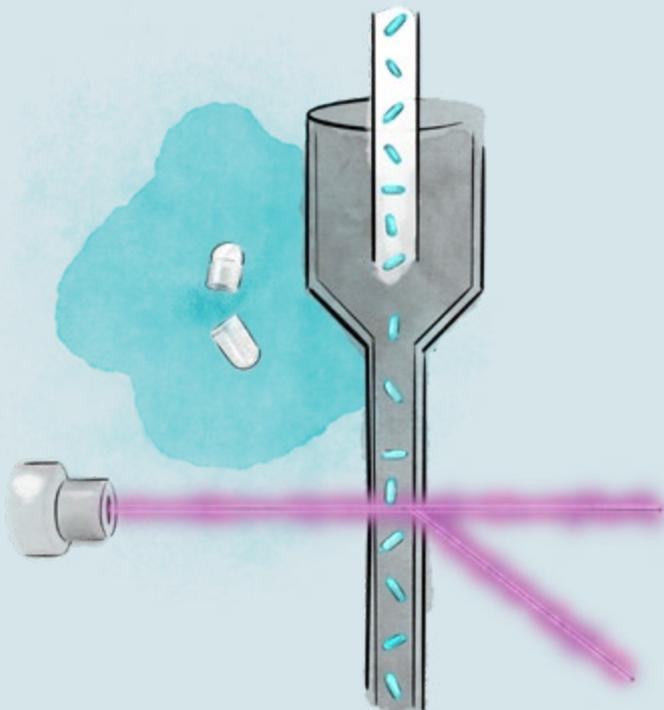
## Fast-melt formulations for children

Activated Probiotics single-serve sachets in products intended for children over the age of two contain a fast-melt formula that dissolves in the mouth without the need for water. With natural sweeteners and vanilla flavouring, this combination creates an enjoyable experience for children taking Activated Probiotics products.

## Flow cytometry enumeration

Activated Probiotics uses the latest flow cytometry technology to more accurately count the number of living and metabolically active bacteria found in its products, when compared to traditional plate count measures or colony forming units (CFUs).

Flow cytometry technology analyses bacteria one-by-one using fluorescent dyes and lasers, ensuring only viable bacteria are counted in the final tally of 'billion live bacteria' (BLB).





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# Sales & Education

Be the leader in education & provide  
evidence-based live biotherapeutic probiotics

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# Education and training

It's been another huge year for education by Biome Australia! Sharing knowledge is integral to the Education team's mission, which is to be recognised by healthcare professionals as the best informed and most trustworthy source of information on probiotics and the microbiome. Biome's team of Practitioner Education Consultants (PEC) provide education and training of an exceptional standard, sharing knowledge with pharmacists, naturopaths, dental health professionals, doctors, chiropractors, and other healthcare practitioners.

FY24 was a busy year of conferences, presentations, webinars, and a very successful hop across the Tasman to provide education for healthcare professionals in New Zealand.

One of the standout education successes this year has been the engagement the team has been having with dental health professionals. Biome Dental™ Probiotic, Biome's first probiotic for the oral microbiome, was released towards the end of 2023, and sparked a huge amount of interest from oral health providers. The oral microbiome was the subject for FY24's practitioner masterclass series, with Director of Education Rebecca Edwards presenting a two hour seminar on the oral microbiome and its link to whole body health in six locations across Australia and New Zealand. Feedback from an attendee of the Melbourne masterclass:

**“Any time I hear that Rebecca Edwards from Activated Probiotics is presenting I know that my probiotic knowledge is about to have a massive upgrade. The Oral Microbiome Masterclass did not disappoint! As a naturopath with a gut health focus, the information I learned in the masterclass has already changed the questions I ask my clients and the way I approach their treatment.”**



**Rebecca Edwards**  
Director of Education

After receiving extremely positive feedback from dental health professionals in attendance at our Oral Microbiome Masterclass series, we made the decision to host our first masterclass event developed exclusively for dental professionals. Held in Melbourne at the stunning Curae Health, one of Australia's leading providers of dental services, the seminar was attended by around 50 dentists, dental hygienists, and oral health therapists.

Engagement with New Zealand practitioners has been a special highlight this FY. The appointment of Biome's first PEC in New Zealand has paved the way for greater communication with the strong practitioner community of Aotearoa. Rebecca spoke at the Naturopaths and Medical Herbalists of New Zealand (NMHNZ)'s symposium in August, presenting an education session on the gut-bone axis. The session proved such a hit that Rebecca was invited back as keynote speaker for NMHNZ's 2024 symposium. Building on the success of this event, members of the Education team visited Auckland in May to present the first New Zealand Activated Probiotics masterclass, providing New Zealand naturopaths, nutritionists, pharmacists, and dentists with the opportunity to learn about the oral microbiome.

Alongside our own events, professional association events are key dates in the Education team's yearly calendar. FY24 saw a number of education conferences and events put on by various professional associations within the complementary health community.

Other ways in which the education team provides ongoing engagement and support in the practitioner channel include:

- Rebecca appearing as a guest expert on a number of podcasts which are widely listened to throughout the practitioner community
- Holding special education webinars for cohesive groups of practitioners. Examples include Metabolic Balance Australia, a group of nutritionists and dietitians; the Complementary Medicine Association, a professional association for naturopaths and nutritionists
- Delivering regular training sessions to the practitioners on the staff of Mr Vitamins
- Ongoing training with Biome's distribution partners, serving to both maintain the strong relationships between the Biome team and the distributors and ensure distributor staff members are aware of Biome's unique products and their features when servicing their accounts

Biome continues to enjoy success in the pharmacy channel in Australia. The PEC team is crucial to this success, continuously providing the high quality education and training in-store for which they are famous. The Education team supports the PEC's access to pharmacists and their staff through targeted presentations at key pharmacy events throughout the year, as well as providing special education events for important pharmacy banner partners.

The crowning event of pharmacy education is undoubtedly the annual Australian Pharmacy Professionals (APP) expo held on the Gold Coast every March. Building on the success of last year's invitation-only dinner event, where the results of La Trobe University's clinical trial on Biome Lift™ Probiotic were presented, Biome again threw a tremendously successful industry event, inviting key pharmacy figures to an exclusive dinner. Along with the presentation of the results of the recent trial on Biome Daily Kids™ Probiotic carried out by Federation University, attendees were treated to a fascinating expert panel discussion. The panel was composed of pharmacists Catherine Bronger and Amanda Bryce, pharmacy student McKinley Nolan, and Biome's MD Blair Vega Norfolk. Hosted by Rebecca, the panel discussed issues pertinent to community pharmacy, and offered education from a different angle.

A key part of Biome's education strategy has always been and remains to prioritise engagement with students and recent graduates across the fields of pharmacy, naturopathy, dietetics and nutritional medicine. Over FY24 this was achieved across multiple events. Nationally, members of the PEC and education team attended career networking breakfasts held by Endeavour College of Natural Health and Torrens University, the two educational



institutions in the field of natural medicine in Australia. Students of pharmacy have also been catered for: members of the PEC team attended the annual National Association of Pharmacy Students (NAPSA) congress in January, with Rebecca delivering an education session on the use of strain-specific probiotics in pharmacy.

Chiropractors represent a promising audience of healthcare practitioners for Biome education. Rebecca presented a webinar for Australian Chiropractic Association members on irritable bowel syndrome.

Following the success of niche education and events this financial year, we look forward to continuing to engage with specific modalities by developing educational opportunities that are highly relevant to their speciality.

# \$13.01M

FY24 Sales—up 80% (vs PCP)



**75%**  
FY24 same store sales up vs PCP



**~61%**  
Gross margin



**5,000+**  
Distribution points



**95%**  
FY24 international market revenue growth

## Annual sales revenue



## Biome is now partnered with seven key distributors throughout Australia to cater for private clinicians, health food stores, and community pharmacies.

Biome continues its sales strategy led by education, support and customer service. The foundation of every sales and marketing touchpoint is evidence-based education and training.

Biome's Australian team consists of 12 sales and education focussed practitioner consultants and territory managers (PECs). The Biome PEC's service all seven states and territories in Australia. PEC's are qualified health professionals who execute the Biome sales strategy across all distribution channels. They have continued to work strategically to provide industry leading service and education to help develop rapport and trust with the goal of growing existing accounts, growing patient recommendations, and providing sustainable growth and profitability for the Biome business.

With another strong year of growth, Biome's sales revenue was up by 80%, reaching \$13.01M, with international sales contributing \$894K, up 95% vs FY23.

Over the past 12 months, Biome has increased its account portfolio to over 5000 distribution points, from various modalities including community pharmacies, naturopaths, integrated GPs, chiropractors, osteopaths and dentists and medical specialists.

In FY24 Biome extended its reach in pharmacy by introducing its third pharmacy distributor, helping support this channel. With Biome's ability to improve

and develop sell-through in pharmacy via education and sales, it continues to be the highest — growth complementary medicine brand in community pharmacy achieving 75% growth in same-store sales in FY24.

FY24 success was due to many key factors, but some highlights this past year were:

- Development of the company's existing distribution network of pharmacy and practitioners in Australia
- Growth in same store sales up by 75%
- Sales growth in pharmacy channel up by 87% and practitioner channel up by 55%
- Introducing Activated Probiotics into CH2 distribution centre
- Launched Biome Dental™ Probiotic and Biome Lax™ Probiotic, two new products that extended Biome's practitioner reach into dental clinics, gastroenterologists and integrated GPs
- Invested and extended Biome's practitioner education consultants in Australia as well as New Zealand, UK and Ireland to support the growth of our home and overseas market
- Continued growth within key pharmacy banners with range reviews, planogram extensions and marketing support
- TerryWhite Chemmart conducted their own bone screen CareClinic nationwide to help support the community and Activated Probiotic brand recommendations
- Key presentations at several pharmacy and practitioner conferences nationally highlighting Biome's research and quality of products
- Public health campaigns throughout Australia to help extend brand recognition to the Australian public

# Key customers and distribution channels

Biome's Activated Probiotics operates as a practitioner-only brand and therefore selects its distribution channels and partners very carefully. Activated Probiotics targets leading community pharmacy groups that offer a full service health offering and professional advice. Biome's current partners including more than 2500 community pharmacies around Australia, including national banners:

- TerryWhite Chemmart
- Priceline Pharmacy
- Blooms The Chemist

Community pharmacy is serviced by Biome's three community pharmacy distributors, API Wesfarmers Health, Symbion EBOS Group and Clifford Hallam Healthcare (CH2).

Biome also delivers its products to medical and complementary medicine practitioners via four practitioner distributors, Osborne Health, vital.ly, Rener Health Products and Ariya Health Services.

Biome's goal is to form strategic partnerships wherever possible and in doing so, produce higher levels of service and support than other complementary medicine businesses and foster long term relationships.

In FY24, Biome strengthened the strategic partnership with TerryWhite Chemmart through a joint initiative into health services, launching a bone health Community Health Clinic.

Biome also continued its adjunct prescribing strategy in partnership with several community pharmacy groups. This strategy involves targeted prescription linking campaigns that support pharmacists to actively recommend an Activated Probiotics product alongside certain prescription medications.

As part of the end of year FY24 meetings with distribution partners, Biome received strong support from its customers on ranging decisions for its new product launches. Biome successfully gained significant additional shelf space with all of its top three pharmacy customers.

A highlight for the financial year is the continued success and growth with Priceline Pharmacy. After a national launch of Activated Probiotics in October 2022 with a partial range of 10 products, a mid-year review launched 5 new SKUs, and the pharmacy group grew 96% in FY24.



Maintained #1 growth brand in professional vitamin category at both TerryWhite Chemmart and Priceline

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\*data shared directly from TWCM and Priceline Pharmacy groups





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# Building our Brand

Proudly raising awareness about  
live biotherapeutic probiotics

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# Growing the Activated Probiotics brand

Across all marketing channels, education remains the driving force behind Biome's strategy, purpose and unique mix of initiatives.

## Pharmacy Marketing

Driving a deeper connection between pharmacists and their patients by increasing demand and creating opportunities for pharmacies to improve patient outcomes.

In pharmacy, we do not conform to the typical modes of advertising and incentivising. Education remains at the core of our pharmacy marketing initiatives with a focus on complementing the exceptional training provided by the Activated Probiotics Practitioner Education Consultants in-store.

Our marketing campaigns and educational plan operate as one seamless program with multi-faceted messaging that simultaneously provides high value education around probiotic science while raising awareness about the efficacy of products within the Activated Probiotics range.

Activated Probiotics is also proud to partner with community pharmacy groups to support them to deliver widely-accessible frontline healthcare through our

### Activated Probiotics®

We are passionate about educating health professionals on the systemic health effects of the gut microbiota and how our products can improve patient outcomes.

Biome's products have been carefully formulated with specific strains that target a particular health concern, creating 500-specific probiotics products to support IBS, allergies, mild eczema and acne, immunity, irritable bowel syndrome, infant colic and more.

Our manufacturing technology, including an innovative technology to protect our probiotic bacteria from stomach acid as well as flow cytometry and molecular-grade blister packaging.



#### MICROBIAL HOMEOSTASIS FOR WOMEN'S HEALTH

The human microbiome operates as a functional organ system within the human body. This is known as the 'microbial system', and refers to the microbiome's biochemical interactions and systemic integration with human health and physiology.

Understanding the physiological impact of the microbial system can help us to optimise various aspects of women's health across the lifespan and improve concerns such as:

- Refractory iron deficiency and iron status
- Vaginal dysbiosis and recurrent infections
- Fertility and pregnancy outcomes
- Bone density loss, osteopenia and osteoporosis

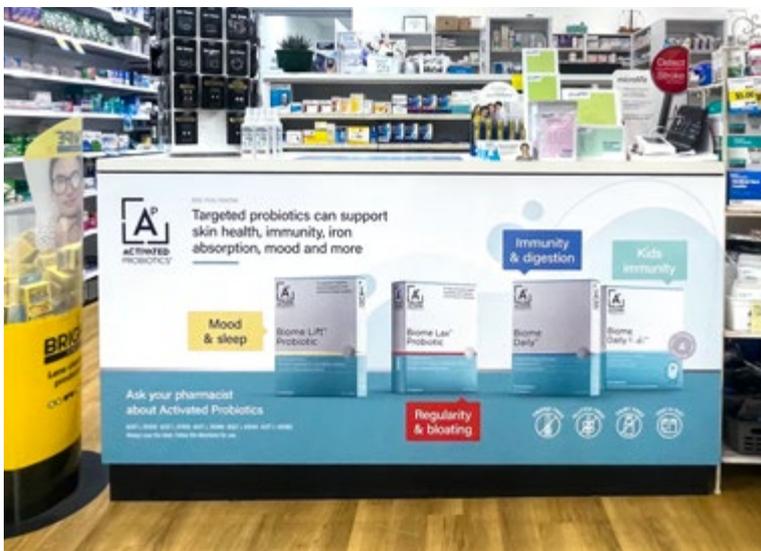
These concerns are commonplace for natural healthcare practitioners, and the modulation of the microbial system is an essential therapeutic strategy for a truly holistic approach for each. Activated Probiotics has formulated four condition-specific probiotics that target each of these concerns.



Community Health Clinic program. These clinics make use of in-store clinic rooms to deliver an important health service to their local community at no cost. Our collaborative Community Health Clinics improve health outcomes, strengthen relationships between local business owners and customers, promote meaningful conversations between pharmacy staff and customers and raise awareness about specific areas of health and prevention.

For the pharmacies involved in these clinics, the program not only provides an additional way for pharmacies to support their community, it can also increase foot traffic, increase awareness of products and improve customer loyalty.

Implementing this program supports Biome's mission of preventing disease, improving health outcomes and quality of life, and making our products accessible to all. In addition, the Community Health Clinics position Biome as a leading partner for high quality health services, improves planogram compliance, increases brand awareness and loyalty, drives demand for specific products and creates opportunities for Biome's practitioner education consultants to train key staff members.





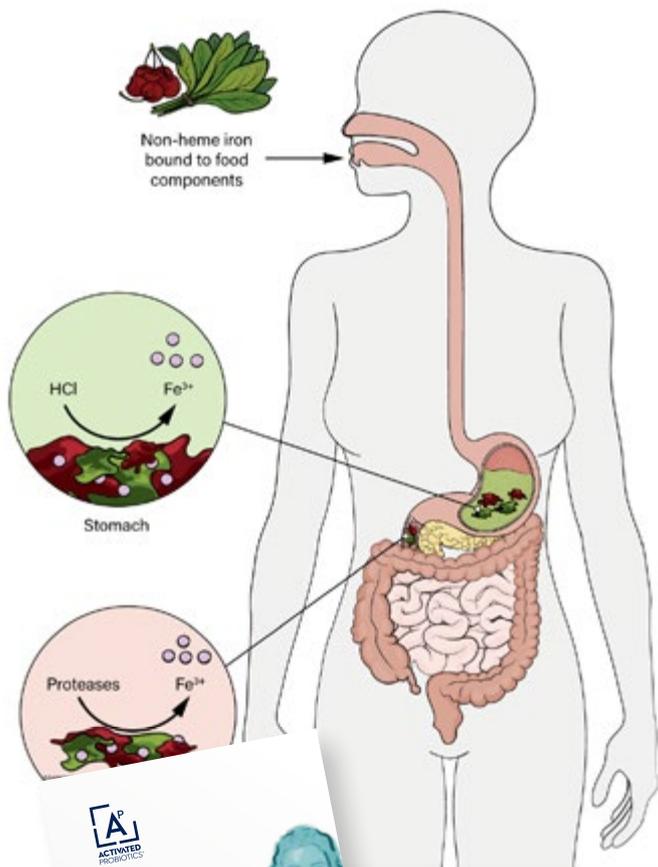

## FREE

# Bone Density Scanning

- Non-invasive
- Results in 60 seconds

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Ask your pharmacist about booking in your free scan



ACTIVATED PROBIOTICS

Scientific guide to  
Iron absorption  
and the role of  
Lactobacillus  
plantarum 299v

Iron absorption that can be influenced by Lactobacillus plantarum 299v

Actors of Lactobacillus plantarum 299v that can enhance iron absorption

ACTIVATED PROBIOTICS

Oral Microbiome Masterclass  
for Dental Professionals

Periodontal management, systemic impacts  
and the role of probiotics in periodontal care

Presented by Activated Probiotics and Curis  
Health with special guest Dr. Lisa L. Cook

The masterclass is hosted by the award-winning combination of microorganisms  
in the mouth that are essential for a healthy oral microbiome. The complex community of  
bacteria in the mouth that are essential for a healthy oral microbiome. The complex community of  
bacteria in the mouth that are essential for a healthy oral microbiome.

2  
CPD  
Hours

Tuesday 9 July 2023  
10:00 AM - 12:00 PM

Cost: Free

Location: Online

Book your spot!

QR Code



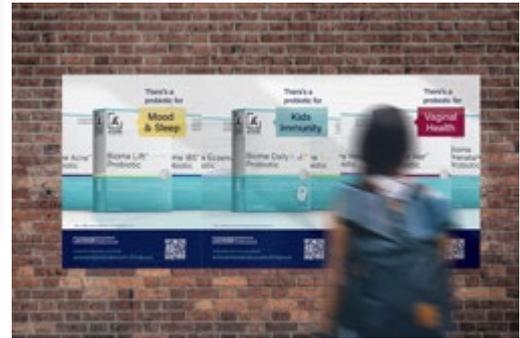
## Practitioner Marketing

Fostering growth within the channel by equipping practitioners with the expertise and documentation they need to incorporate our evidence-based clinical solutions into patient care.

Practitioners are at the heart of our marketing efforts for Activated Probiotics. We strive to provide educational content that not only increases our practitioners' expertise on our product formulations and their clinical applications, but also educates on microbiome science more generally.

We execute our education-driven content strategy through numerous touchpoints, including printed resources, digital resources, webinar events, in-person masterclass events and small group sessions. We foster collaboration with prominent practitioners and partner with key industry associations to exchange knowledge and expand our reach.

Advertising opportunities are carefully selected and executed to ensure that every piece of public-facing content is to an exceptional educational standard. Through a combination of industry publications, journals and digital channels, we meet our practitioner audience where they already are and offer them something more than a reminder to order.



## Patient Marketing

Increasing brand awareness, building on the public's probiotic knowledge and starting conversations between patients and their practitioners.

Activated Probiotics' primary customer is the practitioner prescribing our products. We consider the general public to be a secondary audience but we recognise the importance of extending our education to the wider community. To achieve this, we execute two national Public Health Campaigns each year.

Our Public Health Campaigns are largely above-the-line, utilising mass media such as BVOD, billboard, street furniture and other large format as well as

digital channels. Our Public Health Campaigns drive awareness through education with each campaign highlighting a key area of probiotic science and delivering it as an approachable and memorable message.

This financial year, our September and March Public Health Campaigns educated a combined 5 million Australians on the concept of condition-specific probiotics and manufacturing best practice to improve survival rates of live probiotic bacteria on the perilous journey to the gut.

Outside of our Public Health campaigns, we keep the conversation going through our blog, Monthly Probiotic Journal EDMs to our patient database and product survey program.



# Europe update

This financial year, the Europe team attended multiple trade shows with the standout event being the Integrative and Personalised Medicine (IPM) Congress in June. At this key event, the team took full advantage of the opportunity to engage with the exceptional turnout of doctors, pharmacists, nutritional therapists, naturopaths and herbalists. The team introduced many practitioners to Activated Probiotics for the first time as well as built on relationships with practitioners who already use our products in their practice.

**FY24 saw the recruitment of the first practitioner education consultants (PECs) in the UK and Ireland. Our PECs are working hard to build relationships in pharmacy and health retail, with the aim of building an education presence in the pharmacy channel similar to that forged by the Australian team.**

The new team members have already made inroads, with sales figures in Ireland doubling within six weeks of the Irish PECs hitting the road. We are confident that this part of the world will increase overall Europe sales and play an important role in enhancing brand presence.



**Karen Harrison**  
Operations Manager &  
Education Support for Europe

Another standout event was at the College of Naturopathic Medicine, the largest nutritional therapy training provider, where the Europe team engaged with current and past students. Biome sees it as an important part of the education strategy to maximise student engagement, and this event is instrumental in fostering this engagement.

Additionally, a recent education partnership with one of our UK distributors has resulted in a number of opportunities including a social media event and webinar series. The webinar prompted a great increase in practitioner engagement and helped cement our status as the leading source of education on probiotics in this part of the world.

On our own channels, the UK team maintains an ongoing webinar series for our practitioner audience. Occurring on a bi-monthly basis, our webinars cover key areas of microbiome science or provide in-depth education on products.

# International market summary

Biome has developed and refined its international strategy over the past three years with a low risk, phased approach that has allowed for the company to set strong foundations for the years ahead. The approach is based on the following model:

- Review and assessment of local market, regulatory environment, customers and distribution channels
- Test market within independent practitioner channel
- Develop and grow practitioner market
- Health retail market launch
- Grow and develop market at a lower cost base than Australia, leveraging our IP, shared services and support from Australia

The model provides the ability to customise each market's strategy, such as a region with a strong service-based pharmacy channel, may lead to this being considered at an earlier step if the company sees the right low risk, high value opportunity.

International markets have been in development and are at various stages in the model from review to growth and this work in has led to establishing strong growth of 95%, reaching \$894k in sales revenue for FY24.

## Europe

Biome's European team supported the launch of Activated Probiotics into the UK and Irish health retail channel (pharmacy and healthfood stores) in January this year while continuing to develop the existing independent practitioner market. This new channel launch is being supported by two new health retail distributors, iiHealthfood (Ireland) and CLF (UK).

The strategy in Europe, has been designed to replicate the Australian success led by education, service and support working toward gaining the recommendation and endorsement of health professionals for Biome's

Activated Probiotics. Biome has developed a regional education strategy supported by the local team training health practitioner customers, offering masterclasses, educational webinars, earning continuous professional development points (CPDs) through alignment with health industry bodies and a targeted call cycle meeting customers in store or clinically. The foundations have now been laid and in FY25, the company will embark on the next phase of development in the European territory, as part of the Vision 27 strategic plan.

The Biome European team is led by General Manager Josh Stanford-Harris and a team of eight health-qualified education and sales staff throughout the region.

## New Zealand

New Zealand has a thriving independent practitioner market that resembles that of the Australian practitioner market. Biome added its first staff member in New Zealand within FY24 to better support local customers with education training on the Activated Probiotics range. New Zealand experienced more than 100% growth in the FY24.

## North America (Canada)

Biome concluded a lengthy review of the Canadian market and commenced the regulatory review and product registration process in FY24. This process is well underway, and more than half of the Activated Probiotics range is now set up for the local Canadian market with the rest to follow in FY25. Health Canada is a highly trusted regulator, a leader in the North American regulatory environment that brings with it a high barrier to entry as local products are required to be manufactured under strict GMP pharmaceutical conditions. Biome's Activated Probiotics meet or exceed this requirement.

Biome is working on its plans for the region and assessing local opportunities within the Canadian market ahead of a test market commencement.





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**BIOME** | AUSTRALIA  
GROUP

# Annual Financial Statements

Biome Australia Limited  
ABN 51 627 364 014

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## Annual Financial Statements

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Biome Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

### Directors

The following persons were directors of Biome Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ilario Thomas Faenza

(Independent Non-Executive Chair)

Blair William Brabin Vega Norfolk

(Managing Director)

Dominique Gayle Fisher AM

(Independent Non-Executive Director)

### Principal activities

The principal activities of the Group during the financial year were developing, manufacturing and distributing innovative evidence-based products linking the gut and human health through the Group owned brands:

- Activated Probiotics, a first-of-its-kind range of clinically-backed precision probiotics; and
- Activated Nutrients, a range of completely organic, plant-based, all in-one nutritional products

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

### Review of operations

Following a successful FY23, the Company continued its strong growth trajectory into FY24. Having reported over 4,000 distribution points at June 2023, the Company's National distribution footprint increased to over 5,000 distribution points by June 2024. Australian Pharmacy channel accounted for 65% of total sales in FY24 and delivered year-on-year same store sales growth of 75%

The launch into UK and Ireland health retail markets in January 2024 has shown signs of early success. Sales from overseas for FY24 increased by 95% to \$894,420 (FY23: \$459,735).

During the year Biome executed an exclusive distribution deal for Biome Cholesterol™ Probiotic, a clinical proven probiotic to reduce cholesterol, which was set for launch in early FY25. The company also secured a breakthrough deal for some unique IP, in a novel probiotic strain, which is now under development.

In FY24 Activated Probiotics was the highest growth complementary medicine or probiotic brand in Australia. Retail scan sales data\* (Pharmacy) also show the same trend at the point of purchase, with Activated Probiotics the highest growth brand and the second largest in total revenue of all practitioner brands over the last 12 months.

### Financial Performance

The Company continued to experience strong sales growth during the year with revenue increasing by 80% to \$13,008,897 compared to the previous corresponding period (FY23 \$7,235,611). Gross margin on sales grew by 85% to \$7,911,221 (FY23 \$4,275,528). The strong sales growth has been driven by Biome's Activated Probiotics range of live biotherapeutics (probiotics). The combination of stronger sales, higher gross margin and contained operating costs help deliver a 45.7% improvement in NPAT of (\$1,670,202) vs FY23 (\$3,078,527).

Sales and marketing costs increased by \$921,113 to \$5,851,611, an 18.7% increase over FY23 to support the Company's sales and marketing activities to achieve an 80% year-on-year sales revenue growth. Total underlying operating expenses for the year increased by \$1,253,372 or 16.2% to \$8,997,172 against a revenue increase of 80%. This is before a \$1.0 million expense for the managing directors' 3-year long term incentive to achieve \$21m in cumulative sales revenue (FY21-FY24), a target that was beaten by \$3m. The full year result after providing for income tax was a loss of \$1,670,202, an improvement of 45.7% from FY23 (30 June 2022: \$3,078,527 loss).

### Financial Position

The Company has \$2,868,526 in cash as at 30 June 2024 and a further \$500,000 in an undrawn credit facility.

The net assets of the Company decreased to \$2,903,528 as at 30 June 2024 (30 June 2023: \$3,586,265) which was a result of funding the Company's operations for the year.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

### Matters subsequent to the end of the financial year

The Company issued a total of 4,031,404 fully paid ordinary shares as a result of options being exercised on 5 July 2024 and 10 September 2024 which increased issued capital by \$1,084,561

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may

\* (IVQIA Market Performance MAT (moving annual total) to 20240504)

significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

#### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### Information on directors

|                                     |  |
|-------------------------------------|--|
| Name                                | Mr Ilario Thomas Faenza  |
| Title                               | Independent Non-executive Chair  |
| Director since                      | 18 August 2020   |
| Age                                 | 53   |
| Experience and expertise            | M&A, PE & investment banking specialist with over 30 years experience in a range of high growth industries. Ilario has successfully started multiple companies and provided advisory, specialist M&A, due diligence, structuring and fund raising assistance to numerous businesses. Ilario has raised > \$100M over the past 15 years for high growth companies and actively assists management with execution of strategy, commercial negotiations, IPO's and exit strategies. |
| Other current directorships         | Harvest Technology Group Limited (appointed 29 January 2024)   |
| Former directorships (last 3 years) | N/A  |
| Special responsibilities            | Member of Audit & Risk Committee and member of Nomination and Remuneration Committee.  |
| Interests in shares                 | 2,939,605 fully paid ordinary shares   |

|                                     |   |
|-------------------------------------|---|
| Name                                | Mr Blair William Brabin Vega Norfolk  |
| Title                               | Managing Director   |
| Director since                      | 6 July 2018   |
| Age                                 | 39  |
| Qualifications                      | BCom (Accounting), MMktg (Monash), MAICD  |
| Experience and expertise            | A health industry expert with over 12 years of global pharmaceutical and nutraceutical industry experience as management and executive. Since founding the business, Blair has recruited the people, secured funding, products and IP and managed key relationships. Blair has strong relationships in media, pharmacy, research and manufacturing. Blair has a significant public profile as a health advocate and speaks at conferences and panels from mental health to general wellbeing. |
| Other current directorships         | N/A   |
| Former directorships (last 3 years) | N/A   |
| Special responsibilities            | Managing Director and member of Audit & Risk Committee (appointed 4 April 2024)   |
| Interests in shares                 | 18,387,272 fully paid ordinary shares   |

|                                     |   |
|-------------------------------------|---|
| Name                                | Ms Dominique Gayle Fisher AM  |
| Title                               | Independent Non-executive Director  |
| Director since                      | 12 August 2021  |
| Age                                 | 67  |
| Qualifications                      | BA (Hons)   |
| Experience and expertise            | Ms Fisher couples her experience in tech driven businesses with a strong focus on risk mitigation and financial management which has led to her working in across a wide range of sectors in both executive and non-executive roles. Ms Fisher has an extensive non-executive career, having served on ASX listed companies, IAG, Circadian Technologies/ Opthea, Pacific Brands and Trimantium GrowthOps (2 as Chair) including two IPOs (IAG and TGO); numerous private companies including NRMA, LaunchVic and SkyTechnologies. She has extensive Audit, Remuneration and Risk Committee experience of listed and unlisted companies. She has also served on various government and private advisory boards at both state and federal for both major political parties, Geoscape Australia and government agencies including the Sydney Opera House, Australia Post and the Australian Council for the Arts. |
| Other current directorships         | N/A   |
| Former directorships (last 3 years) | N/A   |
| Special responsibilities            | Chair of Audit & Risk Committee and of Nomination and Remuneration Committee.   |
| Interests in shares                 | 1,411,864 fully paid ordinary shares  |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

corporate services, due diligence, independent expert reports, mergers & acquisitions and valuations.

Mr Lazarou has been Chair, Non-Executive Director and Company Secretary of a number of ASX listed companies since 2006.

#### Company secretary

George Lazarou has held the position of Company secretary from 27 January 2021. He is a qualified Chartered Accountant with over 25 years' experience, including five years as a partner of a mid-tier accounting firm, specialising in the areas of advisory and corporate services. Mr Lazarou has extensive skills in the areas of

#### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

|                                       | Full Board |      | Nomination and Remuneration Committee |      | Audit and Risk Committee |      |
|---------------------------------------|------------|------|---------------------------------------|------|--------------------------|------|
|                                       | Attended   | Held | Attended                              | Held | Attended                 | Held |
| Mr Ilario Thomas Faenza               | 4          | 4    | 4                                     | 4    | 1                        | 1    |
| Mr Blair William Brabin Vega Norfolk* | 4          | 4    | -                                     | -    | -                        | -    |
| Ms Dominique Gayle Fisher AM **       | 4          | 4    | 4                                     | 4    | 1                        | 1    |
| Dr Jaroslav Haman Boublik ***         | -          | -    | 4                                     | 4    | 1                        | 1    |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

\* Became a member of the Audit & Risk Committee on 4 April 2024

\*\* Chair of the Audit & Risk Committee and Nomination & Remuneration Committee

\*\*\* Member of Audit & Risk Committee and Nomination & Remuneration Committee only (not a Director)

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

**Principles used to determine the nature and amount of remuneration**

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- growing sales revenue
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

*Non-executive directors remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chair is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$400,000).

#### *Executive remuneration*

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and/or cash are awarded to executives over a period of three years based on long-term incentive measures. These include achieving minimum annual sales revenue of \$4 million for FY22, \$7 million for FY23 and \$10 million for FY24. This first LTI target was met and exceeded by FY24. A new LTI has been set for the managing director, to achieve aggregate sales revenue of \$75m to \$85m over a 3-year period from FY25 to FY27. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2024.

#### *Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A cash bonus and incentive payments are linked to yearly sales revenue being met for STI's, and sales revenue targets being met over a 3 year period for LTI's. Any additional cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

#### *Use of remuneration consultants*

During the financial year ended 30 June 2024, the consolidated entity, through the Nomination and Remuneration Committee, engaged Guerdon Associates, remuneration consultants, to put in place a LTI for management and the Board. This has resulted in a time-based LTI, in the form of a loan funded share plan (LFSP) being implemented. Shareholders approved the LFSP at the November 2023 AGM. Guerdon Associates was paid \$11,414 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

#### *Voting and comments made at the company's 28 November 2023 Annual General Meeting ('AGM')*

At the 28 November 2023 AGM, 99.91% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration***Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Biome Australia Limited:

- Mr Ilario Thomas Faenza  
— Independent Non-executive Chair
- Mr Blair William Brabin Vega Norfolk  
— Managing Director
- Ms Dominique Gayle Fisher AM  
— Independent Non-executive Director
- Mr Douglas Chee Yong Loh  
— Chief Financial Officer

| 30 June 2024                         | Short-term benefits  |            |              | Post-employment benefits | Long-term benefits | Share-based payments | Total       |
|--------------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|-------------|
|                                      | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation          | Cash bonus         | Equity-settled       |             |
| Non-Executive Directors:             |                      |            |              |                          |                    |                      |             |
| Mr Ilario Thomas Faenza              | \$108,780            | -          | -            | -                        | -                  | \$12,965             | \$121,745   |
| Ms Dominique Gayle Fisher AM         | \$85,000             | -          | -            | \$9,350                  | -                  | \$8,643              | 102,993     |
| Executive Directors:                 |                      |            |              |                          |                    |                      |             |
| Mr Blair William Brabin Vega Norfolk | \$350,000            | \$150,000  | -            | \$27,424                 | \$1,000,000        | \$34,573             | \$1,561,997 |
| Other Key Management Personnel:      |                      |            |              |                          |                    |                      |             |
| Mr Douglas Chee Yong Loh             | \$275,000            | \$100,000  | -            | \$27,424                 | -                  | \$17,287             | \$419,711   |
|                                      | \$818,780            | \$250,000  | -            | \$64,198                 | \$1,000,000        | \$73,468             | \$2,206,446 |

| 30 June 2023                         | Short-term benefits  |            |              | Post-employment benefits | Long-term benefits | Share-based payments | Total       |
|--------------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|-------------|
|                                      | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation          | Cash bonus         | Equity-settled       |             |
| Non-Executive Directors:             |                      |            |              |                          |                    |                      |             |
| Mr Ilario Thomas Faenza              | \$118,290            | -          | -            | -                        | -                  | -                    | \$118,290   |
| Ms Dominique Gayle Fisher AM         | \$85,000             | -          | -            | \$8,925                  | -                  | -                    | \$93,925    |
| Executive Directors:                 |                      |            |              |                          |                    |                      |             |
| Mr Blair William Brabin Vega Norfolk | \$350,000            | \$150,000  | -            | \$28,676                 | -                  | -                    | \$528,676   |
| Other Key Management Personnel:      |                      |            |              |                          |                    |                      |             |
| Mr Douglas Chee Yong Loh             | \$275,000            | \$150,000  | -            | \$28,195                 | -                  | -                    | \$453,195   |
|                                      | \$828,290            | \$300,000  | -            | \$65,796                 | -                  | -                    | \$1,194,086 |

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                                 | Fixed remuneration |              | At risk – STI |              | At risk – LTI |              |
|--------------------------------------|--------------------|--------------|---------------|--------------|---------------|--------------|
|                                      | 30 June 2024       | 30 June 2023 | 30 June 2024  | 30 June 2023 | 30 June 2024  | 30 June 2023 |
| Non-Executive Directors:             |                    |              |               |              |               |              |
| Mr Ilario Thomas Faenza              | 89%                | 100%         | -             | -            | 11%           | -            |
| Ms Dominique Gayle Fisher AM         | 92%                | 100%         | -             | -            | 8%            | -            |
| Executive Directors:                 |                    |              |               |              |               |              |
| Mr Blair William Brabin Vega Norfolk | 24%                | 72%          | 10%           | 28%          | 66%           | -            |
| Other Key Management Personnel:      |                    |              |               |              |               |              |
| Mr Douglas Chee Yong Loh             | 72%                | 67%          | 24%           | 33%          | 4%            | -            |

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

|                     |   |
|---------------------|---|
| Name                | Mr Blair William Brabin Vega Norfolk  |
| Title               | Managing Director   |
| Agreement commenced | Upon listing  |
| Term of agreement   | No fixed term   |
| Details             | \$350,000 per annum plus super (\$450,000 per annum plus super from 1 July 2024)<br>Short-term and Long term-incentive payments in the event that certain milestones are achieved.<br>The agreement is subject to a mutual six month notice period but may be terminated by the Company in the event of serious misconduct. |

|                     |   |
|---------------------|---|
| Name                | Mr Douglas Chee Yong Loh  |
| Title               | Chief Financial Officer   |
| Agreement commenced | Upon listing  |
| Term of agreement   | No fixed term   |
| Details             | \$275,000 per annum plus super (\$300,000 per annum plus super from 1 July 2024)<br>Short-term and Long term-incentive payments in the event that certain milestones are achieved.<br>The agreement is subject to a mutual six month notice period but may be terminated by the Company in the event of serious misconduct. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

**Share-based compensation***Issue of Performance Rights*

There were no performance rights issued during the year to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

*Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

*Loan Funded Share Plan*

Under the Company's (LFSP) Loan Funded Share Plan, the Company issued 9,612,708 ordinary shares on 1 December 2023 and 817,434 ordinary shares on 10 April 2024. These shares will vest over 3 and 1 years, respectively, with a 7-year non-recourse loan term. The equity value of these shares are recognised and credited to the Share Capital account as and when the loans are repaid.

(\*) Valuation of LFSP are determined by using industry standard binomial pricing model taking into account the terms and conditions upon which instruments are issued.

*Employee Incentive Scheme*

A total of 691,809 ordinary shares were issued to personnel as part of the Company's Employee Incentive Scheme during the year ended 30 June 2024.

**Additional information**

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

|                                    | 2024          | 2023          | 2022          | 2021          | 2020          |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Sales revenue                      | \$13,008,897  | \$7,235,611   | \$4,122,425   | \$2,318,402   | \$832,749     |
| Net profit/(losses) after tax      | (\$1,670,202) | (\$3,078,527) | (\$4,470,580) | (\$5,381,116) | (\$3,162,163) |
| Share price at beginning of year   | \$0.072       | \$0.075       | \$0.20        | -             | -             |
| Share price at the end of the year | \$0.58        | \$0.072       | \$0.075       | -             | -             |

**Additional disclosures relating to key management personnel***Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                      | Balance at the start of the year | Received as part of remuneration | Additions * | Disposals/ other | Balance at the end of the year |
|--------------------------------------|----------------------------------|----------------------------------|-------------|------------------|--------------------------------|
| Ordinary shares                      |                                  |                                  |             |                  |                                |
| Mr Ilario Thomas Faenza              | 1,421,809                        | -                                | 1,517,796   | -                | 2,939,605                      |
| Mr Blair William Brabin Vega Norfolk | 14,339,816                       | -                                | 4,047,456   | -                | 18,387,272                     |
| Ms Dominique Gayle Fisher AM         | 400,000                          | -                                | 1,011,864   | -                | 1,411,864                      |
| Mr Douglas Chee Yong Loh             | 12,705,297                       | -                                | 2,023,728   | (539,000)        | 14,190,025                     |
|                                      | 28,866,922                       | -                                | 8,600,844   | (539,000)        | 36,928,766                     |

\*Shares issued under the Loan Funded Share Plan as approved at the AGM on 28 November 2023

*This concludes the remuneration report, which has been audited.*

**Shares under option**

Unissued ordinary shares of Biome Australia Limited under option at the date of this report are as follows:

| Grant date    | Expiry date   | Exercise price | Number under option |
|---------------|---------------|----------------|---------------------|
| 31 March 2023 | 31 March 2026 | \$0.12         | 625,000             |
| 31 March 2023 | 31 March 2026 | \$0.20         | 2,450,000           |
| 8 March 2024  | 31 March 2026 | \$0.50         | 2,500,000           |
|               |               |                | 5,575,000           |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate. **Shares issued on the exercise of options**

The following ordinary shares of Biome Australia Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

| Date options exercised | Exercise price | Number of shares issued |
|------------------------|----------------|-------------------------|
| 15 February 2024       | \$0.12         | 25,000                  |
| 21 June 2024           | \$0.30         | 2,131,404               |
| 5 July 2024            | \$0.12         | 300,000                 |
| 10 September 2024      | \$0.40         | 2,131,404               |
| 10 September 2024      | \$0.12         | 1,550,000               |
| 10 September 2024      | \$0.20         | 50,000                  |
|                        |                | 6,187,808               |

**Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium of \$26,154 in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The sum insured for Directors' and Officers' Liability Insurance is \$1 million.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene

in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former partners of MVAB Assurance**

There are no officers of the company who are former partners of MVAB Assurance.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**

MVAB Assurance continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Ilario Faenza  
Chair

25 September 2024



**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BIOME AUSTRALIA LIMITED  
ABN: 51 627 364 014**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

*MVAB Assurance*

**MVAB ASSURANCE**  
Chartered Accountants

*Sam Claringbold*

**SAM CLARINGBOLD**  
Partner

Signed at Melbourne this 25<sup>th</sup> September 2024

**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

|   | Consolidated |               |               |
|---|--------------|---------------|---------------|
|   | Note         | 30 June 2024  | 30 June 2023  |
| <b>Revenue</b>  |              |               |               |
| Sales revenue   | 5            | \$13,008,897  | \$7,235,611   |
| Cost of goods sold  |              | (\$5,097,676) | (\$2,960,083) |
| Gross profit  |              | \$7,911,221   | \$4,275,528   |
| Other income  | 6            | \$415,749     | \$389,745     |
| <b>Expenses</b>   |              |               |               |
| Sales and marketing expenses  | 7            | (\$5,851,611) | (\$4,930,498) |
| Corporate and administrative expenses   | 7            | (\$3,658,447) | (\$2,244,947) |
| Occupancy expenses  |              | (\$72,846)    | (\$157,568)   |
| Depreciation, amortisation and impairments  | 7            | (\$241,560)   | (\$220,377)   |
| Other expenses  |              | (\$21,160)    | (\$76,513)    |
| Finance costs   | 7            | (\$151,548)   | (\$113,897)   |
| <b>Loss before income tax expense</b>   |              | (\$1,670,202) | (\$3,078,527) |
| Income tax expense  | 8            | -             | -             |
| <b>Loss after income tax expense for the year attributable to the owners of Biome Australia Limited</b> | 27           | (\$1,670,202) | (\$3,078,527) |
| Other comprehensive income for the year, net of tax   |              | -             | -             |
| <b>Total comprehensive income for the year attributable to the owners of Biome Australia Limited</b>    |              | (\$1,670,202) | (\$3,078,527) |
| Basic earnings per share  | 36           | (\$0.80)      | (\$1.53)      |
| Diluted earnings per share  | 36           | (\$0.80)      | (\$1.53)      |

**Statement of financial position**  
As at 30 June 2024

|                                      | Consolidated |                    |                    |
|--------------------------------------|--------------|--------------------|--------------------|
|                                      | Note         | 30 June 2024       | 30 June 2023       |
| <b>Assets</b>                        |              |                    |                    |
| <b>Current assets</b>                |              |                    |                    |
| Cash and cash equivalents            | 9            | \$2,868,526        | \$2,260,764        |
| Trade and other receivables          | 10           | \$2,870,022        | \$1,443,044        |
| Inventories                          | 11           | \$1,888,577        | \$3,021,314        |
| Other                                | 12           | \$81,361           | \$45,902           |
| <b>Total current assets</b>          |              | <b>\$7,708,486</b> | <b>\$6,771,024</b> |
| <b>Non-current assets</b>            |              |                    |                    |
| Property, plant and equipment        | 13           | \$331,380          | \$453,295          |
| Right-of-use assets                  | 14           | \$236,925          | \$334,963          |
| <b>Total non-current assets</b>      |              | <b>568,305</b>     | <b>788,258</b>     |
| <b>Total assets</b>                  |              | <b>8,276,791</b>   | <b>7,559,282</b>   |
| <b>Liabilities</b>                   |              |                    |                    |
| <b>Current liabilities</b>           |              |                    |                    |
| Trade and other payables             | 16           | 2,492,301          | 2,274,371          |
| Borrowings                           | 17           | 1,020,597          | 125,018            |
| Lease liabilities                    | 18           | 107,952            | 99,584             |
| Employee benefits                    | 19           | 1,522,673          | 487,413            |
| <b>Total current liabilities</b>     |              | <b>5,143,523</b>   | <b>2,986,386</b>   |
| <b>Non-current liabilities</b>       |              |                    |                    |
| Borrowings                           | 21           | -                  | 645,240            |
| Lease liabilities                    | 22           | 167,812            | 275,765            |
| Employee benefits                    | 23           | 52,570             | 65,626             |
| Other liabilities                    | 24           | 9,358              | -                  |
| <b>Total non-current liabilities</b> |              | <b>229,740</b>     | <b>986,631</b>     |
| <b>Total liabilities</b>             |              | <b>5,373,263</b>   | <b>3,973,017</b>   |
| <b>Net assets</b>                    |              | <b>2,903,528</b>   | <b>3,586,265</b>   |
| <b>Equity</b>                        |              |                    |                    |
| Issued capital                       | 25           | 21,727,165         | 20,764,055         |
| Reserves                             | 26           | 444,212            | 421,257            |
| Accumulated losses                   | 27           | (19,267,849)       | (17,599,047)       |
| <b>Total equity</b>                  |              | <b>2,903,528</b>   | <b>3,586,265</b>   |

**Statement of changes in equity**  
**For the year ended 30 June 2024**

| Consolidated  | Issued capital | Option reserves | Performance rights | Accumulated losses | Total equity  |
|---|----------------|-----------------|--------------------|--------------------|---------------|
| Balance at 1 July 2022                                      | \$20,639,835   | \$415,442       | -                  | (\$14,530,230)     | \$6,525,047   |
| Loss after income tax expense for the year                  | -              | -               | -                  | (\$3,078,527)      | (\$3,078,527) |
| Other comprehensive income for the year, net of tax         | -              | -               | -                  | -                  | -             |
| Total comprehensive income for the year                     | -              | -               | -                  | (\$3,078,527)      | (\$3,078,527) |
| Transactions with owners in their capacity as owners:       |                |                 |                    |                    |               |
| Contributions of equity, net of transaction costs (note 25) | \$124,220      | -               | -                  | -                  | \$124,220     |
| Share-based payments (note 37)                              | -              | \$15,525        | -                  | -                  | \$15,525      |
| Cancellation of options                                     | -              | (\$9,710)       | -                  | \$9,710            | -             |
| Balance at 30 June 2023                                     | \$20,764,055   | \$421,257       | -                  | (\$17,599,047)     | \$3,586,265   |

| Consolidated  | Issued capital | Option reserves | Performance rights | Accumulated losses | Total equity  |
|---|----------------|-----------------|--------------------|--------------------|---------------|
| Balance at 1 July 2023                                | \$20,764,055   | \$421,257       | -                  | (\$17,599,047)     | \$3,586,265   |
| Loss after income tax expense for the year            | -              | -               | -                  | (\$1,670,202)      | (\$1,670,202) |
| Other comprehensive income for the year, net of tax   | -              | -               | -                  | -                  | -             |
| Total comprehensive income for the year               | -              | -               | -                  | (\$1,670,202)      | (\$1,670,202) |
| Transactions with owners in their capacity as owners: |                |                 |                    |                    |               |
| Share-based payments (note 37)                        | \$122,532      | \$92,987        | -                  | -                  | \$215,519     |
| Issue of options                                      | -              | \$128,125       | -                  | -                  | \$128,125     |
| Exercise of options                                   | \$840,578      | (\$198,157)     | -                  | -                  | \$642,421     |
| Consolidation - currency adjustment                   | -              | -               | -                  | \$1,400            | \$1,400       |
| Balance at 30 June 2024                               | \$21,727,165   | \$444,212       | -                  | (\$19,267,849)     | \$2,903,528   |

**Statement of cash flows**  
**For the year ended 30 June 2024**

|  | Consolidated |                |                |
|--|--------------|----------------|----------------|
|  | Note         | 30 June 2024   | 30 June 2023   |
| <b>Cash flows from operating activities</b>                      |              |                |                |
| Receipts from customers (inclusive of GST)                       |              | \$12,790,769   | \$6,586,715    |
| Payments to suppliers (inclusive of GST)                         |              | (\$13,354,625) | (\$10,493,590) |
| R&D tax refund   |              | \$314,937      | \$327,739      |
| Export Market Development Grant and State Government grants      |              | \$36,600       | \$43,600       |
| Interest paid on lease liabilities                               |              | (\$15,699)     | \$20,225       |
| Interest received  |              | \$64,212       | \$18,406       |
| Net cash used in operating activities                            | 35           | (\$163,806)    | (\$3,496,905)  |
| <b>Cash flows from investing activities</b>                      |              |                |                |
| Payments for property, plant and equipment                       | 13           | (\$21,607)     | (\$400,939)    |
| Net cash used in investing activities                            |              | (\$21,607)     | (\$400,939)    |
| <b>Cash flows from financing activities</b>                      |              |                |                |
| Proceeds from issue of shares                                    | 25           | \$642,421      | \$500          |
| Repayments for lease liabilities                                 |              | (\$99,585)     | (\$91,700)     |
| Proceeds from borrowings   |              | \$520,597      | \$770,258      |
| Share issue transaction costs                                    |              | -              | (\$13,844)     |
| Repayment of borrowings  |              | (\$270,258)    | -              |
| Net cash from financing activities                               |              | \$793,175      | \$665,214      |
| Net increase/(decrease) in cash and cash equivalents             |              | \$607,762      | (\$3,232,630)  |
| Cash and cash equivalents at the beginning of the financial year |              | \$2,260,764    | \$5,493,394    |
| Cash and cash equivalents at the end of the financial year       | 9            | \$2,868,526    | \$2,260,764    |

## Notes to the financial statements 30 June 2024

### Note 1. General information

The financial statements cover Biome Australia Limited as a consolidated entity consisting of Biome Australia Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Biome Australia Limited's functional and presentation currency.

Biome Australia Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

*Registered office*

192-194 Johnston Street  
Collingwood Victoria 3066

*Principal place of business*

192-194 Johnston Street  
Collingwood Victoria 3066

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2024. The directors have the power to amend and reissue the financial statements.

### Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity 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.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*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 consolidated entity'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 note 3.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 33.

### Revenue recognition

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; 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; and 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.

#### *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.

#### *Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

#### *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.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment 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.

#### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

#### **Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Share-based payment transactions*

The consolidated entity 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.

#### *Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

#### *Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a

result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### **Note 4. Operating segments**

##### *Identification of reportable operating segments*

The company is organised into one operating segment:

researching, developing, manufacturing and distributing innovative evidence-based products linking the gut and human health. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

##### *Accounting policy for operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

#### **Note 5. Sales revenue**

|                       | Consolidated |              |
|-----------------------|--------------|--------------|
|                       | 30 June 2024 | 30 June 2023 |
| Sales — Domestic      | \$12,114,477 | \$6,775,876  |
| Sales — International | \$894,420    | \$459,735    |
|                       | \$13,008,897 | \$7,235,611  |

#### **Note 6. Other income**

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| EMDG — Export Market Development Grant | \$36,600     | \$36,600     |
| Victorian government grant             | -            | \$7,000      |
| Interest income                        | \$64,212     | \$18,406     |
| R&D tax refund                         | \$314,937    | \$327,739    |
| Other income                           | \$415,749    | \$389,745    |

**Note 7. Expenses**

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| <b>Selling and marketing expenses</b>  |              |              |
| Employee costs                         | \$2,847,105  | \$2,030,136  |
| Sales, marketing and research expenses | \$1,264,654  | \$1,533,202  |
| Travel and entertainment expenses      | \$580,848    | \$322,971    |
| Distribution expenses                  | \$1,039,570  | \$931,625    |
| Share based payments                   | \$119,434    | \$112,564    |
|  | \$5,851,611  | \$4,930,498  |

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| <b>Corporate and administrative expenses</b> |              |              |
| Employee costs                               | \$1,653,574  | \$1,534,815  |
| CEO – Long term incentive                    | \$1,000,000  | -            |
| Consulting fees                              | \$65,427     | \$60,781     |
| Accounting fees                              | \$125,048    | \$106,285    |
| IT expenses                                  | \$156,307    | \$292,986    |
| Insurance                                    | \$109,271    | \$75,131     |
| Secretarial fees                             | \$78,264     | \$71,281     |
| Legal fees                                   | \$119,039    | \$76,558     |
| Other administrative expenses                | \$127,748    | \$2,110      |
| Share based payments (*)                     | \$223,769    | \$25,000     |
|  | \$3,658,447  | \$2,244,947  |

(\*) includes \$128,128 for share based payments to non-related third party service providers

|   | Consolidated |              |
|---|--------------|--------------|
|   | 30 June 2024 | 30 June 2023 |
| <b>Depreciation, amortisation and impairments</b> |              |              |
| Depreciation expense                              | \$143,522    | \$122,339    |
| Amortisation expense on right-of-use asset        | \$98,038     | \$98,038     |
|   | \$241,560    | \$220,377    |

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| <b>Finance costs</b>                           |              |              |
| Interest expense                               | \$144,787    | \$2,206      |
| Interest expense on leases/right-of-use assets | \$15,699     | \$20,224     |
| Bank charges                                   | \$1,455      | \$3,584      |
| Merchant fees                                  | \$3,383      | \$5,271      |
| Foreign exchange (gains)/losses                | (\$13,776)   | \$82,612     |
|  | \$151,548    | \$113,897    |

**Note 8. Income tax expense**

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 30 June 2024  | 30 June 2023  |
| <b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>      |               |               |
| Loss before income tax expense   | (\$1,670,202) | (\$3,078,527) |
| Tax at the statutory tax rate of 25%   | (\$417,551)   | (\$769,632)   |
| Tax effect amounts which are not deductible/<br>(taxable) in calculating taxable income: |               |               |
| Effects of different tax rates for foreign subsidiary                                    | \$28,891      | -             |
| R&D refund   | (\$78,743)    | (\$81,935)    |
| R&D expenses   | \$180,998     | \$187,500     |
| Share-based payments   | \$32,031      | \$34,391      |
| Timing differences not recognised  | 841,041       | 135,410       |
|  | 586,667       | (494,266)     |
| Current year tax losses not recognised   | (\$586,667)   | \$494,266     |
| Income tax expense   | -             | -             |

|   | Consolidated |              |
|---|--------------|--------------|
|   | 30 June 2024 | 30 June 2023 |
| <b>Tax losses not recognised</b>                                      |              |              |
| Unused tax losses for which no deferred tax asset has been recognised | \$10,818,751 | \$11,416,558 |
| Potential tax benefit @ 25%   | \$2,704,688  | \$2,854,140  |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed and the Group generates sufficient taxable earnings.

**Note 9. Current assets — cash and cash equivalents**

|              | Consolidated |              |
|--------------|--------------|--------------|
|              | 30 June 2024 | 30 June 2023 |
| Cash at bank | \$2,868,526  | \$2,260,764  |

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 10. Current assets - trade and other receivables**

|                   | Consolidated |              |
|-------------------|--------------|--------------|
|                   | 30 June 2024 | 30 June 2023 |
| Trade receivables | \$2,870,022  | \$1,443,044  |

*Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**Note 11. Current assets — inventories**

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| Raw materials — at cost                      | \$382,388    | \$253,170    |
| Finished goods — at cost                     | 1,812,308    | 2,971,489    |
| Provision for slow moving and obsolete stock | (306,119)    | (203,345)    |
|  | 1,888,577    | 3,021,314    |

*Accounting policy for inventories*

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' 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.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of 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.

**Note 12. Current assets – other**

|                | Consolidated |              |
|----------------|--------------|--------------|
|                | 30 June 2024 | 30 June 2023 |
| Other          | \$51,111     | \$15,652     |
| Bank guarantee | \$30,250     | \$30,250     |
|                | \$81,361     | \$45,902     |

**Note 13. Non-current assets – property, plant and equipment**

|   | Consolidated |              |
|---|--------------|--------------|
|   | 30 June 2024 | 30 June 2023 |
| Property, plant and equipment - at cost | \$637,019    | \$631,509    |
| Less: Accumulated depreciation          | (\$305,639)  | (\$178,214)  |
|   | \$331,380    | \$453,295    |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated            | Furniture, Fixtures and Fittings | Motor Vehicles | Leasehold Improvement | Office Equipment | Total       |
|-------------------------|----------------------------------|----------------|-----------------------|------------------|-------------|
| Balance at 1 July 2022  | -                                | \$46,504       | \$128,191             | -                | \$174,695   |
| Additions               | \$21,770                         | -              | \$345,633             | \$33,536         | \$400,939   |
| Depreciation expense    | (\$937)                          | (\$26,400)     | (\$92,906)            | (\$2,096)        | (\$122,339) |
| Balance at 30 June 2023 | \$20,833                         | \$20,104       | \$380,918             | \$31,440         | \$453,295   |
| Additions               | \$21,607                         | -              | -                     | -                | \$21,607    |
| Depreciation expense    | (\$3,546)                        | (\$20,104)     | (\$111,488)           | (\$8,384)        | (\$143,522) |
| Balance at 30 June 2024 | \$38,894                         | -              | \$269,430             | \$23,056         | \$331,380   |

*Accounting policy for property, plant and equipment*

Plant and equipment is 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 straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                        |            |
|------------------------|------------|
| Leasehold improvements | 3-10 years |
| Motor vehicles         | 4 years    |
| Plant and equipment    | 3-7 years  |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

#### Note 14. Non-current assets - right-of-use assets

|                      | Consolidated |              |
|----------------------|--------------|--------------|
|                      | 30 June 2024 | 30 June 2023 |
| Right-of-use assets  | \$490,189    | \$490,189    |
| Amortisation expense | (\$253,264)  | (\$155,226)  |
|                      | \$236,925    | \$334,963    |

##### *Accounting policy for 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 consolidated entity 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.

#### Note 15. Non-current assets – intangibles

##### *Accounting policy for intangible assets*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Note 16. Current liabilities – trade and other payables

|                          | Consolidated |              |
|--------------------------|--------------|--------------|
|                          | 30 June 2024 | 30 June 2023 |
| Trade and other payables | \$2,492,301  | \$2,274,371  |

Refer to note 29 for further information on financial instruments.

*Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 17. Current liabilities - borrowings**

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| Loan from TP24 – Debtor Financing Facility | \$1,000,000  | -            |
| Loan – other                               | \$20,597     | \$125,018    |
|  | \$1,020,597  | \$125,018    |

Refer to note 29 for further information on financial instruments.

**Note 18. Current liabilities – lease liabilities**

|                 | Consolidated |              |
|-----------------|--------------|--------------|
|                 | 30 June 2024 | 30 June 2023 |
| Lease liability | \$107,952    | \$99,584     |

*Lease liabilities*

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

|                        | 1 year    | 1-5 years | 5 years | Total undiscounted lease liabilities | Lease liabilities included in this Statement of Financial Position |
|------------------------|-----------|-----------|---------|--------------------------------------|--|
| Lease liabilities 2024 | \$118,741 | \$173,889 | -       | \$292,631                            | \$275,765  |
| Lease liabilities 2023 | \$115,283 | \$292,631 | -       | \$407,914                            | \$375,349  |
|                        | \$234,024 | \$466,520 | -       | \$700,545                            | \$651,114  |

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short term leases or leases of low value assets are shown below:

|                                       | 2024      | 2023      |
|---------------------------------------|-----------|-----------|
| Interest expense on lease liabilities | \$15,699  | \$20,224  |
| Depreciation expense                  | \$98,038  | \$98,038  |
|                                       | \$113,737 | \$118,262 |

**Note 19. Current liabilities — employee benefits**

|                    | Consolidated |              |
|--------------------|--------------|--------------|
|                    | 30 June 2024 | 30 June 2023 |
| Annual leave       | \$244,274    | \$187,413    |
| Long service leave | \$55,399     | -            |
| Employee benefits  | \$1,223,000  | \$300,000    |
|                    | \$1,522,673  | \$487,413    |

**Accounting policy for employee benefits***Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service 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.

**Note 20. Current liabilities — provisions***Accounting policy for provisions*

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Note 21. Non-current liabilities — borrowings**

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| Loans - other                              | -            | \$145,240    |
| Loan from TP24 - Debtor Financing Facility | -            | \$500,000    |
|  | -            | \$645,240    |

*Accounting policy for borrowings*

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.

**Note 22. Non-current liabilities - lease liabilities**

|                 | Consolidated |              |
|-----------------|--------------|--------------|
|                 | 30 June 2024 | 30 June 2023 |
| Lease liability | \$167,812    | \$275,765    |

*Accounting policy for 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 consolidated entity'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.

#### Note 23. Non-current liabilities – employee benefits

|                    | Consolidated |              |
|--------------------|--------------|--------------|
|                    | 30 June 2024 | 30 June 2023 |
| Long service leave | \$52,570     | \$65,626     |

#### Accounting policy for other long-term employee benefits

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.

#### Note 24. Non-current liabilities – other liabilities

|                                 | Consolidated |              |
|---------------------------------|--------------|--------------|
|                                 | 30 June 2024 | 30 June 2023 |
| Other – Attvest Finance Pty Ltd | \$9,358      | -            |

#### Note 25. Equity – issued capital

|                              | Consolidated |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|
|                              | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
|                              | Shares       | Shares       |              |              |
| Ordinary shares – fully paid | 215,090,901  | 201,812,546  | \$21,727,165 | \$20,764,055 |

#### Movements in ordinary share capital

| Details                                       | Date            | Shares      | Issue price |              |
|---|-----------------|-------------|-------------|--------------|
| Balance                                       | 1 July 2022     | 199,909,857 |             | \$20,639,835 |
| Employee incentive plan                       | 18 January 2023 | 1,902,689   | \$0.0723    | \$137,564    |
| Issue of unlisted options                     | 31 March 2023   | -           | -           | \$500        |
| Capital raising costs                         |                 | -           | -           | (\$13,844)   |
| Balance                                       | 30 June 2023    | 201,812,546 |             | \$20,764,055 |
| Shares issued under Employee Incentive Scheme | 5 October 2023  | 560,393     | \$0.133     | \$75,007     |

| Details   | Date             | Shares      | Issue price |              |
|---|------------------|-------------|-------------|--------------|
| Shares issued under Employee Incentive Scheme pursuant to the Loan Funded Share Plan (LFSP) | 1 December 2023  | 9,612,708   | \$0.12      | -            |
| Exercise of options   | 15 February 2024 | 25,000      | \$0.12      | \$3,000      |
| Shares issued under Employee Incentive Scheme pursuant to the Loan Funded Share Plan (LFSP) | 10 April 2024    | 817,434     | \$0.33      | -            |
| Shares issued under Employee Incentive Scheme   | 14 June 2024     | 131,416     | \$0.36      | \$47,525     |
| Exercise of options   | 21 June 2024     | 2,131,404   | \$0.30      | \$639,421    |
| Transfer from Share options reserve   | 21 June 2024     | -           | -           | \$198,157    |
| Balance   | 30 June 2024     | 215,090,901 |             | \$21,727,165 |

Under the Company's (LFSP) Loan Funded Share Plan, the Company issued 9,612,708 ordinary shares on 1 December 2023 and 817,434 ordinary shares on 10 April 2024. These shares will vest over 1 and 3 years, respectively, with a 7-year non-recourse loan term. The equity value of these shares are recognised and credited to the Share Capital account as and when the loans are repaid.

(\*) Valuation of LFSP are determined using industry standard binomial pricing model taking into account the terms and conditions upon which instruments are issued.

#### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### *Share buy-back*

There is no current on-market share buy-back.

#### *Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an

optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

#### *Accounting policy for issued capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 26. Equity — reserves**

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| Share option and performance rights reserves | \$444,212    | \$421,257    |

**Note 27. Equity — accumulated losses**

|   | Consolidated   |                |
|---|----------------|----------------|
|   | 30 June 2024   | 30 June 2023   |
| Accumulated losses at the beginning of the financial year | (\$17,599,047) | (\$14,530,230) |
| Loss after income tax expense for the year                | (\$1,670,202)  | (\$3,078,527)  |
| Cancellation of options                                   | -              | \$9,710        |
| Consolidation — currency adjustment                       | 1,400          | -              |
| Accumulated losses at the end of the financial year       | (\$19,267,849) | (\$17,599,047) |

**Note 28. Equity — dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 29. Financial instruments***Financial risk management objectives*

The consolidated entity's principal financial instruments comprise cash, short term deposits and equity investments. The main purpose of the cash and term deposit is to earn the maximum amount of interest at a low risk to the consolidated entity. The consolidated entity also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the consolidated entity's policy not to trade in financial instruments.

The directors' overall risk management strategy seeks to assist the consolidated entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

**Market risk***Foreign currency risk*

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

*Price risk*

The consolidated entity is not exposed to any significant price risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. At 30 June 2024, the consolidated entity's cash/cash equivalents (note 9) are variable interest rate instruments earning approximately 3.80% p.a. at call interest.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial

loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity only transacts with entities that are rated the equivalent of investment grade and above. The consolidated entity's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually. The consolidated entity does not have any borrowings and therefore does not have any associated credit risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

#### Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

#### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

#### Note 30. Fair value measurement

##### Accounting policy for 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.

#### Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by MVAB Assurance, the auditor of the company:

|  | Consolidated |              |
|--|--------------|--------------|
|  | 30 June 2024 | 30 June 2023 |
| Audit services — Audit or review of the financial statements |              |              |
| MVAB Assurance, Australia                                    | \$37,000     | \$36,000     |
| The MGroup Partnership, United Kingdom                       | \$8,512      | -            |
| Audit services   | \$45,512     | \$36,000     |

**Note 32. Related party transactions***Parent entity*

Biome Australia Limited is the parent entity.

*Transactions with related parties*

The CFO provided a personal guarantee on a 3-year American Express Business Loan with an outstanding loan balance of \$101,009 as at 30 June 2024 (2023: \$145,240).

*Loans to/from related parties*

There was no outstanding loan owing to the CFO as at 30 June 2024 (2023: \$125,018).

**Note 33. Parent entity information**

Set out below is the supplementary information about the parent entity, *Statement of profit or loss and other comprehensive income*

|                            | Parent       |              |
|----------------------------|--------------|--------------|
|                            | 30 June 2024 | 30 June 2023 |
| Loss after income tax      | (\$447,010)  | (\$297,724)  |
| Total comprehensive income | (\$447,010)  | (\$297,724)  |

*Statement of financial position*

|  | Parent        |               |
|--|---------------|---------------|
|  | 30 June 2024  | 30 June 2023  |
| Total current assets                         | \$1,627,301   | \$1,066,820   |
| Total assets                                 | \$17,554,922  | \$16,901,618  |
| Total current liabilities                    | \$114,438     | -             |
| Total liabilities                            | \$114,438     | -             |
| Equity                                       |               |               |
| Issued capital                               | \$21,726,975  | \$20,764,055  |
| Share option and performance rights reserves | \$444,213     | \$421,257     |
| Accumulated losses                           | (\$4,730,704) | (\$4,283,694) |
| Total equity                                 | \$17,440,484  | \$16,901,618  |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity has entered into a Deed of Guarantee and Indemnity in relation to a \$1.5 million (2023: \$1.2 million) secured debt facility of its wholly owned subsidiary, Biome Australia Trading Pty Ltd with AMAL Trustees Pty Ltd as at 2024.

*Interest in subsidiaries*

|                                      | Principal place of business/<br>Country of Incorporation | Percentage<br>Owned 2024 | Percentage<br>Owned 2023 |
|--------------------------------------|--|--------------------------|--------------------------|
| Subsidiaries:                        |  |                          |                          |
| Biome Australia Trading Pty Ltd      | Melbourne, Victoria, Australia                           | 100%                     | 100%                     |
| Biome Australia IP Pty Ltd           | Melbourne, Victoria, Australia                           | 100%                     | 100%                     |
| Biome Australia Trading (UK) Limited | London, United Kingdom                                   | 100%                     | -                        |

*Contingent liabilities*

The parent entity has no known contingent liabilities as at 2024 (2023: \$1.0 million for the Managing Directors' long term incentive (LTI). As the LTI target has now been met, this amount of \$1.0 million has been recognised as a current liability in 2024).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments at 2024 (2023: Nil).

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 34. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 35. Reconciliation of loss after income tax to net cash used in operating activities**

|   | Consolidated  |               |
|---|---------------|---------------|
|   | 30 June 2024  | 30 June 2023  |
| Loss after income tax expense for the year  | (\$1,670,202) | (\$3,078,527) |
| Adjustments for:                            |               |               |
| Depreciation and amortisation\$             | \$241,560     | \$220,377     |
| Share-based payments                        | \$343,204     | \$153,089     |
| Interest on lease payments                  | \$15,699      | \$20,224      |
| Change in operating assets and liabilities: |               |               |
| Increase in trade and other receivables     | (\$1,462,437) | (\$648,896)   |
| Decrease/(increase) in inventories          | \$1,132,737   | (\$1,721,239) |
| Decrease/(increase) in prepayments          | (\$37,345)    | \$10,037      |
| Increase in trade and other payables        | \$250,774     | \$1,128,589   |
| Increase in employee benefits               | \$1,022,204   | \$419,441     |
| Net cash used in operating activities       | (\$163,806)   | (\$3,496,905) |

**Note 36. Earnings per share**

|   | Consolidated  |               |
|---|---------------|---------------|
|   | 30 June 2024  | 30 June 2023  |
| Loss after income tax attributable to the owners of Biome Australia Limited               | (\$1,670,202) | (\$3,078,527) |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | 208,040,790   | 200,764,764   |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 208,040,790   | 200,764,764   |
|   | <b>Cents</b>  | <b>Cents</b>  |
| Basic earnings per share  | (0.80)        | (1.53)        |
| Diluted earnings per share  | (0.80)        | (1.53)        |

*Accounting policy for earnings per share**Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Biome Australia Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Note 37. Share-based payments**

Set out below are summaries of shares issued under the Company's Employee Incentive Plan:

| 30 June 2024 |                   |             |                       |                          |
|--------------|-------------------|-------------|-----------------------|--------------------------|
| Issue Date   | Security Issued   | Issue Price | No of Security Issued | Value of Security Issued |
| 18/01/2023   | Fully paid shares | \$0.07      | 1,902,689             | \$137,564                |
| 05/10/2023   | Fully paid shares | \$0.13      | 560,393               | \$74,756                 |
| 01/12/2023   | Fully paid shares | \$0.12      | 9,612,708             | \$1,160,254              |
| 10/04/2024   | Fully paid shares | \$0.33      | 817,434               | \$269,998                |
| 14/06/2024   | Fully paid shares | \$0.36      | 131,416               | \$47,525                 |

Set out below are summaries of options granted for services rendered:

| 30 June 2024 |             |                |                                  |           |           |                         |                                |
|--------------|-------------|----------------|----------------------------------|-----------|-----------|-------------------------|--------------------------------|
| Grant date   | Expiry date | Exercise price | Balance at the start of the year | Granted   | Exercised | Expired/forfeited/other | Balance at the end of the year |
| 24/11/2021   | 24/11/2025  | \$0.40         | 2,131,404                        | -         | -         | -                       | 2,131,404                      |
| 31/03/2023   | 31/03/2026  | \$0.12         | 2,500,000                        | -         | (25,000)  | -                       | 2,475,000                      |
| 31/03/2023   | 31/03/2026  | \$0.20         | 2,500,000                        | -         | -         | -                       | 2,500,000                      |
| 08/03/2024   | 31/03/2026  | \$0.50         | -                                | 2,500,000 | -         | -                       | 2,500,000                      |
|              |             |                | 7,131,404                        | 2,500,000 | (25,000)  | -                       | 9,606,404                      |

Share options granted carry no rights to dividends and no voting rights. The options fully vested on issue. Valuation of the options has been undertaken using an industry standard pricing model. Refer below for further information.

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 31/03/2023 | 31/03/2026  | \$0.07                    | \$0.12         | 30.98%              | -              | 2.93%                   | \$12,560                 |
| 31/03/2023 | 31/03/2026  | \$0.07                    | \$0.20         | 30.98%              | -              | 2.93%                   | \$1,900                  |
| 08/03/2024 | 31/03/2026  | \$0.39                    | \$0.50         | 34.45%              | -              | 3.60%                   | \$128,125                |

#### Accounting policy for 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.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Note 38. Commitments and Contingencies**

#### **(a) Capital expenditure commitments**

The group has no capital commitments as at 30 June 2024 (2023: \$Nil).

#### **(b) Contingent liabilities**

The group had no contingent liabilities at 2024 (2023: \$1.0 million for the Managing Directors' long term incentive (LTI). As the LTI target has now been met, this amount of \$1.0 million has been recognised as a current liability in 2024). Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporations Act 2001 (s.295(3A)(a)).

**Biome Australia Limited****Consolidated entity disclosure statement**

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporations Act 2001 (s.295(3A)(a)).

**For the year ended 30 June 2024**

| Entity name                          | Entity type    | Place formed/Country of incorporation | Ownership interest % | Tax residency  |
|--------------------------------------|----------------|---------------------------------------|----------------------|----------------|
| Biome Australia Limited              | Body corporate | Australia                             | 100.00%              | Australia *    |
| Biome Australia Trading Pty Ltd      | Body corporate | Australia                             | 100.00%              | Australia *    |
| Biome Australia IP Pty Ltd           | Body corporate | Australia                             | 100.00%              | Australia *    |
| Biome Australia Trading (UK) Limited | Body corporate | United Kingdom                        | 100.00%              | United Kingdom |

\*Biome Australia Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.



**Biome Australia Limited Directors' declaration**  
**30 June 2024**

In the directors' opinion:

the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

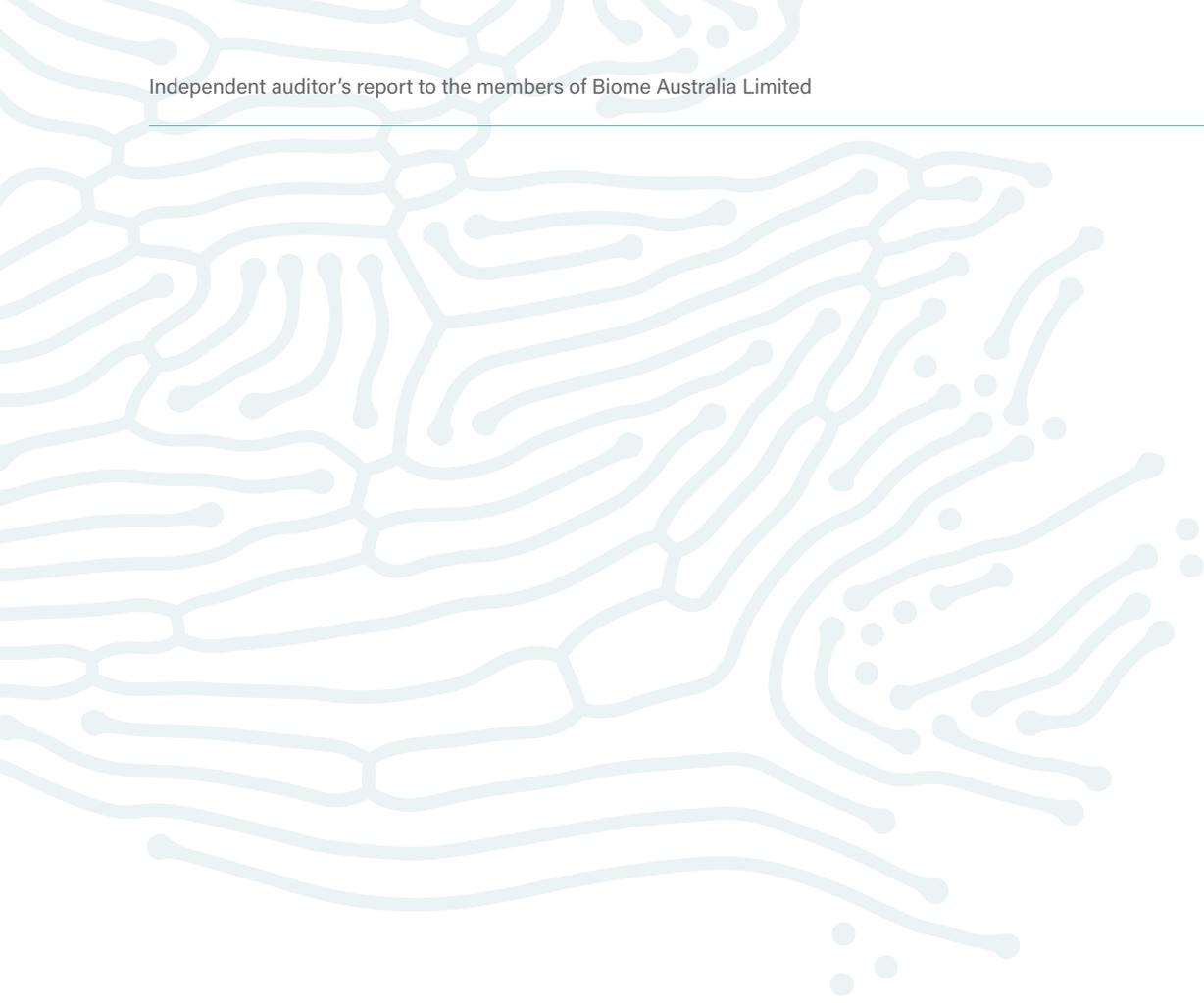
**Signed in accordance with a resolution of directors made pursuant to section 295(5) (a) of the Corporations Act 2001.**

On behalf of the directors



**Mr Ilario Faenza**  
Chair

25 September 2024



BIOME AUSTRALIA LIMITED  
ABN: 51 627 364 014INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIOME AUSTRALIA LIMITED**Report on the audit of the financial report****Opinion**

We have audited the accompanying financial report, being a general purpose financial report of Biome Australia Limited (the Company) and Controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes comprising a summary of material accounting policies and other explanatory information, consolidated entity disclosure statement and the directors' declaration.

In our opinion, the financial report of Biome Australia Limited and Controlled entities is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Share Options and Equity Transactions (refer to note 25 and 26)**

The Company issued shares and options to directors and senior management under a share-based compensation plan. These arrangements have differing terms and conditions that give rise to different accounting outcomes.

Share based payment arrangements require judgmental assumptions including volatility rate and expected life in determining the fair value of the arrangements and the expensing of that fair value over the estimated service period.

In recognising these transactions, the Company performed a valuation to calculate the accounting expense. Details of the share based payment arrangements offered to directors, executive management, third parties and shareholders, are disclosed in the Remuneration Report.

The audit of the share-based payment arrangements and the associated expense is a key audit matter due to the judgements required in determining fair value.

### How our audit addressed the key audit matter

To evaluate the share transactions, we performed the following procedures, amongst others:

- In performing our procedures we assessed the terms of the share based payment arrangements issued during the period including review of documentation issued to shareholders.
- We assessed the methodology used by the Company in valuing the share options.
- We assessed the expense recorded on the statement of comprehensive income.
- We assessed whether the disclosure in note 25 and 26 in relation to the arrangements was adequate and whether it complied with Australian Accounting Standards.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 ; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001,

and for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

#### Melbourne

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- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Further description of our responsibilities for the audit of the financial report is located at The Auditing and Assurance Standards Board Website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on the Remuneration Report

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 47 to 51 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Biome Australia Limited and Controlled entities, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**MVAB Assurance**  
Chartered Accountants

Signed at Melbourne this 25<sup>th</sup> day of September 2024



**SAM CLARINGBOLD**  
Partner

## 1. Corporate Governance Summary

### 1.1. Roles and Responsibilities of Board and Management

#### *The Role of the Board and Delegations*

The Board is accountable to shareholders for the activities and performance of Biome Australia Limited (Biome) by overseeing the creation of sustainable shareholder value within an appropriate risk framework and having regard for stakeholder interests and community expectations.

The Board is responsible for setting Biome's vision and strategy. Biome's vision is to become the number one trusted probiotic brand in all markets we operate. Biome also works to prevent disease, improve health outcomes and quality of life, and make our products accessible to all. This is a long-term vision, and the Board sets strategic priorities each year to work towards fulfilling this vision.

Directors are actively involved in setting, approving and regularly monitoring Biome's strategic priorities and holding management accountable for progress.

This process includes one annual Board strategy meeting offsite, regular Board reporting and meetings, and discussion and review with management. Similarly, the Board ensures that rigorous governance processes operate effectively to guide decision making across the business.

The Board's responsibilities are set out in the Board Charter, which is available at: <https://biomeaust.app.box.com/s/la4mrj1i2146ryz4s93c81l25elr6ltz>

The Board's role and responsibilities include:

- establishing, promoting and maintaining the strategic direction of Biome;
- approving business plans, budgets and financial policies;
- considering management recommendations on strategic business matters;
- establishing, promoting and maintaining proper processes and controls to maintain the integrity of accounting and financial records and reporting;
- fairly and responsibly rewarding executives, having regard to the performance of the executives, Biome's risk management framework and culture, the interests of shareholders, market conditions and Biome's overall performance;
- adopting and overseeing of implementation of corporate governance practices;

- overseeing the establishment, promotion and maintenance of effective risk management policies and processes;
- reviewing Board composition and performance;
- appointing, evaluating and remunerating the Chief Executive Officer (CEO) the Chief Financial Officer (CFO) and appointing the Company Secretary; and
- determining the CEO's delegated authority.

The Board has established committees to assist in carrying out its responsibilities and to consider certain issues and functions in detail.

The Board committees are discussed at section 1.3.

#### *Management responsibility*

The Board has delegated to the CEO the authority and powers necessary to implement the strategies approved by the Board and to manage the business affairs of Biome within the policies and delegation limits specified by the Board from time to time. The CEO may delegate authority to management but remains accountable for all authorities delegated to management.

### 1.2. Directors' Skills Matrix

The Board has determined that its current members have an appropriate collective mix of skills, experience and expertise to:

- exercise independent judgement;
- have a proper understanding of, and competence to deal with, current and emerging issues of the business;
- encourage enhanced Biome performance; and
- effectively review and challenge the performance of management.

The Board's competencies are assessed annually and the results of the most recent (July 2024) assessment are shown in the table below.

| Areas of expertise/ leadership qualities | Average Self-Assessment Rating* |
|--|---------------------------------|
| Risk & Compliance                        | 4.67                            |
| Financial & Audit                        | 4.67                            |
| Strategy                                 | 5                               |
| Policy Development                       | 4.33                            |
| Technology                               | 4.33                            |
| Executive Management                     | 5                               |
| Industry Specific Skills                 | 3.67                            |
| Leadership                               | 5                               |
| Ethics and Integrity                     | 5                               |
| Contribution                             | 5                               |
| Negotiation                              | 5                               |
| Crisis Management                        | 5                               |
| Previous Board Experience                | 4.33                            |

\*Self-assessment rating from 1 to 5, with 1 being the lowest and 5 being the highest

Given the relatively small size of the Board at present the Board skills matrix shows some skill gaps. The Board believes these gaps are effectively covered by access to subject matter experts as the need arises to complement the skills of the existing non-executive and executive directors.

### Board Committees

To assist it in undertaking its duties, the Board has established the following standing committees:

- Audit & Risk Committee; and
- Nomination & Remuneration Committee.

Each committee has its own charter, copies of which are available at:

*Audit & Risk Committee Charter*  
<https://biomeaust.app.box.com/s/n819bmaz3tjh969w0bhafp3apua3ui3p>

*Nomination & Remuneration Committee Charter*  
<https://biomeaust.app.box.com/s/qbyu47mjfy9db5c0a2x3915iwik0xc0>

The charters specify the composition, responsibilities, duties, reporting obligations, meeting arrangements, authority and resources available to the committees and the provisions for review of the charter.

Details of Directors' membership of each committee and those eligible members' attendance at meetings throughout the period from 1 July 2023 to 30 June 2024 are set out below.

During the period, 4 meetings of directors were held. Attendances by each director during the period were as follows:

| Directors            | Directors' Meetings |          | Audit & Risk       |          | Nomination & Remuneration |          |
|----------------------|---------------------|----------|--------------------|----------|---------------------------|----------|
|                      | Eligible to Attend  | Attended | Eligible to Attend | Attended | Eligible to Attend        | Attended |
| Ilario Faenza        | 4                   | 4        | 4                  | 4        | 1                         | 1        |
| Blair Vega Norfolk*  | 4                   | 4        | -                  | -        | -                         | -        |
| Dominique Fisher **  | 4                   | 4        | 4                  | 4        | 1                         | 1        |
| Jaroslav Boublik *** | -                   | -        | 4                  | 4        | 1                         | 1        |

\* Became a member of the Audit & Risk Committee on 4 April 2024

\*\* Chair of the Audit & Risk Committee and Nomination & Remuneration Committee

\*\*\* Member of Audit & Risk Committee and Nomination & Remuneration Committee only (not a Director)

### 1.3. Risk Management Framework

Biome's Board is responsible, in conjunction with senior management, for the management of risks associated with the business and implementing structures and policies to adequately monitor and manage these risks.

The Board has established the Audit & Risk Committee (ARC) to assist in discharging its risk management responsibilities. In particular, this committee assist the Board in setting the appropriate risk appetite and for ensuring that there is an effective risk management framework that is able to manage, monitor and control the various risks to which the business is exposed.

On a day-to-day basis, the CEO, has the responsibility for monitoring the implementation of the risk framework, including the monitoring, reporting and analysis of the various risks faced by the business, and providing effective challenges to activities and decisions that may materially affect Biome's risk profile.

Biome has a robust risk management framework which supports its operating segments, and its risk appetite distinguishes risks from which Biome will seek to make an economic return from those which it seeks to minimise and which it does not consider will provide a return. The management of these risks is fundamental to Biome's business, customers and to building long-term shareholder value.

In addition to having a separate risk management function, Biome recognises that a requirement for an effective risk management framework is for there to be a strong risk culture throughout the organisation, where risk is everybody's business. The foundation of this risk culture is a set of values, the Biome values. All employees are assessed against the Biome values as part of the annual performance review process, and this outcome contributes to the overall performance rating and remuneration outcomes. In addition to this, Biome regularly assesses

its risk culture through external audits to ensure that the management of risk and day-to-day compliance remains entrenched within the way in which Biome operates. The Board is responsible for setting and monitoring the risk appetite for Biome when pursuing its strategic objectives. The Board's approach to, and appetite for risk provides that, subject to earning acceptable economic returns, it can retain exposure to credit risk, liquidity risk and market risk.

- Credit default risk – is the risk of loss in the value of an asset due to a counterparty failing to discharge its contractual obligations when they fall due;
- Liquidity risk – is the potential impact of Biome's short, medium and long-term funding and liquidity management requirements; and
- Market risk - is the risk that changes in the market prices such as foreign exchange rates, interest rates and equity prices will affect Biome's income or value of its holdings of financial instruments.

Biome seeks to minimise or hedge the risks for which it does not consider an appropriate return can be generated.

These risks include:

- Foreign exchange risk – is the risk of a change in asset values as a result of movements in foreign exchange rates;
- Inflation risk – is the risk of a change in asset values and Biome's earnings as a result of movements in inflation both in Australia and jurisdictions in which Biome owns assets;
- Operational risk – is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events; and
- Regulatory and compliance risk – is the risk of legal or regulatory sanctions or loss as a result of Biome's failure to comply with laws, regulations or regulatory policy applying to its business.



**Shareholder Information**

The shareholder information set out below was applicable as at 22 September 2024.

*Distribution of equitable securities*

Analysis of number of equitable security holders by size of holding:

| Size of holding                       | Number of holders | % of total shares issued |
|---------------------------------------|-------------------|--------------------------|
| 1 to 1,000                            | 201               | 0.07%                    |
| 1,001 to 5,000                        | 661               | 0.86%                    |
| 5,001 to 10,000                       | 409               | 1.47%                    |
| 10,001 to 100,000                     | 776               | 13.13%                   |
| 100,001 and over                      | 272               | 84.47%                   |
|                                       | <b>2,319</b>      | <b>100.0%</b>            |
| Holding less than a marketable parcel | 44                | 0.00%                    |

**Equity security holders**

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| Holder Name  | Number held | % of total shares issued |
|--|-------------|--------------------------|
| Ocean And Remi Pty Ltd <Cambria Partners A/C>                    | 18,209,955  | 8.31%                    |
| Raymond Demaio Pty Ltd <Raymond Demaio Family A/C>               | 12,000,000  | 5.48%                    |
| Cob Pty Ltd  | 7,907,419   | 3.61%                    |
| Emmanuel Investment Holdings Pty Ltd <Loh Family A/C>            | 6,102,010   | 2.78%                    |
| DC Retirement Nominees Pty Ltd <Dc Family Trust A/C>             | 4,523,728   | 2.06%                    |
| Burrangong Pty Ltd <Sam Family Settlement A/C>                   | 3,797,101   | 1.73%                    |
| Mrs Aini Loh   | 3,336,883   | 1.52%                    |
| National Nominees Limited  | 3,102,699   | 1.42%                    |
| Astro Superannuation Holdings Pty Ltd <Emmanuel Super Fund A/C>  | 2,865,787   | 1.31%                    |
| See Breeze Consulting Pty Ltd                                    | 2,823,405   | 1.29%                    |
| Mr Yuk Chung Edward Chiu   | 2,769,565   | 1.26%                    |
| Evergem Pty Ltd <The Evergem Unit A/C>                           | 2,752,214   | 1.26%                    |
| Netwealth Investments Limited <Wrap Services A/C>                | 2,739,644   | 1.25%                    |
| Mr Joshua Oliver Stanford-Harris                                 | 2,583,466   | 1.18%                    |
| Mr Paul James Madden   | 2,547,741   | 1.16%                    |
| Carlisle And Co Pty Ltd <Wattle Superfund A/C>                   | 2,265,000   | 1.03%                    |
| Mr John William Bronger  | 2,140,579   | 0.98%                    |
| CG Nominees (Australia) Pty Ltd                                  | 2,000,000   | 0.91%                    |
| Qintet Pharma Partners Pty Ltd                                   | 2,000,000   | 0.91%                    |
| Kyriaco Barber Pty Ltd   | 1,900,000   | 0.87%                    |
| Chemistworx Management Pty Ltd <Bronger Superannuation Fund A/C> | 1,630,434   | 0.74%                    |

**Unquoted equity securities**

| Options over ordinary shares issued  | Number on Issue | Number of holders |
|--|-----------------|-------------------|
| 1) <i>Options exercisable at \$0.12c each, expiring 31/03/2026</i><br>Mersound Pty Ltd, holder of 80% of total issued<br>Fresh Afare Pty Ltd, holder of 20% of total issued                              | 625,000         | 2                 |
| 2) <i>Options exercisable at \$0.20c each, expiring 31/03/2026</i><br>Anna Carina Pty Ltd <Anna Carina Family A/C>, holder of 40.8% of total issued<br>Mersound Pty Ltd, holder of 40.8% of total issued | 2,450,000       | 6                 |
| 3) <i>Options exercisable at \$0.50c each, expiring 31/03/2026</i><br>Anna Carina Pty Ltd <Anna Carina Family A/C>, holder of 40% of total issued<br>Mersound Pty Ltd, holder of 40% of total issued     | 2,500,000       | 6                 |

**Substantial holders**

Substantial holders in the company are set out below:

|                    | Ordinary shares |                          |
|--------------------|-----------------|--------------------------|
|                    | Number held     | % of total shares issued |
| Blair Vega Norfolk | 18,387,272      | 8.39%                    |
| Douglas Loh        | 14,190,025      | 6.48%                    |
| Guiseppe Demaio    | 12,000,000      | 5.48%                    |

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

**Securities**

| Class                      | Expiry date   | Number of shares |
|----------------------------|---------------|------------------|
| Ordinary fully paid shares |               | 219,122,305      |
| Unlisted options           | 31 March 2026 | 625,000          |
| Unlisted options           | 31 March 2026 | 2,500,000        |
| Unlisted options           | 31 March 2026 | 2,450,000        |



**Certified**



**This company meets the  
highest standards of social  
and environmental impact**

**Corporation**

Biome Australia is proud to be a Certified B Corporation since 2021.

Certified B Corporations (B Corps) are for-profit companies that use the power of business to build a more inclusive and sustainable economy. They meet the highest verified standards of social and environmental performance, transparency, and accountability.

The Biome team feels strongly that business can be a force for good. Biome Australia aims to improve not only health outcomes, but be seen as a company working to redefine success in business, demonstrating that inclusivity and sustainability can be part of a healthy economy.

# Corporate directory

## Directors

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Ilario Thomas Faenza  
(Independent Non-Executive Chair)  
Blair William Brabin Vega Norfolk  
(Managing Director)  
Dominique Gayle Fisher AM  
(Independent Non-Executive Director)

## Company secretary

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George Lazarou

## Chief financial officer

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Douglas Chee Yong Loh

## Registered office

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Biome Australia Limited  
192-194 Johnston Street  
Collingwood Victoria 3066  
Phone: +61 3 9017 5800  
Email: corporate@biomeaustralia.com

## Principal place of business

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192-194 Johnston Street  
Collingwood Victoria 3066

## Share register

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Automic Pty Ltd  
477 Collins Street  
Melbourne Victoria 3000  
Phone: 1300 288 664

## Stock exchange listing

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Biome Australia Limited shares are listed on the Australian Securities Exchange (ASX code: BIO)

## Website

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<https://biomeaustralia.com/>

## Auditor

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MVA Bennett Assurance Pty Ltd  
Level 5, North Tower  
485 Latrobe St  
Melbourne VIC 3000

## Lawyers

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Marque Lawyers Pty Ltd  
Level 4, 343 George Street  
Sydney NSW 2000

## Intellectual Property (IP) Lawyers

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Macpherson Kelley  
Level 7, 600 Bourke Street  
Melbourne VIC 3000

## Regulatory Advisor

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Anthea Steans Consulting  
PO Box 702  
Sanctuary Cove QLD 4212

## External Accountant and Tax Advisor

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MVA Bennett Pty Ltd  
Incorporating Jeffrey Thomas & Partners  
Level 5, North Tower  
485 Latrobe St  
Melbourne VIC 3000





**BIOME** | AUSTRALIA  
GROUP

ACN 627 364 014

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