

ASX ANNOUNCEMENT

11 April 2024

Quarterly Activities & Appendix 4C March 2024

- Biome records first positive quarterly EBITDA (unaudited) in Q3 FY24
- Biome records first positive quarter of underlying operating cash flow in Q3 FY24
- Biome reports \$3.2m sales revenue in Q3 FY24, up 74% vs. PCP
- Same-store sales in pharmacy increased 61.4% vs. PCP
- Overseas sales revenue for Q3 total \$242k, led by early growth in the UK health retail market
- Cash receipts totalled \$3.05m in Q3 FY24
- Accounts receivable increased to \$2.44m at the close of Q3 FY24, up from \$2.28m
- Biome finished the quarter with \$2.1m cash at bank, an increase of \$72k on Q2 FY24

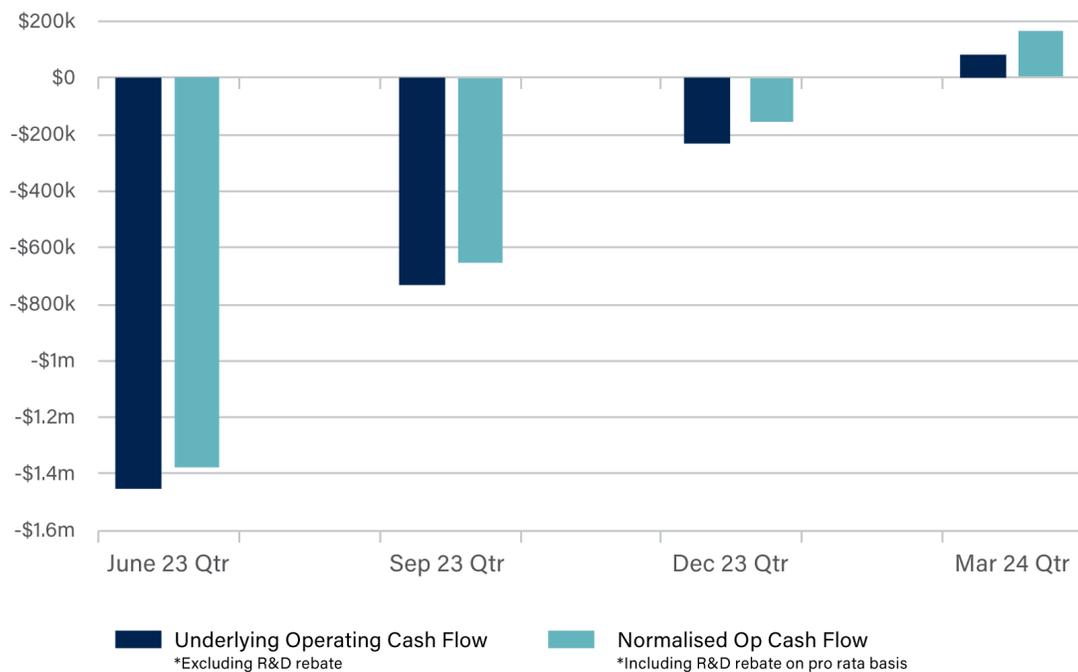
Microbiome health company **Biome Australia Limited** (ASX: BIO) ('Biome' or 'the company') is pleased to provide its Appendix 4C and Activity Report for the quarter ended 31 March 2024.

On 9 October 2023 (Ref announcement 9 October 2023), Biome shared that the company expected to achieve its first positive monthly EBITDA by June 2024. Biome is pleased to share that as at 31 March 2024, the company has now recorded a full quarter of positive (unaudited) EBITDA of \$65k on the company's P&L and positive underlying cash flow (see Appendix 4C) of \$89k.



Biome notes that underlying cash flow excludes the one-off receipt of the annual R&D rebate of \$315k received by the company in Q2 FY24 (Ref announcement dated 22 January 2024).

Quarterly Operating Cash Flow



Biome has achieved the milestone of positive underlying cash flow and EBITDA by delivering strong revenue growth, containing existing operating cost base, maintaining gross margin and continuing to develop and enhance the existing business.

Biome's quarterly sales revenue totalled \$3.2m, representing a 74% increase vs. the previous corresponding and the gross margin has been maintained at 60%. Biome's Activated Probiotics® is now ranged at over 5000 distribution points across Australia and pharmacy same-store sales are up by 61% in Q3 FY24 vs. PCP.



In Biome's overseas markets, sales revenue totalled \$242k for Q3 FY24. This result was led by early growth in the UK and Ireland health retail markets following the company's launch into the sector in January 2024.

Biome looks forward to providing the market with further updates during Q4, which is traditionally a high growth quarter. Biome has \$2.1m cash at bank as at 31 March 2024 (\$72k increase vs. Q2 FY24) and reaffirms it is sufficiently funded to execute its FY24 strategy.

Biome Australia Managing Director, Blair Norfolk, says:

"Quarter three was a huge milestone for the Biome Australia business, achieving positive EBITDA for the first time since founding the business in July 2018. As we progress through Q4, traditionally the strongest quarter for the probiotic category, we look forward to sharing our Biome Vision 27 strategic plan. Our core Australian business is delivering strong growth within same-store sales and the underlying business. As we enter this next phase of growth of the business, we look forward to sharing further updates on our expansion in international markets and the underlying growth and development of the domestic Biome business."

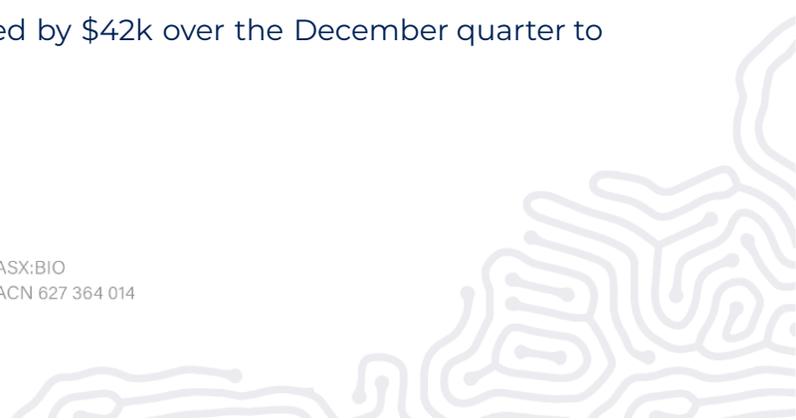
Company Financial and Corporate Overview

Net cash inflows from operating activities for the March 2024 quarter was \$89k, (previous quarter net cash inflows of \$81k, assisted by R&D rebate of \$315k).

Cash at the end of the quarter was \$2.1m (31 December 2023: \$2.02m) with a further \$200k available for drawdown under the existing revolving debt facility with TP24.

In Q2 FY24 the Company received \$3.05m in cash receipts from customers (previous quarter \$3.07m), a decrease of \$20k. The company's accounts receivable balance has increased from \$2.28m in December 2023 to \$2.44m as at 31 March 2024, an increase of \$160k.

Business activities expenditure decreased by \$42k over the December quarter to \$2.96m for the March quarter.



Business activities expenses consist of sales, advertising and marketing costs of \$358k (a slight decrease from previous quarter \$365k), payments for inventory and fulfilment decreased to \$1.21m (previous quarter \$1.43m), other operating costs of \$29k and research and development of \$74k (previous quarter \$100k). The balance of operating outflows were administration and staff costs totaling \$1.24m a slight decrease from previous quarter \$1.33m. At the end of the quarter the company held \$1.96m in inventory with a wholesale value of \$4.9m.

The company notes that in the March 2024 quarter, the company paid \$217,534 to Directors of the company in fees, salaries and superannuation payments, as follows:

- | | |
|---------------------------|-----------|
| • Executive Director | \$176,625 |
| • Non-executive Directors | \$40,909 |
-



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")

MARCH 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (...9...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,047	8,225
1.2 Payments for		
(a) research and development	(74)	(265)
(b) inventory & fulfilment	(1,212)	(3,676)
(c) other operating costs	(29)	(107)
(d) sales, advertising and marketing	(358)	(1,162)
(e) staff costs	(1,085)	(3,297)

	(f) administration and corporate costs	(154)	(546)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	44
1.5	Interest and other costs of finance paid	(54)	(111)
1.6	Income taxes & FBT paid	(9)	(21)
1.7	Government grants including EMDG and R&D tax rebate incentives	0	352
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	89	(564)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	-	(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	18	18
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (**bank guarantee)		
2.6	Net cash from / (used in) investing activities	18	6

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from 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)	(72)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		



3.9	Other (repayments of borrowings)	(11)	(33)
3.10	Net cash from / (used in) financing activities	(35)	395

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,024	2,261
4.2	Net cash from / (used in) operating activities (item 1.9 above)	89	(564)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	18	6
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(35)	395
4.5	Effect of movement in exchange rates on cash held	0	(2)
4.6	Cash and cash equivalents at end of period	2,096	2,096

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,096	2,024

5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,096	2,024

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	\$218
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 \$217,534 in fees, salaries and superannuation payments, as follows:

- Executive Director \$176,625
- Non-executive Directors \$40,909

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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	Total financing facilities	1,200	1,000



7.5 Unused financing facilities available at quarter end **200**

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

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.

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.

8.	Estimated cash available for future operating activities	\$A’000
8.1	Net cash from / (used in) operating activities (item 1.9)	89
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,096
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	2,385



8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)

N/A

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

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

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

Answer:

n/a

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

Answer:

n/a

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

Answer:

n/a

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

Compliance statement

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

Date: 11 APRIL 2024

Authorised by: By the Board

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

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.

For more information visit: www.biomeaustralia.com

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Forward looking statements

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

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

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

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

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

