

**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 2025
Previous period:	For the year ended 30 June 2024

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	41.6% to	18,417,188
Profit from ordinary activities after tax attributable to the owners of Biome Australia Limited	up	112.9% to	214,656
Profit for the year attributable to the owners of Biome Australia Limited	up	112.9% to	214,656

**Dividends**

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

**Comments**

Biome reported its first profitable year since inception in 2018, with net profit achieved alongside strong operational metrics. Revenue reached \$18.4 million, up 41% year-on-year, significantly outperforming category growth rates by 7-10 times.

**Key Financial Metrics**

EBITDA\* (excluding share based payments) was \$931,050 for the full year, marking the sixth consecutive quarter of positive EBITDA. Gross margin held steady at 61%. Q4 delivered \$5 million in revenue with June posting a record monthly result of \$2.1 million.

**Market Position**

Activated Probiotics secured the number two position in total probiotic revenue within community pharmacy. Domestic sell-through increased 50%+, establishing market leadership in category growth without relying on discount strategies.

**International Expansion**

International revenue hit \$1.5 million, up 69% year-over-year. Distribution agreements secured across four markets: Canada (Pure Pharmacy Group, Healthy Planet Group), Ireland (Uniphar serving 1,400+ pharmacies), UK (Planet Organic), and New Zealand (Propharma - largest pharmacy network). These partnerships provide access to thousands of additional retail points.

**Product Development**

Launched Activated Therapeutics practitioner-only range with four products targeting specific therapeutic areas. Completed proprietary strain development program, securing IP ownership of *Lactobacillus plantarum* BMB18, registered with German culture bank DSMZ, creating potential future licensing revenue streams.

**Outlook**

Current performance trajectory supports Vision 27 target of \$75 million cumulative sales for FY25-27. Strong cash position and positive cash flow provide foundation for continued expansion without immediate capital requirements.

**Financial Position**

The Company has \$2,746,416 in cash as at 30 June 2025 and a further \$2,094,587 in an undrawn credit facility with NAB.

The net assets of the Company increased to \$4,675,367 as at 30 June 2025 (30 June 2024: \$2,903,528) which was a result of increased capital from the exercise of company options and the Company reporting a net profit for the year.

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**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>2.06</u>	<u>1.35</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**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.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

The consolidated entity has been consolidated in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act. They also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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**10. Audit qualification or review**

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

This report is in the process of being audited. At the date of this report, the Directors are not aware of any matter that will result in a qualification of the audit report

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**11. Attachments**

*Details of attachments (if any):*

The Preliminary Financial Report of Biome Australia Limited for the year ended 30 June 2025 is attached.

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# **Biome Australia Limited**

**ABN 51 627 364 014**

**Preliminary Financial Report - 30 June 2025**

**Biome Australia Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Sales revenue	5	18,417,188	13,008,897
Cost of goods sold		<u>(7,160,900)</u>	<u>(5,097,676)</u>
Gross profit		<u>11,256,288</u>	<u>7,911,221</u>
Other income	6	482,396	415,749
<b>Expenses</b>			
Sales and marketing expenses	7	(7,537,917)	(5,851,611)
Corporate and administrative expenses	7	(3,322,177)	(3,658,447)
Distribution and occupancy expenses		(117,738)	(72,846)
Depreciation, amortisation and impairments	7	(241,970)	(241,560)
Other expenses		(36,847)	(21,160)
Finance costs	7	<u>(267,379)</u>	<u>(151,548)</u>
<b>Profit/(loss) before income tax expense</b>		214,656	(1,670,202)
Income tax expense	8	<u>-</u>	<u>-</u>
<b>Profit/(loss) after income tax expense for the year attributable to the owners of Biome Australia Limited</b>	25	214,656	(1,670,202)
Other comprehensive income for the year, net of tax	8	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the owners of Biome Australia Limited</b>		<u><u>214,656</u></u>	<u><u>(1,670,202)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	34	0.10	(0.80)
Diluted earnings per share	34	0.10	(0.80)

*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 2025**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	2,746,416	2,868,526
Trade and other receivables	10	4,327,593	2,870,022
Inventories	11	4,111,914	1,888,577
Other	12	255,306	81,361
<b>Total current assets</b>		<u>11,441,229</u>	<u>7,708,486</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	224,585	331,380
Right-of-use assets	14	138,887	236,925
Intangibles	15	163,239	-
<b>Total non-current assets</b>		<u>526,711</u>	<u>568,305</u>
<b>Total assets</b>		<u>11,967,940</u>	<u>8,276,791</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	3,600,102	2,492,301
Borrowings	17	2,905,413	1,020,597
Lease liabilities	18	116,833	107,952
Employee benefits	19	557,676	1,522,673
<b>Total current liabilities</b>		<u>7,180,024</u>	<u>5,143,523</u>
<b>Non-current liabilities</b>			
Lease liabilities	20	50,979	167,812
Employee benefits	21	61,570	52,570
Other liabilities	22	-	9,358
<b>Total non-current liabilities</b>		<u>112,549</u>	<u>229,740</u>
<b>Total liabilities</b>		<u>7,292,573</u>	<u>5,373,263</u>
<b>Net assets</b>		<u>4,675,367</u>	<u>2,903,528</u>
<b>Equity</b>			
Issued capital	23	23,323,346	21,727,165
Reserves	24	406,618	444,212
Accumulated losses	25	(19,054,597)	(19,267,849)
<b>Total equity</b>		<u>4,675,367</u>	<u>2,903,528</u>

*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 2025**

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Option Reserves</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2023	20,764,055	421,257	(17,599,047)	3,586,265
Loss after income tax expense for the year	-	-	(1,670,202)	(1,670,202)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,670,202)	(1,670,202)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 35)	122,532	92,987	-	215,519
Issue of options	-	128,125	-	128,125
Exercise of options	840,578	(198,157)	-	642,421
Consolidation - currency adjustment	-	-	1,400	1,400
Balance at 30 June 2024	<u>21,727,165</u>	<u>444,212</u>	<u>(19,267,849)</u>	<u>2,903,528</u>
<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Option Reserves</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
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
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 35)	471,619	(37,594)	-	434,025
Issue of options	-	-	-	-
Exercise of options	1,124,562	-	-	1,124,562
Consolidation - currency adjustment	-	-	(1,404)	(1,404)
Balance at 30 June 2025	<u>23,323,346</u>	<u>406,618</u>	<u>(19,054,597)</u>	<u>4,675,367</u>

*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 2025**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		16,833,117	12,790,769
Payments to suppliers (inclusive of GST)		(19,994,220)	(13,354,625)
R&D tax refund		337,167	314,937
Export Market Development Grant and State Government grants		73,084	36,600
Interest paid on lease liabilities		(139,952)	(15,699)
Interest received		71,145	64,212
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities	33	<u>(2,819,659)</u>	<u>(163,806)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	13	(37,138)	(21,607)
Payments for intellectual property		(163,239)	-
		<u>                    </u>	<u>                    </u>
Net cash used in investing activities		<u>(200,377)</u>	<u>(21,607)</u>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of options	23	1,124,562	642,421
Proceeds from repayment of Employee Funded Loan Share Plan		27,500	-
Repayments for lease liabilities		(108,952)	(99,585)
Proceeds from borrowings		2,904,816	520,597
Repayment of borrowings		(1,050,000)	(270,258)
		<u>                    </u>	<u>                    </u>
Net cash from financing activities		<u>2,897,96</u>	<u>793,175</u>
Net increase/(decrease) in cash and cash equivalents		(122,110)	607,762
Cash and cash equivalents at the beginning of the financial year		<u>2,868,526</u>	<u>2,260,764</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>2,746,416</u></u>	<u><u>2,868,526</u></u>

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

**Biome Australia Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 1. General information**

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

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

**Registered office**

192-194 Johnston Street  
Collingwood Victoria 3066

**Principal place of business**

192-194 Johnston Street  
Collingwood Victoria 3066

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2025. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

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

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

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

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

*Historical cost convention*

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

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

**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.

*Rendering of services*

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

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

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

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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

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

*Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Provision for impairment of inventories*

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

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Recovery of deferred tax assets*

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

**Note 4. Operating segments**

*Identification of reportable operating segments*

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

*Accounting policy for operating segments*

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

**Note 5. Sales revenue**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Sales - Domestic	16,930,499	12,114,477
Sales - International	1,486,689	894,420
	<u>18,417,188</u>	<u>13,008,897</u>

**Biome Australia Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Other income (incl. EMDG - Export Market Development Grant)	73,084	36,600
Interest income	72,145	64,212
R&D tax refund	337,167	314,937
	<u>482,396</u>	<u>415,749</u>

**Note 7. Expenses**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
<b>Selling and marketing expenses</b>		
Employee costs	3,099,949	2,449,669
Overseas contractors / consultants	699,241	397,436
Sales, marketing and research expenses	1,385,869	1,264,654
Warehousing, distribution and fulfilment	1,486,524	1,039,570
Travel and entertainment expenses	769,873	580,848
Share based payments	96,461	119,434
	<u>7,537,917</u>	<u>5,851,611</u>

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
<b>Corporate and administrative expenses</b>		
Employee costs	2,114,455	1,653,574
CEO - Long term incentive	-	1,000,000
Consulting fees	92,295	65,427
Accounting fees	82,204	125,048
IT expenses	213,836	156,307
Insurance	158,301	109,271
Secretarial fees	92,168	78,264
Legal fees	146,028	119,039
Other administrative expenses	112,825	127,748
Share based payments (*)	310,065	223,769
	<u>3,322,177</u>	<u>3,658,447</u>

(\*) includes \$110,000 (FY24 \$128,128) for share based payments to non-related third party service providers

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
<b>Depreciation, amortisation and impairments</b>		
Depreciation expense	143,932	143,522
Amortisation expense on right-of-use asset	98,038	98,038
	<u>241,970</u>	<u>241,560</u>

**Biome Australia Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 7. Expenses (continued)**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
<b>Finance costs</b>		
Interest expense	129,253	144,787
Interest expense on leases/right-of-use assets	10,789	15,699
Bank charges	52,494	1,455
Merchant fees	4,136	3,383
Foreign exchange losses/(gains)	70,707	(13,776)
	<u>267,379</u>	<u>151,548</u>

**Note 8. Income tax expense**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	<u>214,656</u>	<u>(1,670,202)</u>
Tax at the statutory tax rate of 25%	53,664	(417,551)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effects of different tax rates for foreign subsidiary	56,507	28,891
R&D refund	(84,292)	(78,743)
R&D expenses	193,774	180,998
Share-based payments	101,632	32,031
Timing differences not recognised	<u>(55,290)</u>	<u>841,041</u>
	265,995	586,667
Prior year tax losses utilised	(265,995)	-
Current year tax losses not recognised	<u>-</u>	<u>(586,667)</u>
Income tax expense	<u>-</u>	<u>-</u>

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	<u>10,501,653</u>	<u>10,767,648</u>
Potential tax benefit @ 25%	<u>2,625,413</u>	<u>2,691,912</u>

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

**Biome Australia Limited**  
**Notes to the financial statements**  
**30 June 2025**

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

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Cash at bank	<u>2,746,416</u>	<u>2,868,526</u>

*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**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Trade receivables	<u>4,327,593</u>	<u>2,870,022</u>

*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**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Raw materials - at cost	490,958	382,388
Finished goods - at cost	3,666,706	1,812,308
Provision for slow moving and obsolete stock	<u>(45,750)</u>	<u>(306,119)</u>
	<u>4,111,914</u>	<u>1,888,577</u>

*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.

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**Note 12. Current assets - other**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Bank guarantee	30,250	30,250
Prepayments	168,319	-
Other	56,737	51,111
	<u>255,306</u>	<u>81,361</u>

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

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Property, plant and equipment - at cost	590,618	637,019
Less: Accumulated depreciation	<u>(366,033)</u>	<u>(305,639)</u>
	<u>224,585</u>	<u>331,380</u>

*Reconciliations*

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

<b>Consolidated</b>	Office Equipment and Furniture, Fixtures and Fittings	Motor Vehicles	Leasehold Improvement	Total
	\$	\$	\$	\$
Balance at 1 July 2023	52,273	20,104	380,918	453,295
Additions	21,607	-	-	21,607
Depreciation expense	<u>(11,930)</u>	<u>(20,104)</u>	<u>(111,488)</u>	<u>(143,522)</u>
Balance at 30 June 2024	61,950	-	269,430	331,380
Additions	37,138	-	-	37,138
Disposals	-	-	-	-
Depreciation expense	<u>(18,720)</u>	<u>-</u>	<u>(125,213)</u>	<u>(143,933)</u>
Balance at 30 June 2025	<u>80,368</u>	<u>-</u>	<u>144,217</u>	<u>224,585</u>

*Accounting policy for property, plant and equipment*

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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**Note 13. Non-current assets - property, plant and equipment (continued)**

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**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Right-of-use assets	490,189	490,189
Amortisation expense	(351,302)	(253,264)
	<u>138,887</u>	<u>236,925</u>

*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**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Intellectual property - at cost	133,105	-
Other intangible assets - at cost	30,134	-
	<u>163,239</u>	<u>-</u>

*Accounting policy for intangible assets*

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

**Note 16. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Trade and other payables	<u>3,600,102</u>	<u>2,492,301</u>

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**Note 16. Current liabilities - trade and other payables (continued)**

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 61 days of recognition.

**Note 17. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Loan from TP24 – Debtor Financing Facility	-	1,000,000
Loan - other	-	20,597
Loan - NAB Trade Finance	1,300,000	-
Loan - NAB Invoice Finance	1,605,413	-
	<u>2,905,413</u>	<u>1,020,597</u>

Refer to note 27 for further information on financial instruments.

*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 18. Current liabilities - lease liabilities**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Lease liability	<u>116,833</u>	<u>107,952</u>

*Lease liabilities*

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

	<b>1 year</b>	<b>1 - 5 years</b>	<b>5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Lease liabilities included in this Statement Of Financial Position</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>		
Lease liabilities 2025	122,303	51,586	-	173,889	167,812
Lease liabilities 2024	118,741	173,889	-	292,630	275,765
	<u>241,044</u>	<u>225,475</u>	<u>-</u>	<u>466,519</u>	<u>443,577</u>

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:

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**Note 18. Current liabilities - lease liabilities (continued)**

	<b>2025</b>	<b>2024</b>
	\$	\$
Interest expense on lease liabilities	10,789	15,699
Depreciation expense	118,562	98,038
	<u>129,351</u>	<u>113,737</u>

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

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Annual leave	250,485	244,274
Long service leave	107,191	55,399
Employee benefits	200,000	1,223,000
	<u>557,676</u>	<u>1,522,673</u>

*Accounting policy for employee benefits*

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 20. Non-current liabilities - lease liabilities**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Lease liability	<u>50,979</u>	<u>167,812</u>

*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 21. Non-current liabilities - employee benefits**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Long service leave	<u>61,570</u>	<u>52,570</u>

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**Note 21. Non-current liabilities - employee benefits (continued)**

*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 22. Non-current liabilities - other liabilities**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Other - Attvest Finance Pty Ltd	-	9,358

**Note 23. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30 June 2025</b>	<b>30 June 2024</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>220,609,231</u>	<u>215,090,901</u>	<u>23,323,346</u>	<u>21,727,165</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2023	201,812,546		20,764,055
Shares issued under Employee Incentive Scheme	5 October 2023	560,393	\$0.13	75,007
Shares issued under Employee Incentive Scheme pursuant to the Loan Funded Share Plan (LFSP)	1 December 2023	9,612,708	\$0.12	-
Exercise of options	15 February 2024	25,000	\$0.12	3,000
Shares issued under Employee Incentive Scheme pursuant to the Loan Funded Share Plan (LFSP)	10 April 2024	817,434	\$0.33	-
Shares issued under Employee Incentive Scheme	14 June 2024	131,416	\$0.36	47,525
Exercise of options	21 June 2024	2,131,404	\$0.30	639,421
Transfer from Share options reserve	21 June 2024	-	-	198,157
Balance	30 June 2024	215,090,901		21,727,165
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	<u>220,609,231</u>		<u>23,323,346</u>

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**Note 23. Equity - issued capital (continued)**

Employee incentive share issues:

On 27 June 2025 the Company issued 1,042,484 ordinary shares under its Employee Incentive Scheme, as follows:

- (a) 812,355 ordinary shares were issued under its Loan Funded Share Plan (LFSP) with 95,460 shares vesting on 30 July 2025 and 716,895 shares vesting on 30 July 2026, all with a 10-year non-recourse loan term. The equity value of these shares are recognised and credited to the Share Capital account as and when the loans are repaid; and  
(b) 230,129 ordinary shares to staff members for achieving sales targets. These shares vest on issue.

(\*) Valuation of LFSP are determined by using industry standard Black-Scholes-Merton (BSM) model taking into account the terms and conditions upon which instruments are issued.

*Ordinary shares*

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

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

*Share buy-back*

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

*Capital risk management*

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

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

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

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

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

*Accounting policy for issued capital*

Ordinary shares are classified as equity.

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

**Note 24. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Share option and performance rights reserves	<u>406,618</u>	<u>444,212</u>

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**Note 25. Equity - accumulated losses**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(19,267,849)	(17,599,047)
Profit/(loss) after income tax expense for the year	214,656	(1,670,202)
Consolidation - currency adjustment	(1,404)	1,400
	<u>(19,054,597)</u>	<u>(19,267,849)</u>
Accumulated losses at the end of the financial year	<u>(19,054,597)</u>	<u>(19,267,849)</u>

**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 2025, the consolidated entity's cash/cash equivalents (note 9) are variable interest rate instruments earning approximately 3.80% p.a. at call interest.

***Credit risk***

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

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**Note 27. Financial instruments (continued)**

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 MVAB Assurance, the auditor of the company:

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Audit services - Audit or review of the financial statements		
MVAB Assurance, Australia	48,000	37,000
The M Group Partnership, United Kingdom	12,574	8,512
	<u>60,574</u>	<u>45,512</u>
Audit services		
Non-audit services		
MVA Bennet Pty Ltd		
The M Group Partnership, United Kingdom	18,650	16,090
	<u>17,394</u>	<u>7,006</u>
Non-audit services	<u>36,044</u>	<u>23,096</u>

**Note 30. Related party transactions**

*Parent entity*

Biome Australia Limited is the parent entity.

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**Note 31. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Loss after income tax	(1,027,845)	(447,010)
Total comprehensive income	(1,027,845)	(447,010)

*Statement of financial position*

	<b>Parent</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Total current assets	80,640	1,627,301
Total assets	18,077,658	17,554,922
Total current liabilities	106,432	114,438
Total liabilities	106,432	114,438
<i>Equity</i>		
Issued capital	23,323,157	21,726,975
Share option and performance rights reserves	406,618	444,213
Accumulated losses	(5,758,549)	(4,730,704)
Total equity	<u>17,971,226</u>	<u>17,440,484</u>

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

The parent entity has entered into a Deed of Guarantee and Indemnity in relation to a \$5.0 million (2024: \$1.5 million) secured debt facility of its wholly owned subsidiary, Biome Australia Trading Pty Ltd with NAB Limited as at 30 June 2025.

*Interest in subsidiaries*

	<b>Principal place of business / Country of Incorporation</b>	<b>Percentage Owned 2025 %</b>	<b>Percentage Owned 2024 %</b>
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 Chief Financial Officer (CFO) is entitled to a long-term incentive (LTI) of \$250,000 that will vest and be payable based on the CFO remaining in his current role for a minimum set period during the 2026 financial year.

The parent entity has no other known contingent liabilities as at 30 June 2025 (2024: nil).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments as at 30 June 2025 (2024: Nil).

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**Note 31. Parent entity information (continued)**

*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 32. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2025 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 33. Reconciliation of profit/(loss) after income tax to net cash used in operating activities**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax expense for the year	214,656	(1,670,202)
Adjustments for:		
Depreciation and amortisation	241,970	241,560
Share-based payments	406,526	343,204
Interest on lease payments	10,789	15,699
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,631,516)	(1,462,437)
(Increase)/decrease in inventories	(2,233,337)	1,132,737
Increase in prepayments	(173,945)	(37,345)
Increase in trade and other payables	1,301,195	250,774
(Decrease)/increase in employee benefits	(955,997)	1,022,204
Net cash used in operating activities	<u>(2,819,659)</u>	<u>(163,806)</u>

**Note 34. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax attributable to the owners of Biome Australia Limited	<u>214,656</u>	<u>(1,670,202)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>218,472,578</u>	<u>208,040,790</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>218,472,578</u>	<u>208,040,790</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.10	(0.80)
Diluted earnings per share	0.10	(0.80)

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**Note 34. Earnings per share (continued)**

*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 35. Share-based payments**

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

**30 June 2025**

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

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

**30 June 2025**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2021	24/11/2025	\$0.40	2,131,404	-	(2,131,404)	-	-
31/03/2023	31/03/2026	\$0.12	2,475,000	-	(1,850,000)	-	625,000
31/03/2023	31/03/2026	\$0.20	2,500,000	-	(250,000)	-	2,250,000
08/03/2024	31/03/2026	\$0.50	2,500,000	-	-	-	2,500,000
			9,606,404	-	(4,231,404)	-	5,375,000

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.

**Note 35. Share-based payments (continued)**

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

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

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

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

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

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

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

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

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

**Note 36. Commitments and Contingencies**

(a) *Capital expenditure commitments*

The group has no capital commitments as at 30 June 2025 (2024: \$nil).

(b) *Contingent liabilities*

The Chief Financial Officer (CFO) is entitled to a long-term incentive (LTI) of \$250,000 that will vest and be payable based on the CFO remaining in his current role for a minimum set period during the 2026 financial year.