

Quarterly Activities Report - 31 March 2019

Genetic Signatures Limited (ASX: GSS, “**Genetic Signatures**” or the “**Company**”) is pleased to report on its activities for the quarter ended 31 March 2019 (“3Q FY19”).

Highlights

- Strong revenue growth of +49% on pcp to A\$1.1m in 3Q FY19
- Cash receipts for the quarter of \$1.2m
- International expansion progressing well with recently appointed, highly experienced team to drive sales in Europe
- Continued progress towards FDA clearance of the *EasyScreen™* Enteric Protozoan Detection Kit
- Cash balance at the close of the quarter of A\$7.8m with no debt

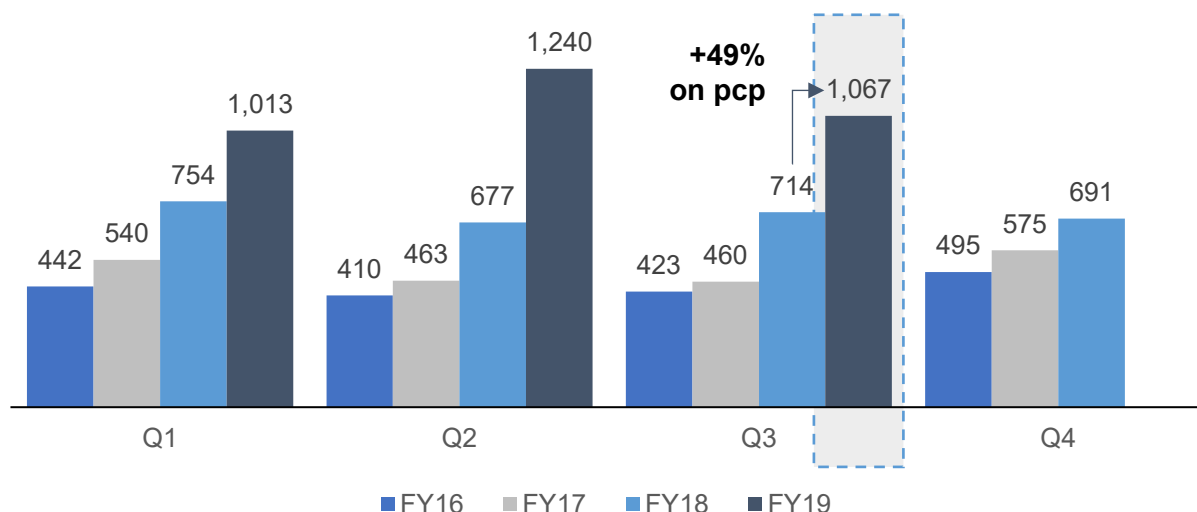
Genetic Signatures CEO, Dr. John Melki commented:

*“We are pleased to report consecutive quarters of strong revenue growth, with sales and development efforts continuing to generate increased interest in our **3base™** technology and expanding *EasyScreen™* product range.*

2019 is expected to be a significant year for GSS, with a number of key milestones to be achieved, including advancing our FDA clearance application. In Europe, we are excited by the recent appointments of senior sales executives. They have already established contact with key sites in the region to actively market the Genetic Signatures advantage.

Sales update

Figure 1: Genetic Signature’s quarterly revenue (A\$’000)



Genetic Signatures recorded impressive revenue growth in 3Q FY19, with sales revenue of A\$1.1m, an increase of +49% over the prior corresponding period (“pcp”). The strong increase was driven by repeat orders and the adoption of new tests by existing customers. Multiple customers are currently assessing **3base™** Detection Kits in their own laboratories, as a precursor to potentially securing additional supply contracts in the coming quarters.

Genetic Signatures expanded its global sales force this quarter with the appointment of senior sales executives in Europe. The new sales executives have completed training in Australia and are now undertaking a 7-week intensive product training program in Europe. They have identified numerous pathology labs who wish to examine the benefits of the *EasyScreen™* tests.

Genetic Signatures was cited as the most accurate test for identifying *D. fragilis* at the recent ECCMID 2019 conference in Amsterdam where Rory Gough from St. Vincent's Hospital Pathology presented “*On the importance of validating Dientamoeba fragilis real-time PCR assays*”. ECCMID is the premier conference in Europe for clinical microbiology, and presentation slots at the conference are keenly sought.

ECCMID 2019: Conference booth and Genetic Signatures staff



Regulatory update

FDA clearance for the **3base™** *EasyScreen™* Enteric Protozoan Kit is on track. Genetic Signatures continues to execute on its US commercialisation strategy, including promoting the ASR (Analyte Specific Reagent) offering.

The **3base™** *EasyScreen™* Respiratory Pathogen Detection Kit TGA submission remains under review and registration is expected in the coming months. European and Australian applications for the *EasyScreen™* STI / Genital and Flavivirus / Alphavirus Detection Kits are also continuing. Further, the Company is also in the early stages of developing additional kits to broaden the product portfolio.

Corporate update

As at 31 March 2019, the Company held A\$7.8m in cash and cash equivalents. Net operating cash outflows of A\$1.2m were recorded and included collections from customers of A\$1.2m.

Upcoming activities

- Present and exhibit at the ASM Clinical Virology Symposium in Savannah, USA in May 2019
- Progress FDA clearance process
- Commence new product trials with customers in the US and EU in addition to continuation of trials already underway
- Receive confirmation of registration for *EasyScreen*TM Respiratory Detection Kit with TGA (application submitted)
- Complete regulatory applications for *EasyScreen*TM STI / Genital Pathogen and Flavivirus / Alphavirus Detection Kits in Australia and Europe

- END -

For further information, see our website (www.geneticsignatures.com) or contact us as below:

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About Genetic Signatures Limited: Genetic Signatures is a specialist molecular diagnostics (MDx) company focused on the development and commercialisation of its proprietary platform technology, **3base**TM. Genetic Signatures designs and manufactures a suite of real-time Polymerase Chain Reaction (PCR) based products for the routine detection of infectious diseases under the *EasyScreen*TM brand. Genetic Signatures' proprietary MDx **3base**TM platform technology provides high-volume hospital and pathology laboratories the ability to screen for a wide array of infectious pathogens, with a high degree of specificity, in a rapid throughput (time-to-result) environment. Genetic Signatures' current target markets are major hospital and pathology laboratories undertaking infectious disease screening.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

GENETIC SIGNATURES LIMITED

ABN

30 095 913 205

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,196	3,498
1.2	Payments for		
	(a) research and development	(249)	(897)
	(b) product manufacturing and operating costs	(354)	(1,143)
	(c) advertising and marketing	(135)	(296)
	(d) leased assets	(62)	(200)
	(e) staff costs	(1,269)	(3,482)
	(f) administration and corporate costs	(367)	(1,290)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	39	131
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	2,561
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,201)	(1,118)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(53)	(312)
	(b) businesses (see item 10)		
	(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	(d) intellectual property		
	(e) other non-current assets		
	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
	2.3 Cash flows from loans to other entities		
	2.4 Dividends received (see note 3)		
2.5	Other (Security Deposit)		
2.6	Net cash from / (used in) investing activities	(53)	(312)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	201	253
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(2)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
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	201	251

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	8,821	8,955
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,201)	(1,118)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(53)	(312)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	201	251

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(10)	(18)
4.6	Cash and cash equivalents at end of quarter	7,758	7,758

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	2,165	3,321
5.2 Term deposits	5,593	5,500
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,758	8,821

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

185

-

Directors' fees and CEO salary

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(310)
9.2 Product manufacturing and operating costs	(392)
9.3 Advertising and marketing	(120)
9.4 Leased assets	(60)
9.5 Staff costs	(1,434)
9.6 Administration and corporate costs	(319)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,635)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Not applicable	Not applicable
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.

Sign here:



Date: 29 April 2019

Company Secretary

Print name: Peter Manley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.