

ASX ANNOUNCEMENT

03 June 2026

Biome signs Australian manufacturing agreement to bring Activated Probiotics production onshore

Highlights

- *Biome Australia* (ASX: *BIO*) has signed a commercial manufacturing agreement with Specialty Probiotics Australia (SPA) to bring production of its *Activated Probiotics* range onshore.
- The agreement is binding and does not require *Biome* to make any upfront capital investment.
- *Biome's* strong gross margin of approximately 61% is expected to progressively increase to 65%+ as a result of onshore production over the next 18 months, commencing from the first commercial batch.
- A meaningful working capital benefit is expected through lower inventory days, faster stock turn and the elimination of extended international sea freight.
- The first commercial batch is targeted for September 2026, with the full range to progressively transition over approximately 18 months, subject to commercial scale-up.
- Australian-made production adds a point of difference across global markets and furthers *Biome's* positive impact as a certified B Corporation.
- *Biome* will retain its European supply partnerships to service EU markets, providing supply chain diversification and de-risking.
- The agreement forms phase one of *Biome's* Vision 27 strategy to take greater control of its supply chain.

Biome Australia (ASX: *BIO*) is pleased to announce it has entered into a commercial manufacturing agreement with Specialty Probiotics Australia (SPA), an Australian GMP-licensed manufacturer specialising in probiotic production. The partnership will see *Biome* progressively transition manufacturing of its *Activated Probiotics*® range to Australia, adding a locally made, competitive advantage to its product range as it continues to scale

internationally. A summary of the key terms of the agreement is set out in Appendix A to this announcement.

SPA is led by Craig Silbery, co-founder and former Chief Executive Officer of Life Space. Mr Silbery brings significant expertise in probiotic manufacturing and commercialisation, and SPA and *Biome* will work closely together to support *Biome's* ongoing growth across its domestic and international markets.

Commenting on the partnership, Specialty Probiotics Australia Chief Executive Officer, Craig Silbery, said:

"We are excited to be working with Biome and to support them strategically as they scale, by removing barriers in production and the supply chain and by supporting new opportunities in product development. Biome and its Activated Probiotics brand are among the most exciting, high-growth brands in the Australian market, and increasingly in global markets, and we look forward to the journey ahead together."

Working capital and margin benefits

The transition to onshore manufacturing is expected to deliver meaningful improvements to *Biome's* working capital position. Producing in Australia in smaller, more frequent batches is expected to reduce inventory holdings, improve stock turn and remove the extended international freight lead times currently associated with each batch. This is expected to reduce capital tied up in inventory and in-transit stock, while also improving the usable shelf life of finished product before it reaches customers.

Onshore manufacturing is also expected to progressively lift *Biome's* gross margin from the first commercial batch, with the financial impact summarised by the CFO below. Importantly, the agreement requires no capital expenditure from *Biome*.

Commenting on the financial benefits, *Biome Australia* Chief Financial Officer, Lauren Dwyer, said:

"Our current gross margin of approximately 61% is already strong and has been delivered without a single retail price rise since we launched Activated Probiotics in 2019. From a financial perspective, we believe this partnership will progressively lift our gross margin to 65%+ over the next 18 months as the range transitions to Australian production. This will be achieved while reducing the working capital tied up in larger inventory orders as well as inventory in transit, and importantly without any capital expenditure from



Biome, allowing us to capture these benefits while maintaining a disciplined approach to the balance sheet."

Australian made and positive impact

Australian-made production is expected to provide *Biome* with a meaningful point of difference across key export markets, particularly with consumers and practitioners who value product origin and quality manufacturing standards. The transition also reduces the international freight footprint associated with *Biome's* supply chain, supporting *Biome's* commitments as a certified B Corporation.

Supply chain diversification

Biome will maintain its supply relationships with its European manufacturing partners to continue servicing its European markets. Retaining this capability alongside new Australian production further de-risks *Biome's* supply chain and provides the Company with greater optionality and flexibility as it scales.

Timing

The first commercial batch is targeted for September 2026, with the balance of the range targeted to progressively move onshore over approximately the following 18 months, subject to successful commercial scale-up and transition of production.

Commenting on the agreement, *Biome Australia* Founder and Chief Executive Officer, Blair Vega Norfolk, said:

"This move has been under consideration for more than two years and represents phase one of Biome's journey to take greater control of its supply chain, manufacturing inputs and product intellectual property. As one of the cornerstones of our Vision 27 strategic plan, we are pleased to begin onshoring with SPA while continuing to assess further manufacturing opportunities over time."

– ENDS –



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Approved for release by the *Biome Australia* board of directors.

Investor Hub

Biome has launched a new interactive investor hub. To view a video presentations, ask questions or sign up for future company updates, please visit the investor hub at <https://investorhub.biomeaustralia.com/>.

About *Biome Australia* Limited

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

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

Supported by clinical research, including randomised double-blind placebo-controlled trials, *Activated Probiotics* 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-only distribution, *Biome* is committed to educating health professionals on the newfound systemic health effects of the gut microbiota, helping them to provide innovative, evidence-based natural medicines for the management of some of humanity's most prevalent and chronic health concerns.

For more information visit: www.biomeaustralia.com

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Forward Looking Statements

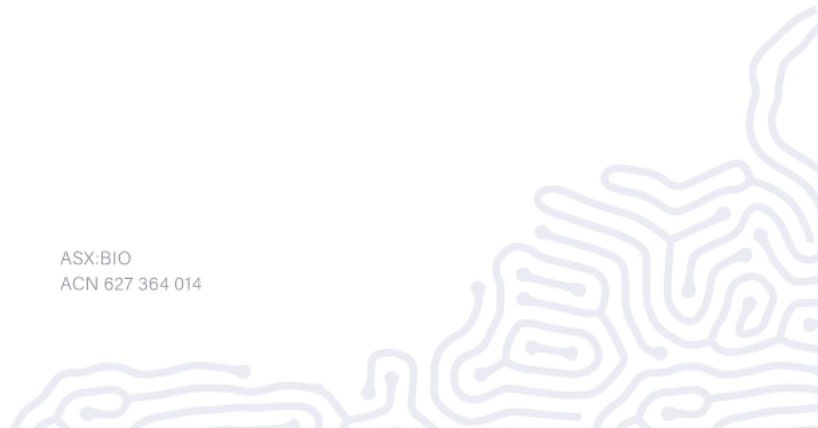
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Appendix A: Summary of key terms of the Commercial Supply Agreement

The following is a summary of the material terms of the Commercial Supply Agreement between *Biome* and SPA. It is a summary only and is qualified in its entirety by reference to the agreement.

Term	Detail
Parties	<i>Biome Australia</i> Limited (ASX: <i>BIO</i>) and Specialty Probiotics Australia Pty Ltd (SPA).
Scope	SPA will manufacture, test and package <i>Biome's Activated Probiotics</i> range in Australia. <i>Biome</i> supplies the active ingredients and SPA carries out domestic manufacture and finishing.
Effective date	2 June 2026.
Term	Initial term of two years from the effective date, with the parties to review the agreement's operation, pricing and renewal at least once in each 12-month period. Customary early-termination rights apply.
No upfront capital	The agreement requires no upfront capital investment by <i>Biome</i> , and <i>Biome</i> is not obliged to purchase any minimum volume.
Exclusivity	During the term, <i>Biome</i> will source domestic manufacture of the products from SPA on an exclusive basis within Australia, subject to carve-outs for <i>Biome's</i> existing suppliers and for alternative suppliers where SPA fails to meet agreed quality or delivery standards and does not remedy. <i>Biome</i> retains its European supply partnerships to service EU markets.
Delivery	EX WORKS (Incoterms 2020) from SPA's facility.
Liability and insurance	Each party's aggregate liability is capped, subject to customary carve-outs (including personal injury, fraud,

Term	Detail
	intellectual property and confidentiality breaches, and indemnities). Mutual indemnities apply and SPA maintains public and product liability insurance of not less than \$10 million per event.
Intellectual property	<i>Biome</i> retains ownership of its intellectual property and formulations. Improvements to <i>Biome's</i> IP vest in <i>Biome</i> , and SPA's licence is limited to manufacturing the products for the term.
Termination	Either party may terminate for uncured material breach (60-day cure period), insolvency, or force majeure exceeding three months. <i>Biome</i> may also end exclusivity without terminating the agreement if SPA fails to meet quality or delivery standards.

