

## ASX ANNOUNCEMENT

22 January 2024

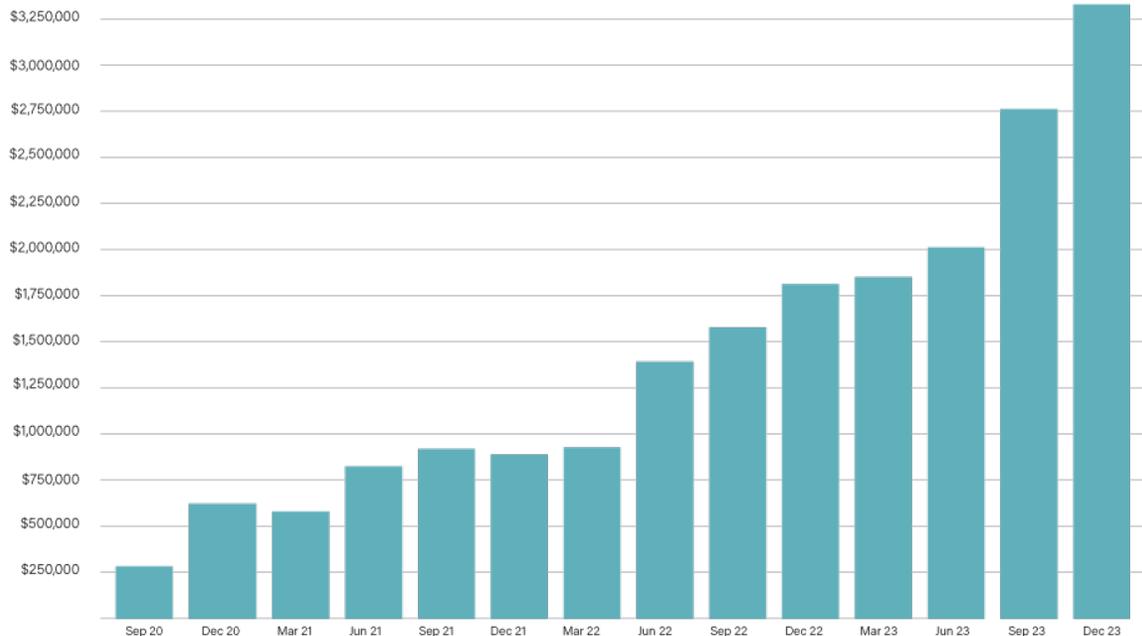
### Quarterly Activities & Appendix 4C December 2023

- Biome reports record \$3.3m sales revenue and \$3.07m cash receipts in Q2 FY24
- Biome records first ever quarter of positive operating cash flow of \$81k
- Underlying cash flow improved by \$500k compared to the previous quarter
- Record cash receipts in Q2 FY24, up 45% to \$3.07m, accounts receivable increased from \$2.08m to \$2.28m
- Landmark agreement signed in Q2 FY24 to develop company owned IP
- Biome reaffirms it is sufficiently funded to execute its FY24 strategy

Microbiome health company **Biome Australia Limited** (ASX: BIO) ('Biome' or 'the company') is pleased to provide its Appendix 4C and Activity Report for the quarter ended 31 December 2023.

Biome reports record sales revenue of \$3.3m for the quarter while maintaining a gross margin of 59%. This represents an 83.3% increase in quarterly sales revenue compared to the previous corresponding period (PCP).

### Quarterly Sales Revenue



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Additionally, Biome achieved its first quarter of positive operating cash flow since founding the business in July 2018. It should be noted that this result was supported by the annual R&D rebate of \$315k; however, Biome's rapid revenue growth and contained operating costs indicate that the company is nearing normalised positive cash flow.

As released to the market on 9 October 2023, Biome expects to achieve positive monthly EBITDA by June 2024 and has provided FY24 sales revenue guidance of \$12.5m, representing a 74% increase vs PCP (FY23 \$7.2m).

Continued high growth is expected in the second half of FY24 with business development highlights including the company's launch into health retail across the UK and Ireland, new Australian pharmacies coming on board to range Activated Probiotics, and further new product launches.

Within the quarter, Biome reached an agreement with one of its key research and development partners to develop multiple novel probiotic strains, which Biome expects to result in new intellectual property ownership through future patent applications.

As a key part of Biome's next phase of growth and development, the company is working toward growing its asset base and ownership of key raw materials. This will facilitate future clinical research and additional long-term shareholder value.

Biome aims for these new strains to support products with both mainstream gut and immune health targets, as well as future therapeutic development for condition-specific biotherapeutics.

These novel probiotic strains will protect Activated Probiotics from future competition in the marketplace, but will also allow for new, targeted applications resulting in product-development opportunities globally.

Biome reaffirms it is sufficiently funded to execute its FY24 strategy.

## Company Financial and Corporate Overview

Net cash inflow from operating activities for the December 2023 quarter was \$81k, assisted by R&D rebate of \$315k (previous quarter net cash outflows of \$734k). Without the R&D rebate, cash outflows reduced to \$234k for the quarter, an improvement of \$500k over the September quarter.

Cash at the end of the quarter was \$2.024m (30 June 2023: \$1.971m) with a further \$200k available for drawdown under the existing revolving debt facility with TP24.

In Q2 FY24 the Company received a record \$3.07m in cash receipts from customers (previous quarter \$2.11m), representing an increase of \$954k. The Company's accounts receivable balance has grown along with sales revenue, increasing from \$2.08m at September 30 2023 to \$2.28m as at 31 December 2023, an increase of \$200k.



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Net business activities expenditure increased by \$139k over the September quarter to \$2.99m for the December quarter. Business activities expenses consist of sales, advertising and marketing costs of \$365k (a decrease from previous quarter \$439k), payments for inventory and fulfilment increased to \$1.435m (previous quarter \$1.03m), other operating costs of \$37k and research and development of \$100k (previous quarter \$91k). The balance of operating outflows were administration and staff costs totaling \$1.329m, a slight increase from the previous quarter's \$1.275m.

The Company notes that in the December 2023 quarter, the Company paid \$136,140 to Directors of the Company in fees, salaries and superannuation payments, as follows:

- Executive Director \$97,125
- Non-executive Directors \$39,015



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## Appendix 4C

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

### Name of entity

BIOME AUSTRALIA LIMITED (BIO)

### ABN

51 627 364 014

### Quarter ended ("current quarter")

DECEMBER 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (...6...months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	3,066	5,178
1.2	Payments for		
	(a) research and development	(100)	(191)
	(b) inventory & fulfilment	(1,435)	(2,464)
	(c) other operating costs	(37)	(78)
	(d) sales, advertising and marketing	(365)	(804)
	(e) staff costs	(1,115)	(2,212)
	(f) administration and corporate costs	(214)	(392)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	27
1.5	Interest and other costs of finance paid	(37)	(57)
1.6	Income taxes & FBT paid	(10)	(12)
1.7	Government grants including EMDG and R&D tax rebate incentives	315	352
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>81</b>	<b>(653)</b>



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<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(6)	(12)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets (*leasehold improvements)		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (**bank guarantee)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(6)</b>	<b>(12)</b>



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<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from issue of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		500
3.6	Payments for lease liabilities	(24)	(48)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (repayments of borrowings)	(11)	(22)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(35)</b>	<b>430</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,971	2,261
4.2	Net cash from / (used in) operating activities (item 1.9 above)	81	(653)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(35)	430
4.5	Effect of movement in exchange rates on cash held	13	(2)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,024</b>	<b>2,024</b>



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<b>5.</b>	<b>Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,024	1,971
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,024</b>	<b>1,971</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	\$136
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

The amount paid to Directors of the Company during the quarter was \$136,140 in fees, salaries and superannuation payments, as follows:

· Executive Director	\$97,125
· Non-executive Directors	\$39,015



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7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,200	1,000
7.2	Credit standby arrangements	Nil	n/a
7.3	Other (please specify)	Nil	n/a
7.4	<b>Total financing facilities</b>	1,200	1,000
7.5	<b>Unused financing facilities available at quarter end</b>		200
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p>		
	<p>Biome Australia Trading Pty Ltd ("Biome Trading") a wholly owned subsidiary of The Company has entered into a \$1.2 million secured debt facility ("Facility") with Tradeplus24 (TP24) for working capital purposes to fund future growth.</p> <p>The current interest rate of the Facility is 10.6872% per annum, with a portion tied to the 30-day bank Bill Swap Rate ("BBSW") bid rate as at midday on the first working day of each month plus a fixed margin of 6.8%. The Facility has a facility fee of 1.8% per annum. The Facility is repayable by 31 July 2024 and is secured by a General Security Agreement over the whole of Biome Trading's assets, a first ranking priority charge over the whole of Biome Trading's receivables (debtor) book and a Deed of Guarantee and Indemnity from the Company, supported by a General Security Agreement over the whole of the assets of the Company as well as a Deed of Subordination over intercompany loans. It is the company's intention to seek a renewal of this facility before the end of FY24 if required.</p>		



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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	81
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,024
8.3 Unused finance facilities available at quarter end (item 7.5)	200
8.4 Total available funding (item 8.2 + item 8.3)	2,305
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
<p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p>	
<p>Answer: n/a</p>	
<p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p>	
<p>Answer: n/a</p>	
<p>8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>	
<p>Answer: n/a</p>	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>	



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## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 JAN 2024

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".



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

<b>Upcoming Activities</b>		
1	Audited half year results	27 February 2024
2	Biome Daily Kids clinical trial preliminary results	Q3 FY24
3	Biome Cholesterol Probiotic Launch	Q4 FY24
4	Biome Osteo clinical trial preliminary results	Q4 FY24

**-ENDS-**

Approved for release by the Biome Australia board of directors.

### **Investor Hub**

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



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## About Biome Australia Limited

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

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

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

Biome also develops, licenses and distributes a scientifically formulated, organic nutraceutical range, Activated Nutrients®.

For more information visit: [www.biomeaustralia.com](http://www.biomeaustralia.com)

### Investor Relations

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### Forward looking statements

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

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

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



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*audited or reviewed by Biome's auditors. Such information should not be taken as a guide for future performance.*

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

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

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



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