ASX ANNOUNCEMENT

26 August 2026

Appendix 4E Preliminary Final Report

For the year ended 30 June 2026. Previous corresponding period: year ended 30 June 2025. Given to ASX under Listing Rule 4.3A.

Biome delivers a record year of profitable growth

- Sales revenue of $23.9m, up 30% on FY25 ($18.4m)
- Gross profit of $14.9m, up 33%
- Gross margin of 62.1%[1] (FY25: 61.1%)
- EBITDA excluding share-based payments of $2.0m, up 115% on FY25 ($0.9m)
- Net profit before tax of $1.2m, up 453% on FY25 ($0.2m)
- Net profit after tax of $3.6m (FY25: $0.2m), including first-time recognition of a non-cash deferred tax asset of $2.4m
- Net assets of $9.4m (FY25: $4.7m), with borrowings reduced to $1.9m
- EPS increased to 1.62 cents, up from FY25 (0.10 cents)
- Net operating cash inflow of $1.6m, a $4.5m turnaround on the FY25 outflow of $2.9m.

Microbiome health company Biome Australia Limited (ASX: BIO) ('Biome' or 'the company') is pleased to release its Appendix 4E preliminary final report for the year ended 30 June 2026, reporting audited net profit after tax of $3,608,226 (FY25: $214,656). The result was underpinned by continued strength in the *Activated Probiotics®* range, supported by the *Activated Therapeutics®* range launched in June 2025.

[1] Gross margin calculated on sales to customers in the ordinary course of business only.

Key Financial Highlights

Sales revenue rose 30% to $23,883,240 (FY25: $18,417,188). Gross profit grew 33% to $14,936,188, with gross margin of 62.1% (FY25: 61.1%). Total operating expenses rose 25.7% to $14,001,150, below revenue growth and demonstrating operating leverage. EBITDA excluding share-based payments rose 115% to $2,000,296 (FY25: $931,048). Statutory EBITDA was $1,653,787 (FY25: $524,522). Net profit before tax was $1,186,919, 5.5 times the FY25 result of $214,656.

The after-tax result also reflects the first-time recognition of a deferred tax asset of $2,421,307. This is a non-cash item. It reflects the board's assessment that it is probable future taxable profits will be available to use carried-forward tax losses. Basic earnings per share was 1.62 cents (FY25: 0.10 cents) and diluted earnings per share was 1.59 cents.

Biome strengthened its balance sheet during the year. Cash was $3,551,175 at 30 June 2026, with a further $3,100,000 available under total NAB facilities of $5,000,000. Net operating cash inflow was $1,626,949, a turnaround of $4,517,753 on the FY25 outflow of $2,890,804. Borrowings reduced by $1,005,413 to $1,900,000. Net assets increased to $9,379,697 (FY25: $4,675,367) and net tangible assets were 3.92 cents per share (FY25: 2.06 cents).

No dividend was paid, recommended or declared during FY26.

EBITDA excluding share-based payments and total operating expenses are non-IFRS measures. They are unaudited and are derived from the audited financial statements for the year ended 30 June 2026.

Blair Vega Norfolk, Founder and Managing Director, commented:

"FY26 was the year the model proved itself. Biome Daily became the number one probiotic in Australian pharmacy by both units and value, we signed a binding onshore manufacturing agreement with Specialty Probiotics Australia at no capital cost to Biome, and we secured new distribution through Fullscript in Canada and Uniphar in Ireland. The BMB18 clinical program progressed at La Trobe University and at the University of Athens. I want to thank our sales, marketing, education and finance teams for the discipline behind this result. The platform we built in FY26 sets Biome up for a step change in FY27."

Lauren Dwyer, Chief Financial Officer, commented:

"FY26 was an inflection point. Revenue grew 30%, gross profit grew 33%, and EBITDA excluding share-based payments rose 115%. Net profit after tax was $3,608,226, which includes the first-time recognition of a deferred tax asset of $2,421,307. Just as importantly, we generated $1,626,949 in operating cash and reduced borrowings by $1,005,413. Biome ended the year with a materially stronger balance sheet."

-ENDS-

This announcement has been authorised for release by the Board of Biome Australia Limited.

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, visit https://investorhub.biomeaustralia.com

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 produces 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* and *Activated Therapeutics* 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 and pharmacy channels, Biome is committed to educating health professionals on the 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 contains forward looking statements, including projections, guidance on future revenues, earnings and estimates regarding Biome's future performance (Forward Looking Statements). Forward Looking Statements are provided as general guidance 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 Forward Looking Statements. Such statements assume the success of Biome's business strategies. You are cautioned not to place undue reliance on Forward Looking Statements.

Forward Looking Statements are based on information available to Biome as at the date of this release. 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 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 additional or updated information whether as a result of changed expectations, new information, future events 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 Forward Looking Statements contained in, implied by, or part of this release, or that this release contains all material information about Biome which prospective investors may require in evaluating a possible investment in Biome.

Biome Australia Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Biome Australia Limited
ABN:	51 627 364 014
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

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Revenues from ordinary activities	up	29.7%	to	23,883,240
Profit from ordinary activities after tax attributable to the owners of Biome Australia Limited	up	1580.9%	to	3,608,226
Profit for the year attributable to the owners of Biome Australia Limited	up	1580.9%	to	3,608,226

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the consolidated entity after providing for income tax amounted to $3,608,226 (30 June 2025: $214,656).

Review of operations

FY26 was the strongest year in Biome's history. Biome Daily, the Company's flagship product, is now the number one probiotic product in Australian pharmacy by both units and dollar value (IQVIA[1]). June 2026 was a landmark month, with consumer sell-through of the Activated Probiotics® range surpassing 100,000 units for the first time.

In Q4 FY26, Biome signed a binding manufacturing agreement with Specialty Probiotics Australia (SPA) for onshore production of the Activated Probiotics range, at zero capital investment to Biome, with the first commercial batch targeted for September 2026. The agreement is expected to structurally improve cost of goods sold and free up working capital through shorter inventory and freight lead times.

Biome's international revenue from customers increased 20% to $1,784,093 across four markets (FY25: $1,486,689). In Canada, a distribution partnership with Fullscript was secured in 2H FY26. In Ireland, a distribution agreement secured with Uniphar is developing the European market, giving Biome a distribution partner in a second international territory.

A clinical trial for BMB18 - Biome's first wholly proprietary probiotic strain – is underway across the University of Athens, alongside La Trobe University in Melbourne. This is expected to build long-term IP value as Biome extends its practitioner-grade brand and distribution footprint into new export markets.

Financial Performance

The Company continued to experience strong sales growth during the year with revenue increasing by 30% to $23,883,240 compared to the previous corresponding period (FY25: $18,417,188). Gross profit on sales grew by 33% to $14,936,188 (FY25: $11,256,288), with a corresponding gross margin attributable on sales to customers of 62.1% (FY25: 61.1%). The improvement in gross profit margin reflects a combination of sales pricing-mix improvements, as well as early gains from the Company’s wider operational and inventory optimisation plan and continued progress toward its 65%+ gross margin target.

The strong sales growth has been driven by Biome's Activated Probiotics® range, further strengthened by the launch of the Activated Therapeutics® range in June 2025, broadening Biome's practitioner-grade portfolio and creating an additional platform for growth into FY27.

Total underlying operating expenses for the year increased by $2,859,133 to $14,001,150, well below the Company's 30% revenue growth and demonstrating growing operating leverage in the underlying business. The Company continued to deliberately reinvest in expanding international markets and distribution points during FY26, positioning the business ahead of the growth and development planned for FY27 and beyond.

Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding share-based payments in FY26 was $2,000,296, 115% up on FY25 ($931,048).

The combination of stronger sales, higher gross margin and contained operating costs helped deliver a 5.5 times multiple improvement in Net Profit Before Tax of $1,186,919 (FY25: $214,656). This result was significantly strengthened by the recognition of a Deferred Tax Asset of $2,421,307, reflecting the Board's increased confidence in the Company's ability to utilise its carried-forward tax losses against future taxable profits. This uplift materially improved basic earnings per share to 1.62 cents for FY26 (FY25: 0.10 cents), providing a stronger underlying earnings base as the Company scales into FY27.

The profit for the consolidated entity after providing for income tax amounted to $3,608,226 (30 June 2025: $214,656).

Financial Position

The Company has $3,551,175 in cash as at 30 June 2026 and a further $3,100,000 in an undrawn credit facility. Biome delivered a full-year net operating cash inflow of $1,626,949, a turnaround of $4,517,753 on the FY25 net operating cash outflow of $2,890,804. The Company continued to strengthen its balance sheet through disciplined capital management, reducing debt by $1,005,413 year-on-year to just $1,900,000 drawn against total NAB facilities of $5,000,000.

The net assets of the Company increased to $9,379,697 as at 30 June 2026 (30 June 2025: $4,675,367), a result of increased capital from the Company reporting a net profit for the year, the recognition of a Deferred Tax Asset and the exercise of company options.

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[1] IQVIA™ Sell Out Service, VITAMINS MINERALS AND SUPPLEMENTS category, CHC3=PROBIOTICS, Australia Pharmacy, Total Value and Unit, 52 Weeks W/E 2026-06-27.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.92	2.06

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Preliminary Final Report of Biome Australia Limited for the year ended 30 June 2026 is attached.

Biome Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 30 June 2026 $	Consolidated 30 June 2025 $
Revenue			
Revenue from customers	5	23,883,240	18,417,188
Changes in inventories of finished goods and freight inwards		(8,947,052)	(7,160,900)
Other income	6	718,749	410,251
Expenses			
Employee costs	7	(7,843,093)	(6,353,347)
Warehouse, wholesale and distribution costs		(1,215,333)	(1,141,337)
Advertising and promotional expenses		(1,792,725)	(1,164,053)
Travel and entertainment expenses		(827,563)	(781,023)
Freight and logistics expenses		(598,716)	(368,438)
Professional and consulting fees		(508,506)	(447,695)
Other expenses		(1,215,214)	(886,124)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**1,653,787**	**524,522**
Depreciation and amortisation	7	(352,272)	(241,970)
Net interest expense		(114,596)	(67,896)
Profit before income tax benefit		**1,186,919**	**214,656**
Income tax benefit	8	2,421,307	-
Profit after income tax benefit for the year attributable to the owners of Biome Australia Limited	25	**3,608,226**	**214,656**
Other comprehensive income for the year, net of tax		9,724	-
Total comprehensive income for the year attributable to the owners of Biome Australia Limited		**3,617,950**	**214,656**
		Cents	**Cents**
Basic earnings per share	35	1.62	0.10
Diluted earnings per share	35	1.59	0.10

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Biome Australia Limited
Statement of financial position
As at 30 June 2026

	Note	Consolidated 30 June 2026 $	30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents	9	3,551,175	2,746,416
Trade and other receivables	10	3,733,115	4,327,593
Inventories	11	3,976,425	4,111,914
Other	12	303,864	255,306
Total current assets		11,564,579	11,441,229
Non-current assets			
Property, plant and equipment	13	276,576	224,585
Right-of-use assets	14	1,005,886	138,887
Intangibles	15	447,569	163,239
Deferred tax assets	16	2,421,307	-
Total non-current assets		4,151,338	526,711
Total assets		15,715,917	11,967,940
Liabilities			
Current liabilities			
Trade and other payables	17	2,461,075	3,600,102
Borrowings	18	1,900,000	2,905,413
Lease liabilities	19	260,680	116,833
Employee benefits	20	831,063	557,676
Total current liabilities		5,452,818	7,180,024
Non-current liabilities			
Lease liabilities	21	807,296	50,979
Employee benefits	22	76,106	61,570
Total non-current liabilities		883,402	112,549
Total liabilities		6,336,220	7,292,573
Net assets		9,379,697	4,675,367
Equity			
Issued capital	23	24,194,199	23,323,346
Reserves	24	494,020	406,618
Accumulated losses	25	(15,308,522)	(19,054,597)
Total equity		9,379,697	4,675,367

The above statement of financial position should be read in conjunction with the accompanying notes

Biome Australia Limited
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $	Option Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	21,727,165	444,212	(19,267,849)	2,903,528
Profit after income tax expense for the year	-	-	214,656	214,656
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	214,656	214,656
Transactions with owners in their capacity as owners:				
Share-based payments (note 36)	471,619	(37,594)	-	434,025
Exercise of options	1,124,562	-	-	1,124,562
Consolidation - currency adjustment	-	-	(1,404)	(1,404)
Balance at 30 June 2025	23,323,346	406,618	(19,054,597)	4,675,367

Consolidated	Issued capital $	Option Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2025	23,323,346	406,618	(19,054,597)	4,675,367
Profit after income tax benefit for the year	-	-	3,608,226	3,608,226
Other comprehensive income for the year, net of tax	-	-	9,724	9,724
Total comprehensive income for the year	-	-	3,617,950	3,617,950
Transactions with owners in their capacity as owners:				
Share-based payments (note 36)	345,853	215,527	-	561,380
Expiry of options	-	(128,125)	128,125	-
Exercise of options	525,000	-	-	525,000
Balance at 30 June 2026	24,194,199	494,020	(15,308,522)	9,379,697

The above statement of changes in equity should be read in conjunction with the accompanying notes

Biome Australia Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 30 June 2026 $	Consolidated 30 June 2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		24,178,197	16,833,117
Payments to suppliers (inclusive of GST)		(23,007,344)	(19,994,220)
R&D tax refund and government grants		656,644	410,251
Interest paid on lease liabilities		(181,289)	(139,952)
Income taxes and FBT paid		(19,259)	-
Net cash from/(used in) operating activities	4	1,626,949	(2,890,804)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(204,376)	(37,138)
Payments for intellectual property		(284,330)	(163,239)
Net cash used in investing activities		(488,706)	(200,377)
Cash flows from financing activities			
Proceeds from exercise of options	23	525,000	1,124,562
Proceeds from repayment of Employee Loan Funded Share Plan		-	27,500
Interest received		-	71,145
Repayments for lease liabilities		(206,916)	(108,952)
Proceeds from issues of equity securities (excluding convertible debt securities)		353,845	-
Proceeds from borrowings		-	2,904,816
Repayment of borrowings		(1,005,413)	(1,050,000)
Net cash from/(used in) financing activities		(333,484)	2,969,071
Net increase/(decrease) in cash and cash equivalents		804,759	(122,110)
Cash and cash equivalents at the beginning of the financial year		2,746,416	2,868,526
Cash and cash equivalents at the end of the financial year	9	3,551,175	2,746,416

The above statement of cash flows should be read in conjunction with the accompanying notes

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	**Principal place of business**
192-194 Johnston Street Collingwood Victoria 3066	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 August 2026. 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 IFRS Accounting 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 32.

Note 2. Material accounting policy information (continued)

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.

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.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Material accounting policy information (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Biome Australia Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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.

Reinstatement of comparatives
Certain comparative amounts have been reclassified to conform with the presentation adopted in the current reporting period. These changes are classification in nature only and have no impact on the previously reported total assets, total liabilities, equity, profit or loss, comprehensive income, or cash flows.

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 2026. 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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. The Group does not hold any material non-current assets outside of Australia. No single customer contributed 10% or more to the Group’s revenue.

Note 5. Sales revenue

	Consolidated	
	30 June 2026 $	30 June 2025 $
Sales - Domestic	22,099,147	16,930,499
Sales - International	1,784,093	1,486,689
	23,883,240	18,417,188

Note 6. Other income

	Consolidated	
	30 June 2026 $	30 June 2025 $
Other income (incl. EMDG - Export Market Development Grant)	62,105	73,084
R&D tax refund	656,644	337,167
	718,749	410,251

Note 7. Expenses

Change in presentation of expenses
During the year, the Group changed its presentation of expenses in the Statement of Profit or Loss from a classification based on function to a classification based on nature. This change in presentation has been made in accordance with AASB 101 *Presentation of Financial Statements*, which requires an entity to select the method of expense classification that provides information that is reliable and more relevant. The Directors consider that a nature-based presentation better achieves this objective for the Group, as it provides users of the financial statements with greater clarity and transparency regarding the underlying composition of the Group's cost base - including the relative significance of employee benefits, marketing and distribution, and other operating costs - information the Directors consider relevant to an assessment of the Group's operating leverage and cost structure. The Directors are of the view that the revised presentation provides more decision-useful information to investors and other stakeholders.

The change has been applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, with comparative amounts for the prior year restated to reflect the revised classification. These changes are classification in nature only and have no impact on the previously reported total assets, total liabilities, equity, profit or loss, comprehensive income, or cash flows.

	Consolidated	
	30 June 2026	**30 June 2025**
	$	**$**
Employee costs		
Salary and wages (including commissions)	5,428,020	4,439,554
Overseas contractors and consultants	853,832	699,241
Superannuation and post-employment benefits	1,215,388	808,026
Share-based payments [(1)]	345,853	406,526
	7,843,093	6,353,347

[(1)] Includes $9,460 (FY25: $110,000) for share-based payments to non-related third-party service providers.

	Consolidated	
	30 June 2026	**30 June 2025**
	$	**$**
Depreciation and amortisation		
Depreciation expense on property, plant and equipment	152,385	143,932
Depreciation expense on right-of-use asset	199,887	98,038
	352,272	241,970

	Consolidated	
	30 June 2026	**30 June 2025**
Finance costs		
Interest expense	70,137	129,253
Interest expense on leases	44,510	10,789
Bank charges	66,642	52,494
Merchant fees	(1,422)	4,136
Foreign exchange (gains)/losses	(84,385)	70,707
	95,482	267,379

Note 8. Income tax expense

	Consolidated	
	30 June 2026	**30 June 2025**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax benefit	1,186,919	214,656
Tax at the statutory tax rate of 25%	296,730	53,664
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effects of different tax rates for foreign subsidiary	125,495	56,507
R&D refund	(164,161)	(84,292)
R&D expenses	178,750	193,774
Prior year adjustment	183,608	-
Share-based payments	86,627	101,632
Timing differences not recognised	(32,883)	(55,290)
	674,166	265,995
Prior year tax losses utilised	(674,166)	(265,995)
Current income tax expense	-	-
Income tax comprises		
Current tax expense	-	-
Deferred tax benefit	2,421,307	-
	2,421,307	-

	Consolidated	
	30 June 2026	**30 June 2025**
	$	**$**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	-	(10,501,653)
Potential tax benefit at statutory tax rates (25%)	-	(2,625,413)

The above potential tax benefit for tax losses has 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 2026	**30 June 2025**
	$	**$**
Cash at bank	3,551,175	2,746,416

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 2026	30 June 2025
	$	$
Trade receivables	3,733,115	4,327,593

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 2026	30 June 2025
	$	$
Raw materials - at cost	223,376	490,958
Finished goods - at cost	3,775,049	3,666,706
Provision for slow moving and obsolete stock	(22,000)	(45,750)
	3,976,425	4,111,914

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 2026	30 June 2025
	$	$
Prepayments	211,614	225,056
Deposits on leases	92,250	30,250
	303,864	255,306

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

	Consolidated	
	30 June 2026 $	30 June 2025 $
Property, plant and equipment - at cost	795,094	590,618
Less: Accumulated depreciation	(518,518)	(366,033)
	276,576	224,585

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

Consolidated	Office Equipment and Furniture, Fixtures and Fittings $	Leasehold Improvement $	Total $
Balance at 1 July 2024	61,950	269,430	331,380
Additions	37,137	-	37,137
Depreciation expense	(18,719)	(125,213)	(143,932)
Balance at 30 June 2025	80,368	144,217	224,585
Additions	88,411	115,965	204,376
Depreciation expense	(49,050)	(103,335)	(152,385)
Balance at 30 June 2026	119,729	156,847	276,576

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
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 2026	30 June 2025
	$	$
Right-of-use assets	1,557,075	490,189
Amortisation expense	(551,189)	(351,302)
	1,005,886	138,887

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

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Intellectual property - at cost	204,767	114,212
Other intangible assets - at cost	242,802	49,027
	447,569	163,239

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.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years. As of 30 June 2026, intellectual property is not yet in use.

Note 16. Non-current assets - deferred tax

The Group has recognised a deferred tax asset in the current financial year, for the first time. A deferred tax asset is recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

The deferred tax asset has not previously been recognised as the Group had a history of tax losses. The year ended 30 June 2026, the Group achieved profitability representing a material inflection point in its earnings trajectory. The Directors consider it probable that the Group will generate sufficient future taxable profits to utilise the underlying deductible temporary differences and carried-forward tax losses. Accordingly, a deferred tax asset has been recognised for the first time in the current year.

The Group's deferred tax asset of $2,421,307 as at 30 June 2026 (2025: nil) comprises the following:

	Consolidated	
	30 June 2026 $	**30 June 2025 $**
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	2,211,619	-
Provisions	232,292	-
Accruals	16,050	-
Depreciation	15,522	-
Prepayments	(51,970)	-
Other	(2,206)	-
Deferred tax asset	2,421,307	-

Note 17. Current liabilities - trade and other payables

	Consolidated	
	30 June 2026 $	**30 June 2025 $**
Trade and other payables	2,461,075	3,600,102

Refer to note 27 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 18. Current liabilities - borrowings

	Consolidated	
	30 June 2026 $	**30 June 2025 $**
Loan - NAB Trade Finance	992,404	1,300,000
Loan - NAB Invoice Finance	907,596	1,605,413
	1,900,000	2,905,413

Refer to note 27 for further information on financial instruments.

Note 18. Current liabilities - borrowings (continued)

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 19. Current liabilities - lease liabilities

	Consolidated	
	30 June 2026 $	30 June 2025 $
Lease liability	260,680	116,833

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 2026	322,505	891,199	-	1,213,704	1,067,975
Lease liabilities 2025	122,303	51,586	-	173,889	167,812
	444,808	942,785	-	1,387,593	1,235,787

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:

	2026 $	2025 $
Interest expense on lease liabilities	44,510	10,789
Depreciation expense	199,887	98,038
	244,397	108,827

Lease term reassessment

The Group leases office premises at 192–194 Johnston Street, Collingwood, under a lease with a non-cancellable term expiring 30 November 2026. The lease contains an option to extend the term by a further two years, to 30 November 2028, exercisable at the Group's discretion.

During the year ended 30 June 2026, the Group reassessed the lease term in accordance with AASB 16 *Leases*, having regard to the Group's intention to retain the premises, significance of leasehold improvements and cost of relocation. On the basis of this assessment, the Group concluded it is reasonably certain to exercise the extension option, and the lease term has accordingly been revised to 30 November 2028.

Note 20. Current liabilities - employee benefits

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Annual leave	300,870	250,485
Long service leave	99,026	107,191
Provision for bonuses	431,167	200,000
	831,063	557,676

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 21. Non-current liabilities - lease liabilities

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Lease liability	807,296	50,979

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 22. Non-current liabilities - employee benefits

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Long service leave	76,106	61,570

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 23. Equity - issued capital

	Consolidated			
	30 June 2026 Shares	**30 June 2025 Shares**	**30 June 2026 $**	**30 June 2025 $**
Ordinary shares - fully paid	227,998,033	220,609,231	24,194,199	23,323,346

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2024	215,090,901		21,727,165
Exercise of options	5 July 2024	300,000	$0.12	36,000
Exercise of options	10 September 2024	2,131,404	$0.40	852,562
Exercise of options	10 September 2024	50,000	$0.20	10,000
Exercise of options	10 September 2024	1,550,000	$0.12	186,000
Exercise of options	20 December 2024	75,000	$0.20	15,000
Exercise of options	4 March 2025	125,000	$0.20	25,000
Shares issued under Employee Incentive Scheme	27 June 2025	1,042,484	$0.42	436,801
Shares issued for advisory services	27 June 2025	244,442	$0.45	109,999
Transfer from Share options reserve		-	-	(75,181)
Balance	30 June 2025	220,609,231		23,323,346
Shares issued under Loan Funded Share Plan (1)	2 December 2025	2,000,000	$0.40	-
Exercise of options	12 March 2026	1,000,000	$0.20	200,000
Exercise of options	17 March 2026	625,000	$0.12	75,000
Exercise of options	17 March 2026	250,000	$0.20	50,000
Shares issued for marketing services	20 March 2026	25,059	$0.37	9,460
Shares issued under Employee Incentive Scheme	20 March 2026	225,741	$0.38	85,217
Shares issued under Loan Funded Share Plan (1)	20 March 2026	2,263,002	$0.37	-
Process from on market sale of shares	24 March 2026	-	$0.00	11,464
Exercise of options	30 March 2026	1,000,000	$0.20	200,000
Transfer from Share options reserve		-	-	239,712
Balance	30 June 2026	227,998,033		24,194,199

(1) 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 share issues:
On 2 December 2025 the Company issued 2,000,000 ordinary shares under its Employee Incentive Scheme, as follows:
(a) 2,000,000 ordinary shares were issued under its Loan Funded Share Plan (LFSP) with 666,666 shares vesting on 2 December 2026, 666,667 shares vesting on 2 December 2027 and 666,667 shares vesting on 2 December 2028. The equity value of these shares are recognised and credited to the Share Capital account as and when the loans are repaid; and:
On 20 March 2026 the Company issued 2,488,743 ordinary shares under its Employee Incentive Scheme, as follows:
(a) 2,263,002 ordinary shares were issued under its Loan Funded Share Plan (LFSP) with 754,334 shares vesting on 20 March 2027, 754,334 shares vesting on 20 March 2028 and 754,334 shares vesting on 20 March 2029. The equity value of these shares are recognised and credited to the Share Capital account as and when the loans are repaid; and
(b) 225,741 ordinary shares to staff members for achieving sales targets. These shares vest on issue.

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.

Note 23. Equity - issued capital (continued)

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 24. Equity - reserves

	Consolidated	
	30 June 2026 $	30 June 2025 $
Share option and performance rights reserves	494,020	406,618

Note 25. Equity - accumulated losses

	Consolidated	
	30 June 2026 $	30 June 2025 $
Accumulated losses at the beginning of the financial year	(19,054,597)	(19,267,849)
Profit after income tax benefit for the year	3,608,226	214,656
Consolidation currency adjustment	-	(1,404)
Other comprehensive income for the year, net of tax	9,724	-
Expiry of options	128,125	-
Accumulated losses at the end of the financial year	(15,308,522)	(19,054,597)

Note 26. Equity - dividends

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

Note 27. 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 2026, 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.

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 28. 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 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Horizon Nexus (Audit) Pty Ltd, the auditor of the company, and unrelated firms:

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Audit services - Audit or review of the financial statements		
Horizon Nexus (Audit) Pty Ltd (formerly MVAB Assurance, Australia)	56,000	48,000
The MGroup Partnership, United Kingdom	13,472	12,574
Audit services	69,472	60,574
Non-audit services		
MVA Bennett Pty Ltd	29,933	18,650
The M Group Partnership, United Kingdom	36,543	17,394
Non-audit services	66,476	36,044

Note 30. Key Management Personnel

Key Management Personnel (“KMP”) are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company. The following persons were KMP of the Group during the year, unless otherwise indicated:

- Mr Geoffrey Sam OAM - Independent Non-executive Chair
- Mr Blair William Brabin Vega Norfolk - Managing Director
- Ms Dominique Gayle Fisher AM - Independent Non-executive Director
- Ms Lauren Margaret Dwyer - Chief Financial Officer (appointed 2 February 2026)
- Mr Douglas Chee Yong Loh - Chief Financial Officer (resigned 2 February 2026)

The aggregate compensation attributable to KMP of the Group is set out below. Amounts disclosed represent compensation for services provided by KMP in their capacity as directors and/or executives of the Group, and are inclusive of compensation received from, or receivable from, the parent entity, its subsidiaries and related entities.

There were no loans made, guaranteed or secured, directly or indirectly, by the Group to any KMP or their related parties during the financial year (FY25: none).

Note 30. Key Management Personnel (continued)

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Short-term employee benefits	1,306,786	1,253,087
Post-employment benefits	98,080	72,885
Other long-term benefits	288,654	-
Share-based payments	186,126	125,945
Total key management personnel compensation	1,879,646	1,451,917

Detailed remuneration disclosures for each KMP, including the split between fixed and at-risk (short-term and long-term incentive) remuneration, are set out in the Remuneration Report, which forms part of the Directors' Report.

Note 31. Related party transactions

Parent entity
Biome Australia Limited is the parent entity.

Transactions with related parties
Directors fees of $146,805 (excluding GST) were paid to Rose Terrace Investments Pty Ltd, a company associated with Mr Geoffrey Sam, for remuneration of services provided (FY25: $55,188).

Note 32. 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 2026	30 June 2025
	$	$
Profit/(loss) after income tax	1,837,648	1,027,845
Total comprehensive income	1,837,648	1,027,845

Note 32. Parent entity information (continued)

Statement of financial position

	Parent 30 June 2026 $	Parent 30 June 2025 $
Total current assets	22,711	80,640
Total assets	20,982,747	17,671,981
Total current liabilities	87,493	106,432
Total liabilities	87,493	106,432
Equity		
Issued capital	24,194,010	23,323,157
Share option and performance rights reserves	494,020	406,618
Accumulated losses	(3,792,776)	(5,758,549)
Total equity/(deficiency)	20,895,254	17,971,226

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
In FY 2025, the parent entity entered a Deed of Guarantee and Indemnity in relation to a $5.0 million secured debt facility of its wholly owned subsidiary, Biome Australia Trading Pty Ltd with NAB Limited. This remains in place as at 30 June 2026.

Interest in subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned 2026 %	Percentage Owned 2025 %
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%	100%

Contingent liabilities
The Managing Director is entitled to a long-term incentive (LTI) of $1,000,000 vesting subject to the achievement of Board specified performance conditions over a three year period ending 30 June 2027. Should the performance conditions be met in a future period, a liability and corresponding expense will be recognised at that time. The parent entity has no other known contingent liabilities as at 2026. 2025: The former CFO was paid $250,000 (refer to details of remuneration under cash bonus) during the 2026 financial year as long-term incentive targets were met specifically EBITDA targets being delivered in two out of a three-year period.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments at 2026 (2025: 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 33. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 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 34. Reconciliation of profit after income tax to net cash from/(used in) operating activities

	Consolidated	
	30 June 2026 $	30 June 2025 $
Profit after income tax benefit for the year	3,608,226	214,656
Adjustments for:		
Depreciation and amortisation	352,272	241,970
Share-based payments	346,508	406,526
Interest on lease payments	40,194	10,789
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	559,362	(1,702,661)
Decrease/(increase) in inventories	135,489	(2,233,337)
Increase in deferred tax assets	(2,421,307)	-
Increase in prepayments	(13,442)	(173,945)
Increase/(decrease) in trade and other payables	(1,268,276)	1,301,195
Increase/(decrease) in employee benefits	287,923	(955,997)
Net cash from/(used in) operating activities	1,626,949	(2,890,804)

Note 35. Earnings per share

	Consolidated	
	30 June 2026 $	30 June 2025 $
Profit after income tax attributable to the owners of Biome Australia Limited	3,608,226	214,656
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	223,267,540	218,472,578
Weighted average number of ordinary shares used in calculating diluted earnings per share	227,214,115	224,707,882
	Cents	Cents
Basic earnings per share	1.62	0.10
Diluted earnings per share	1.59	0.10

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 36. Share-based payments

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

30 June 2026

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
27/06/2025	Fully paid shares	$0.45	474,571	$213,564
27/06/2025	Fully paid shares	$0.42	812,355	$340,377
02/12/2025	Fully paid shares	$0.40	2,000,000	$803,460
20/03/2026	Fully paid shares	$0.37	2,263,002	$842,968
20/03/2026	Fully paid shares	$0.38	225,741	$85,217

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

30 June 2026

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
31/03/2023	31/03/2026	$0.12	625,000	-	(625,000)	-	-
31/03/2023	31/03/2026	$0.20	2,250,000	-	(2,250,000)	-	-
08/03/2024	31/03/2026	$0.50	2,500,000	-	-	(2,500,000)	-
			5,375,000	-	(2,875,000)	(2,500,000)	-

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.

Note 36. Share-based payments (continued)

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 37. Commitments and Contingencies

(a) *Capital expenditure commitments*
The group has no capital commitments as at 30 June 2026 (2025: nil).

(b) *Contingent liabilities*
The Managing Director is entitled to a long-term incentive (LTI) of $1,000,000 vesting subject to the achievement of Board specified performance conditions over a three year period ending 30 June 2027. Should the performance conditions be met in a future period, a liability and corresponding expense will be recognised at that time. The parent entity has no other known contingent liabilities as at 2026 (2025: The former CFO was paid $250,000 (refer to details of remuneration under cash bonus) during the 2026 financial year as long-term incentive targets were met specifically EBITDA targets being delivered in two out of a three-year period).

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 2026

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 2026

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 IFRS Accounting 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 2026 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company 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 Geoffrey Sam OAM
Chair

25 August 2026

Horizon Nexus Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIOME AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Biome Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the Consolidated Entity Disclosure Statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group, 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 2026 and of its financial performance for the year then ended; 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) issued by the Accounting Professional & Ethical Standards Board Limited that are relevant to audits of the financial report of public interest entities 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 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.

Horizon Nexus Partners

Audit Area	
Area of focus	**How our audit addressed the area of focus**
Share Options and Equity Transactions Refer also to Note 23 (Equity – issued capital), Note 24 (Equity – reserves) and Note 36 (Share – based payments)	
The Group 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 Group 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.	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 Group in valuing the share options. • We assessed the expense recorded on the statement of comprehensive income. • We assessed whether the disclosure in note 23, 24 and 36 in relation to the arrangements was adequate and whether it complied with Australian Accounting Standards. • We assessed the adequacy of related disclosures within the financial report 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 2026 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
>
> 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 the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Horizon Nexus (Audit) Pty Ltd

Horizon Nexus (Audit) Pty Ltd

SAM CLARINGBOLD
Director

Melbourne, Victoria
Date: 25 August 2026