Q4 FY22 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Microba delivers record quarter following successful $30 million IPO

Key Highlights

- **Record quarterly revenues delivered continuing the Company's positive growth trajectory**
  - Q4 FY22 unaudited revenue totalled $1.86m representing 59% growth on PCP
  - Full FY22 unaudited revenue result totalled $4.69m representing 25% growth year on year
  - Cash receipts for FY22 totalled $4.61m
- **Key strategic milestones delivered**
  - New distribution partnerships commenced operations with Genova Diagnostics in the United States, and with G42 in the Gulf Cooperation Council region
  - Partnership signed with Midnight Health to deliver a world-first personalised consumer health service
  - Next generation healthcare product launched to health professionals
  - IBD program lead candidate MAP315 progressed in manufacturing, and CRO appointed preparing for Phase I clinical trial
  - Autoimmune program with Ginkgo Bioworks commenced with delivery of first strains.
- **Additional achievements for the quarter**
  - Cancer program accelerated, ahead of schedule with therapeutic leads identified
  - IFF partnership targeting the development of novel treatments for allergies hit critical milestone with leads identified
  - Ex-Amgen executive Prof Trent Munro appointed as Senior Vice President of Therapeutics
  - Business development activities progressed across 15 countries and 42 cities driving growth of Microba's testing services
- **$30.5 million in cash or equivalents as at 30 June 2022 - the Company remains well funded to support revenue growth and therapeutic program advancement**
- **The Company will host an investor webinar tomorrow, Thursday 21 July 2022, at 9.15am AEST.** **Click here to register.**

Microba Life Sciences Limited (ASX: MAP) ("Microba" or the "Company"), a precision microbiome company, is pleased to provide a summary of its activities for the quarter ended 30 June 2022.

CEO Dr Luke Reid said:

"I am delighted with the progress that has been made during our first quarter as a publicly-traded company. We continue to grow our scalable testing platform with additional high quality distribution partners expanding access across major markets including the United States, Europe and the Middle East. In parallel we continue to make outstanding progress on our therapeutics programs addressing clinical unmet needs for multiple major chronic diseases. In FY23 we will advance into the clinic with our lead IBD asset MAP315 which we expect to generate significant value for shareholders"

New territories and distribution partnerships

Microba's new distribution partnerships with Genova Diagnostics (USA) and G42 Healthcare (GCC) commenced operations with Microba powered testing products. This marks the entry of Microba's personal testing services into the US healthcare market and Middle East consumer health market which is expected to drive revenue growth in FY23. In addition, Microba signed a partnership agreement with nib Holdings Limited (ASX: NHF) backed digital healthcare company Midnight Health, to deliver a personalised consumer health service to the Australian market. The world-first subscription-based service, known as Vidality, will deliver personalised supplements for customers based on their microbiome test results, leveraging Microba's Analysis Platform. Microba continues to expand uptake of its scalable microbiome testing services globally with a growing pipeline of prospective distribution partners.

New products and European IVD accreditation expanding market access

Microba released a next generation product for health professionals during the quarter. The new product enables health professionals to comprehensively assess gut microbiome biomarkers and identify opportunities to intervene through diet, lifestyle and supplementation. The new product expands the total addressable market for Microba's testing products with healthcare professionals. In addition, Microba had its application for in vitro diagnostic (IVD) product registration in the European market accepted. This registration further supports expansion and uptake of Microba's testing in the European medical market together with the Company's major European distribution partner SYNLAB (FRA: SYAB) which is continuing to expand into new countries across Europe. This new registration adds to the ISO15189 accreditation already achieved in Australia, and together demonstrates Microba's leadership in bringing to market registered diagnostic testing solutions.

Record project delivery for research clients

Microba delivered 33 projects for the June 2022 quarter and 115 research projects for the full financial year. These projects continue to generate strong revenues for the Company and grow the Company's international brand recognition by working directly with leading universities, research institutes, biotechnology companies, pharmaceutical companies, and food companies who want to access Microba's market leading technologies and expertise.

Allergy treatment partnership with global leader IFF

During the quarter the first milestone was reached in a joint discovery project with International Flavors & Fragrances Inc. (NYSE: IFF) which commenced in November 2021. The project seeks to identify novel allergy treatments by leveraging Microba's Databank of over 15,000 gut microbiome samples and associated health data. This first milestone identified multiple microbial therapy leads for asthma and allergic rhinitis, representing the first step in a potential longer-term commercial relationship between the parties leveraging Microba's Therapeutic Platform to develop novel allergy treatments.

Therapeutic program advancement

During the quarter all three of Microba's key therapeutic programs significantly advanced:

- Inflammatory bowel disease program targeting Ulcerative Colitis – manufacturing of Microba's MAP 315 novel microbial cell therapy progressed with Bacthera in Switzerland, and Beyond Drug development was appointed as the lead Contract Research Organisation (CRO) in preparation for an upcoming Phase I trial.
- Immuno-Oncology program targeting response rate improvement in cancer patients receiving immune checkpoint inhibitor (ICI) therapy - Microba identified three therapeutic leads significantly earlier than expected. This enables preclinical animal studies to be brought forward to the end of calendar year 2022, which is approximately 12 months ahead of schedule.
- Autoimmune Disease program targeting three autoimmune disorders (lupus, psoriatic arthritis and autoimmune liver diseases) - Microba officially commenced this program with the first strains from the Company's biobank supplied to development partner Ginkgo Bioworks (NYSE: DNA).

Key ex-pharma appointment to Senior Management Team

During the quarter Microba appointed Professor Trent Munro as Senior Vice President of Therapeutics. Professor Munro has over 25 years' research and development experience, including the role of Executive Director leading a global team at multinational biopharmaceutical company Amgen based in California, United States. During his time at Amgen, he played key roles in the translation of molecules from research, through clinical trials, regulatory approval, and global licensure. Professor Munro completed postdoctoral studies in cell biology and developmental genetics at Harvard Medical School and the University of Cambridge and has a PhD in Protein Biochemistry from the University of Queensland.

International business development and pipeline growth

During the quarter significant international business development activities were undertaken. This saw key leaders and sales team members presenting at conferences and engaging with existing clients/partners, and new prospective clients/partners across 15 countries and 42 cities. This included presentations and engagements at the BIO conference in San Diego and Microbiome Movement Drug Development Conference in Boston involving partnering meetings with major pharma companies.

Financial Update

Unaudited revenue for the June 2022 quarter totalled $1.86m representing 59% growth on the prior comparable period. This delivers an unaudited full financial year revenue result of $4.69m representing 25% growth on the prior financial year. Cash receipts for the full financial year totalled $4.61m. The financial year's growth was weighted to the second half and we anticipate this trend to continue into FY23.

Net cash outflows during the quarter amounted to $4.4 million, with expenditure on the Company's therapeutics programs amounting to approximately $2.5 million including associated staff costs.

As at 30 June 2022, Microba had $30.5 million in cash or equivalents, which puts the Company in a strong position to execute its growth strategy and provides a solid runway to support advancement of the Company's therapeutic programs.

In accordance with Listing Rule 4.7C, payments made during the quarter to related parties and their associates included in item 6.1 of the Appendix 4C was $121,330 and included consulting and director fees.

Investor Webinar

An investor webinar will be hosted by CEO Luke Reid to discuss the June 2022 quarterly results at 9:15 am AEST on Thursday, 21 July 2022. To register for the session and for more information on the conference click here:

https://us02web.zoom.us/webinar/register/WN_eecvig3sRLKyRhEwLPwE3Q

Investors can submit questions prior to the webinar to simon@nwrcommunications.com.au or do so via the Q&A functions on Zoom.

Use of Funds

In section 7.4 of the Microba Life Sciences Prospectus, the Company provided a proposed use of funds statement for 24 months from listing. The table below only shows use of funds from IPO to the end of the most recent quarter, 30 June 2022.

Use of Funds	Expenditure in Q4 FY22	Prior Expenditure	Prospectus
Global market penetration and sales growth	758	-	7,200
Data driven drug discovery	2,206	-	13,100
Platform technology advancement	405	-	2,500
Administrative and working capital	979	-	4,700
Costs of the offer	33	2,396	2,500
Total	**4,381**	**2,396**	**30,000**

During the three-month period ended June 2022, overall spend remained in line with the estimated use of funds as set out in the Prospectus.

This announcement has been authorised for release by the Board.

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About Microba Life Sciences Limited

Microba Life Sciences is a precision microbiome company driven to improve human health. With world-leading technology for measuring the human gut microbiome, Microba is driving the discovery and development of novel therapeutics for major chronic diseases and delivering gut microbiome testing services globally to researchers, clinicians, and consumers. Through partnerships with leading organisations, Microba is powering the discovery of new relationships between the microbiome, health and disease for the development of new health solutions.

For more information visit: www.microba.com

Microba encourages all current investors to go paperless by registering their details with the designated registry service provider, Automic Group, whose contact information is housed on the Investor Relations page of the Company's website.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Microba Life Sciences Limited, and controlled entities

ABN	**Quarter ended ("current quarter")**
82 617 096 652	30 June 2022

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		1,368	4,611
1.2	Payments for			
	(a)	research and development	(1,980)	(4,776)
	(b)	product manufacturing and operating costs	(241)	(911)
	(c)	advertising and marketing	(340)	(783)
	(d)	leased assets	(130)	(211)
	(e)	staff costs	(2,174)	(8,468)
	(f)	administration and corporate costs	(1,056)	(2,614)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		15	50
1.5	Interest and other costs of finance paid		-	(8)
1.6	Income taxes paid		(9)	(9)
1.7	Government grants and tax incentives		146	3,083
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(4,401)**	**(10,036)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(g)	entities	-	-
	(h)	businesses	-	-
	(i)	property, plant and equipment	(207)	(1,688)
	(j)	investments	-	(154)
	(k)	intellectual property	(52)	(217)
	(l)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	9
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(259)**	**(2,050)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	31,306
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(33)	(2,396)
3.5	Proceeds from borrowings	425	425
3.6	Repayment of borrowings	(113)	(224)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**279**	**29,111**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	34,107	12,979
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,401)	(10,036)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(259)	(2,050)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	279	29,111
4.5	Effect of movement in exchange rates on cash held	855	577
4.6	**Cash and cash equivalents at end of period**	**30,581**	**30,581**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	26,230	34,107
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other - Restricted Cash (current)*	4,351	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**30,581**	**34,107**

*Relates to cash held in a Microba escrow account for R&D activities during FY23

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(121)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	(337)	(337)
7.4	**Total financing facilities**	(337)	(337)
7.5	**Unused financing facilities available at quarter end**		-

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

An unsecured insurance premium funding arrangement was entered into to finance the Group's annual insurance premiums. The loan facility is $425k, the balance drawn is $337k at quarter end, is repayable over 11 equal monthly instalments in total, with a fixed interest rate of 3.093%. The facility commenced on 5 May 2022.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,401)
8.2	Cash and cash equivalents at quarter end (item 4.6)	30,581
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	30,581
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	6.9

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

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

20 July 2022

Date: ....

Authorised for release by the Board

Authorised by: ....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.