

Genetic Signatures Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Genetic Signatures Limited
ABN:	30 095 913 205
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

					\$'000s
Revenues from ordinary activities - total	up	7%	to		\$3,704
- Sale of goods	up	12%	to		\$2,532
(Loss) from ordinary activities after tax attributable to the owners of Genetic Signatures Limited	up	34%	to		(\$2,346)
(Loss) for the half-year attributable to the owners of Genetic Signatures Limited	up	34%	to		(\$2,346)

Dividends

No dividend has been declared for the half-year ended 31 December 2019.

Comments

Genetic Signatures saw solid progress on its commercialisation strategy in 1H FY20.

The Group recorded total sales revenue for the half-year ended 31 December 2019 ("1H FY20") of A\$2,532,000, up 12% on the previous corresponding period ("pcp"). 96% of revenue was generated from its Asia Pacific customer base, though notable traction with multiple prospective customers internationally is being observed.

Loss for the half was \$2,346,000 (1H FY19: \$1,749,000), reflecting investment in future growth by Genetic Signatures. Gross margin has been sustained at 65%. Employee benefits expense was up 23% vs pcp as a result of increased headcount in Europe and Australia. This will grow further as additional sales and support personnel are placed in USA and Europe over the next 18 months to drive the Company's global expansion strategy. Depreciation and amortisation expense was up markedly vs pcp mostly due to the changed accounting standard concerning treatment of leases (AASB16).

Cash balance at 31 December 2019 was \$40,441,000, and the Group has no debt. This cash balance includes the FY2019 refund from the Australian Tax Office under its Research and Development ("R&D") tax incentive program of A\$2.1m, received in October 2019. It also incorporates the A\$37.5m capital raising completed during the period, which provides Genetic Signatures the capacity to accelerate its global marketing and sales expansion in key international markets, obtain further regulatory product approvals, advance product development and fund the Company through to profitability.

Several product trials are underway with prospective customers, which is a key step in the sales process. The EMEA sales team also introduced new laboratories to the benefits of **3base**TM technology and planning is underway to commence trials with other potential customers in 2H FY20. Two new distributors were appointed in Spain and Benelux and an additional salesperson has been recruited in the United Kingdom. A replacement European Sales Director has also been hired (commenced February 2020) following the untimely passing of the previous Head of Europe late last year.

Genetic Signatures attended five key global industry conferences in 1H FY20 across EMEA, North America and Asia Pacific promoting its **3base**TM technology and the *EasyScreen*TM brand. Attendance at key events throughout EMEA was a key focus for the Genetic Signatures and the Company showcased its technology to prospective customers in the UK, Germany and Denmark.

Genetic Signatures Limited
Appendix 4D
Half-year report

Progress has also been made with local and international regulatory approvals. CE-IVD and TGA assessment and registration of the *EasyScreen*TM STI / Genital Pathogen Detection Kit are expected to be submitted in early 2020, after the completion of a clinical trial that is currently underway. The *EasyScreen*TM Flavivirus / Alphavirus Detection Kit submission has been delayed as resources are redirected to work on a response to the coronavirus outbreak, though will recommence after the results of a clinical evaluation.

The FDA submission for the *EasyScreen*TM Enteric Protozoan Detection Kit is on track to submit in mid-2020 and clearance is anticipated 90 days post submission. Recruitment has begun for additional sales personnel in North America in preparation for the launch of this product. The Company is also working on the development of new *EasyScreen*TM Detection Kits to broaden its existing portfolio.

In November, Non-Executive Director, Mr. Phillip Isaacs retired from the Genetic Signatures Board, after more than 15 years of service. The Company thanks Mr. Isaacs for his service and significant contribution to Genetic Signatures. An international search for a new Non-Executive Director is currently underway.

Coronavirus update

The worldwide concern around the novel Coronavirus strain has dominated news since the beginning of the year. The Company previously announced its *EasyScreen*TM Respiratory Pathogen targets include an assay for pan-coronaviruses (all known coronaviruses) including the new strain that originated from China (now known as SARS-CoV-2, previously 2019-nCoV). The new virus can be detected without changes to Genetic Signatures' existing assay due to the unique capabilities of its **3base**TM technology. However, the existing test does not distinguish the infection from other Coronavirus infections such as SARS. Subsequently, Genetic Signatures has now supplemented the test to specifically identify the presence of SARS-CoV-2. The Company has fast-tracked a validation program, collaborating with local and international parties, to obtain the data required for international regulatory approvals as rapidly as possible.

This presents a significant opportunity for Genetic Signatures as laboratories and governments around the world look for a reliable detection solution. Nevertheless, the outcome of the emerging pandemic is uncertain, and concerns around the outbreak has pre-occupied laboratories which may have an impact on the predictability of short-term revenue.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	30.4	11.4

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

Genetic Signatures Limited
Appendix 4D
Half-year report

7. Audit qualification or review

Details of review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

8. Attachments

Details of attachments (if any):

The Half Year Report of Genetic Signatures Limited for the half-year ended 31 December 2019 is attached.

9. Signed



John Melki
Managing Director and CEO
Sydney

Date: 26 February 2020

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Genetic Signatures Limited

ABN 30 095 913 205

Half Year Report - 31 December 2019

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Genetic Signatures Limited
Directors' Report
31 December 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Genetic Signatures Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of Genetic Signatures Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nickolaos Samaras
John Melki
Michael Aicher
Anthony Radford AO
Phillip Isaacs – retired effective 22 November 2019

Principal activities

During the financial half-year, the principal continuing activities of the consolidated entity consisted of the research and commercialisation of identifying individual genetic signatures to identify diseases and the sale of associated products into the diagnostic and research marketplaces.

Review of Operations

Genetic Signatures saw solid progress on its commercialisation strategy in 1H FY20.

The Group recorded total sales revenue for the half-year ended 31 December 2019 ("1H FY20") of A\$2,532,000, up 12% on the previous corresponding period ("pcp"). 96% of revenue was generated from its Asia Pacific customer base, though notable traction with multiple prospective customers internationally is being observed.

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Cash balance at 31 December 2019 was \$40,441,000, and the Group has no debt. This cash balance includes the FY2019 refund from the Australian Tax Office under its Research and Development ("R&D") tax incentive program of A\$2.1m, received in October 2019. It also incorporates the A\$37.5m capital raising completed during the period, which provides Genetic Signatures the capacity to accelerate its global marketing and sales expansion in key international markets, obtain further regulatory product approvals, advance product development and fund the Company through to profitability.

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Genetic Signatures Limited
Directors' report
31 December 2019

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Significant changes in the state of affairs

No significant change in the state of affairs of the Group has occurred since the close of the period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Rounding of Amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts. Amounts in this report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



John Melki
Managing Director & CEO

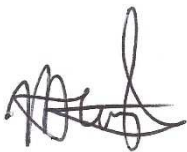
26 February 2020
Sydney

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF GENETIC SIGNATURES LIMITED

As lead auditor for the review of Genetic Signatures Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Genetic Signatures Limited and the entities it controlled during the half-year period.



Martin Coyle
Partner

BDO East Coast Partnership

Sydney, 26 February 2020

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Genetic Signatures Limited

Contents

31 December 2019

Contents

Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Directors' declaration	15
Independent auditor's review report to the members of Genetic Signatures Limited	16

Genetic Signatures 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

7 Eliza Street
Newtown NSW 2042

Principal place of business

7 Eliza Street
Newtown NSW 2042

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 26 February 2020.

Genetic Signatures Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 \$'000s	31 Dec 2018 \$'000s
Revenue and other income	4	3,704	3,456
Expenses			
Raw materials and consumables used		(879)	(789)
Employee benefits expense		(2,953)	(2,398)
Directors' and Consultancy fees		(208)	(182)
Depreciation and amortisation expense		(395)	(222)
Scientific consumables		(708)	(648)
Travel and accommodation		(137)	(160)
Other expenses		(770)	(806)
Loss before income tax expense	5	(2,346)	(1,749)
Income tax expense		-	-
Loss after income tax expense for the half-year		(2,346)	(1,749)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency difference on translation of foreign operations		(1)	(8)
Other comprehensive income for the half-year		(1)	(8)
Total comprehensive loss for the half-year		<u>(2,347)</u>	<u>(1,757)</u>
Loss for the half-year is attributable to:			
Owners of Genetic Signatures Limited		(2,346)	(1,749)
		<u>(2,346)</u>	<u>(1,749)</u>
Total comprehensive loss for the half-year is attributable to:			
Owners of Genetic Signatures Limited		(2,347)	(1,757)
		<u>(2,347)</u>	<u>(1,757)</u>
		Cents	Cents
Basic loss per share	11	(2.10)	(1.68)
Diluted loss per share		(2.10)	(1.68)

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

Genetic Signatures Limited
Consolidated statement of financial position
As at 31 December 2019

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$'000s	\$'000s
Assets		
Current assets		
Cash and cash equivalents	40,441	6,312
Trade and other receivables	975	862
Inventories	1,382	1,354
Current tax asset	1,100	2,147
Total current assets	<u>43,898</u>	<u>10,675</u>
Non-Current Assets		
Property, plant and equipment	1,702	1,455
Right of use assets	6 907	-
Total non-current assets	<u>2,609</u>	<u>1,455</u>
Total assets	<u>46,507</u>	<u>12,130</u>
Liabilities		
Current liabilities		
Trade and other payables	898	1,051
Provisions	549	491
Lease liabilities	6 303	-
Total current liabilities	<u>1,750</u>	<u>1,542</u>
Non-current liabilities		
Provisions	26	19
Lease liabilities	6 601	-
Total non-current liabilities	<u>627</u>	<u>19</u>
Total liabilities	<u>2,377</u>	<u>1,561</u>
Net assets	<u>44,130</u>	<u>10,569</u>
Equity		
Issued capital	82,684	47,028
Reserves	1,620	1,369
Accumulated losses	(40,174)	(37,828)
Equity attributable to the owners of Genetic Signatures Limited	<u>44,130</u>	<u>10,569</u>
Total equity	<u>44,130</u>	<u>10,569</u>

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

Genetic Signatures Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital \$'000s	Share based payment Reserves \$'000s	Foreign currency translation reserve \$'000s	Accumulated losses \$'000s	Total equity \$'000s
Balance at 1 July 2018	46,778	987	(30)	(34,336)	13,399
Loss after income tax expense for the half-year	-	-	-	(1,749)	(1,749)
Other comprehensive income	-	-	(8)	-	(8)
Total comprehensive loss for the half-year	-	-	(8)	(1,749)	(1,757)
Contributions of equity, net of transaction costs (note 7)	50	-	-	-	50
Forfeiture of share-based payments	-	(30)	-	-	(30)
Share-based payments expense	-	213	-	-	213
Balance at 31 December 2018	46,828	1,170	(38)	(36,085)	11,875

Consolidated	Issued capital \$'000s	Share based payment Reserves \$'000s	Foreign currency translation Reserves \$'000s	Accumulated losses \$'000s	Total equity \$'000s
Balance at 1 July 2019	47,028	1,413	(44)	(37,828)	10,569
Loss after income tax expense for the half-year	-	-	-	(2,346)	(2,346)
Other comprehensive income	-	-	(1)	-	(1)
Total comprehensive loss for the half-year	-	-	(1)	(2,346)	(2,347)
Contributions of equity, net of transaction costs (note 7)	35,656	-	-	-	35,656
Forfeiture of share-based payments	-	(23)	-	-	(23)
Share-based payments expense	-	275	-	-	275
Balance at 31 December 2019	82,684	1,665	(45)	(40,174)	44,130

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

Genetic Signatures Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 \$'000	31 Dec 2018 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,871	2,302
Payments to suppliers and employees (inclusive of GST)		(5,961)	(4,872)
Interest received		53	92
Interest paid		(15)	-
R&D grant		2,147	2,561
Net cash (used in) / provided by operating activities		<u>(905)</u>	<u>83</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(512)</u>	<u>(259)</u>
Net cash used in investing activities		<u>(512)</u>	<u>(259)</u>
Cash flows from financing activities			
Proceeds from issue of shares	7	37,513	52
Share issue costs	7	(1,857)	(2)
Principal elements of lease payments		<u>(105)</u>	<u>-</u>
Net cash provided by financing activities		<u>35,551</u>	<u>50</u>
Net increase / (decrease) in cash and cash equivalents		34,134	(126)
Cash and cash equivalents at the beginning of the financial half-year		6,312	8,955
Effects of exchange rate changes on cash and cash equivalents		<u>(5)</u>	<u>(8)</u>
Cash and cash equivalents at the end of the financial half-year		<u>40,441</u>	<u>8,821</u>

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

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2019

Note 1. Significant accounting policies

Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half year reporting period other than the adoption of AASB 16 discussed below.

These financial statements have been prepared on the going concern basis which contemplates the consolidated entity's ability to pay its debts as and when they become due and payable for a period of at least 12 months from the date of authorising the financial report for issue.

New, revised or amending Accounting Standards and Interpretations adopted

AASB16 – Leases

The Group has elected to apply AASB 16 on a modified retrospective basis, and therefore, the comparative information has not been restated and continues to be reported under the preceding standard, AASB 117. This means AASB 16 is applied retrospectively with an adjustment to opening equity on the initial application date, as opposed to the previous accounting period. As a major component of the right of use assets recognised by the Group relates to a new lease agreement which took effect in August 2019, the transition exercise on adopting AASB 16 resulted in an immaterial adjustment to the opening balance of equity as at 1 July 2019, and therefore, no restatement has been recognised.

The Group leases business premises (offices and laboratories) and office equipment. Rental contracts are typically for a fixed period of 12 months to 60 months and may include extension options. From 1 July 2019 leases are recognised as a right of use asset and a corresponding liability at the date at which the lease is available for use by the Group. Assets and liabilities are measured on a present value basis.

Lease payments are discounted using the interest rate implicit in the lease. Where a rate cannot be readily determined from the lease (generally the case) then the lessee's incremental borrowing rate will be used, being the rate the lessee would have to pay to borrow the funds to obtain the equivalent asset. As the Group does not have any borrowings the incremental borrowing rate has been determined using a build-up approach whereby the risk-free rate is adjusted for credit risk, considering factors such as term, country, and currency.

The Group has no variable lease payments in its leases, nor do any of the leases have an option to extend the term.

Right of use assets are depreciated on a straight-line basis over the term of the lease.

Payments associated with short term leases (with a term <12 months), and leases of low value (<US\$5,000) are recognised on a straight-line basis as an expense in the profit & loss. Refer to note 6 for further information pertaining to the Group's right of use assets and liabilities.

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

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2019

Note 2: Financial Reporting Segments

The company is operated under one business segment which was the research and commercialisation of identifying individual genetic signatures to identify diseases and disabilities predominantly based within one geographical location being Sydney, Australia.

Geographic locations

Asia Pacific

The Group's head office and manufacturing operation is based in Sydney, Australia.

All revenue is generated within the Australian entity and all non-current assets are held within the Australian entity.

EMEA

This business comprises Eastern and Western Europe, Middle East including Israel, and Africa. The Group is represented by employees in UK, Germany and Netherlands but does not have an office.

Americas

The Group's North American business includes the United States and Canada. The Group proposes to sell products in this region and is currently having its products evaluated by the US FDA. Operations are currently based in California, USA.

Consolidated – Half year 2020	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
Trade sales	2,442	90	-	2,532
Intersegment sales	-	-	-	-
Total sales	2,442	90	-	2,532
Other revenue	1,172	-	-	1,172
Segment revenue	3,614	90	-	3,704
Segment result	(1,108)	(434)	(402)	(1,944)
Unallocated revenue less unallocated expenses				(402)
Loss before income tax				(2,346)
Income tax				-
Net loss				(2,346)

Consolidated – Half year 2019

Trade sales	2,192	61	1	2,254
Intersegment sales	-	-	-	-
Total sales	2,192	61	1	2,254
Other revenue	1,202	-	-	1,202
Segment revenue	3,394	61	1	3,456
Segment result	(952)	(159)	(309)	(1,420)
Unallocated revenue less unallocated expenses				(329)
Loss before income tax				(1,749)
Income tax				-
Net loss				(1,749)

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2019

Note 3: Disaggregation of revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
Consolidated – Half year 2020				
<i>Revenue lines</i>				
Reagents & consumables	2,401	90	-	2,491
Equipment sales & rental	-	-	-	-
Service contracts	41	-	-	41
	<u>2,442</u>	<u>90</u>	<u>-</u>	<u>2,532</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	2,401	90	-	2,491
Services transferred over time	41	-	-	41
	<u>2,442</u>	<u>90</u>	<u>-</u>	<u>2,532</u>
Consolidated – Half year 2019				
<i>Revenue lines</i>				
Reagents & consumables	2,162	61	1	2,224
Equipment sales & rental	-	-	-	-
Service contracts	30	-	-	30
	<u>2,192</u>	<u>61</u>	<u>1</u>	<u>2,254</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	2,162	61	1	2,224
Services transferred over time	30	-	-	30
	<u>2,192</u>	<u>61</u>	<u>1</u>	<u>2,254</u>

Note 4: Revenue

	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$'000s	\$'000s
<i>Sales revenue</i>		
Sale of goods	2,532	2,254
Interest	66	95
	<u>2,598</u>	<u>2,349</u>
<i>Other income</i>		
Government Grant (R&D tax concession)	1,100	1,101
Other income	6	6
	<u>1,106</u>	<u>1,107</u>
Total revenue and other income	<u>3,704</u>	<u>3,456</u>

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2019

Note 5: Expenses

	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$'000s	\$'000s
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Raw materials & consumables used	879	789
<i>Finance costs (included in Other expenses)</i>		
Interest and finance charges paid/payable for lease liabilities	15	-
<i>Depreciation and amortisation expense</i>		
Depreciation of property, plant and equipment	262	222
Amortisation of right of use assets	133	-
<i>Superannuation expense</i>		
Defined contribution superannuation expense	157	139

Note 6: Leases

	Consolidated	
	31 Dec 2019	1 Jul 2019
	\$'000s	\$'000s
(i) Amounts recognised in balance sheet		
<i>Right of use assets</i>		
Buildings	900	-
Equipment	7	-
	907	-
<i>Lease liabilities</i>		
Current	303	-
Non-current	601	-
	904	-
(ii) Amounts recognised in statement of profit or loss		
<i>Amortisation charge of right of use assets</i>		
Buildings	132	-
Equipment	1	-
	133	-
Interest expense (included in other expenses)	15	-
Expenses related to short-term leases (included in other expenses)	17	-

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2019

Note 7: Equity – Share issue

Share issues and associated costs during the half-year were as follows:

	31 Dec 2019 Shares	31 Dec 2018 Shares	Consolidated	
			31 Dec 2019 \$'000s	31 Dec 2018 \$'000s
Proceeds from the issue of shares				
- Share placement	35,714,286		35,000	-
- Share Purchase Plan	2,551,023	-	2,500	-
- employee share option exercise	25,000	100,000	13	52
Share issue costs	-	-	(1,857)	(2)
Net proceeds from the issue of shares	<u>38,290,309</u>	<u>100,000</u>	<u>35,656</u>	<u>50</u>

Note 8: Contingent liabilities

The consolidated entity does not have any material contingent liabilities at period-end.

Note 9: Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 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 10: Dividends

The consolidated entity has not declared or paid a dividend during the half-year.

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2019

Note 11: Earnings per share

	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$'000s	\$'000s
Loss after income tax	(2,346)	(1,749)
Loss after income tax attributable to the owners of Genetic Signatures Limited	(2,346)	(1,749)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	111,570,943	103,959,002
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares ¹	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	111,570,943	103,959,002
	Cents	Cents
Basic loss per share	(2.10)	(1.68)
Diluted loss per share	(2.10)	(1.68)

¹ Options were antidilutive in both the current and comparative period and thus not included in the dilutive loss per share calculation

Note 12: Capital commitments

There are no material current capital commitments.

Genetic Signatures Limited
Directors' declaration
31 December 2019

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Melki
Managing Director and CEO

26 February 2020
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Genetic Signatures Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Genetic Signatures Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO


Martin Coyle
Partner

Sydney, 26 February 2020

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