ASX ANNOUNCEMENT
28 February 2022

Record H1 sales deliver 98% revenue growth

Highlights

- Record sales with revenue up 98.2% to $1.8m compared to previous corresponding period (1H21 $0.9m) with Biome's Activated Probiotics driving growth
- Gross margin improvement from 54% to 58% due to increasing scale benefits
- Cash of $7.7M at 31 December 2021
- Underlying operating loss for the period of $1.98M (1H21 $3.31m), a 40% reduction compared to the previous corresponding period
- Outlook positive with revenue growth expected to continue and two new product launches planned in 2H22

Microbiome health company **Biome Australia Limited** (ASX: BIO) ('Biome' or 'the company') is pleased to provide an update to the market for the first half of financial year 2022.

Biome has produced strong sales growth in the first half of 2022, up 98.2% to $1.8M, the best result Biome has recorded for any six-month trading period. This growth in sales has been driven primarily by Biome's Activated Probiotics, live biotherapeutics (probiotics). Activated Probiotics delivered $1.6M or 89% of sales for the period.

The sales trajectory has benefited from the return of active field sales following the progressive easing of COVID-19 pandemic lockdown restrictions. Biome saw gross margin improvement from 54% to 58% as the Company benefited from its increased scale in the half.

Commenting on the result, Biome Managing Director Blair Norfolk said, "We are pleased with our first set of results following our IPO late last year. The Company has demonstrated strong revenue growth as uptake of our product, in particular Activated Probiotics, continues. Our growth is being supported through our education led sales model, robust clinical results for our products and the complementary sales opportunity created alongside other medications.

"Pleasingly we achieved gross margin improvement in the half as we started benefiting from increased scale in the business.

"Biome reduced its underlying operating loss by 40% to $1.98M (1H21 $3.31M) compared to the previous corresponding period. Reported operating loss of $2.48M included one-off IPO related costs of $0.5M."

The Company strengthened its product portfolio in the half with the launch of *Biome Eczema™ Probiotic* and *Biome Her™ Probiotic* which opened up new patient customer segments. Customers (health professionals) have reported positive patient outcomes following the use of these products.

The Company is delighted that its Activated Probiotics product was the number one growth brand over a twelve month period in the professional vitamin category at Terry White Chemmart and pharmacy wholesaler Symbion, demonstrating the success of its product.

The outlook for the remainder of 2022 is positive with growth in revenue expected to continue as uptake of Biome's products grows and distribution opportunities open up in new markets globally. The Company has two product launches planned for the second half FY22 with the products to be distributed both in community pharmacy and the independent health practitioner channel.

-ENDS-

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Approved for release by the Biome Australia Board of Directors.

About Biome Australia Limited

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

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

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

natural medicines for the management of some of humanity's most prevalent and chronic health concerns.

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

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Forward looking statements

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