

**APPENDIX 4D
HALF-YEAR REPORT TO 31 DECEMBER 2022**



**PROTEOMICS INTERNATIONAL LABORATORIES LTD
ACN 169 979 971**
and Controlled Entity

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2022.

About Proteomics International Laboratories Ltd (PILL)

Proteomics International Laboratories Ltd (Proteomics International; ASX: PIQ), a medical technology company at the forefront of predictive diagnostics and bio-analytical services. Proteomics International's business model centres on the commercialisation of the company's world-leading predictive test for diabetic kidney disease, PromarkerD. The Company offsets the cash burn from R&D and product development through provision of specialist analytical services, whilst using its proprietary Promarker™ technology platform to create a pipeline of novel diagnostic tests.

www.proteomicsinternational.com

FOR FURTHER INFORMATION PLEASE CONTACT

Dr Richard Lipscombe, *Managing Director*: +61 8 9389 1992

Karen Logan, *Company Secretary*: +61 8 9321 0715

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Appendix 4D

Half Year Report for the six months to 31 December 2022

PROTEOMICS INTERNATIONAL LABORATORIES LTD
ACN 169 979 971

1. Reporting period

Report for the half-year ended	31 December 2022
Previous corresponding period is the half-year ended	31 December 2021

2. Results for announcement to the market

	Change	\$'000
Revenues from operating and other activities (<i>item 2.1</i>)	Up 19% to	775
(Loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up 27% to	(4,029)
Net (loss) for the period attributable to members (<i>item 2.3</i>)	Up 27% to	(4,029)
Dividends being proposed or declared for the period (<i>item 2.4</i>)	n/a	Nil
Dividend record date (<i>item 2.5</i>)	n/a	n/a

Explanation

Consolidated revenue from continuing operations, grants and other income for the six months to 31 December 2022 was \$774,800 (31 December 2021: \$650,193) an increase of 19%.

There was a net cash inflow for the half year of \$4,710,522 due to the proceeds of a capital raising (2021: net cash outflow \$1,055,251). The Consolidated Statement of Cash Flows shows a net cash outflow from operating activities over the half year of \$1,835,294 (2021: net cash outflow was \$1,183,182).

At 31 December 2022, the Company had cash reserves of \$6,822,036 and current receivables of \$211,086.

Please refer to the Directors' Report within the attached Financial Report for a detailed explanation of the figures reported above (*item 2.6*)

3. Net tangible assets per security (*item 3*)

	31 December 2022	31 December 2021
Net tangible asset backing per ordinary security	6.3 cents	4.6 cents

4. Entities over which control has been gained or lost (*item 4*): Not applicable

5. Dividends or Distributions (*items 5 & 6*): Not applicable

6. Associates and Joint venture entities (*item 7*): Not applicable

7. Foreign entities accounting standard (*item 8*): Not applicable

8. Independent review of the financial report (*item 9*):

The financial information provided in the Appendix 4D should be read in conjunction with the half-year financial statements and Directors' report (attached), which has been prepared in accordance with Australian Accounting Standards.

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PROTEOMICS INTERNATIONAL LABORATORIES LTD

ACN: 169 979 971

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2022**

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2022****TABLE OF CONTENTS**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Proteomics International Laboratories Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

The Directors present the financial report of Proteomics International Laboratories Ltd (Proteomics International) for the half-year ended 31 December 2022.

Director Details

The names of the Directors in office at any time during or since the end of the half-year are:

Name	Position
Mr Neville Gardiner	Non-Executive Chair
Dr Richard Lipscombe	Managing Director
Mr Ian Roger Moore	Non-Executive Director
Mr Paul House	Non-Executive Director
Dr Robyn Elliot	Non-Executive Director

REVIEW OF OPERATIONS

The six months to 31 December 2022 saw Proteomics International's principal activities fall into three key areas:

- (i) commercialisation of PromarkerD, the predictive test for diabetic kidney disease
- (ii) R&D for new diagnostic tests using the Promarker™ pipeline
- (iii) analytical services on a commercial basis

To implement this strategy, Proteomics International's business model is to continue the commercialisation of PromarkerD whilst using its Promarker™ technology platform to create a pipeline of novel diagnostic tests, and offset the cash burn from R&D and product development through its analytical services revenue, coupled with the R&D tax rebate. This diversified model enables the Group to make optimum use of its resources.

Significant half-year milestones included:

PromarkerD commercialisation

- **Binding letter of intent signed with Sonic Healthcare USA:** exclusive letter of intent to take PromarkerD into the US market
- **UK's National Institute for Health and Care Excellence (NICE) published Medtech Innovation Briefing on PromarkerD:** advice for clinicians reported that PromarkerD is effective at predicting renal function decline in people with type 2 diabetes
- **PromarkerD patent granted in Hong Kong:** region acts as an important gateway for the much larger China market
- **European PromarkerD patents expanded beyond diabetes:** New patent potentially doubles target audience by providing protection for using PromarkerD in Europeans with prediabetes
- **Clinical utility study showed PromarkerD test offers improved treatment options for doctors in the fight against diabetic kidney disease:** results published in peer-reviewed journal *PLOS ONE*

Promarker™ pipeline and Analytical Services

- **Potential breakthrough blood test able to detect people with endometriosis:** early version of test successfully detected up to 78% of people with the painful condition
- **New Promarker test for oesophageal cancer demonstrated strong diagnostic performance:** prototype diagnostic test for oesophageal adenocarcinoma detected up to 90% of people with the frequently-fatal condition
- **Precision diagnostics facility received \$2 million funding boost:** expansion of the WA Proteomics Facility to accelerate the development of precision diagnostics tests
- **OxiDx launched to maximise oxidative stress technology:** independent business spin-off to commercialise technology for measuring oxidative stress

Corporate

- **\$8m raised (before costs) in heavily oversubscribed Placement:** successful Placement supported by Australian institutions, and sophisticated and professional investors
- **Exercise of Director options and Completion of Placement by Directors:** a further \$518,000 was raised from directors after exercise of options and a shareholder approved placement
- **R&D tax incentive funding:** the company's cash reserves further strengthened by \$1.7 million government rebate

OPERATING RESULTS

Revenue

Consolidated revenue from continuing operations, grants and other income for the six months to 31 December 2022 was \$774,800 (31 December 2021: \$650,193) an increase of 19%.

Expenditure

Consolidated expenses for the six months to 31 December 2022 totalled \$4,803,458 (31 December 2021: \$3,812,579) an increase of 26%.

Net position

The Company reported a net loss for the six months to 31 December 2022 of \$4,028,658 (31 December 2021 loss: \$3,162,386).

Net cash flow

Cash and cash equivalents amounted to \$6,822,036 as at 31 December 2022 – with receivables of \$211,086 (30 June 2022: cash and cash equivalents was \$2,111,514 with receivables of \$440,125).

Overall, there was a net cash inflow for the half year of \$4,710,522 due to the proceeds of a capital raising (2021: net cash outflow \$1,055,251).

Net cash outflow from operating activities over the six months to 31 December 2022 was \$1,835,294 (31 December 2021 net cash outflow was \$1,183,182).

Net cash outflow from investing activities over the six months to 31 December 2022 was \$1,067,937 which includes the purchase of specialist laboratory equipment (31 December 2021: net cash outflow \$60,009).

Net cash inflow from financing activities over the six months to 31 December 2022 was \$7,613,753 due to the proceeds from a capital raising (31 December 2021: net cash inflow \$187,940).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the Company's state of affairs during or since the end of the reporting period.

EVENTS OCCURRING AFTER REPORTING PERIOD

- On 3 January 2023 the Company announced that a unique CPT PLA reimbursement code had been approved for PromarkerD in the United States. This code is key to PromarkerD being covered by both Medicare and private health insurers in the US.
- During the period from 11 January to 14 February 2023 the Company announced the exercise of employee and corporate advisory options, raising a total of \$2.04 million before costs and strengthening the Company's cash reserves.
- On 31 January 2023 the Company announced that the letter of intent (LOI) with Sonic Healthcare USA had been extended until 28 February 2023 to allow both parties the necessary time to finalise the agreement.

Other than as outlined above there has been no other matter or circumstance which has arisen since 31 December 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2022, of the Company,
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2022, of the Company.

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 5.

Signed in accordance with a resolution of the Directors.



Neville Gardiner
Chairman

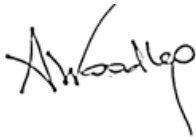
Perth, Western Australia on 27th day of February 2023

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF PROTEOMICS INTERNATIONAL LABORATORIES LIMITED

As lead auditor for the review of Proteomics International Laboratories Limited for the half-year ended 31 December 2022, 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 Proteomics International Laboratories Limited and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 27 February 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	Half-Year 31 December 2022 \$	31 December 2021 \$
Revenue from continuing operation			
- Services		431,138	631,241
- Research grants and other income		335,959	15,153
Other Income			
- Interest income		7,703	3,799
Total revenue from continuing operations		774,800	650,193
Employment and labour expenses		2,399,092	1,915,775
Share based payment expense		175,055	179,574
Depreciation expense		233,798	207,102
Intellectual property maintenance expenses		206,041	42,786
Interest expense		-	424
Interest expense - lease liabilities		-	1,649
Laboratory supplies		861,218	674,431
Professional fees		487,122	430,306
Travel and marketing expenses		47,523	33,205
Laboratory access fees		74,319	49,474
Unrealised (gain) in foreign currency translation		(327)	(1,907)
Realised (gain) in foreign currency translation		(834)	-
Other expenses		320,451	279,760
Total expenditure		4,803,458	3,812,579
(Loss) before income tax		(4,028,658)	(3,162,386)
Income tax (expense) / benefit		-	-
(Loss) after income tax from continuing operations		(4,028,658)	(3,162,386)
Total comprehensive (loss) attributable to equity holders of Proteomics International Laboratories Ltd		(4,028,658)	(3,162,386)
Basic and diluted (loss) per share for the half-year attributable to the members of Proteomics International Laboratories Ltd		(\$0.03)	(\$0.03)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31 December 2022 \$	30 June 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,822,036	2,111,514
Trade and other receivables	4	211,086	440,125
Other assets	5	100,231	1,810,513
TOTAL CURRENT ASSETS		<u>7,133,353</u>	<u>4,362,152</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,807,530	973,391
Other assets	5	12,720	59,563
Intangible assets		1,012	1,012
TOTAL NON-CURRENT ASSETS		<u>1,821,262</u>	<u>1,033,966</u>
TOTAL ASSETS		<u>8,954,615</u>	<u>5,396,118</u>
CURRENT LIABILITIES			
Trade and other payables	7	362,423	1,148,677
Deferred income		316,112	355,977
Provisions	8	324,313	197,031
TOTAL CURRENT LIABILITIES		<u>1,002,848</u>	<u>1,701,685</u>
NON-CURRENT LIABILITIES			
Deferred income		717,715	133,920
Provisions	8	80,060	166,671
TOTAL NON-CURRENT LIABILITIES		<u>797,775</u>	<u>300,591</u>
TOTAL LIABILITIES		<u>1,800,623</u>	<u>2,002,276</u>
NET ASSETS		<u>7,153,992</u>	<u>3,393,842</u>
EQUITY			
Issued capital	9	27,133,729	19,340,914
Reserves	11	1,678,991	1,682,998
Accumulated losses		(21,658,728)	(17,630,070)
TOTAL EQUITY		<u>7,153,992</u>	<u>3,393,842</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Issued Capital Ordinary \$	Reserves \$	(Accumulated Losses) \$	Total Equity \$
Balance as at 1 July 2022	19,340,914	1,682,998	(17,630,070)	3,393,842
(Loss) for the period	-	-	(4,028,658)	(4,028,658)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)	-	-	(4,028,658)	(4,028,658)
Transactions with Equity Holders in their capacity as Equity Holders				
Equity Issued net of share issue costs	7,345,753	-	-	7,345,753
Conversion of Options	447,062	(179,062)	-	268,000
Share based payments expense	-	175,055	-	175,055
	7,792,815	(4,007)	-	7,788,808
Balance as at 31 December 2022	27,133,729	1,678,991	(21,658,728)	7,153,992
Balance as at 1 July 2021	19,095,227	1,171,305	(12,657,110)	7,609,422
(Loss) for the period	-	-	(3,162,391)	(3,162,391)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)	-	-	(3,162,391)	(3,162,391)
Transactions with Equity Holders in their capacity as Equity Holders				
Equity Issued net of share issue costs	221,935	-	-	221,935
Share based payments expense	-	179,574	-	179,574
	221,935	179,574	-	401,509
Balance as at 31 December 2021	19,317,162	1,350,879	(15,819,496)	4,848,545

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 December 2022 \$	Half-Year 31 December 2021 \$
Cash flows from operating activities		
Receipts from customers and other income	1,515,402	727,425
Payments to suppliers and employees	(5,070,301)	(3,152,489)
Interest paid	-	(2,073)
Interest received	7,703	3,799
Research and Development tax incentive	1,711,902	1,240,156
Net cash (outflow) from operating activities	<u>(1,835,294)</u>	<u>(1,183,182)</u>
Cash flows from investing activities		
Payment for property, plant and equipment	(1,067,937)	(60,009)
Net cash (outflow) from investing activities	<u>(1,067,937)</u>	<u>(60,009)</u>
Cash flows from financing activities		
Repayment of lease liabilities	-	(33,995)
Proceeds from issue of shares	7,345,753	221,935
Proceeds from conversion of options	268,000	-
Net cash inflow from financing activities	<u>7,613,753</u>	<u>187,940</u>
Cash and cash equivalents at 1 July	2,111,514	5,604,834
Net increase (decrease) in cash and cash equivalents	<u>4,710,522</u>	<u>(1,055,251)</u>
Cash and cash equivalents at 31 December	<u><u>6,822,036</u></u>	<u><u>4,549,583</u></u>

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

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report of Proteomics International Laboratories Ltd and its subsidiaries (the Company) was authorised for issue in accordance with a resolution of the Directors on the 27th day of February 2023. This half-year financial report does not include all the information and disclosures required in the annual financial report, and therefore should be read in conjunction with the annual financial report for the year ended 30 June 2022.

The Company is a public company limited by shares and incorporated and domiciled in Australia, and whose shares are traded on the Australian Securities Exchange.

(a) Basis of preparation

The principle accounting policies adopted for the preparation of these half-year financial statements are set out below.

(i) Statement of compliance

The financial statements of the Company for the six months ended 31 December 2022 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

This half-year financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

The Company is a for profit Company for the purpose of preparing the half-year financial statements.

The financial statements of the Company for the six months ended 31 December 2022 also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) Basis of measurement

The financial statements of the Company for the six months ended 31 December 2022 have been prepared on an accruals basis and are based on historical costs other than investments which are recorded at fair value.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Segment information

AASB 8 – Operating Segments, requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period.

The Board monitors the operations of the Company as one single segment. The actual to budget items and a detailed profit or loss are reported to the Board to assess the Company's performance.

(c) Significant accounting policies

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the Standards and Interpretations described below.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Adoption of new and revised standards

The Company has adopted new and revised Accounting Standards that are mandatory for the current reporting period.

The Directors have also reviewed new and revised standards and interpretations in issue not yet adopted that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2022.

The Directors have determined that there is no material impact of the new and revised standards and interpretations in issue not yet adopted and therefore no material change is necessary to the Company's accounting policies.

NOTE 2: DIVIDENDS

Since 30 June 2022 no dividend has been paid or declared (31 December 2021: Nil)

	31 December 2022	30 June 2022
	\$	\$
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash at bank	609,951	1,111,514
Deposits at call	6,212,085	1,000,000
Total cash and cash equivalents	<u>6,822,036</u>	<u>2,111,514</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

Trade receivables	259,073	438,102
Less: Expected credit losses (c)	47,987	-
Add: Other receivables - GST Receivable	<u>-</u>	<u>2,023</u>
Total trade and other receivables	<u>211,086</u>	<u>440,125</u>

(a) Classification of trade and other receivables:

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The trade receivables are generally due for settlement within 60 days and therefore are classified as current.

(b) Fair value of trade and other receivables:

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(c) The Company has adopted the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit loss is calculated to be \$47,987 as at 31 December 2022 (nil as at 30 June 2022).

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**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR
 THE PERIOD ENDED 31 DECEMBER 2022**

	31 December 2022 \$	30 June 2022 \$
NOTE 5: OTHER ASSETS		
Current:		
Research and development tax incentive	-	1,711,903
Patent fee advances	13,450	7,860
Accrued income	-	7,000
Prepayments (i)	<u>86,781</u>	<u>83,750</u>
	<u>100,231</u>	<u>1,810,513</u>
Non-Current:		
Other receivables	<u>12,720</u>	<u>59,563</u>

(i) comprises insurance, and equipment maintenance agreements.

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment at cost	3,644,429	2,576,492
Accumulated depreciation	<u>(1,836,899)</u>	<u>(1,603,101)</u>
Closing Net Book Value	<u>1,807,530</u>	<u>973,391</u>

Reconciliation:

Opening net book value	973,391	1,196,876
Additions	1,067,937	129,463
Disposals	-	-
Depreciation charge	<u>(233,798)</u>	<u>(352,948)</u>
Closing Net Book Value	<u>1,807,530</u>	<u>973,391</u>

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**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR
 THE PERIOD ENDED 31 DECEMBER 2022**

	31 December 2022 \$	30 June 2022 \$
NOTE 7: TRADE AND OTHER PAYABLES		
Current:		
Trade payables	71,772	517,047
Other payables	<u>290,651</u>	<u>631,630</u>
	<u>362,423</u>	<u>1,148,677</u>

(a) Classification of trade and other payables:

Trade payables are unsecured and are usually paid within 60 days of recognition and therefore classified as current.

(b) Fair value of trade and other payables:

The carrying amount of trade and other payables are assumed to be the same as their fair value, due to their short-term nature.

NOTE 8: PROVISIONS
Current:

Employee benefits – long service leave	126,298	-
Employee benefits – annual leave	<u>198,015</u>	<u>197,031</u>
	<u>324,313</u>	<u>197,031</u>

Non-Current:

Employee benefits – long service leave	<u>80,060</u>	<u>166,671</u>
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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 9: ISSUED CAPITAL

	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$	30 June 2022 \$
Ordinary Shares	115,588,713	105,705,875	27,133,729	19,340,914

Movements in share capital

Date	Details	Number of Shares	\$
01/07/2022	Opening balance	105,705,875	19,340,914
11/07/2022	Exercise of performance rights (i)	47,778	-
19/08/2022	Issue of shares (ii)	9,117,647	7,750,000
22/08/2022	Exercise of performance rights (iii)	23,295	-
22/11/2022	Exercise of options (iv)	400,000	447,062
24/11/2022	Issue of shares (v)	294,118	250,000
	Less: Transaction costs		(654,247)
31/12/2022	Closing balance	115,588,713	27,133,729

- (i) Unquoted Class A performance rights to employees.
- (ii) Issued to Australian-based institutions, and sophisticated and professional investors.
- (iii) Unquoted performance rights to key management personnel.
- (iv) Director options exercised by Terry Sweet, Ian Roger Moore and Paul House.
- (v) Issued to Directors Neville Gardiner, Ian Roger Moore and Paul House following receipt of shareholder approval on 24 November 2022.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

Every holder of ordinary shares present at a meeting in person or by proxy (or where a Direct Vote has been lodged) is entitled to one vote per share held.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 10: OPTIONS

(a) Options - Issued

	31 December 2022	30 June 2022
	Number of Options	Number of Options
Options exercisable at \$0.67 each	-	400,000
Options exercisable at \$0.50 each (i)	2,790,279	2,790,279
Options exercisable at \$0.50 each (ii)	400,000	400,000
Options exercisable at \$0.50 each (iii)	1,250,000	1,250,000
Options exercisable at \$0.75 each (iv)	1,100,000	1,100,000
Options exercisable at \$0.75 each (v)	1,100,000	1,100,000
Options exercisable at \$1.75 each (vi)	500,000	500,000
Options exercisable at \$1.44 each (vii)	300,000	300,000
Options exercisable at \$1.16 each (viii)	150,000	150,000
Options exercisable at \$1.32 each (ix)	375,000	-
Options exercisable at \$1.76 each (x)	375,000	-
Total issued options	8,340,279	7,990,279

Movements in options issued

Date	Details	Average exercise price	Number of options
01/07/2022	Opening balance	\$0.62	7,990,279
02/08/2022	Options exercised	\$0.67	(400,000)
24/11/2022	Director C Options issued (ix)	\$1.32	375,000
24/11/2022	Director D Options issued (x)	\$1.76	375,000
31/12/2022	Closing balance	\$0.78	8,340,279

- (i) Unlisted – issued to corporate advisors – Alto Capital and Adelaide Equity Partners for services provided.
- (ii) Unlisted – employee options issued to employees for nil consideration under an Employee Incentive Option Plan.
- (iii) Unlisted – issued to consultant, Candour Advisory Pty Ltd for services provided.
- (iv) Unlisted – issued to consultant, Euroz Hartleys Securities Ltd for services provided.
- (v) Unlisted – issued to consultant, Candour Advisory Pty Ltd for services provided.
- (vi) Unlisted – issued to consultant, Euroz Hartleys Securities Ltd for services provided.
- (vii) Unlisted – issued to key management personnel (COO) under Employee Incentive Options Plan.
- (viii) Unlisted – issued to key management personnel (CFO) under Employee Incentive Options Plan.
- (ix) Unlisted – Director C options issued to Directors – Neville Gardiner and Dr Robyn Elliot for nil consideration and issued as a reward and incentive following receipt of shareholder approval on 24 November 2022.
- (x) Unlisted – Director D options issued to Directors – Neville Gardiner and Dr Robyn Elliot for nil consideration and issued as a reward and incentive following receipt of shareholder approval on 24 November 2022.

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 10: OPTIONS (continued)

(a) Options – Issued (continued)

Fair Value of Director C and Director D Options.

These unissued options, offered on 15 November 2021 to newly appointed non-executive Directors Neville Gardiner and Dr Robyn Elliot as a reward and incentive, were subject to shareholder approval, and were provisionally valued at the grant/valuation date of 30 June 2022.

The issue of these Director C and Director D options was approved by the shareholders at the AGM held on 24 November 2022, and they have been revalued at the issue date as follows:

<u>Particulars</u>	<u>Director C</u>	<u>Director D</u>
Number of options	375,000	375,000
Valuation date	24 November 2022	24 November 2022
Expiry date	23 November 2025	23 November 2026
Underlying share price used	\$0.85	\$0.85
Exercise price	\$1.32	\$1.76
Risk-free rate	3.24%	3.29%
Volatility	75%	75%
Dividend yield	nil	nil
Valuation per Option	\$0.3364	\$0.3483

The revised value placed on these Director C options is \$126,146 and the amount allocated to the share based payment expense in the statement of profit or loss and other comprehensive income in the period ended 31 December 2022 is \$33,843.

The revised value placed on these Director D options is \$130,622 and the amount allocated to the share based payment expense in the statement of profit or loss and other comprehensive income in the period ended 31 December 2022 is \$36,335.

The Company has used the Black Scholes Model to value the Director C and Director D options.

(b) Options - Unissued

	31 December 2022	30 June 2022
	Number of Options	Number of Options
Director C Options exercisable at \$1.72 each	-	375,000
Director D Options exercisable at \$2.29 each	-	375,000
Total Unissued options	-	750,000

These unissued options were issued following shareholder approval at the AGM held on 24 November 2022 refer Note 10(a) for further details.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

	31 December 2022 \$	30 June 2022 \$
NOTE 11: RESERVES		
Share based payments reserve comprising:		
(a) Unlisted Options		
Payments to consultants	783,666	783,666
Employee share scheme	208,577	208,577
Director A & B options	-	179,062
Director C & D options (i)	256,768	186,589
Key Management Personnel (ii)	137,461	107,769
(b) Unlisted Performance Rights		
Key Management Personnel (a)	168,746	118,355
Employees (b)	<u>123,773</u>	<u>98,980</u>
	<u>1,678,991</u>	<u>1,682,998</u>

- (i) Refer Note 10(a) for further details
- (ii) Refer Note 10(a) for further details

(a) Performance Rights issued to Key Management Personnel

Class of performance rights	Number issued to Chief Commercialisation Officer	Number issued to Chief Financial Officer
Tranche 2 performance rights	11,774	11,574
Milestone A performance rights	50,000	-
Milestone B performance rights	50,000	-
Milestone C performance rights	100,000	50,000

Tranche 2 and Milestone A, B & C performance rights are each subject to their service and non-market conditions.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 11: RESERVES (continued)

Movement in Performance Rights issued to Key Management Personnel

<u>Class of performance rights</u>	<u>Number issued to Chief Commercialisation Officer</u>	<u>Number issued to Chief Financial Officer</u>
Tranche 1 performance rights	11,774	11,521
Performance rights exercised	(11,774)	(11,521)
Balance remaining	Nil	Nil

Tranche 1 performance rights were exercised on 22 August 2022 – refer Note 9 for further details.

(b) Performance Rights issued to Employees

<u>Class of performance rights</u>	<u>Number Issued</u>	<u>Exercised</u>	<u>Lapsed</u>	<u>Number Remaining</u>
Class A performance rights	47,778	47,778	Nil	Nil
Class B performance rights	47,778	Nil	8,080	39,698
Class C performance rights	47,778	Nil	8,080	39,698
FY23 Class A performance rights	55,898	Nil	Nil	55,898
FY23 Class B performance rights	55,898	Nil	Nil	55,898
FY23 Class C performance rights	55,898	Nil	Nil	55,898

Class A performance rights were exercised on 11 July 2022.

8,080 Class B performance rights and 8,080 Class C performance rights lapsed during the period ended 31 December 2022 due to the conditions becoming incapable of being satisfied.

FY23 Class A performance rights - subject to continuous service under the Employment Contract – issued on 22 November 2022 and will vest on 30 June 2023.

FY23 Class B performance rights - subject to continuous service under the Employment Contract – issued on 22 November 2022 and will vest on 30 June 2024.

FY23 Class C performance rights - subject to continuous service under the Employment Contract – issued on 22 November 2022 and will vest on 30 June 2025.

The fair value placed on these FY23 performance rights is \$144,216 and the amount allocated to the share based payment expense in the statement of profit or loss and other comprehensive income in the period ended 31 December 2022 is \$6,813.

NOTE 12: KEY MANAGEMENT PERSONNEL (KMP) AND RELATED PARTIES

Other than the COO and CFO options outlined at note 10(a) above, the Performance Rights to KMP outlined at note 11(a) above, and the Director C and D options outlined at note 10(a) above, there were no other transactions with KMP or related parties in the period to 31 December 2022.

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 13: COMMITMENTS

Commitments are consistent with those disclosed in the 30 June 2022 annual report.

NOTE 14: CONTINGENT LIABILITIES

The Company is not aware of any material contingent liabilities as at 31 December 2022.

NOTE 15: EVENTS OCCURRING AFTER REPORTING PERIOD

- On 3 January 2023 the Company announced that a unique CPT PLA reimbursement code had been approved for PromarkerD in the United States. This code is key to PromarkerD being covered by both Medicare and private health insurers in the US.
- During the period from 11 January to 14 February 2023 the Company announced the exercise of employee and corporate advisory options, raising a total of \$2.04 million before costs and strengthening the Company's cash reserves.
- On 31 January 2023 the Company announced that the letter of intent (LOI) with Sonic Healthcare USA had been extended until 28 February 2023 to allow both parties the necessary time to finalise the agreement.

Other than as outlined above there has been no other matter or circumstance which has arisen since 31 December 2022 that has significantly affected or may significantly affect:

- a) the operations, in financial periods subsequent to 31 December 2022, of the Company,
- b) the results of those operations, or
- c) the state of affairs, in financial periods subsequent to 31 December 2022, of the Company.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes in accordance with the Corporations Act 2001:

1. Comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
2. Give a true and fair view of the financial position of the consolidated entity as at 31 December 2022 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Proteomics International Laboratories Ltd will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Managing Director and Chairman required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.



Neville Gardiner
Chairman

Dated at Perth, Western Australia this 27th day of February 2023.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Proteomics International Laboratories Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Proteomics International Laboratories Limited which comprises the consolidated statement of financial position as at 31 December 2022, 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 ended on that date, a summary of significant 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

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Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2022 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*.

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.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, light grey BDO logo.

Ashleigh Woodley

Director

Perth, 27 February 2023

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